

RED MILE CAPITAL CORP.

STOCK OPTION PLAN

1. The Plan

A Stock Option Plan (the "Plan") pursuant to which options to purchase common shares ("Shares") in the capital of RED MILE CAPITAL CORP. (the "Corporation") may be granted to the directors, officers, employees and consultants of the Corporation, and to holding companies wholly-owned by such persons, is hereby established on the terms set forth below.

2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and key employees of the Corporation and consultants retained by the Corporation to acquire Shares, thereby (i) increasing the proprietary interests of such persons in the Corporation, (ii) aligning the interests of such persons with the interests of the Corporation's shareholders generally, (iii) encouraging such persons to remain associated with the Corporation, and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

3. Administration

- (a) This Plan shall be administered by the board of directors of the Corporation (the "Board").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options (as hereinafter defined), all on such terms (which may vary between Options) as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder, (ii) prescribe, amend and rescind rules and regulations relating to this Plan and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated the administration and operation of this Plan pursuant to this section 3.
- (d) Options to purchase the Shares granted hereunder ("Options") shall be evidenced by an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve.

4. Shares Subject to Plan

- (a) Subject to section 15 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares. Whenever used herein, the term "Shares" shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below.

- (b) The aggregate number of Shares reserved for issuance under this Plan, or any other plan of the Corporation, shall not exceed ten percent (10%) of the issued and outstanding shares of the Corporation, at the time of the stock option grant, unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are listed to exceed such threshold and any requisite shareholder approval.
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.

6. Eligibility and Participation

- (a) The Board may, in its discretion, select any of the following persons to participate in this Plan:
 - (i) directors of the Corporation;
 - (ii) officers of the Corporation;
 - (iii) key employees of the Corporation;
 - (iv) consultants retained by the Corporation, provided such consultants have
 - (v) performed and continue to perform services for the Corporation on an ongoing basis or are expected to provide a service of considerable value to the Corporation;
 - (vi) persons employed to provide investor relations activities; and
 - (vii) a corporation wholly owned by any of the foregoing;

(any such person having been selected for participation in this Plan by the Board is herein referred to as a "Participant").
- (b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approval.
- (c) For stock options granted to employees, consultants or management company employees, the Corporation represents that the Participant is a *bona fide* employee, consultant or management company employee as the case may be.

7. Exercise Price

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option, provided that in the event of Options granted prior to the listing of the Shares on a recognized stock exchange, the exercise price shall not be less than the issue price per share of the initial public offering of Shares of the Corporation and in the event of Options granted after such time, such exercise price shall not be less than that from time to time permitted by the stock exchange on which the Shares are listed. In the event that there is any reduction in the exercise price, disinterested shareholder approval will be required if the Participant is an insider of the Corporation.

8. Number of Optioned Shares

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to any one Participant under this Plan or any other plan of the Corporation, shall not exceed:

- (a) five percent (5%) of the total number of issued and outstanding Shares (determined at the date the Option was granted and calculated on a non-diluted basis) to any one individual in a 12 month period;
- (b) two percent (2%) of the total number of issued and outstanding Shares (determined at the date the Option was granted and calculated on a non-diluted basis) to any one consultant in a 12 month period; and
- (c) two percent (2%) of the total number of issued and outstanding Shares of the issuer (determined at the date the Option was granted and calculated on a non-diluted basis) to persons employed to provide investor relations activities in any 12 month period;

unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are listed to exceed such threshold.

9. Term

The period during which an Option may be exercised (the "Option Period") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board at the time such Option is granted, provided that:

- (a) no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted;
- (b) the Option Period shall be automatically reduced in accordance with Sections 11 and 12 below upon the occurrence of any of the events referred to therein; and
- (c) no Option in respect of which shareholder approval is required under the rules of any stock exchange or exchanges on which the Shares are listed shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation.

10. Method of Exercise of Option

- (a) Except as set forth in Sections 11 and 12 below, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation;
- (b) Options may be exercised in whole or in part;
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Calgary, Alberta:
 - (i) a written notice expressing the intention of such Participant (or his legal, personal representative) to exercise his Option and specifying the number of Shares in respect of which the Option is exercised; and
 - (ii) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his legal, personal representative) shall have then paid for.

11. Ceasing to be a Director, Officer, Employee or Consultant

If any Participant who is a director, officer, employee or consultant of the Corporation shall cease to be a director, officer, employee or consultant of the Corporation for any reason other than death, permanent disability or normal retirement, his Option will terminate at 5:00 p.m. (Calgary time) on the earlier of: (i) the date of the expiration of the Option Period; and (ii) the ninetieth (90th) day after the date such Participant ceases to be a director, officer, employee or consultant of the Corporation or the date that is 12 months from the completion of the Qualifying Transaction, whichever of such events in this (ii) is later.

If any Participant who is engaged in investor relations activities of the Corporation ceases to be retained by the Corporation for any reason other than death, permanent disability or normal retirement, his Option will terminate at 5:00 p.m. (Calgary time) on the earlier of the date of the expiration of the Option Period and the thirtieth (30th) day after the date such Participant ceases to be retained by the Corporation.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall (i) confer upon such Participant any right to continue as a director, officer, employee or consultant of the Corporation, as the case may be, or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation, as the case may be.

12. Death, Permanent Disability or Normal Retirement of a Participant

In the event of the death, permanent disability or normal retirement of a Participant, any Option previously granted to him shall be exercisable until the earlier of (i) the end of the Option Period; or (ii) until the expiration of ninety (90) days from the date of the normal retirement of such Participant, or one (1) year from the date of the death or permanent disability of such Participant, and then, in the event of death or permanent disability, only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and

- (b) to the extent that he was entitled to exercise the Option as at the date of his death or permanent disability.

13. Rights of Participants

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

14. Proceeds from Exercise of Options

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

15. Adjustments

- (a) The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made changing the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.
- (b) Adjustments under this Section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued under this Plan on any such adjustment.

16. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of a Participant any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

17. Amendment and Termination of Plan

The Board may, at any time, suspend or terminate this Plan. The Board may also at any time amend or revise the terms of this Plan, subject to regulatory approval and, if deemed necessary or desirable by the Board, shareholder approval.

18. Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

19. Stock Exchange Rules

This Plan and any option agreements entered into hereunder shall comply with the requirements of the stock exchange or exchanges on which the Shares are listed.

20. Gender

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

21. Interpretation

This Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

Dated as of the 6 day of June, 2007.

RED MILE CAPITAL CORP.

Per: _____