UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

S Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **September 30, 2007**

£ Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission File Number: **000-27239**

TAPIMMUNE INC.

(Name of small business issuer in its charter)

NEVADA	**88-0277072**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Unit 2, 3590 West 41st Avenue, Vancouver, British Columbia, Canada	**V6N 3E6**
(Address of principal executive offices)	(Zip Code)

(604) 264-8274

(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes S No £

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes £ No S

As of November 13, 2007, the Company had **23,502,681** shares of common stock issued and outstanding.

Transitional Small Business Disclosure Format (check one): Yes £ No S

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TAPIMMUNE INC.

(formerly GeneMax Corp.)

QUARTERLY REPORT ON FORM 10-QSB
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

FORWARD-LOOKING STATEMENTS

This Form 10-QSB for the quarterly period ended September 30, 2007 contains forward-looking statements that involve risks and uncertainties. Forward-looking statements in this document include, among others, statements regarding our capital needs, business plans and expectations. Such forward-looking statements involve assumptions, risks and uncertainties regarding, among others, the success of our business plan, availability of funds, government regulations, operating costs, our ability to achieve significant revenues, our business model and products and other factors. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. In evaluating these statements , you should consider various factors, including the assumptions, risks and uncertainties set forth in reports and other documents we have filed with or furnished to the SEC, including, without limitation, our Form 10-KSB for the year ended December 31, 2006. These factors or any of them may cause our actual results to differ materially from any forward-looking statement made in this document. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding future events, our actual results will likely vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. The forward-looking statements in this document are made as of the date of this document and we do not intend or undertake to update any of the forward-looking statements to conform these statements to actual results, except as required by applicable law, including the securities laws of the United States.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited consolidated interim financial statements of TapImmune Inc. are included in this Quarterly Report on Form 10-QSB:

TAPIMMUNE INC.
(formerly GeneMax Corp.)
(a development stage company)
CONSOLIDATED BALANCE SHEETS

	September 30, 2007 (Unaudited)	December 31, 2006
ASSETS		
Current Assets		
Cash	$132,053	$120,436
Prepaid expenses and other receivables	73,163	33,734
	205,216	154,170
Furniture and Equipment, net (Note 3)	18,492	166
	$223,708	$154,336
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable and accrued liabilities	$881,215	$889,395
Research agreement obligations (Note 4)	194,516	151,066
Convertible notes payable (Note 5)	66,633	629,592
Convertible note subscriptions received (Note 5)	200,000	1,086,000
Note payable (Note 5)	125,000	-
Due to related parties (Note 6)	77,127	444,613
	1,544,491	3,200,666
Commitments and Contingencies (Notes 1, 4, 5, 6 and 7)		
Stockholders' Deficit		
Capital stock (Note 7)		
Common stock, $0.001 par value, 80,000,000 shares authorized;		

Common stock, $0.001 par value, 80,000,000 shares authorized		
23,402,681 shares issued and outstanding (2006 - 11,668,870)	23,403	11,669
Additional paid-in capital	16,163,806	11,749,572
Shares and warrants to be issued (Notes 5 and 7)	54,104	-
Deferred finance charges	-	(46,250)
Deficit accumulated during the development stage	(17,505,184)	(14,724,756)
Accumulated other comprehensive loss	(56,912)	(36,565)
	(1,320,783)	(3,046,330)
	$223,708	$154,336

The accompanying notes are an integral part of these consolidated financial statements.

TAPIMMUNE INC.
(formerly GeneMax Corp.)
(a development stage company)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		July 27, 1999 (inception) to September 30,
	2007	2006	2007	2006	2007
Interest Income	$ -	$ -	$ -	$ -	$30,530
General and Administrative Expenses					
Consulting fees	7,322	77,451	66,629	81,026	880,359
Consulting fees - stock-based	36,000	-	200,000	-	3,024,775
Depreciation	2,557	352	4,099	5,974	200,133
Interest and finance charges (Note 5)	48,359	143,677	1,149,754	338,117	1,713,169
License fees	111,733	91,950	114,674	96,950	722,846
Gain on settlement of debts	-	(1,648)	-	(30,461)	(173,010)
Management fees	63,611	90,822	177,487	141,100	1,471,928
Management fees - stock-based	-	-	456,014	-	456,014
Office and general	91,488	6,117	123,250	27,408	2,198,280
Professional fees	125,863	32,791	281,197	154,788	2,113,629
Research and development	63,806	30,752	207,324	107,067	4,315,591
Research and development - stock-based	-	-	-	-	612,000
	550,739	472,264	2,780,428	921,969	17,535,714
Net Loss	$(550,739)	$(472,264)	$(2,780,428)	$(921,969)	$(17,505,184)
Basic and Diluted Net Loss per Share	$(0.02)	$(0.04)	$(0.14)	$(0.08)	

Weighted Average Number of Common Shares Outstanding	23,402,681	11,668,870	19,943,326	11,668,870

The accompanying notes are an integral part of these consolidated financial statements.

TAPIMMUNE INC.
(formerly GeneMax Corp.)
(a development stage company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock		Additional	Shares and	Deferred	Deficit Accumulated During the	Accumulated Other	
	Number of shares	Amount	Paid-in Capital	Warrants to be Issued	Finance Charges	Development Stage	Comprehensive Loss	Total
Balance, December 31, 2006	11,668,870	$ 11,669	$ 11,749,572	$ -	$ (46,250)	$ (14,724,756)	$ (36,565)	$ (3,046,330)
Issued for cash at $0.25 per share	2,180,000	2,180	542,820	-	-	-	-	545,000
Issued on the conversion of 2006 convertible notes at $0.25 per share	1,978,000	1,978	492,522	-	-	-	-	494,500
Issued on the conversion of 2007 convertible notes at $0.25 per share	4,064,000	4,064	1,011,936	-	-	-	-	1,016,000
Issued on the conversion of accounts payable and related party debt at $0.25 per share	2,911,812	2,912	725,040	-	-	-	-	727,952
Issued for finance charges on the 2007 convertible notes	600,000	600	149,400	-	-	-	-	150,000
Financing charges	-	-	(167,500)	-	-	-	-	(167,500)
Fair value of beneficial conversion feature of 2007 convertible notes	-	-	358,906	-	-	-	-	358,906
Fair value of warrants issued in connection with 2007 convertible notes	-	-	657,095	-	-	-	-	657,095
Stock-based compensation	-	-	620,015	-	-	-	-	620,015
Repricing and extension of warrants (Note 5)	-	-	24,000	-	-	-	-	24,000
Obligation to issue warrants at fair value pursuant to promissory note (Note 5)	-	-	-	18,104	-	-	-	18,104
Obligation to issue shares at fair value pursuant to services agreement (Note 7)	-	-	-	36,000	-	-	-	36,000
Amortization of deferred finance charges	-	-	-	-	46,250	-	-	46,250
Net loss	-	-	-	-	-	(2,780,428)	-	(2,780,428)
Unrealized currency translation adjustment	-	-	-	-	-	-	(20,347)	(20,347)
Balance, September 30, 2007 (Unaudited)	23,402,682	$ 23,403	$ 16,163,806	$ 54,104	$ -	$ (17,505,184)	$ (56,912)	$ (1,320,783)

The accompanying notes are an integral part of these consolidated financial statements.

TAPIMMUNE INC.
(formerly GeneMax Corp.)
(a development stage company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	Nine Months Ended September 30,	July 27, 1999 (inception) to September 30,
	2007	2006	2007

Cash Flows from Operating Activities			
Net loss	$ (2,780,428)	$ (921,969)	$ (17,505,184)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	4,100	6,125	200,134
Gain on settlement of debts	-	(30,461)	(173,010)
Non-cash interest and finance fees	1,169,262	276,099	1,645,337
Non-cash consulting and license fees	-	-	16,250
Stock-based compensation	656,014	-	4,092,789
Convertible debenture costs	-	-	51,817
Changes in operating assets and liabilities:			
Prepaid expenses and other receivables	(39,429)	(9,645)	(67,163)
Accounts payable and accrued liabilities	151,820	(16,771)	1,303,124
Research agreement obligations	43,450	(362,857)	194,516
Advances from related parties	200,467	188,048	835,605
Net Cash Used in Operating Activities	(594,744)	(871,431)	(9,405,785)
Cash Flows from Investing Activities			
Purchase of furniture and equipment	(22,426)	-	(218,626)
Cash acquired on reverse acquisition	-	-	423,373
Net Cash (Used in) Provided by Investing Activities	(22,426)	-	204,747
Cash Flows from Financing Activities			
Proceeds from the issuance of common stock	475,001	-	9,111,106
Finance charges	(17,500)	-	(248,981)
Proceeds from convertible notes	66,633	1,180,500	266,633
Proceeds from notes and loans payable	125,000	-	261,245
Net Cash Provided by Financing Activities	649,134	1,180,500	9,390,003
Effect of Exchange Rate Changes	(20,347)	(10,330)	(56,912)
Net Increase in Cash	11,617	298,739	132,053
Cash, Beginning of Period	120,436	56,244	-
Cash, End of Period	$ 132,053	$ 354,983	$ 132,053
Supplemental Disclosures:			
Interest paid	$ 15,825	$ 16,133	
Income taxes paid	$ -	$ -	-

Non-cash investing and financing activities:
Refer to Notes 5, 6 and 7.

The accompanying notes are an integral part of these consolidated financial statements.

TAPIMMUNE INC.
(formerly GeneMax Corp.)
(a development stage company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

(Unaudited)

Note 1: Nature of Operations and Basis of Presentation

On May 9, 2002, TapImmune Inc. ("TPIM" or the "Company"), a Nevada corporation entered into a letter of intent to acquire 100% of the issued and outstanding common shares of GeneMax Pharmaceuticals Inc. (a development stage company) ("GPI"). GPI is a private Delaware company incorporated July 27, 1999 which has a wholly-owned subsidiary, GeneMax Pharmaceuticals Canada Inc. ("GPC"), a private British Columbia company incorporated May 12, 2000. GPI is a development stage company which was formed for the purpose of building a biotechnology business specializing in the discovery and development of immunotherapeutics aimed at the treatment of cancer, and therapies for infectious diseases, autoimmune disorders and transplant tissue rejection.

On June 28, 2007, the Company approved a name change to TapImmune Inc. and completed a reverse stock split by the issuance of one (1) new share for each two and one-half (2.5) outstanding shares of the Company's common stock.

During 2000, GPI and the University of British Columbia ("UBC") entered into a worldwide license agreement providing GPI the exclusive license rights to certain patented and unpatented technologies originally invented and developed by UBC. Also during 2000, GPI and UBC entered into a Collaborative Research Agreement ("CRA") appointing UBC to carry out further development of the licensed technology and providing GPI the option to acquire the rights to commercialize any additional technologies developed within the CRA in consideration for certain funding commitments (refer to Note 4). The lead product resulting from these licenses is a cancer immunotherapy vaccine, on which the Company has been completing pre-clinical work in anticipation of clinical trials. Specifically the Company has moved the technology through issuance of a U.S. patent, tested various viral vectors needed to deliver the gene that forms the basis for the vaccine, licensed a preferred viral vector and contracted out pr oduction of clinical grade vaccine (refer to Note 4). The Company plans to continue development of the lead product vaccine through clinical trials. The other technologies licensed include assays, which the Company plans to use for generation of a pipeline of immune-modulation products. The assay technology acquired has received patent protection.

The consolidated financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As at September 30, 2007, the Company has a working capital deficiency of $1,339,275, a capital deficiency of $1,320,783 and has incurred significant losses since inception and further losses are anticipated in the development of its products raising substantial doubt as to the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on raising additional capital to fund ongoing research and development, satisfying certain debt obligations and ultimately on generating future profitable operations. Significant expenditures relating to future clinical trials of the Company's cancer immunotherapy vaccine will require funding as part of normal product development and advancement. Since internally generated cash flow will not fund development and commercialization of the Company's products, the Company will require significant additional financial resources and will be dependant on future financings to fund its ongoing research and development as well as other working capital requirements. The Company's future capital requirements will depend on many factors including the rate and extent of scientific progress in its research and development programs, the timing, cost and scope involved in clinical trials, obtaining regulatory approvals, pursuing further patent protections and the timing and costs of commercialization activities.

Management changes occurred in 2006 and management is addressing going concern remediation through raising additional sources of capital for operations, restructuring and retiring debt through conversion to equity and debt settlement arrangements with creditors. Management's plans are intended to return the company to financial stability and improve continuing operations. The Company continues to raise capital through private placements and loans to meet immediate working capital requirements. Management expects to be able to complete restructuring plans and expand programs including entering clinical trials for its lead TAP (Transporters of Antigen Processing) cancer vaccine and infectious disease adjuvant. These measures, if successful, will contribute to reducing the risk of going concern uncertainties for the Company over the next twelve to twenty-four months.

Unaudited Interim Financial Statements

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and conform with the instructions to Form 10-QSB and Regulation S-B as promulgated by the Securities and Exchange Commission ("SEC"). They may not include all information and footnotes required by generally accepted accounting principles for complete annual financial statements. However, except as disclosed herein, there has been no material changes in the information disclosed in the notes to the consolidated financial statements for the year ended December 31, 2006 included in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. The unaudited interim consolidated financial statements should be read in conjunction with those financial statements included in the Form 10-KSB. In the opinion of management, all adjustments considered necessary for a fair presentatio n, consisting solely of normal recurring adjustments, have been made. Operating results for the nine months ended September 30, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

Note 2: Stock-Based Compensation

In 2006, the Company adopted SFAS No. 123 (revised 2004) ("SFAS No. 123R"), "Share-Based Payment", and elected to adopt the modified prospective transition method. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on January 1, 2006 the first day of the Company's fiscal year 2006. Stock-based compensation expense for awards granted prior to January 1, 2006 was based on the grant date fair-value as determined under the pro-forma provisions of SFAS No. 123.

The Company recorded $620,015 in stock-based compensation valued using the Black-Scholes option pricing model, and an additional expense of $36,000 from the fair value of stock issued pursuant to a consulting services agreement during the nine months ended September 30, 2007 as opposed to $Nil during the nine months ended September 30, 2006 (refer to Notes 5 and 7).

Note 3: Furniture and Equipment

Furniture and equipment consisted of the following at:

	September 30, 2007	December 31, 2006
	(Unaudited)	
Computer equipment	$ 4,533	$ 1,972

Computer equipment	$ 4,555	$ 1,972
Laboratory equipment	16,704	183,803
Office furniture and equipment	3,162	10,425
	24,399	196,200
Less: accumulated depreciation	(5,907)	(196,034)
	$ 18,492	$ 166

Note 4: Research Agreements and Commitments

University of British Columbia ("UBC")

Effective September 14, 1999, GPI entered into an Option Agreement ("Option") whereby UBC granted GPI an option to obtain a world-wide license from UBC providing GPI the exclusive license rights to certain patented and unpatented cancer immunotherapy technologies originally invented and developed by UBC. GPI and UBC entered into a Collaborative Research Agreement ("CRA") dated September 1, 2000 appointing UBC to carry out further development of the licensed technology and providing GPI the option to acquire the rights to commercialize any additional technologies developed within the CRA in consideration for certain funding commitments.

On December 23, 2005, the Company signed a letter of intent with UBC whereby all existing financial claims by UBC would be satisfied in consideration of UBC providing GPI with an option to acquire outright, all of UBC's right, title and interest in the technologies licensed to GPI. The letter of intent was followed by the completion of a definitive agreement (the "Settlement") on January 24, 2006.

Under the terms of the Settlement the Company was obligated to pay UBC CAN$556,533. The Company was also obligated to pay any other costs or expenses which may be due and owing by GPI to UBC under the license agreements and the CRA as at the effective date which, in the aggregate, shall not exceed CAN $10,000. The Company also assumed responsibility for the management, maintenance and protection of all patents and patent applications filed in connection with the technology.

In accordance with the terms of Settlement, if the option to purchase is terminated then the Company shall have no right, entitlement or interest, in and to any of the technology, and the payment(s) previously made to UBC by the Company are non-refundable. In addition, and to the extent that any portion of the UBC Financial Claims under the Settlement have not otherwise been contributed to through any purchase price payment(s) having been made, upon any such termination the Company shall continue to be obligated to UBC for the balance of any such then unsatisfied UBC Financial Claims with interest then accruing at the rate 10% per annum and compounded semi-annually while any portion of the UBC Financial Claims remain outstanding.

On December 18, 2006, the Company and UBC negotiated an extension of the Settlement. Under the terms of the extension, the Company made the following payments to UBC:

(a) CAN $72,177 on or before December 31, 2006;

(b) CAN $72,178 plus accrued interest of $3,362 on or before March 20, 2007; and

(c) CAN $72,178 plus accrued interest of $1,423 on or before May 31, 2007.

As of May 31, 2007 the Company completed its obligation with UBC and the technology assignment and transfer was completed in the current fiscal quarter.

Crucell Holland B.V. ("Crucell") - Research License and Option Agreement

Effective August 7, 2003, Crucell and GPI entered into a five-year research license and option agreement whereby Crucell granted to GPI a non-exclusive worldwide license for the research use of its adenovirus technology. The Company was required to make certain payments over the five-year term totaling Euro €450,000 (approximately $510,100). To December 31, 2003, the Company had made all payments required totaling $115,490 (€100,000). A further $120,697 (€100,000) was incurred during 2004 (not paid), and an additional $126,355 (€100,000) was incurred during 2005, leaving a total of $236,880 (€200,000) owing as at December 31, 2005.

Effective June 6, 2005, Crucell gave the Company notice of default whereby the Company had six months to remedy the unpaid option maintenance payments of $236,880 (€200,000) owing as at December 31, 2005. On November 16, 2005, Crucell provided notice of termination by default due the Company's failure to remedy the default within the required six month period. In May 2006, the Company negotiated a reinstatement of the original research and license option agreement with Crucell and paid Crucell on April 20, 2006 €123,590 ($151,521) in connection with the reinstatement. Under the revised terms of the agreement, the Company will pay Crucell twelve monthly payments of €10,300 starting May 2006 (paid to October 31, 2006) and a €75,000 annual license fee (adjusted for CPI) to maintain the reinstated agreement in good standing. At September 30, 2007, €136,800 ($194,516) has been included in research agreement obligations for the Crucell agreement and is outstanding und er the terms of the agreement.

Molecular Medicine BioServices, Inc. ("Molecular Medicine") - Production Service Agreement

Effective March 18, 2003, Molecular Medicine and GMC entered into a production service agreement ("PSA"), as amended on August 29, 2003, whereby Molecular Medicine will, subject to produce the clinical vector for delivery of the TAP gene used in the Company's cancer immunotherapy product. The product will incorporate the Crucell vector and the Company's TAP1 gene. Total obligations under the contract are $232,000 payable to Molecular Medicine plus an estimated $110,000 to $145,000 in third-party testing costs. The Company was in breach of its contractual obligations with Molecular Medicine in respect of payment of $15,000 for Phase I of the project. The parties have agreed that advance payments that had been made for subsequent phases could be allocated to the Phase I deficiency so that all payments that were due under the PSA have now been paid in full and the Company has a non-refundable credit of approximately $78,000 with Molecular Medicine to be applied towards future vaccine production. The credit has been applied to a new quote for the manufacture of the cancer vaccine currently under development. All amounts paid have been expensed in the financial statements.

Operating Lease

In March 2007, the Company entered into a laboratory lease that expires in February 2012. The terms of the operating lease agreement require the Company to make minimum monthly payments of approximately $2,185 (CAN $2,520).

Combined Research and Operating Obligations

The Company has obligations under various agreements that expire between August 2008 and February 2012. The aggregate minimum annual payments for the periods ending September 30 are as follows:

2008	$ 128,220

2008	$	126,220
2009		26,220
2010		26,220
2011		26,220
2012		15,295
	$	222,175

Note 5: Convertible Notes Payable

2004 Convertible Notes and Debenture Financing

In 2004, the Company issued two unsecured convertible promissory notes in the principal amount of $500,000, that included interest at 8% per annum and were due twelve months from the date of issue.

In 2006, the Company repaid $300,000 towards the convertible notes, in addition to all interest accrued to the date of the final payment on October 31, 2006.

During the nine months ended September 30, 2007, the Company repaid $133,367 towards the convertible note principal. On July 3, 2007 the Company signed a letter agreement extending the term of the warrants originally issued with the outstanding convertible note for a period of two years or 18 months after effective registration and reduced the conversion price from $1.25 to $0.25. The $24,000 fair value of the warrant repricing and extension was recorded as interest and finance charges and estimated using the Black-Scholes option pricing model with an expected life of 2 years, a risk free interest rate of 5.28%, a dividend yield of 0%, and an expected volatility of 86%.

At September 30, 2007, interest expense of $9,022 (2006 - $47,011) is included in accrued expenses on the unpaid principal balance of $66,633.

2006 Convertible Note and Debenture Financing

On March 23, 2006, the Company completed a convertible debenture financing of $494,500 for which the Company has issued convertible promissory notes that bear interest at 8% per annum in the first year and 12% per annum in the second year. If not converted, the notes would be due one year from the date of loan advance. The unpaid amount of principal and accrued interest could be converted at any time at the holder's option into shares of the Company's common stock at a price of $0.10 per convertible unit. Each convertible unit, upon conversion, is comprised of one common share of the Company and, without conversion, one non-transferable and detached share purchase warrant of the Company, issuable and exercisable without conversion.

The warrants forming part of the convertible units are detachable from any conversion and non-transferable, and each such warrant entitles the holder to purchase one additional common share of the Company for a period of five years from the date of the issue at an exercise price of $0.10 per share during the first two years, $0.20 per share during the third year, $0.30 per share during the fourth year; and $0.40 per share during the fifth year.

The Company had the right to redeem the convertible promissory notes at any time upon giving certain notice to the holder(s), and subject to paying a 20% premium in cash or shares (based on the previous 30 day average trading price of the Company's shares).

In accordance with EITF 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios", the Company determined and recognized the fair value of the embedded beneficial conversion feature of $205,579 as additional paid-in capital as the secured convertible notes were issued with an intrinsic value conversion feature.

In accordance with EITF 00-27, "Application of Issue No. 98-5 to Certain Convertible Instruments", the Company has charged the beneficial conversion feature to operations. In addition, the Company allocated the proceeds of issuance between the convertible debt and the detachable warrants based on their relative fair values. Accordingly, the Company recognized the relative fair value of the warrants of $288,921 as a component of stockholders' deficit. The Company recorded further interest expense over the term of the secured convertible notes of $64,908 resulting from the difference between the fair value and carrying value at the date of issuance. The carrying value of the convertible notes was accreted to the face value of $494,500 at conversion. During the six months ended June 30, 2007 all of the notes were converted at $0.10 per share resulting in the issue of 4,945,000 (pre reverse stock split) shares of the Company's common stock. Additionally, interest expense of $64,908 has b een accreted increasing the carrying value of the convertible debentures to $494,500 immediately prior to the conversion, and accrued interest of $35,333 was reversed as it was relinquished when converted to equity.

2007 Convertible Note and Debenture Financing

On February 12, 2007, the Company completed a convertible debenture financing of $1,016,000 for which the Company issued convertible promissory notes that bear interest at 8% per annum in the first year and 12% per annum in the second year. If not converted, the notes would be due one year from the date of loan advance. The unpaid amount of principal and accrued interest may be converted at any time at the holder's option into shares of the Company's common stock at a price of $0.25 per convertible unit. Each convertible unit, upon conversion, is comprised of one common share of the Company and, without conversion, one non-transferable and detached share purchase warrant of the Company, issuable and exercisable without conversion. The warrants forming part of the convertible units are detachable from any conversion and non-transferable, and each such warrant entitles the holder to purchase one additional common share of the Company for a period of five years from the date of the is sue at an exercise price of $0.25 per share during the first two years, $0.50 per share during the third year, $0.75 per share during the fourth year; and $1.00 per share during the fifth year. The Company had the right to redeem the convertible promissory notes at any time upon giving certain notice to the holder(s), and subject to paying a 20% premium in cash or shares (based on the previous 30 day average trading price of the Company's shares). Subscriptions from this financing totaling $1,016,000 were received prior to December 31, 2006. During the six months ended June 30, 2007 all of the notes were converted at $0.25 per share resulting in the issue of 4,064,000 shares of the Company's common stock.

As part of this financing, the Company was required to pay 600,000 units, which represents one common share of the Company and one non-transferable and detached share purchase warrant, as a finder's fee (refer to Note 7).

The Company recognized the estimated fair value of the embedded beneficial conversion feature of $358,906 as additional paid-in capital as the secured convertible notes were issued with an intrinsic value. In addition, the Company estimated the fair value of the detachable warrants based the Black-Scholes option pricing model with an expected life of 5 years, a risk free interest rate of 5.26%, a dividend yield of 0%, and an expected volatility of 83%. Accordingly, the Company recognized the relative fair value of the warrants of $657,095 as charge to interest and finance charges.

2007 Convertible Promissory Note

On August 31, 2007 the Company issued a convertible promissory note in the principal amount of $200,000 that bears interest at 12% per annum and is due on demand. Upon completion of the conversion terms, the unpaid amount of principal and accrued interest may be converted at any time at the holder's option into shares of the Company's common stock. The conversion price will be determined by the purchase price of the Company's next stock offering or convertible debt financing. At which time, management will determine whether any beneficial conversion feature exists and may require adjustment to the stated value.

2007 Promissory Note

On July 13, 2007 the Company issued an unsecured promissory note in the principal amount of $100,000 which was revised on August 31, 2007 to $125,000. The promissory note matured on September 28, 2007 and bears interest at 12% per annum. As partial consideration for the promissory note, the Company agreed to issue to the Lender, as fully paid and non-assessable, 125,000 non-transferable and registerable share purchase warrants (each a "Warrant"), to acquire an equivalent number of common shares of the Company (each a "Warrant Share"), at an exercise price of $0.30 per Warrant Share and for an exercise period of up to one year from the issuance date. The fair value of the warrants was determined by Management at $18,104 recorded as a warrant issuance obligation. This amount was expensed as interest and finance charges. The fair value was estimated using the Black-Scholes option pricing model with an expected life of 1 year, a risk free interest rate of 5.27%, a dividend yield of 0% , and an expected volatility of 125%.

Upon issuance of the warrants, the stock issuance obligation will be settled and charged to additional paid-in capital.

Note 6: Related Party Transactions

During 2004, the Company entered into a new consulting agreement with the Company's then Chief Scientific Officer ("CSO") for a term ending December 31, 2007 at an amount of CAN$10,000 per month. The Company has also agreed to grant to the CSO options to acquire up to 2,500,000 (pre reverse stock split) shares of the Company's common stock at a price to be determined, subject to further approvals. In addition, the CSO agreed to settle all amounts due from the Company totaling $92,200 in exchange for 452,100 (pre reverse stock split) shares of the Company's common stock. On June 8, 2007 a cumulative balance outstanding of $360,929 was settled with the issuance of 1,443,716 shares of the Company's common stock at a value of $0.25 per share (refer to Note 7).

During the nine months ended September 30, 2007, the Company entered into transactions with certain officers and directors of the Company as follows:

(a) incurred $177,487 in management fees and recorded an additional $456,014 in stock based compensation expense (refer to Note 7);

(b) incurred $108,629 in research and development fees, $26,668 of which was paid to a direct family member of a current officer; and

(c) incurred $4,406 in consulting fees paid to a company controlled by a direct family member of a current director.

All related party transactions involving provision of services or tangible assets were recorded at the exchange amount, which is the amount established and agreed to by the related parties reflecting management's estimation of fair value consideration payable for similar services or transfers to arms length parties.

As of September 30, 2007, the Company has total commitments remaining relating to the management agreement with the Principle Scientist for the period ending December 31, 2007 of approximately $30,000.

On June 8, 2007 the Company issued 2,271,812 shares of common stock pursuant to the conversion of $567,953 in related party debt (refer to Note 7). Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

Note 7: Capital Stock

The authorized capital of the Company consists of 200,000,000 (pre reverse stock split) common shares with $0.001 par value and 5,000,000 non-voting preferred shares with $0.001 par value. On March 27, 2007, a majority of shareholders voted to amend the Company's Articles of Incorporation to increase the authorized capital from 50,000,000 shares of common stock to 200,000,000 shares of common stock. On June 28, 2007, the company completed a reverse stock split thereby issuing 1 new share for each 2.5 outstanding shares of the Company's common stock. Accordingly, the Company's authorized share capital was decreased from 200,000,000 common shares to 80,000,000 common shares. As of September 30, 2007, no preferred shares have been issued.

2007 Capital Transactions

Immediately following the completion of the 2007 convertible note and debenture financing on February 12, 2007, the Company issued the following:

(a) 1,978,000 shares of common stock pursuant to the conversion of the $494,500 convertible debenture financing issued on March 23, 2006,

(b) 4,064,000 shares of common stock pursuant to the conversion of the $1,016,000 convertible debenture financing issued on February 12, 2007, and

(c) 1,900,000 shares of common stock pursuant to a private placement financing of 1,900,000 units at a price of $0.25 per unit for gross proceeds of $475,000. Each unit is comprised of one common share and one non-transferable common share purchase warrant. Each such warrant entitles the holder to purchase one additional common share of the Company for a period of five years from the date of the issue at an exercise price of $0.25 per share during the first two years, $0.50 per share during the third year, $0.75 per share during the fourth year; and $1.00 per share during the fifth year.

On June 8, 2007 the Company issued 280,000 shares of common stock pursuant to a private placement financing of 280,000 units at a price of $0.25 per unit for gross proceeds of $70,000. Each unit is comprised of one common share and one non-transferable common share purchase warrant. Each such warrant entitles the holder to purchase one additional common share of the Company for a period of five years from the date of the issue at an exercise price of $0.25 per share during the first two years, $0.50 per share during the third year, $0.75 per share during the fourth year; and $1.00 per share during the fifth year.

On June 8, 2007 the Company issued 2,911,812 shares of common stock at $0.25 per share pursuant to the conversion of $567,953 in related party debt and $160,000 in accounts payable.

On June 8, 2007 the Company issued 600,000 shares of common stock at $0.25 per share as finders' fees in conjunction with the February 12, 2007 convertible debenture. Each unit is comprised of one common share at a price of $0.25 per unit and one non-transferable share purchase warrant. Each such warrant entitles the holder to purchase on additional common shares of the Company for a period of five years from the date of the issue at an exercise price of $0.25 per share during the first two years, $0.50 per share during the third year, $0.75 per share during the fourth year, and $1.00 per share during the fifth year.

On July 4, 2007 the Company agreed to issue 100,000 shares of restricted common stock pursuant to a consulting services agreement. At September 30, 2007 the shares had not been issued, and the $36,000 fair value of the obligation was recorded as a stock issuance obligation and expensed as stock based consulting fees. Under the terms of the consulting services agreement, subsequent to the one-year holding period the Company must provide a valid legal opinion with respect to any sale or proposed sale of the restricted stock within 10 calendar days of request. The Company may be liable for any loss in value after the deadline if the request is not fulfilled within the stated time period.

2002 Stock Option Plan

As of September 30, 2007 the 2002 Stock Option Plan has been cancelled and no options remain issuable or outstanding under the Plan.

2007 Stock Incentive Plan

On June 8, 2007, the Board of Directors of the Company approved the adoption of a stock option plan (the "2007 Plan") allowing for the granting of up to 6,400,000 options to directors, officers, employees and consultants of the Company and its subsidiaries. Options granted under the Plan shall be at prices and for terms as determined by the Board of Directors. Options granted under the Plan may have vesting requirements as determined by the Board of Directors.

On June 8, 2007, a total of 6,320,000 stock options were granted to employees, consultants, and officers at an exercise price of $0.25 per share. The term of these options is ten years. The fair value of these options at the date of grant of $1,264,000 was estimated using the Black-Scholes option pricing model with an expected life of 5 years, a risk free interest rate of 5.26%, a dividend yield of 0%, and an expected volatility of 83%. The vested portion of the value of these options, being $620,015, was recorded as stock based consulting and management fees in the second quarter of the fiscal year.

At September 30, 2007, 80,000 stock options remain available under the 2007 Plan.

The Company's stock option activity during the period is as follows (adjusted for the reverse stock split):

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, December 31, 2006	1,240,000	$1.37	4.47
Granted	6,320,000	$0.25	5.00
Cancelled	(1,240,000)	$1.37	4.47
Balance, September 30, 2007 (Unaudited)	6,320,000	$0.25	4.69

Share Purchase Warrants

The Company's share purchase warrant activity during the period was as follows (adjusted for the reverse stock split):

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, December 31, 2006	3,954,359	$0.72	2.16
Issued	6,844,000	$0.25	5.00
Expired	(1,876,359)	$1.21	-
Balance, September 30, 2007 (Unaudited)	8,922,000	$0.25	4.15

Note 8: Subsequent Events

On October 31, 2007 the Company issued 100,000 restricted common shares pursuant to a web services agreement and, 125,000 warrants at an exercise price of $0.30 per warrant share pursuant to a promissory note. The estimated fair value of the transactions has been recorded at September 30, 2007 as share and warrant issuance obligations (Refer to Notes 5 and 7).

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Item 2. Management's Discussion and Analysis

As used in this Quarterly Report: (i) the terms "we", "us", "our", "TapImmune" and the "Company" mean TapImmune Inc. and its wholly owned subsidiary, GeneMax Pharmaceuticals Inc. which wholly owns GeneMax Pharmaceuticals Canada Inc., unless the context otherwise requires; (ii) "SEC" refers to the Securities and Exchange Commission; (iii) "Securities Act" refers to the *Securities Act of 1933*, as amended; (iv) "Exchange Act" refers to the *Securities Exchange Act of 1934*, as amended; and (v) all dollar amounts refer to United States dollars unless otherwise indicated.

The following discussion of our plan of operations, results of operations and financial condition as at and for the nine months ended September 30, 2007 should be read in conjunction with our unaudited consolidated interim financial statements and related notes for the nine months ended September 30, 2007 included in this quarterly report, as well as our Annual Report on Form 10-KSB for the year ended December 31, 2006.

Overview

Our Business

We are focused on developing innovative therapeutics to treat serious disorders, primarily for cancer and infectious diseases. Since our inception we have devoted substantially all of our resources to research and development activities, primarily with early stage research in the field of gene therapy. We are currently conducting preclinical studies using our TAP gene technology in combination with adeno virus, with the aim of completing our preclinical trials and filing an Investigational Drug Application for cancer in 12-15 months. We are also pursuing vaccine developments for infectious diseases using our TAP gene technology and an in-licensed Modified Vaccinia Ankora virus and other potential targeted vaccine candidates with the aim of establishing licensing and partnering relationships to generate revenue and advance our in- house projects closer to commercial products.

We are a development stage company and have primarily supported the financial needs of our research and development activities since our inception through public offerings and private placements of our equity securities. We have not received any revenue from the sale of our products in development, and we do not anticipate generating revenue from the

sale of products in the foreseeable future. In order to carry out our corporate operational plan and to support the anticipated future needs of our research and development activities, we expect that we will have cash requirements of approximately $5,000,000 over the next 24 months, which we expect to obtain through additional equity financings. The funding that, if obtained, would be used to support our activities surrounding our proposed clinical grade production of our lead TAP vaccine product, commencement of human clinical studies, advance the development of our prophylactic vaccine campaign and proceed with potential acquisitions or i n-licensing of new technologies or products. In the event that we are able to secure sufficient funding through the issuance of our securities, it is expected that we will expand our management team to include a Director of Corporate Development, a Director of Regulatory Affairs, a Director of Research and a Controller. It is also anticipated that as we advance our product development in oncology and prophylactic vaccines, we will incrementally increase the number of scientists employed by us to approximately six.

We anticipate being able to generate funding in the next few years under collaborative arrangements with third parties, government grants, and license fees. We have incurred losses since our inception and expect to incur losses over the next several years. Bringing medical products to commercialization is a lengthy process requiring many years of development and clinical trials during which there are no definable sources of revenue. There can be no assurance that we will successfully acquire, develop, commercialize, manufacture, or market our product candidates or ever achieve or sustain product revenues or profitability.

University of British Columbia Agreement

We had conducted our research and development at the University of British Columbia ("UBC") under a Collaborative Research Agreement ("CRA"), however, as a consequence of our Option and Settlement Agreement with UBC, we presently plan to conduct our own research and development and continue to contract out clinical grade production of our TAP based vaccines. In addition, we in-license our adeno and MVA vectors and receive technical assistance from our licensing partners.

In December 2005, we signed a letter of intent with UBC whereby all existing financial claims by UBC would be satisfied in consideration of UBC providing us with an option to acquire outright all of UBC's right title and interest in the technologies licensed to us. The letter of intent was followed by the completion of a definitive agreement on January 24, 2006. Under the terms of the agreement we were obligated to pay UBC $479,975 (CAN$ 556,533).

Under the terms of the agreement, we were also obligated to pay any other costs or expenses which may be due and owing by us to UBC under the license agreements and the CRA as at the effective date which, in the aggregate, shall not exceed $8,598 (CAN$10,000). We also assumed responsibility for the management, maintenance and protection of all patents and patent applications filed in connection with the technology.

On December 18, 2006, we negotiated an extension of the Settlement with UBC. Under the terms of the extension, we made the following payments to UBC:

(a) CAN $72,177 on or before December 31, 2006;

(b) CAN $72,178 plus accrued interest of $3,362 on or before March 20, 2007; and

(c) CAN $72,178 plus accrued interest of $1,423 on or before May 31, 2007.

As of May 31, 2007 we completed our obligation with UBC and the technology assignment and transfer was completed in the current fiscal quarter.

Molecular Medicine Agreement (Molecular Medicine is now SAFC Pharma)

We had a Production Services Agreement with Molecular Medicine for the production of a chemical grade of our TAP adeno based vaccine for pre-clinical toxicology analysis. However, in August of 2004 we ceased production of our clinical grade vaccine due to technical difficulties related to the yields of vaccine. Despite the technical difficulties we anticipate a clinical grade TAP based vaccine to be produced utilizing the adeno vector virus vector to allow us to meet its milestones for completing toxicology analysis by the end of 2008. We anticipate commencing chemical grade production of our oncology vaccine in 2008.

We were in breach of our contractual obligations with SAFC Pharma in respect of payments due for Phase I of the project. The parties have agreed that advance payments that had been made for subsequent phases could be allocated to the Phase I deficiency so that all payments that were due under the PSA have now been paid in full and we have a non-refundable credit of approximately $78,000 with SAFC Pharma to be applied towards future vaccine production.

Crucell Agreement

Pursuant to the Research License and Option Agreement Crucell granted us a non-exclusive, worldwide license for Crucell's adenovirus technology and an option for a non-exclusive, worldwide commercial license to manufacture, use, offer for sale, sell and import products using the licensed technology in the therapy of human subjects by administering a modified and proprietary adeno virus vector (used to package our TAP gene technology and deliver it to the target cancer cell in the patient) including, but not limited to, therapeutic gene sequence(s). The Research License and Option Agreement provided for bi-annual license maintenance fees of €50,000, exclusive of applicable taxes, during the first two years of the agreement, and an annual license maintenance fees of €75,000, exclusive of applicable taxes, starting on the third anniversary until the expiration of the agreement on August 7, 2008. Total obligations under this agreement were €450,000.

To December 31, 2003, we had made payments required totaling $115,490 (€100,000) to Crucell pursuant to the terms of the Research License and Option Agreement. Pursuant to the terms of the Research License and Option Agreement, a further $120,697 (€100,000) was incurred (not paid) during 2004 and an additional $126,355 (€100,000) was incurred during 2005 leaving a total of $236,880 (€200,000) owing as at December 31, 2005. As of the date of this Quarterly Report we had not paid this amount. Pursuant to the Research License and Option Agreement, if a party defaults in the performance of or fails to be in compliance with any material condition of this agreement, the Research License and Option Agreement may be terminated if the default or noncompliance is not remedied or steps initiated to remedy six months after receipt in writing to the defaulting party. Effective June 6, 2005, Crucell gave us a notice of default whereby we had six months to remedy the default. On November 16, 2005, Crucell provided notice of Termination by Default due to our failure to remedy the default within the required six month period.

In May 2006 we negotiated a reinstatement of the original Research and License Option Agreement with Crucell and paid Crucell €123,590 ($151,521) in connection with the reinstatement. Under the revised terms of the agreement, we will pay Crucell twelve monthly payments of €10,300 starting May 2006 (paid to October 31, 2006) and a €75,000 annual license fee (adjusted for CPI) in order to keep the reinstated agreement in good standing. At September 30, 2007, €136,800 ($194,516) has been included in research agreement obligations for the Crucell agreement. We are currently evaluating the feasibility of using the Crucell cell line as it has been difficult to get the right titre of our vaccine grown on this cell line.

National Institute of Health Agreement

We also have a License Agreement with the National Institute of Health (USA) for the use of the Modified Vaccinia Ankora (MVA) virus for the development of vaccines. We will continue to license this technology for the development of prophylactic vaccines against infectious diseases. Under the terms of this agreement we are required to pay a royalty of $2,500 per year, which was brought to good standing with a payment of $5,000 subsequent to the end of the first quarter.

U.S. Patent Application No. 10/046,542

We are attempting to broaden our U.S. patent coverage to extend to other procedures of utilizing the TAP gene immune response technology in destroying tumor cells, and to treatment of viral infections, through additional patent application filings (continuations). We have applied for additional U.S. patents, most importantly, U.S. Pat. Appln. No. 10/046,542 that describes a method refining and expanding the process patented in U.S. Patent 6,361,770, above. U.S. Pat. Appln 10/046,542 is considered a key patent application for us, as it describes a preferable delivery method for the TAP gene sequences and serves as the basis for further expansion of our technology.

In the normal course of business, we initiated an independent audit of our intellectual property in September 2007. The audit was completed in October, 2007. As a result of the audit, it has come to light that procedural errors of outside third party professionals retained for patent expertise resulted in the abandonment of the patent application (No. 10/046,542) and an incomplete subsequent petition of revival. We are using expeditious and diligent efforts to rectify the situation, and pursuant thereto, on October 25, 2007, we, through expert replacement counsel, filed a substitute petition for revival, in accordance with the recommendations of the audit.

Our Financial Condition

During the next 12 months we anticipate that we will not generate any revenue. We had cash of $132,053 and a working capital deficit of $1,320,783 at September 30, 2007. We will require significant additional financial resources and will be dependant on future financings to fund our ongoing research and development as well as other working capital requirements.

Plan of Operation and Funding

Management believes that an estimated $5,000,000 is required over the next two years for expenses associated with the balance of pre-clinical development on various technologies, anticipated toxicology, Phase I clinical trials for the TAP Cancer Vaccine, and for various operating expenses.

We have not generated any revenue based cash flow to fund our operations and activities due primarily to the nature of lengthy product development cycles that are normal to the biotech industry. Therefore, we must raise additional funds in the future to continue operations. We intend to finance our operating expenses with further issuances of common stock. Management believes that anticipated future private placements of equity capital and debt financing, if successful, may be adequate to fund our operations over the next twenty-four months. Management expects we will need to raise additional capital to meet long-term operating requirements. Our future success and viability are dependent on our ability to raise additional capital through further private offerings of its stock or loans from private investors. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available or are not available on acceptable terms, we may not be able to c onduct our proposed business operations successfully which could significantly and materially restrict or delay our overall business operations.

Results of Operations

Three Months Ended September 30, 2007 Compared to Three Months Ended September 30, 2006

Revenues:

We did not earn any interest or other revenues during the three months ended September 30, 2007 or over the same period ended September 30, 2006. We did not maintain any interest bearing deposits during the current fiscal year.

Operating Expenses:

Our general and administrative expenses increased to $550,739 during the three months ended September 30, 2007 from $472,264 over the same period ended September 30, 2006. Significant changes in operating expenses are outlined as follows:

- Consulting fees decreased to $7,322 during the three months ended September 30, 2007 from $77,451 over the same period ended September 30, 2006 due primarily to a corporate development services agreement not effect during the current period.
- Consulting fees - stock-based increased to $36,000 during the three months ended September 30, 2007 from $Nil during the same period ended September 30, 2006. We recorded a stock issuance obligation pursuant to a web services agreement during the current period and did not record any stock-based compensation in the prior year.
- Interest and finance charges decreased to $48,359 during the three months ended September 30, 2007 from $143,677 during the same period ended September 30, 2006. Current period interest charges are primarily the fair value of warrants issuable with a new promissory note and the repricing and extension of warrants issued with the 2004 convertible notes. Prior period interest charges were due to amortization of charges relating to the 2006 convertible debt not in effect during the current period.
- Management fees decreased to $63,611 during the three months ended September 30, 2007 from $90,822 during the same period ended September 30, 2006 due primarily to charges associated with implementing new agreements with our current Board members and Officers during the prior period.
- Office and general expenses increase to $91,488 during the three months ended September 30, 2007 from $6,117 during the same period ended September 30, 2006 due primarily to additional development and communication services during the current period.
- Professional fees increased to $125,863 during the three months ended September 30, 2007 from $32,791 during the same period ended September 30, 2006 due to significant activity relating to the finalization of the UBC commitment, financing proposals, share restructuring and debt conversion in the current year.
- Research and development increased to $63,806 during the three months ended September 30, 2007 from $30,752 during the same period ended September 30, 2007 due to additional staffing and clinical testing costs in the current year.

Net Loss:

Our net loss increased to $550,739 during the three months ended September 30, 2007, from $472,264 over the same period ended September 30, 2006. The increase resulted primarily from stock based consulting fees and increases in office expenditures and professional fees, which was partially offset by reductions consulting fees and interest and financing charges.

Nine Months Ended September 30, 2007 Compared to Nine Months Ended September 30, 2006

Revenues:

We did not earn any interest or other revenues during the nine months ended September 30, 2007 or over the same period ended September 30, 2006. We did not maintain any interest bearing deposits during the current fiscal year.

Operating Expenses:

Our general and administrative expenses increased to $2,780,428 during the nine months ended September 30, 2007 from $921,969 over the same period ended September 30, 2006. Significant changes in operating expenses are outlined as follows:

- Consulting fees decreased to $66,629 during the nine months ended September 30, 2007 from $81,026 during the same period ended September 30, 2006 due primarily to a corporate development services agreement which expired during the current fiscal period.
- Consulting fees - stock-based increased to $200,000 during the nine months ended September 30, 2007 from $Nil during the same period ended September 30, 2006. We issued options to certain officers, directors and consultants during the current year in addition to charges relating to a stock issuance obligation pursuant to a web services agreement, and did not record any stock-based compensation in the prior year.

- Interest and finance charges increased to $1,149,754 during the nine months ended September 30, 2007 from $338,117 during the same period ended September 30, 2006 due to accrued interest, accretion of the discount on the 2006 convertible debt, amortization of the fair value of warrants on the 2006 convertible debt, $1,016,000 in costs classified as interest charges resulting from conversion of the debt, and the fair value of warrants issuable with a new promissory note signed during the current period. The $1,016,000 non-monetary charge relates to the unaccreted fair value of the beneficial conversion feature and warrants on the 2007 convertible debt. Once the debt was converted, the unaccreted charge was required to be recognized immediately.

- Gain on settlement of debt decreased to $Nil during the nine months ended September 30, 2007 from $30,461 during the same period ended September 30, 2006 as no gain or loss was realized on the settlement of debt during the current period.

- Management fees increased to $177,487 during the nine months ended September 30, 2007 from $141,100 during the same period ended September 30, 2006. Charges associated with implementing and maintaining new agreements with our current Board members and Officers were not in effect during the entire prior period.

- Management fees - stock-based increased to $456,014 during the nine months ended September 30, 2007 from $Nil during the same period ended September 30, 2006. We issued options to certain officers, directors and consultants during the current year and did not record any stock-based compensation in the prior year.

- Office and general expenses increase to $123,250 during the nine months ended September 30, 2007 from $27,408 during the same period ended September 30, 2006 due primarily to additional development and communication services during the current period.

- Professional fees increased to $281,197 during the nine months ended September 30, 2007 from $154,788 during the same period ended September 30, 2006 due to significant activity relating to the finalization of the UBC commitment, financing proposals, share restructuring and debt conversion in the current year.

- Research and development increased to $207,324 during the nine months ended September 30, 2007 from $107,067 during the same period ended September 30, 2007 due to additional staffing and clinical testing costs in the current year.

Net Loss:

Our net loss increased to $2,780,428 during the nine months ended September 30, 2007, from $921,969 over the same period ended September 30, 2006. The increase resulted primarily from interest and finance charges on convertible notes, professional fees, research and development costs, and stock-based compensation.

Liquidity and Capital Resources

At September 30, 2007, we had $132,053 in cash. Generally, we have financed our operations through the proceeds from convertible notes and the private placement of equity securities. We gained $11,617 net cash during the nine months ended September 30, 2007.

Operating Activities

Net cash used in operating activities during the nine months ended September 30, 2007 was $594,744 compared to $871,431 during the same period ended September 30, 2006. We had no revenues during the current or prior periods. Operating expenditures, excluding non-cash interest and stock-based charges during the current quarter primarily consisted of consulting, license and management fees, office and general expenditures, professional fees, and research and development obligations.

Investing Activities

Net cash used in investing activities during the nine months ended September 30, 2007 was $22,426 compared to $Nil during the same period ended September 30, 2006. Investing activities consisted primarily of furniture and equipment acquisitions.

Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2007 was $649,134, compared to $1,180,500 during the same period ended September 30, 2006. During the current fiscal year, we received net proceeds of $475,001 related to private placement financings completed on February 12, 2007 and June 8, 2007, $200,000 related to a convertible promissory note and $125,000 related to a promissory note due on demand. We also repaid $133,367 towards an outstanding convertible note during the current fiscal year.

At September 30, 2007, we had 6,320,000 stock options and 8,922,000 share purchase warrants outstanding. The outstanding stock options had a weighted average exercise price of $0.25 per share. The outstanding warrants had a weighted average exercise price of $0.25 per share. Accordingly, as of September 30, 2007, the outstanding options and warrants represented a total of 15,242,000 shares issuable for proceeds of approximately $3,810,500 if these options and warrants were exercised in full. The exercise of these options and warrants is completely at the discretion of the holders. There is no assurance that any of these options or warrants will be exercised.

As of September 30, 2007, we anticipate that we will need significant financing to enable us to meet our anticipated expenditures for the next 24 months, which are expected to be in the range of $5,000,000 assuming a single Phase 1 clinical trial.

We have not generated any cash flow to fund our operations and activities due primarily to the nature of lengthy product development cycles that are normal to the biotech industry. Therefore, we must raise additional funds in the future to continue operations. We intend to finance our operating expenses with further issuances of common stock. We believe that anticipated future private placements of equity capital and debt financing, if successful, may be adequate to fund our operations over the next twenty-four months. Thereafter, we expect we will need to raise additional capital to meet long-term operating requirements. Our future success and viability are dependent on our ability to raise additional capital through further private offerings of our stock or loans from private investors. Additional financing may not be available upon acceptable terms, or at all. If adequate funds are not available on acceptable terms, we may not be able to conduct our proposed business operations s uccessfully. This could significantly and materially restrict or delay our overall business operations.

Going Concern

Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation. Our ability to continue as a going concern is dependent upon our ability to obtain the necessary financing to meet our obligations and pay our liabilities arising from our business operations when they come due. We intend to finance our anticipated operating expenses with further issuances of common stock through private placement offerings or loans from private investors. We will be unable to continue as a going concern if we are unable to obtain sufficient financing.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

Our consolidated financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our consolidated financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Use of Estimates and Assumptions

Preparation of our financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas requiring management's estimates and assumptions are determining the fair value of stock-based compensation, the fair value of the components of the convertible notes payable, future income tax pools and balances and the useful life of depreciable assets.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is computed at the following rates over the estimated useful lives of the assets: Office furniture and equipment - 60 months straight-line; Laboratory equipment - 36 months straight-line; Computer equipment - 24 months straight line.

Fair Value of Financial Instruments

In accordance with the requirements of Statement of Financial Accounting Standards ("SFAS") No. 107, "Disclosures about Fair Value of Financial Instruments," we have determined the estimated fair value of financial instruments using available market information and appropriate valuation methodologies. The carrying value of financial instruments classified as current assets or liabilities including cash, loans, obligations, and accounts payable and amounts due to related parties approximate fair values due to the short-term maturity of the instruments.

Stock-Based Compensation

In 2006, we adopted SFAS No. 123 (revised 2004) ("SFAS No. 123R"), "Share-Based Payment", and elected to adopt the modified prospective transition method. The modified prospective transition method requires that stock-based compensation expense be recorded for all new and unvested stock options, restricted stock, restricted stock units, and employee stock purchase plan shares that are ultimately expected to vest as the requisite service is rendered beginning on January 1, 2006 the first day of our fiscal year 2006. Stock-based compensation expense for awards granted prior to January 1, 2006 is based on the grant date fair-value as determined under the pro-forma provisions of SFAS No. 123.

Recent Accounting Pronouncements

None.

Item 3. Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, we have carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this quarterly report. This evaluation was carried out under the supervision and with the participation of our management, including our principal executive officer and principal financial officer. Based upon that evaluation and subject to inherent limitations noted below, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective as at the end of the period covered by this quarterly report to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the SEC.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Disclosure controls and procedures have inherent limitations relative to the financial resources of a Company and the number of personnel. The disclosures controls and procedures may not prevent all error and fraud in the Company's financial reporting. A control system, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of a control system are met. Further, any control system reflects limitations on resources, and the benefits of a control system must be considered relative to its costs. These limitations also include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of a control. A design of a control system is also based upon certain assumptions about potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

There have been no significant changes in our internal controls over financial reporting that occurred during our most recent quarterly period that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

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PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Immediately following the completion of the 2007 convertible note and debenture financing on February 12, 2007 as described elsewhere in this Quarterly Report on Form 10-QSB, we issued the following:

(a) 4,945,000 (pre reverse stock split) shares of common stock pursuant to the conversion of the $494,500 convertible debenture financing issued on March 23, 2006, and

(b) 10,160,000 (pre reverse stock split) shares of common stock pursuant to the conversion of the $1,016,000 convertible debenture financing issued on February 12, 2007 (the issuances as described in (a) and (b) were made to a total of 32 investors in reliance on an exemption from the registration requirements of the Securities Act afforded by Regulation S or Rule 506).

Also on February 12, 2007, we issued 4,750,000 (pre reverse stock split) shares of common stock pursuant to a private placement financing of 4,750,000 units at a price of $0.10 per unit for gross proceeds of $475,000. Each unit is comprised of one common share and one non-transferable common share purchase warrant. Each such warrant entitles the holder to purchase one additional share of our common stock for a period of five years from the date of the issue at an exercise price of $0.10 per share during the first two years, $0.20 per share during the third year, $0.30 per share during the fourth year; and $0.40 per share during the fifth year. This private placement issuance was made to a total of five investors in reliance on an exemption from the registration requirements of the Securities Act afforded by Regulation S.

On June 8, 2007, we issued 700,000 (pre reverse stock split) shares of common stock pursuant to a private placement financing of 700,000 units at a price of $0.10 per unit for gross proceeds of $70,000. The units have the same terms as those described in the immediately preceding paragraph, that is, each unit is comprised of one common share and one non-transferable common share purchase warrant. Each such warrant entitles the holder to purchase one additional share of our common stock for a period of five years from the date of the issue at an exercise price of $0.10 per share during the first two years, $0.20 per share during the third year, $0.30 per share during the fourth year; and $0.40 per share during the fifth year. This private placement issuance was made to a total of two investors in reliance on an exemption from the registration requirements of the Securities Act afforded by Regulation S.

On June 8, 2007 we issued 7,279,530 (pre reverse stock split) shares of common stock at $0.10 per share pursuant to the conversion of $567,953 in related party debt and $160,000 in accounts payable. This issuance was made to a total of five investors in reliance on an exemption from the registration requirements of the Securities Act afforded by Regulation S.

On June 8, 2007 we issued 1,500,000 (pre reverse stock split) shares of common stock pursuant to the issuance of 1,500,000 units at a deemed issuance price of $0.10 per unit as a finder's fee in conjunction with the February 12, 2007 convertible debenture. Each unit is comprised of one common share at a price of $0.10 per unit and one non-transferable share purchase warrant. Each such warrant entitles the holder to purchase on additional shares of our common stock for a period of five years from the date of the issue at an exercise price of $0.10 per share during the first two years, $0.20 per share during the third year, $0.30 per share during the fourth year, and $0.40 per share during the fifth year. This issuance was made to one investor in reliance on an exemption from the registration requirements of the Securities Act afforded by Regulation S.

On October 31, 2007 we issued 100,000 shares of our restricted common stock pursuant to a consulting services agreement.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits

The following exhibits are included with this Quarterly Report on Form 10-QSB:

Exhibit Number	Description of Exhibit
10.1	Executive Services Agreement between the Company and Denis Corin.
10.2	Amended Executive Services Agreement between the Company and Denis Corin.
10.3	Executive Services Agreement between the Company and Patrick A. McGowan.
10.4	Consulting Services Agreement between the Company and Alan Lindsay & Associates Ltd.
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1933, as amended.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1933, as amended.
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TAPIMMUNE INC.

/s/ Denis Corin

Denis Corin
President, Chief Executive Officer and Principal Executive

Officer
Date: November 14, 2007.
/s/ Patrick A. McGowan

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Patrick A. McGowan
Secretary, Treasurer, Chief Financial Officer, Principal Accounting Officer and a director
Date: November 14, 2007.

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EXECUTIVE SERVICES AGREEMENT

Between:

GENEMAX CORP.

And:

DENIS CORIN

GeneMax Corp.
Suite 400, 1681 Chestnut Street, Vancouver, British Columbia, Canada, V6J 4M6

EXECUTIVE SERVICES AGREEMENT

THIS EXECUTIVE SERVICES AGREEMENT is made and dated for reference effective as at November 17, 2006, as fully executed on this 17th day of November, 2006.

BETWEEN:

GENEMAX CORP., a company incorporated under the laws of the State of Nevada, U.S.A., and having an executive office and an address for notice and delivery located at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia, Canada, V6J 4M6

(the "*Company*");

OF THE FIRST PART

AND:

DENIS CORIN, businessperson, having an address for notice and delivery located at c/o 4130 Blenheim Street, Vancouver, British Columbia, Canada, V6L 2Z2

(the "*Executive*");

OF THE SECOND PART

(the Company and the Executive being hereinafter singularly also referred to as a "*Party*" and collectively referred to as the "*Parties*" as the context so requires).

WHEREAS:

A. The Company is a reporting company incorporated under the laws of the State of Nevada, U.S.A., and has its common shares listed for trading on the NASDAQ Over-The-Counter Bulletin Board;

B. The Executive has experience in and specializes in providing reporting and non-reporting companies with valuable management and operational services;

C. The Company is involved in the principal business of developing innovative therapeutics to treat serious disorders, primarily for cancer and infectious diseases (collectively, the "*Business*"); and, as a consequence thereof, the Company is hereby desirous of retaining the Executive as the President and Chief Executive Officer of the Company, and the Executive is hereby desirous of accepting such positions, in order to provide such related services to the Company (collectively, the "*General Services*");

D. Since the introduction of the Parties hereto the Parties hereby acknowledge and agree that there have been various discussions, negotiations, understandings and agreements between them relating to the terms and conditions of the General Services and, correspondingly, that it is their intention by the terms and conditions of this agreement (the "*Agreement*") to hereby replace, in their entirety, all such prior discussions, negotiations, understandings and agreements with respect to the General Services; and

E. The Parties hereto have agreed to enter into this Agreement which replaces, in its entirety, all such prior discussions, negotiations, understandings and agreements, and, furthermore, which necessarily clarifies their respective duties and obligations with respect to the within General Services to be provided hereunder, all in accordance with the terms and conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the mutual covenants and provisos herein contained, **THE PARTIES HERETO AGREE AS FOLLOWS**:

Article 1
DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following words and phrases shall have the following meanings:

(a) "*Agreement*" means this Executive Services Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof, together with any Schedules attached hereto;

(b) "*Arbitration Act*" means the *International Commercial Arbitration Act* (British Columbia) and pursuant to the rules and procedures of the British Columbia International Arbitration Centre, as amended from time to time, as set forth in Article "9" hereinbelow;

(c) "*Benefits*" has the meaning ascribed to it in section "4.9" hereinbelow;

(d) "*Board of Directors*" means the Board of Directors of the Company as duly constituted from time to time;

(e) "*Bonus*" has the meaning ascribed to it in section "4.4" hereinbelow;

(f) "*Business*" has the meaning ascribed to it in recital "C." hereinabove.

(g) "*business day*" means any day during which Canadian Chartered Banks are open for business in the City of Vancouver, Province of British Columbia, Canada;

(h) "*Company*" means GeneMax Corp., a company incorporated under the laws of the State of Nevada, U.S.A., or any successor company, however formed, whether as a result of merger, amalgamation or other action;

(i) "*Company's Non-Renewal Notice*" has the meaning ascribed to in section "3.2" hereinbelow;

(j) "*Effective Date*" has the meaning ascribed to in section "3.1" hereinbelow;

(k) "*Effective Termination Date*" has the meaning ascribed to it in each of sections "3.3", "3.4", "3.5", "3.6" and "5.3" hereinbelow;

(l) "*Exchange Act*", "*Form S-8 Registration Statement*", "*SEC*", "*Registration Statement*" and "*Securities Act*" have the meanings ascribed to them in section "4.8" hereinbelow;

(m) "*Executive*" means Denis Corin;

(n) "*Expenses*" has the meaning ascribed to it in section "4.5" hereinbelow;

(o) "*Fee*" has the meaning ascribed to it in section "4.1" hereinbelow;

(p) "*Initial Term*" has the meaning ascribed to it in section "3.1" hereinbelow;

(q) "*General Services*" has the meaning ascribed to it in section "2.1" hereinbelow;

(r) "*Indemnified Party*" has the meaning ascribed to it in section "7.1" hereinbelow;

(s) "*Notice of Termination Date*" has the meaning ascribed to it in each of sections "3.3", "3.4", "3.5" and "5.3" hereinbelow;

(t) "*Option*" has the meaning ascribed to it in section "4.7" hereinbelow;

(u) "*Option Plan*" has the meaning ascribed to it in section "4.7" hereinbelow;

(v) "*Option Share*" has the meaning ascribed to it in section "4.7" hereinbelow;

(w) "*OTCBB*" means the NASDAQ Over-The-Counter Bulletin Board;

(x) "*Parties*" or "*Party*" means, individually and collectively, the Company, and/or the Executive hereto, as the context so requires, together with each of their respective successors and permitted assigns as the context so requires;

(y) "*Property*" has the meaning ascribed to it in section "5.4" hereinbelow;

(z) "*Regulatory Approval*" means the acceptance for filing, if required, of the transactions contemplated by this Agreement by the Regulatory Authorities;

(aa) "*Regulatory Authorities*" and "*Regulatory Authority*" means, either singularly or collectively as the context so requires, such regulatory agencies who have jurisdiction over the affairs of either of the Company and/or the Executive and including, without limitation, and where applicable, the United States Securities and Exchange Commission, the NASDAQ, the OTCBB and all regulatory authorities from whom any such authorization, approval or other action is required to be obtained or to be made in connection with the transactions contemplated by this Agreement;

(ab) "*subsidiary*" means any company or companies of which more than 50% of the outstanding shares carrying votes at all times (provided that the ownership of such shares confers the right at all times to elect at least a majority of the directors of such company or companies) are for the time being owned by or held for that company and/or any other company in like relation to that company and includes any company in like relation to the subsidiary; and

(ac) "*Vacation*" has the meaning ascribed to it in section "4.6" hereinbelow.

1.2 **Interpretation**. For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the words "*herein*", "*hereof*" and "*hereunder*" and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of this Agreement;

(b) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a permitted successor to such entity; and

(c) words in the singular include the plural and words in the masculine gender include the feminine and neuter genders, and *vice versa*.

Article 2
GENERAL SERVICES AND DUTIES OF THE EXECUTIVE

2.1 **General Services**. During the Initial Term and during the continuance of this Agreement the Company hereby agrees to retain the Executive as the President and Chief Executive Officer of the Company, and the Executive hereby agrees to be subject to the direction and supervision of, and to have the authority as is delegated to the Executive by, the Board of Directors consistent with such positions, and the Executive also agrees to accept such positions in order to provide such related services as the Board of Directors shall, from time to time, reasonably assign to the Executive and as may be necessary for the ongoing maintenance and development of the Company's various Business interests during the Initial Term and during the continuance of this Agreement (collectively, t he "*General Services*"); it being expressly acknowledged and agreed by the Parties hereto that the Executive shall initially commit and provide to the Company the General Services on a reasonably part-time basis during the Initial Term and during the continuance of this Agreement for which the Company, as more particularly set forth hereinbelow, hereby agrees to pay and provide to the order and direction of the Executive each of the proposed compensation amounts as set forth in Articles "4" hereinbelow.

In this regard it is hereby acknowledged and agreed that the Executive shall be entitled to communicate with and shall rely upon the immediate advice, direction and instructions of the Chairman of the Board of Directors of the Company, or upon the advice or instructions of such other director or officer of the Company as the Chairman of the Board of Directors of the Company shall, from time to time, designate in times of the Chairman's absence, in order to initiate, coordinate and implement the General Services as contemplated herein subject, at all times, to the final direction and supervision of the Board of Directors.

2.2 **Additional duties respecting the General Services**. Without in any manner limiting the generality of the General Services to be provided as set forth in section "2.1" hereinabove, it is hereby also acknowledged and agreed that Executive will, during the Initial Term and during the continuance of this Agreement, devote a reasonable portion of the Executive's consulting time to the General Services of the Executive as may be determined and required by the Board of Directors of the Company for the performance of said General Services faithfully, diligently, to the best of the Executive's abilities and in the best interests of the Company and, furthermore, that the Executive's employment time will be prioritized at a ll times for the Company in that regard.

2.3 **Adherence to rules and policies of the Company**. The Executive hereby acknowledges and agrees to abide by the reasonable rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the same as such rules, regulations, instructions, personnel practices and policies may be reasonably applied to the President and Chief Executive Officer of the Company.

Article 3
INITIAL TERM, RENEWAL AND TERMINATION

3.1 **Effectiveness and Initial Term of the Agreement**. The initial term of this Agreement (the "*Initial Term*") is for a period of eight months commencing on November 17, 2006 (the "*Effective Date*"), however, is subject, at all times, to the Company's prior receipt, if required, of Regulatory Approval from each of the Regulatory Authorities to the terms and conditions of and the transactions contemplated by this Agreement.

3.2 **Renewal by the Company after the Initial Term**. Subject at all times to sections "3.3", "3.4", "3.5" and "5.3" hereinbelow, this Agreement shall renew automatically if not specifically terminated in accordance with the following provisions. The Company agrees to notify the Executive in writing at least 90 calendar days prior to the end of the Initial Term of its intent not to renew this Agreement (the "*Company's Non-Renewal Notice*"). Should the Company fail to provide a Company's Non-Renewal Notice this Agreement shall automatically renew on a three-month to three-month term renewal basis after the Initial Term until otherwise specifically renewed in writing by each of the Parties hereto for the next three-month term of renewal or, otherwise, terminated upon delivery by the Company of a corresponding and follow-up 90 calendar day C ompany's Non-Renewal Notice in connection with and within 90 calendar days prior to the end of any such three-month term renewal period. Any such renewal on a three-month basis shall be on the same terms and conditions contained herein unless modified and agreed to in writing by the Parties in advance.

3.3 **Termination without cause by the Executive**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the Executive at any time after the Effective Date and during the Initial Term and during the continuance of this Agreement upon the Executive's delivery to the Company of prior written notice of its intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company's ongoing obligation to provide and to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinbelow will continue only until the Effective Termination Date.

3.4 **Termination without cause by the Company**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the Company at any time after the Effective Date and during the Initial Term and during the continuance of this Agreement upon the Company's delivery to the Executive of prior written notice of its intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will immediately cease upon the date of the Notice of Termination, however, the Company shall continue to be obligated to provide and to pay to the Executive all of the amount s otherwise payable to the Executive under Article "4" hereinbelow until the end of the entire Initial Term under this Agreement; such ongoing compensation representing the Executive's clear and unequivocal severance for the early termination by the Company without cause of this Agreement prior to the completion of the Initial Term.

3.5 **Termination for cause by any Party**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by any Party hereto at any time upon written notice to the other Party of such Party's intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein), and damages sought, if:

(a) the other Party fails to cure a material breach of any provision of this Agreement within 21 calendar days from its receipt of written notice from said Party (unless such material breach cannot be reasonably cured within said 21 calendar days and the other Party is actively pursuing to cure said material breach);

(b) the other Party is willfully non-compliant in the performance of its respective duties under this Agreement within 21 calendar days from its receipt of written notice from said Party (unless such willful non-compliance cannot be reasonably corrected within said 21 calendar days and the other Party is actively pursuing to cure said willful non-compliance);

(c) the other Party commits fraud or serious neglect or misconduct in the discharge of its respective duties hereunder or under the law; or

(d) the other Party becomes adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, and where any such involuntary petition is not dismissed within 21 calendar days.

In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company shall continue to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinbelow until the Effective Termination Date.

3.6 **Disability or death and Advance**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated at any time by any Party within 21 calendar days after the death or disability of the Executive, as a without fault termination (the resulting effective date of any such termination being herein also the "*Effective Termination Date*"). For the purposes of this Agreement the term "*disability*" shall mean the Executive shall have been unable to provide the General Services contemplated under this Agreement for a period of 90 calendar days, whether or not consecutive, during any 360 calendar day period, due to a physical or mental disability. A determination of disability shall be made by a physician satis factory to both the Executive and the Company; provided that if the Executive and the Company do not agree on a physician, the Executive and the Company shall each select a physician and these two together shall select a third physician whose determination as to disability shall be binding on all Parties. In the event that the Executive's employment is terminated by death or because of disability pursuant to this Agreement, the Company shall pay to the estate of the Executive or to the Executive, as the case may be, all amounts to which the Executive would otherwise be entitled under Article "4" hereinbelow until the Effective Termination Date.

3.7 **Effect of Termination**. Terms of this Agreement relating to accounting, payments, confidentiality, accountability for damages or claims and all other matters reasonably extending beyond the terms of this Agreement and to the benefit of the Parties hereto or for the protection of the Business interests of the Company shall survive the termination of this Agreement, and any matter of interpretation thereto shall be given a wide latitude in this regard. In addition, and without limiting the foregoing, each of sections "3.3", "3.4", "3.5", "3.6" and "5.3" hereinabove shall survive the termination of this Agreement.

Article 4
COMPENSATION OF THE EXECUTIVE

4.1 **Fee**. It is hereby acknowledged and agreed that the Executive shall render the General Services as defined hereinabove during the Initial Term and during the continuance of this Agreement and shall thus be compensated from the Effective Date of this Agreement to the termination of the same by way of the payment by the Company to the Executive, or to the further order or direction of the Executive as the Executive may determine, in the Executive's sole and absolute discretion, and advise the Company of prior to such payment, of the gross monthly fee of Cdn. $5,000.00 (the "*Fee*"). All such Fees will be due and payable by the Company to the Executive, or to the further order or direction of the Executive as the Executive may determine, in the Executive's sole and absolute discretion, and advise the Company of prior to any such Fee paym ent, bi-monthly and on or about the fifteenth and thirtieth day of each month of the then monthly period of service during the continuance of this Agreement.

4.2 **Payment of Fee and status as a non-taxable consultant**. It is hereby also acknowledged and agreed that the Executive will be classified as a non-taxable consultant of the Company for all purposes, such that all compensation which is provided by the Company to the Executive under this Agreement, or otherwise, will be calculated on the foregoing and gross Fee basis and otherwise for which no statutory taxes will first be deducted by the Company.

4.3 **Increase in the Fee**. It is hereby acknowledged that the proposed Fee payments under this Agreement were negotiated as between the Parties hereto in the context of the stage of development of the Company existing as at the Effective Date of this Agreement. Correspondingly, it is hereby acknowledged and agreed that the Fee shall be reviewed and renegotiated at the request of either Party on a reasonably consistent basis during the continuance of this Agreement and, in the event that the Parties cannot agree, then the Fee shall be increased on an annual basis by the greater of (i) 10% and (ii) the percentage which is the average percentage of all increases to management salaries and fees within the Company during the previous 12-month period. Any dispute respectin g either the effectiveness or magnitude of the final Fee hereunder shall be determined by arbitration in accordance with Article "9" hereinbelow.

4.4 **Bonus payments**. It is hereby also acknowledged that the Board of Directors shall, in good faith, consider the payment of reasonable industry standard annual bonuses (each being a "*Bonus*") based upon the performance of the Company and upon the achievement by the Executive and/or the Company of reasonable management objectives to be reasonably established by the Board of Directors (after reviewing proposals with respect thereto defined by the Executive in the Executive's capacity as the President and Chief Executive Officer of the Company, and delivered to the Board of Directors by the Executive at least 30 calendar days before the beginning of the relevant year of the Company (or within 90 calendar days following the commencement o f the Company's first calendar year commencing on the Effective Date)). These management objectives shall consist of both financial and subjective goals and shall be specified in writing by the Board of Directors, and a copy shall be given to the Executive prior to the commencement of the applicable year. The payment of any such Bonus shall be payable no later than within 120 calendar days of the ensuing year after any calendar year commencing on the Effective Date. Any dispute respecting either the effectiveness or the magnitude of any Bonus hereunder shall be determined by arbitration in accordance with Article "8" hereinbelow.

4.5 **Reimbursement of Expenses**. It is hereby acknowledged and agreed that the Executive shall also be reimbursed for all pre-approved, direct and reasonable expenses actually and properly incurred by the Executive for the benefit of the Company (collectively, the "*Expenses*"); and which Expenses, it is hereby acknowledged and agreed, shall be payable by the Company to the order, direction and account of the Executive as the Executive may designate in writing, from time to time, in the Executive's sole and absolute discretion, as soon as conveniently possible after the prior delivery by the Executive to the Company of written substantiation on account of each such reimbursable Expense.

4.6 **Paid Vacation**. It is hereby also acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to four weeks paid vacation (collectively, the "*Vacation*") during each and every year during the continuance of this Agreement. In this regard it is further understood hereby that the Executive's entitlement to any such paid Vacation during any year (including the initial year) during the continuance of this Agreement will be subject, at all times, to the Executive's entitlement to only a pro rata portion of any such paid Vacation time during any year (including the initial year) and to the effective date upon which this Agreement is terminated prior to the end of any such year for any reason whatsoever.

4.7 **Options**. Subject to the following and the provisions of section "4.8" hereinbelow, and as soon as reasonably practicable after the Effective Date hereof, it is hereby acknowledged and agreed that the Executive will be granted, or will have already been granted, subject to the rules and policies of the Regulatory Authorities and applicable securities legislation, the terms and conditions of the Company's existing stock option plan (the "*Option Plan*") and the final determination of the Board of Directors, acting reasonably, an incentive stock option or options (each being an "*Option*") for the collective purchase of up to an aggregate of not less than 1,000,000 common shares of the Company (each an "*Option Share*"), at an exercise price of not more than U.S. $0.10 per Option Share and exercisable for a period of not less t han five years from the date of grant; or such further number of Options to acquire an equivalent number of Option Shares of the Company as the Board of Directors may determine, in its sole and absolute discretion; and which Option or Options will be exercisable for such periods and at such exercise price or prices per Option Share as the Board of Directors may also determine, in its sole and absolute discretion, from time to time after the Effective Date hereof.

It is hereby acknowledged that the initial Options granted under this Agreement were negotiated as between the Parties hereto in the context of the stage of development of the Company existing as at the Effective Date of this Agreement. Correspondingly, it is hereby acknowledged and agreed that the number of Options granted by the Company to the Executive hereunder shall be reviewed and renegotiated at the request of either Party on a reasonably consistent basis during the continuance of this Agreement and, in the event that the Parties cannot agree, then the number of Options shall be increased on an annual basis by the percentage which is the average percentage of all increases to management stock options within the Company during the previous 12-month period; and in each case on similar and reasonable exercise t erms and conditions. Any dispute respecting either the effectiveness or magnitude of the final number and terms hereunder shall be determined by arbitration in accordance with Article "9" hereinbelow.

4.8 **Options subject to the following provisions**. In this regard, and subject also to the following, it is hereby acknowledged and agreed that the exercise of any such Options shall be subject, at all times, to such vesting and resale provisions as may then be contained in the Company's Option Plan and as may be finally determined by the Board of Directors, acting reasonably. Notwithstanding the foregoing, however, it is hereby also acknowledged and agreed that, in the event that this Agreement is terminated in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" and "5.3" herein, such portion of the within and remaining Options which shall have then not been exercised on the determined Effective Termination Date shall, notwithstanding the remaining exercise period of the Option(s), then be exercisable by the Executive for a period of 90 calendar days following such Effective Termination Date or otherwise. In this regard, and in accordance with the terms and conditions of each final form of Option agreement, the Parties hereby also acknowledge and agree that:

(a) *Registration of Option Shares under the Options*: the Company shall file with the United States Securities and Exchange Commission (the "*SEC*") a registration statement on Form S-8 (the "*Form S-8 Registration Statement*") within 60 calendar days after the Effective Date hereof covering the issuance of all Option Shares of the Company underlying the then issued Options, and such Form S-8 Registration Statement shall comply with all requirements of the United States *Securities Act of 1933*, as amended (the "*Securities Act*"). In this regard the Company shall use its best efforts to ensure that the Form S-8 Registration Statement remains effective as long as such Options are outstanding, and the Executive fully understands and acknowledges that these Option Shares will be issued in reliance upon the exemption afforded under the Form S-8 Registration Statement which is available only if the Executive acquires such O ption Shares for investment and not with a view to distribution. The Executive is familiar with the phrase "acquired for investment and not with a view to distribution" as it relates to the Securities Act and the special meaning given to such term in various releases of the United States Securities and Exchange Commission (the "*SEC*");

(b) *Section 16 compliance*: the Company shall ensure that all grants of Options are made to ensure compliance with all applicable provisions of the exemption afforded under Rule 16b-3 promulgated under the *Securities and Exchange Act of 1934*, as amended (the "*Exchange Act*"). Without limiting the foregoing, the Company shall have an independent committee of the Board of Directors of the Company approve each grant of Options to the Executive and, if required, by the applicable Regulatory Authorities and the shareholders of the Company. The Company shall file, on behalf of the Executive, all reports required to filed with the SEC pursuant to the requirements of Section 16(a) under the Exchange Act and applicable rules and regulations;

(c) *Disposition of any Option Shares*: the Executive further acknowledges and understands that, without in anyway limiting the acknowledgements and understandings as set forth hereinabove, the Executive agrees that the Executive shall in no event make any disposition of all or any portion of the Option Shares which the Executive may acquire hereunder unless and until:

(i) there is then in effect a "*Registration Statement*" under the Securities Act covering such proposed disposition and such disposition is made in accordance with said Registration Statement; or

(ii) (A) the Executive shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, (B) the Executive shall have furnished the Company with an opinion of the Executive's own counsel to the effect that such disposition will not require registration of any such Option Shares under the Securities Act and (C) such opinion of the Executive's counsel shall have been concurred in by counsel for the Company and the Company shall have advised the Executive of such concurrence; and

(d) *Payment for any Option Shares*: it is hereby further acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to exercise any Option granted hereunder and pay for the same by way of the prior agreement of the Executive, in the Executive's sole and absolute discretion, and with the prior knowledge of the Company, to settle any indebtedness which may be due and owing by the Company under this Agreement in payment for the exercise price of any Option Shares acquired thereunder. In this regard, and subject to further discussion as between the Company and the Executive, together with the prior approval of the Board of Directors of the Company and the establishment by the Company of a new Option Plan predicated upon the same, it is envisioned that, when the Company is in a position to afford the same, the Company may adopt certain additional "cashless exercise" provisions respecting the granting and exercise of incentive stock options during the continuance of this Agreement.

4.9 **Benefits**. It is hereby acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to participate fully in each of the Company's respective medical services plans and management and employee benefits program(s) (collectively, the "*Benefits*").

Article 5
ADDITIONAL OBLIGATIONS OF THE EXECUTIVE

5.1 **Reporting**. At such time or times as may be required by the Board of Directors, acting reasonably, the Executive will provide the Board of Directors with such information concerning the results of the Executive's General Services and activities hereunder for the previous month as the Board of Directors may reasonably require.

5.2 **Opinions, reports and advice of the Executive**. The Executive acknowledges and agrees that all written and oral opinions, reports, advice and materials provided by the Executive to the Company in connection with the Executive's engagement hereunder are intended solely for the Company's benefit and for the Company's uses only, and that any such written and oral opinions, reports, advice and information are the exclusive property of the Company. In this regard the Executive covenants and agrees that the Company may utilize any such opinion, report, advice and materials for any other purpose whatsoever and, furthermore, may reproduce, disseminate, quote from and refer to, in whole or in part, at any time and in any manner, any such opinion, report, advice and materials in the Company's sole and absolute discretion. The Executive further cove nants and agrees that no public references to the Executive or disclosure of the Executive's role in respect of the Company may be made by the Executive without the prior written consent of the Board of Directors in each specific instance and, furthermore, that any such written opinions, reports, advice or materials shall, unless otherwise required by the Board of Directors, be provided by the Executive to the Company in a form and with such substance as would be acceptable for filing with and approval by any Regulatory Authority having jurisdiction over the affairs of the Company from time to time.

5.3 **Executive's business conduct**. The Executive warrants that the Executive shall conduct the business and other activities in a manner which is lawful and reputable and which brings good repute to the Company, the Company's business interests and the Executive. In particular, and in this regard, the Executive specifically warrants to provide the General Services in a sound and professional manner such that the same meets superior standards of performance quality within the standards of the industry or as set by the specifications of the Company. In the event that the Board of Directors has a reasonable concern that the business as conducted by the Executive is being conducted in a way contrary to law or is reasonably likely to bring disrepute to the business interests or to the Company's or the Executive's reputation, the Company may requi re that the Executive make such alterations in the Executive's business conduct or structure, whether of management or Board representation or employee or sub-licensee representation, as the Board of Directors may reasonably require, in its sole and absolute discretion, failing which the Company, in its sole and absolute discretion, may terminate this Agreement upon prior written notice to the Executive to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company shall continue to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinabove until the Effective Termination. In the event of any debate or dispute as to the reas onableness of the Board of Directors' request or requirements, the judgment of the Board of Directors shall be deemed correct until such time as the matter has been determined by arbitration in accordance with Article "9" hereinbelow.

5.4 **Right of ownership to the business and related Property**. The Executive hereby acknowledges and agrees that any and all Company Business interests, together with any products or improvements derived therefrom and any trade marks or trade names used in connection with the same (collectively, the "*Property*"), are wholly owned and controlled by the Company. Correspondingly, neither this Agreement, nor the operation of the business contemplated by this Agreement, confers or shall be deemed to confer upon the Executive any interest whatsoever in and to any of the Property. In this regard the Executive hereby further covenants and agrees not to, during or after the Initial Term and the continuance of this Agreement, contest the title to any of the Property interests, in any way dispute or impugn the validity of the Property interests or take any action to the detriment of the Company's interests therein. The Executive acknowledges that, by reason of the unique nature of the Property interests, and by reason of the Executive's knowledge of and association with the Property interests during the Initial Term and during the continuance of this Agreement, the aforesaid covenant, both during the Initial Term of this Agreement and thereafter, is reasonable and commensurate for the protection of the legitimate business interests of the Company. As a final note, the Executive hereby further covenants and agrees to immediately notify the Company of any infringement of or challenge to the any of the Property interests as soon as the Executive becomes aware of the infringement or challenge.

In addition, and for even greater certainty, the Executive hereby assigns to the Company the entire right, title and interest throughout the world in and to all work performed, writings, formulas, designs, models, drawings, photographs, design inventions, and other inventions, made, conceived, or reduced to practice or authored by the Executive or the Executive's employees, either solely or jointly with others, during the performance of this Agreement, or which are made, conceived, or reduced to practice, or authored with the use of information or materials of the Company either received or used by the Executive during the performance of this Agreement or any extension or renewal thereof. The Executive shall promptly disclose to the Company all works, writings, formulas, designs, models, photographs, drawings, design inve ntions and other inventions made, conceived or reduced to practice, or authored by the Executive or the Executive's employees as set forth above. The Executive shall sign, execute and acknowledge, or cause to be signed, executed and acknowledged without cost to Company or its nominees, patent, trademark or copyright protection throughout the world upon all such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions; title to which the Company acquires in accordance with the provisions of this section. The Executive has acquired or shall acquire from each of the Executive's employees, if any, the necessary rights to all such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions made by such employees within the scope of their employment by the Executive in performing the General Services under this Agreement. The Executive shall obtain the cooperation of each such employee to secure to the Company or its nominees the rights to such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions as the Company may acquire in accordance with the provisions of this section. The work performed and the information produced under this Agreement are works made for hire as defined in 17 U.S.C. Section 101.

Article 6
ADDITIONAL OBLIGATIONS OF THE PARTIES

6.1 **No conflict, no competition and non-circumvention**. During the continuance of this Agreement neither Party hereto shall engage in any business or activity which reasonably may detract from or conflict with that Party's respective duties and obligations to other Party as set forth in this Agreement without the prior written consent of the other Party hereto. In addition, during the continuance of this Agreement, and for a period of at least one year following the termination of this Agreement in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" or "5.3" hereunder, no Party shall engage in any business or activity whatsoever which reasonably may be determined by the other Party hereto, in its sole and absolute discretion, to compete with any portion of that Party's business interests as contemplated hereby without the prio r written consent of that Party. Furthermore, each of the Parties hereby acknowledges and agrees, for a period of at least one year following the termination of this Agreement in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" or "5.3" hereunder, not to initiate any contact or communication directly with either of the other Party or any of its respective subsidiaries, as the case may be, together with each of the other Party's respective directors, officers, representatives, agents or employees, without the prior written consent of the other Party hereto and, notwithstanding the generality of the foregoing, further acknowledges and agrees, even with the prior written consent of the other Party to such contact or communication, to limit such contact or communication to discussions outside the scope of any confidential information (as hereinafter determined). For the purposes of the foregoing the Parties hereby recognize and agree that a breach a Party of any of the covenants herein cont ained would result in irreparable harm and significant damage to the other Party that would not be adequately compensated for by monetary award. Accordingly, each of the Parties agrees that, in the event of any such breach, in addition to being entitled as a matter of right to apply to a Court of competent equitable jurisdiction for relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance with the provisions hereof, a Party will also be liable to the other Party hereto, as liquidated damages, for an amount equal to the amount received and earned by that Party as a result of and with respect to any such breach. The Parties hereby acknowledge and agree that if any of the aforesaid restrictions, activities, obligations or periods are considered by a Court of competent jurisdiction as being unreasonable, the Parties agree that said Court shall have authority to limit such restrictions, activities or periods as the Court deems proper in the circumstances. In addition, the Parties further acknowledge and agree that all restrictions or obligations in this Agreement are necessary and fundamental to the protection of their respective business interests and are reasonable and valid, and all defenses to the strict enforcement thereof by the Parties are hereby waived.

6.2 **Confidentiality**. Each Party will not, except as authorized or required by its respective duties and obligations hereunder, reveal or divulge to any person, company or entity any information concerning the respective organization, business, finances, transactions or other affairs of the other Party hereto, or of any of the other Party's respective subsidiaries, which may come to the Party's knowledge during the continuance of this Agreement, and each Party will keep in complete secrecy all confidential information entrusted to the Party and will not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the other Party's respective business interests. This restriction will continue to apply after the termination of this Agreement without limit in point of time but will ceas e to apply to information or knowledge which may come into the public domain.

6.3 **Compliance with applicable laws**. Each Party will comply with all U.S., Canadian and foreign laws, whether federal, provincial or state, applicable to its respective duties and obligations hereunder and, in addition, hereby represents and warrants that any information which the Party may provide to any person or company hereunder will, to the best of the Party's knowledge, information and belief, be accurate and complete in all material respects and not misleading, and will not omit to state any fact or information which would be material to such person or company.

Article 7
INDEMNIFICATION AND LEGAL PROCEEDINGS

7.1 **Indemnification**. The Parties hereto hereby each agree to indemnify and save harmless the other Party hereto and including, where applicable, their respective subsidiaries and affiliates and each of their respective directors, officers, Executives and agents (each such party being an "*Indemnified Party*") harmless from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatever nature or kind and including, without limitation, any investigation expenses incurred by any Indemnified Party, to which an Indemnified Party may become subject by reason of the terms and conditions of this Agreement.

7.2 **No indemnification**. This indemnity will not apply in respect of an Indemnified Party in the event and to the extent that a Court of competent jurisdiction in a final judgment shall determine that the Indemnified Party was grossly negligent or guilty of willful misconduct.

7.3 **Claim of indemnification**. The Parties hereto agree to waive any right they might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming this indemnity.

7.4 **Notice of claim**. In case any action is brought against an Indemnified Party in respect of which indemnity may be sought against either of the Parties hereto, the Indemnified Party will give both Parties hereto prompt written notice of any such action of which the Indemnified Party has knowledge and the relevant Party will undertake the investigation and defense thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Party affected and the relevant Party and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the relevant Party of such relevant Party's obligation of indemnification hereunder unless (and only to the extent that) such failure results in a forfeiture by the relevant Party of substantive rights or def enses.

7.5 **Settlement**. No admission of liability and no settlement of any action shall be made without the consent of each of the Parties hereto and the consent of the Indemnified Party affected, such consent not to be unreasonable withheld.

7.6 **Legal proceedings**. Notwithstanding that the relevant Party will undertake the investigation and defense of any action, an Indemnified Party will have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

(a) such counsel has been authorized by the relevant Party;

(b) the relevant Party has not assumed the defense of the action within a reasonable period of time after receiving notice of the action;

(c) the named parties to any such action include that any Party hereto and the Indemnified Party shall have been advised by counsel that there may be a conflict of interest between any Party hereto and the Indemnified Party; or

(d) there are one or more legal defenses available to the Indemnified Party which are different from or in addition to those available to any Party hereto.

7.7 **Contribution**. If for any reason other than the gross negligence or bad faith of the Indemnified Party being the primary cause of the loss claim, damage, liability, cost or expense, the foregoing indemnification is unavailable to the Indemnified Party or insufficient to hold them harmless, the relevant Party shall contribute to the amount paid or payable by the Indemnified Party as a result of any and all such losses, claim, damages or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by the relevant Party on the one hand and the Indemnified Party on the other, but also the relative fault of relevant Party and the Indemnified Party and other equitable considerations which may be relevant. Notwithstanding the foregoing, the relevant Party shall in any event contribute to the amount paid or p ayable by the Indemnified Party, as a result of the loss, claim, damage, liability, cost or expense (other than a loss, claim, damage, liability, cost or expenses, the primary cause of which is the gross negligence or bad faith of the Indemnified Party), any excess of such amount over the amount of the fees actually received by the Indemnified Party hereunder.

Article 8
FORCE MAJEURE

8.1 **Events**. If either Party hereto is at any time either during this Agreement or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of strikes, walk-outs, labour shortages, power shortages, fires, wars, acts of God, earthquakes, storms, floods, explosions, accidents, protests or demonstrations by environmental lobbyists or native rights groups, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market, unavailability of equipment, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of that Party, then the time limited for the performance by that Party of its respective obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention o r delay.

8.2 **Notice**. A Party shall within three calendar days give notice to the other Party of each event of *force majeure* under section "8.1" hereinabove, and upon cessation of such event shall furnish the other Party with notice of that event together with particulars of the number of days by which the obligations of that Party hereunder have been extended by virtue of such event of *force majeure* and all preceding events of *force majeure*.

Article 9
ARBITRATION

9.1 **Matters for arbitration**. Except for matters of indemnity or in the case of urgency to prevent material harm to a substantive right or asset, the Parties agree that all questions or matters in dispute with respect to this Agreement shall be submitted to arbitration pursuant to the terms hereof. This provision shall not prejudice a Party from seeking a Court order or assistance to garnish or secure sums or to seek summary remedy for such matters as counsel may consider amenable to summary proceedings.

9.2 **Notice**. It shall be a condition precedent to the right of any Party to submit any matter to arbitration pursuant to the provisions hereof that any Party intending to refer any matter to arbitration shall have given not less than five business days' prior written notice of its intention to do so to the other Parties together with particulars of the matter in dispute. On the expiration of such five business days the Party who gave such notice may proceed to refer the dispute to arbitration as provided for in section "9.3" hereinbelow.

9.3 **Appointments**. The Party desiring arbitration shall appoint one arbitrator, and shall notify the other Parties of such appointment, and the other Parties shall, within five business days after receiving such notice, appoint an arbitrator, and the two arbitrators so named, before proceeding to act, shall, within five business days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator, to act with them and be chairperson of the arbitration herein provided for. If the other Parties shall fail to appoint an arbitrator within five business days after receiving notice of the appointment of the first arbitrator, and if the two arbitrators appointed by the Parties shall be unable to agree on the appointment of the chairperson, the chairperson shall be appointed in accordance with the Arbitr ation Act. Except as specifically otherwise provided in this section, the arbitration herein provided for shall be conducted in accordance with such Arbitration Act. The chairperson, or in the case where only one arbitrator is appointed, the single arbitrator, shall fix a time and place for the purpose of hearing the evidence and representations of the Parties, and the chairperson shall preside over the arbitration and determine all questions of procedure not provided for by the Arbitration Act or this section. After hearing any evidence and representations that the Parties may submit, the single arbitrator, or the arbitrators, as the case may be, shall make an award and reduce the same to writing, and deliver one copy thereof to each of the Parties. The expense of the arbitration shall be paid as specified in the award.

9.4 **Award**. The Parties agree that the award of a majority of the arbitrators, or in the case of a single arbitrator, of such arbitrator, shall be final and binding upon each of them.

Article 10
GENERAL PROVISIONS

10.1 **Entire agreement**. This Agreement constitutes the entire agreement to date between the Parties hereto and supersedes every previous agreement, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, between the Parties with respect to the subject matter of this Agreement.

10.2 **No assignment**. This Agreement may not be assigned by any Party hereto except with the prior written consent of the other Parties.

10.3 **Notice**. Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be sent by prepaid registered mail deposited in a recognized post office and addressed to the Party entitled to receive the same, or delivered to such Party, at the address for such Party specified on the front page of this Agreement. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered, or, if given by registered mail as aforesaid, shall be deemed conclusively to be the third business day after the same shall have been so mailed, except in the case of interruption of postal services for any reason whatsoever, in which case the date of receipt shall be the date on which the notice, demand or other communication is actually received by the addressee. An y Party may at any time and from time to time notify the other Parties in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

10.4 **Time of the essence**. Time will be of the essence of this Agreement.

10.5 **Enurement**. This Agreement will enure to the benefit of and will be binding upon the Parties hereto and their respective heirs, executors, administrators and assigns.

10.6 **Currency**. Unless otherwise stipulated, all payments required to be made pursuant to the provisions of this Agreement and all money amount references contained herein are in lawful currency of the United States.

10.7 **Further assurances**. The Parties will from time to time after the execution of this Agreement make, do, execute or cause or permit to be made, done or executed, all such further and other acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

10.8 **Representation and costs**. It is hereby acknowledged by each of the Parties hereto that Lang Michener LLP, Lawyers - Patent & Trade Mark Agents, acts solely for the Company, and, correspondingly, that the Executive has been required by each of Lang Michener LLP and the Company to obtain independent legal advice with respect to its review and execution of this Agreement. In addition, it is hereby further acknowledged and agreed by the Parties hereto that Lang Michener LLP, and certain or all of its principal owners or associates, from time to time, may have both an economic or shareholding interest in and to Company and/or a fiduciary duty to the same arising from either a directorship, officership or similar relationship arising out of the request of the Company for certain of such persons to act in a similar capacity w hile acting for the Company as counsel. Correspondingly, and even where, as a result of this Agreement, the consent of each Party hereto to the role and capacity of Lang Michener LLP, and its principal owners and associates, as the case may be, is deemed to have been received, where any conflict or perceived conflict may arise, or be seen to arise, as a result of any such capacity or representation, each Party hereto acknowledges and agrees to, once more, obtain independent legal advice in respect of any such conflict or perceived conflict and, consequent thereon, Lang Michener LLP, together with any such principal owners or associates, as the case may be, shall be at liberty at any time to resign any such position if it or any Party hereto is in any way affected or uncomfortable with any such capacity or representation. Each Party to this Agreement will also bear and pay its own costs, legal and otherwise, in connection with its respective preparation, review and execution of this Agreement and, in partic ular, that the costs involved in the preparation of this Agreement, and all documentation necessarily incidental thereto, by Lang Michener LLP, shall be at the cost of the Company.

10.9 **Applicable law**. The situs of this Agreement is Vancouver, British Columbia, Canada, and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws and Courts prevailing in the Province of British Columbia, Canada, and the federal laws of Canada applicable thereto.

10.10 **Severability and construction**. Each Article, section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable, and if, for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any applicable present or future law, rule or regulation in a final unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which any Party hereto is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible (all of which shall remain binding on the Parties and continue to be given full force and effect as of the date upon which the ruling becomes final).

10.11 **Captions**. The captions, section numbers and Article numbers appearing in this Agreement are inserted for convenience of reference only and shall in no way define, limit, construe or describe the scope or intent of this Agreement nor in any way affect this Agreement.

10.12 **Counterparts**. This Agreement may be signed by the Parties hereto in as many counterparts as may be necessary, and via facsimile if necessary, each of which so signed being deemed to be an original and such counterparts together constituting one and the same instrument and, notwithstanding the date of execution, being deemed to bear the Effective Date as set forth on the front page of this Agreement.

10.13 **No partnership or agency**. The Parties have not created a partnership and nothing contained in this Agreement shall in any manner whatsoever constitute any Party the partner, agent or legal representative of the other Parties, nor create any fiduciary relationship between them for any purpose whatsoever.

10.14 **Consents and waivers**. No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall:

(a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this section;

(b) be relied upon as a consent to or waiver of any other breach or default of the same or any other obligation;

(c) constitute a general waiver under this Agreement; or

(d) eliminate or modify the need for a specific consent or waiver pursuant to this section in any other or subsequent instance.

IN WITNESS WHEREOF the Parties hereto have hereunto set their respective hands and seals as at the Effective Date as hereinabove determined.

The COMMON SEAL of	)	
GENEMAX CORP.,	)	
the Company herein, was hereunto affixed	)	
in the presence of:	)	(C/S)
	)	
	)	
"Patrick McGowan"	)	
Authorized Signatory	)	

SIGNED, SEALED and DELIVERED by	)	
DENIS CORIN,	)	
the Executive herein, in the presence of:	)	
	)	
	)	
"Theresa L. Grigg"	)	
Witness Signature	)	*"Denis Corin"*
	)	**DENIS CORIN**
#809-888 Pacific St.,	)	
Vancouver, BC V6Z 2S6	)	
Witness Address	)	
	)	
Theresa L. Grigg, Executive Assistant	)	
Witness Name and Occupation	)	

EXHIBIT 10.2

_____

AMENDED EXECUTIVE SERVICES AGREEMENT

Between:

GENEMAX CORP.

And:

DENIS CORIN

GeneMax Corp.
Suite 400, 1681 Chestnut Street, Vancouver, British Columbia, Canada, V6J 4M6

_____

AMENDED EXECUTIVE SERVICES AGREEMENT

THIS AMENDED EXECUTIVE SERVICES AGREEMENT is made and dated for reference effective as at May 1, 2007, as fully executed on this 30th day of June, 2007.

BETWEEN:

GENEMAX CORP., a company incorporated under the laws of the State of Nevada, U.S.A., and having an executive office and an address for notice and delivery located at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia, Canada, V6J 4M6

(the "*Company*");

OF THE FIRST PART

AND:

DENIS CORIN, businessperson, having an address for notice and delivery located at c/o 4130 Blenheim Street, Vancouver, British Columbia, Canada, V6L 2Z2

(the "*Executive*");

OF THE SECOND PART

(the Company and the Executive being hereinafter singularly also referred to as a "*Party*" and collectively referred to as the "*Parties*" as the context so requires).

WHEREAS:

A. The Company is a reporting company incorporated under the laws of the State of Nevada, U.S.A., and has its common shares listed for trading on the NASD Over-The-Counter Bulletin Board;

B. The Executive has experience in and specializes in providing reporting and non-reporting companies with valuable management and operational services, and the Executive is the current President and Chief Executive Officer of the Company;

C. The Company is involved in the principal business of developing innovative therapeutics to treat serious disorders, primarily for cancer and infectious diseases (collectively, the "*Business*"); and, as a consequence thereof, the Company is hereby desirous of continuing to retain the Executive as the President and Chief Executive Officer of the Company, and the Executive is hereby desirous of continuing with such positions, in order to provide such related services to the Company (collectively, the "*General Services*");

D. In accordance with the terms and conditions of a certain underlying "Executive Services Agreement", dated for reference effective as at November 17, 2007, as entered into between the Parties hereto (the "*Underlying Agreement*"); a copy of which Underlying Agreement being attached hereto as Schedule "A" and forming a material part hereof; the Parties thereby formalized the appointment of the Executive as the President and Chief Executive Officer of the Company together with the provision for certain related management and operational services to be provided by the Executive to the Company in accordance with the terms and conditions of the Underlying Agreement;

E. Since the entering into of the Underlying Agreement, and as a consequence of the Executive's increasing and valuable role within the Company, the Parties hereby acknowledge and agree that there have been various discussions, negotiations, understandings and agreements between them relating to the terms and conditions of the General Services and, correspondingly, that it is their intention by the terms and conditions of this "Amended Executive Services Agreement" (the "*Agreement*") to hereby replace, in their entirety, the Underlying Agreement, together with all such prior discussions, negotiations, understandings and agreements with respect to the General Services; and

F. The Parties hereto have agreed to enter into this Agreement which replaces, in its entirety, the Underlying Agreement, together with all such prior discussions, negotiations, understandings and agreements, and, furthermore, which necessarily clarifies their respective duties and obligations with respect to the within General Services to be provided hereunder, all in accordance with the terms and conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the mutual covenants and provisos herein contained, **THE PARTIES HERETO AGREE AS FOLLOWS**:

Article 1
DEFINITIONS, INTERPRETATION, SCHEDULE AND ENTIRE AGREEMENT

1.1 **Definitions**. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following words and phrases shall have the following meanings:

(a) "*Agreement*" means this Amended Executive Services Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof, together with any Schedules attached hereto;

(b) "*Arbitration Act*" means the *International Commercial Arbitration Act* (British Columbia) and pursuant to the rules and procedures of the British Columbia International Arbitration Centre, as amended from time to time, as set forth in Article "9" hereinbelow;

(c) "*Benefits*" has the meaning ascribed to it in section "4.9" hereinbelow;

(d) "*Board of Directors*" means the Board of Directors of the Company as duly constituted from time to time;

(e) "*Bonus*" has the meaning ascribed to it in section "4.4" hereinbelow;

(f) "*Business*" has the meaning ascribed to it in recital "C." hereinabove.

(g) "*business day*" means any day during which Canadian Chartered Banks are open for business in the City of Vancouver, Province of British Columbia, Canada;

(h) "*Company*" means GeneMax Corp., a company incorporated under the laws of the State of Nevada, U.S.A., or any successor company, however formed, whether as a result of merger, amalgamation or other action;

(i) "*Company's Non-Renewal Notice*" has the meaning ascribed to in section "3.2" hereinbelow;

(j) "*Effective Date*" has the meaning ascribed to in section "3.1" hereinbelow;

(k) "*Effective Termination Date*" has the meaning ascribed to it in each of sections "3.3", "3.4", "3.5", "3.6" and "5.3" hereinbelow;

(l) "*Exchange Act*", "*Form S-8 Registration Statement*", "*SEC*", "*Registration Statement*" and "*Securities Act*" have the meanings ascribed to them in section "4.8" hereinbelow;

(m) "*Executive*" means Denis Corin;

(n) "*Expenses*" has the meaning ascribed to it in section "4.5" hereinbelow;

(o) "*Fee*" has the meaning ascribed to it in section "4.1" hereinbelow;

(p) "*Initial Term*" has the meaning ascribed to it in section "3.1" hereinbelow;

(q) "*General Services*" has the meaning ascribed to it in section "2.1" hereinbelow;

(r) "*Indemnified Party*" has the meaning ascribed to it in section "7.1" hereinbelow;

(s) "*Notice of Termination Date*" has the meaning ascribed to it in each of sections "3.3", "3.4", "3.5" and "5.3" hereinbelow;

(t) "*Option*" has the meaning ascribed to it in section "4.7" hereinbelow;

(u) "*Option Plan*" has the meaning ascribed to it in section "4.7" hereinbelow;

(v) "*Option Share*" has the meaning ascribed to it in section "4.7" hereinbelow;

(w) "*OTCBB*" means the NASD Over-The-Counter Bulletin Board;

(x) "*Parties*" or "*Party*" means, individually and collectively, the Company, and/or the Executive hereto, as the context so requires, together with each of their respective successors and permitted assigns as the context so requires;

(y) "*Property*" has the meaning ascribed to it in section "5.4" hereinbelow;

(z) "*Regulatory Approval*" means the acceptance for filing, if required, of the transactions contemplated by this Agreement by the Regulatory Authorities;

(aa) "*Regulatory Authorities*" and "*Regulatory Authority*" means, either singularly or collectively as the context so requires, such regulatory agencies who have jurisdiction over the affairs of either of the Company and/or the Executive and including, without limitation, and where applicable, the United States Securities and Exchange Commission, the NASDAQ, the OTCBB and all regulatory authorities from whom any such authorization, approval or other action is required to be obtained or to be made in connection with the transactions contemplated by this Agreement;

(ab) "*subsidiary*" means any company or companies of which more than 50% of the outstanding shares carrying votes at all times (provided that the ownership of such shares confers the right at all times to elect at least a majority of the directors of such company or companies) are for the time being owned by or held for that company and/or any other company in like relation to that company and includes any company in like relation to the subsidiary;

(ac) "*Underlying Agreement*" has the meaning ascribed to it in recital "D." hereinabove; and a copy of which Underlying Agreement being attached hereto as Schedule "A" and forming a material part hereof; and

(ad) "*Vacation*" has the meaning ascribed to it in section "4.6" hereinbelow.

1.2 **Interpretation**. For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the words "*herein*", "*hereof*" and "*hereunder*" and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of this Agreement;

(b) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a permitted successor to such entity; and

(c) words in the singular include the plural and words in the masculine gender include the feminine and neuter genders, and *vice versa*.

1.3 **Schedule**. For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following shall represent the Schedule which is attached to this Agreement and which forms a material part hereof:

Schedule	Description of Schedule

Schedule "A": Underlying Agreement.

1.4 **Entire agreement**. This Agreement constitutes the entire agreement to date between the Parties hereto and supersedes every previous agreement, communication, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, between the Parties hereto with respect to the subject matter of this Agreement and including, without limitation, the Underlying Agreement which is hereby confirmed as superseded, in its entirety, by the terms and conditions of this Agreement.

Article 2
GENERAL SERVICES AND DUTIES OF THE EXECUTIVE

2.1 **General Services**. During the Initial Term and during the continuance of this Agreement the Company hereby agrees to retain the Executive as the President and Chief Executive Officer of the Company, and the Executive hereby agrees to be subject to the direction and supervision of, and to have the authority as is delegated to the Executive by, the Board of Directors consistent with such positions, and the Executive also agrees to accept such positions in order to provide such related services as the Board of Directors shall, from time to time, reasonably assign to the Executive and as may be necessary for the ongoing maintenance and development of the Company's various Business interests during the Initial Term and during the continuance of this Agreement (collectively, the "*General Services*"); it being expressly acknowle dged and agreed by the Parties hereto that the Executive shall initially commit and provide to the Company the General Services on a reasonably part-time basis during the Initial Term and during the continuance of this Agreement for which the Company, as more particularly set forth hereinbelow, hereby agrees to pay and provide to the order and direction of the Executive each of the proposed compensation amounts as set forth in Articles "4" hereinbelow.

In this regard it is hereby acknowledged and agreed that the Executive shall be entitled to communicate with and shall rely upon the immediate advice, direction and instructions of the Chairman of the Board of Directors of the Company, or upon the advice or instructions of such other director or officer of the Company as the Chairman of the Board of Directors of the Company shall, from time to time, designate in times of the Chairman's absence, in order to initiate, coordinate and implement the General Services as contemplated herein subject, at all times, to the final direction and supervision of the Board of Directors.

2.2 **Additional duties respecting the General Services**. Without in any manner limiting the generality of the General Services to be provided as set forth in section "2.1" hereinabove, it is hereby also acknowledged and agreed that Executive will, during the Initial Term and during the continuance of this Agreement, devote a reasonable portion of the Executive's consulting time to the General Services of the Executive as may be determined and required by the Board of Directors of the Company for the performance of said General Services faithfully, diligently, to the best of the Executive's abilities and in the best interests of the Company and, furthermore, that the Executive's employment time will be prioritized at all times for the Company in that regard.

2.3 **Adherence to rules and policies of the Company**. The Executive hereby acknowledges and agrees to abide by the reasonable rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the same as such rules, regulations, instructions, personnel practices and policies may be reasonably applied to the President and Chief Executive Officer of the Company.

Article 3
INITIAL TERM, RENEWAL AND TERMINATION

3.1 **Effectiveness and Initial Term of the Agreement**. The initial term of this Agreement (the "*Initial Term*") is for a period of one year commencing on May 1, 2007 (the "*Effective Date*"), however, is subject, at all times, to the Company's prior receipt, if required, of Regulatory Approval from each of the Regulatory Authorities to the terms and conditions of and the transactions contemplated by this Agreement.

3.2 **Renewal by the Company after the Initial Term**. Subject at all times to sections "3.3", "3.4", "3.5" and "5.3" hereinbelow, this Agreement shall renew automatically if not specifically terminated in accordance with the following provisions. The Company agrees to notify the Executive in writing at least 90 calendar days prior to the end of the Initial Term of its intent not to renew this Agreement (the "*Company's Non-Renewal Notice*"). Should the Company fail to provide a Company's Non-Renewal Notice this Agreement shall automatically renew on a three-month to three-month term renewal basis after the Initial Term until otherwise specifically renewed in writing by each of the Parties hereto for the next three-month term of renewal or, otherwise, terminated upon delivery by the Company of a corresponding and follow-up 90 calendar day Company's Non-Renewal Notice in c onnection with and within 90 calendar days prior to the end of any such three-month term renewal period. Any such renewal on a three-month basis shall be on the same terms and conditions contained herein unless modified and agreed to in writing by the Parties in advance.

3.3 **Termination without cause by the Executive**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the Executive at any time after the Effective Date and during the Initial Term and during the continuance of this Agreement upon the Executive's delivery to the Company of prior written notice of its intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company's ongoing obligation to provide and to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinbelow will continue only until the Effective Termination Date.

3.4 **Termination without cause by the Company**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the Company at any time after the Effective Date and during the Initial Term and during the continuance of this Agreement upon the

Company's delivery to the Executive of prior written notice of its intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will immediately cease upon the date of the Notice of Termination, however, the Company shall continue to be obligated to provide and to pay to the Executive all of the amounts otherwise payable to the Execu tive under Article "4" hereinbelow until the end of the entire Initial Term under this Agreement; such ongoing compensation representing the Executive's clear and unequivocal severance for the early termination by the Company without cause of this Agreement prior to the completion of the Initial Term.

3.5 **Termination for cause by any Party**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by any Party hereto at any time upon written notice to the other Party of such Party's intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein), and damages sought, if:

(a) the other Party fails to cure a material breach of any provision of this Agreement within 21 calendar days from its receipt of written notice from said Party (unless such material breach cannot be reasonably cured within said 21 calendar days and the other Party is actively pursuing to cure said material breach);

(b) the other Party is willfully non-compliant in the performance of its respective duties under this Agreement within 21 calendar days from its receipt of written notice from said Party (unless such willful non-compliance cannot be reasonably corrected within said 21 calendar days and the other Party is actively pursuing to cure said willful non-compliance);

(c) the other Party commits fraud or serious neglect or misconduct in the discharge of its respective duties hereunder or under the law; or

(d) the other Party becomes adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, and where any such involuntary petition is not dismissed within 21 calendar days.

In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company shall continue to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinbelow until the Effective Termination Date.

3.6 **Disability or death and Advance**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated at any time by any Party within 21 calendar days after the death or disability of the Executive, as a without fault termination (the resulting effective date of any such termination being herein also the "*Effective Termination Date*"). For the purposes of this Agreement the term "*disability*" shall mean the Executive shall have been unable to provide the General Services contemplated under this Agreement for a period of 90 calendar days, whether or not consecutive, during any 360 calendar day period, due to a physical or mental disability. A determination of disability shall be made by a physician satisfactory to both the Executive and the Company; provided th at if the Executive and the Company do not agree on a physician, the Executive and the Company shall each select a physician and these two together shall select a third physician whose determination as to disability shall be binding on all Parties. In the event that the Executive's employment is terminated by death or because of disability pursuant to this Agreement, the Company shall pay to the estate of the Executive or to the Executive, as the case may be, all amounts to which the Executive would otherwise be entitled under Article "4" hereinbelow until the Effective Termination Date.

3.7 **Effect of Termination**. Terms of this Agreement relating to accounting, payments, confidentiality, accountability for damages or claims and all other matters reasonably extending beyond the terms of this Agreement and to the benefit of the Parties hereto or for the protection of the Business interests of the Company shall survive the termination of this Agreement, and any matter of interpretation thereto shall be given a wide latitude in this regard. In addition, and without limiting the foregoing, each of sections "3.3", "3.4", "3.5", "3.6" and "5.3" hereinabove shall survive the termination of this Agreement.

Article 4
COMPENSATION OF THE EXECUTIVE

4.1 **Fee**. It is hereby acknowledged and agreed that the Executive shall render the General Services as defined hereinabove during the Initial Term and during the continuance of this Agreement and shall thus be compensated from the Effective Date of this Agreement to the termination of the same by way of the payment by the Company to the Executive, or to the further order or direction of the Executive as the Executive may determine, in the Executive's sole and absolute discretion, and advise the Company of prior to such payment, of the gross monthly fee of U.S. $10,000.00 (the "*Fee*"). All such Fees will be due and payable by the Company to the Executive, or to the further order or direction of the Executive as the Executive may determine, in the Executive's sole and absolute discretion, and advise the Company of prior to any such Fee payment, bi-monthly and on or about the fifteenth and thirtieth day of each month of the then monthly period of service during the continuance of this Agreement. In addition, and to avoid any currency exchange fluctuations which may be detrimental to the Executive going forward, all such Fees, which are at all times payable in U.S. dollars, will be adjusted upward (but not downward) from time to time so as to ensure that, at all times, the then U.S. to Canadian currency exchange rate at the date of payment of any such Fee is not greater than Cdn. $1.10 to U.S. $1.00; failing which the Fee payment will be increased in U.S. dollars to make up such Cdn. to U.S. currency exchange deficiency at that time.

4.2 **Payment of Fee and status as a non-taxable consultant**. It is hereby also acknowledged and agreed that the Executive will be classified as a non-taxable consultant of the Company for all purposes, such that all compensation which is provided by the Company to the Executive under this Agreement, or otherwise, will be calculated on the foregoing and gross Fee basis and otherwise for which no statutory taxes will first be deducted by the Company.

4.3 **Increase in the Fee**. It is hereby acknowledged that the proposed Fee payments under this Agreement were negotiated as between the Parties hereto in the context of the stage of development of the Company existing as at the Effective Date of this Agreement. Correspondingly, it is hereby acknowledged and agreed that the Fee shall be reviewed and renegotiated at the request of either Party on a reasonably consistent basis during the continuance of this Agreement and, in the event that the Parties cannot agree, then the Fee shall be increased on an annual basis by the greater of (i) 10% and (ii) the percentage which is the average percentage of all increases to management salaries and fees within the Company during the previous 12-month period. Any dispute respecting eith er the effectiveness or magnitude of the final Fee hereunder shall be determined by arbitration in accordance with Article "9" hereinbelow.

4.4 **Bonus payments**. It is hereby also acknowledged that the Board of Directors shall, in good faith, consider the payment of reasonable industry standard annual bonuses (each being a "*Bonus*") based upon the performance of the Company and upon the achievement by the Executive and/or the Company of reasonable management objectives to be reasonably established by the Board of Directors (after reviewing proposals with respect thereto defined by the Executive in the Executive's capacity as the President and Chief Executive Officer of the Company, and delivered to the Board of Directors by the Executive at least 30 calendar days before the beginning of the relevant year of the Company (or within 90 calendar days following the commencement of the Company's first calendar year commencing on the Effective Date)). These manag ement objectives shall consist of both financial and subjective goals and shall be specified in writing by the Board of Directors, and a copy shall be given to the Executive prior to the commencement of the applicable year. The payment of any such Bonus shall be payable no later than within 120 calendar days of the ensuing year after any calendar year commencing on the Effective Date. Any dispute respecting either the effectiveness or the magnitude of any Bonus hereunder shall be determined by arbitration in accordance with Article "8" hereinbelow.

4.5 **Reimbursement of Expenses**. It is hereby acknowledged and agreed that the Executive shall also be reimbursed for all pre-approved, direct and reasonable expenses actually and properly incurred by the Executive for the benefit of the Company (collectively, the "*Expenses*"); and which Expenses, it is hereby acknowledged and agreed, shall be payable by the Company to the order, direction and account of the Executive as the Executive may designate in writing, from time to time, in the Executive's sole and absolute discretion, as soon as conveniently possible after the prior delivery by the Executive to the Company of written substantiation on account of each such reimbursable Expense.

4.6 **Paid Vacation**. It is hereby also acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to four weeks paid vacation (collectively, the "*Vacation*") during each and every year during the continuance of this Agreement. In this regard it is further understood hereby that the Executive's entitlement to any such paid Vacation during any year (including the initial year) during the continuance of this Agreement will be subject, at all times, to the Executive's entitlement to only a pro rata portion of any such paid Vacation time during any year (including the initial year) and to the effective date upon which this Agreement is terminated prior to the end of any such year for any reason whatsoever.

4.7 **Options**. Subject to the following and the provisions of section "4.8" hereinbelow, and as soon as reasonably practicable after the Effective Date hereof, it is hereby acknowledged and agreed that the Executive will be granted, or will have already been granted, subject to the rules and policies of the Regulatory Authorities and applicable securities legislation, the terms and conditions of the Company's existing stock option plan (the "*Option Plan*") and the final determination of the Board of Directors, acting reasonably, an incentive stock option or options (each being an "*Option*") for the collective purchase of up to an aggregate of not less than 1,000,000 common shares of the Company (each an "*Option Share*"), at an exercise price of not more than U.S. $0.10 per Option Share and exercisable for a period of not less than five years from the date of grant; or such further number of Options to acquire an equivalent number of Option Shares of the Company as the Board of Directors may determine, in its sole and absolute discretion; and which Option or Options will be exercisable for such periods and at such exercise price or prices per Option Share as the Board of Directors may also determine, in its sole and absolute discretion, from time to time after the Effective Date hereof.

It is hereby acknowledged that the initial Options granted under this Agreement were negotiated as between the Parties hereto in the context of the stage of development of the Company existing as at the Effective Date of this Agreement. Correspondingly, it is hereby acknowledged and agreed that the number of Options granted by the Company to the Executive hereunder shall be reviewed and renegotiated at the request of either Party on a reasonably consistent basis during the continuance of this Agreement and, in the event that the Parties cannot agree, then the number of Options shall be increased on an annual basis by the percentage which is the average percentage of all increases to management stock options within the Company during the previous 12-month period; and in each case on similar and reasonable exercise terms a nd conditions. Any dispute respecting either the effectiveness or magnitude of the final number and terms hereunder shall be determined by arbitration in accordance with Article "9" hereinbelow.

4.8 **Options subject to the following provisions**. In this regard, and subject also to the following, it is hereby acknowledged and agreed that the exercise of any such Options shall be subject, at all times, to such vesting and resale provisions as may then be contained in the Company's Option Plan and as may be finally determined by the Board of Directors, acting reasonably. Notwithstanding the foregoing, however, it is hereby also acknowledged and agreed that, in the event that this Agreement is terminated in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" and "5.3" herein, such portion of the within and remaining Options which shall have then not been exercised on the determined Effective Termination Date shall, notwithstanding the remaining exercise period of the Option(s), then be exercisable by the Execu tive for a period of 90 calendar days following such Effective Termination Date or otherwise. In this regard, and in accordance with the terms and conditions of each final form of Option agreement, the Parties hereby also acknowledge and agree that:

(a) *Registration of Option Shares under the Options*: the Company shall file with the United States Securities and Exchange Commission (the "*SEC*") a registration statement on Form S-8 (the "*Form S-8 Registration Statement*") within 60 calendar days after the Effective Date hereof covering the issuance of all Option Shares of the Company underlying the then issued Options, and such Form S-8 Registration Statement shall comply with all requirements of the United States *Securities Act of 1933*, as amended (the "*Securities Act*"). In this regard the Company shall use its best efforts to ensure that the Form S-8 Registration Statement remains effective as long as such Options are outstanding, and the Executive fully understands and acknowledges that these Option Shares will be issued in reliance upon the exemption afforded under the Form S-8 Registration Statement which is available only if the Executive acquires such Option Shares for investment and not with a view to distribution. The Executive is familiar with the phrase "acquired for investment and not with a view to distribution" as it relates to the Securities Act and the special meaning given to such term in various releases of the United States Securities and Exchange Commission (the "*SEC*");

(b) *Section 16 compliance*: the Company shall ensure that all grants of Options are made to ensure compliance with all applicable provisions of the exemption afforded under Rule 16b-3 promulgated under the *Securities and Exchange Act of 1934*, as amended (the "*Exchange Act*"). Without limiting the foregoing, the Company shall have an independent committee of the Board of Directors of the Company approve each grant of Options to the Executive and, if required, by the applicable Regulatory Authorities and the shareholders of the Company. The Company shall file, on behalf of the Executive, all reports required to filed with the SEC pursuant to the requirements of Section 16(a) under the Exchange Act and applicable rules and regulations;

(c) *Disposition of any Option Shares*: the Executive further acknowledges and understands that, without in anyway limiting the acknowledgements and understandings as set forth hereinabove, the Executive agrees that the Executive shall in no event make any disposition of all or any portion of the Option Shares which the Executive may acquire hereunder unless and until:

(i) there is then in effect a "*Registration Statement*" under the Securities Act covering such proposed disposition and such disposition is made in accordance with said Registration Statement; or

(ii) (A) the Executive shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, (B) the Executive shall have furnished the Company with an opinion of the Executive's own counsel to the effect that such disposition will not require registration of any such Option Shares under the Securities Act and (C) such opinion of the Executive's counsel shall have been concurred in by counsel for the Company and the Company shall have advised the Executive of such concurrence; and

(d) *Payment for any Option Shares*: it is hereby further acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to exercise any Option granted hereunder and pay for the same by way of the prior agreement of the Executive, in the Executive's sole and absolute discretion, and with the prior knowledge of the Company, to settle any indebtedness which may be due and owing by the Company under this Agreement in payment for the exercise price of any Option Shares acquired thereunder. In this regard, and subject to further discussion as between the Company and the Executive, together with the prior approval of the Board of Directors of the Company and the establishment by the Company of a new Option Plan predicated upon the same, it is envisioned that, when the Company is in a position to afford the same, the Company may adopt certain additional "cashless exercise" provisions respecting the gr anting and exercise of incentive stock options during the continuance of this Agreement.

4.9 **Benefits**. It is hereby acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to participate fully in each of the Company's respective medical services plans and management and employee benefits program(s) (collectively, the "*Benefits*").

Article 5
ADDITIONAL OBLIGATIONS OF THE EXECUTIVE

5.1 **Reporting**. At such time or times as may be required by the Board of Directors, acting reasonably, the Executive will provide the Board of Directors with such information concerning the results of the Executive's General Services and activities hereunder for the previous month as the Board of Directors may reasonably require.

5.2 **Opinions, reports and advice of the Executive**. The Executive acknowledges and agrees that all written and oral opinions, reports, advice and materials provided by the Executive to the Company in connection with the Executive's engagement hereunder are intended solely for the Company's benefit and for the Company's uses only, and that any such written and oral opinions, reports, advice and information are the exclusive property of the Company. In this regard the Executive covenants and agrees that the Company may utilize any such opinion, report, advice and materials for any other purpose whatsoever and, furthermore, may reproduce, disseminate, quote from and refer to, in whole or in part, at any time and in any manner, any such opinion, report, advice and materials in the Company's sole and absolute discretion. The Executive further covenants and agrees that no public references to the Executive or disclosure of the Executive's role in respect of the Company may be made by the Executive without the prior written consent of the Board of Directors in each specific instance and, furthermore, that any such written opinions, reports, advice or materials shall, unless otherwise required by the Board of Directors, be provided by the Executive to the Company in a form and with such substance as would be acceptable for filing with and approval by any Regulatory Authority having jurisdiction over the affairs of the Company from time to time.

5.3 **Executive's business conduct**. The Executive warrants that the Executive shall conduct the business and other activities in a manner which is lawful and reputable and which brings good repute to the Company, the Company's business interests and the Executive. In particular, and in this regard, the Executive specifically warrants to provide the General Services in a sound and professional manner such that the same meets superior standards of performance quality within the standards of the industry or as set by the specifications of the Company. In the event that the Board of Directors has a reasonable concern that the business as conducted by the Executive is being conducted in a way contrary to law or is reasonably likely to bring disrepute to the business interests or to the Company's or the Executive's reputation, the Company may require that the Executive make such alterations in the Executive's business conduct or structure, whether of management or Board representation or employee or sub-licensee representation, as the Board of Directors may reasonably require, in its sole and absolute discretion, failing which the Company, in its sole and absolute discretion, may terminate this Agreement upon prior written notice to the Executive to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company shall continue to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinabove until the Effective Termination. In the event of any debate or dispute as to the reasonableness of the Board of Direc tors' request or requirements, the judgment of the Board of Directors shall be deemed correct until such time as the matter has been determined by arbitration in accordance with Article "9" hereinbelow.

5.4 **Right of ownership to the business and related Property**. The Executive hereby acknowledges and agrees that any and all Company Business interests, together with any products or improvements derived therefrom and any trade marks or trade names used in connection with the same (collectively, the "*Property*"), are wholly owned and controlled by the Company. Correspondingly, neither this

Agreement, nor the operation of the business contemplated by this Agreement, confers or shall be deemed to confer upon the Executive any interest whatsoever in and to any of the Property. In this regard the Executive hereby further covenants and agrees not to, during or after the Initial Term and the continuance of this Agreement, contest the title to any of the Property interests, in any way dispute or impugn the validity of the Property interests or take any action to the detriment of the Company's interests therein. The Executive acknowledges that, by reason of the unique nature of the Property interests, and by reason of the Executive's knowledge of and association with the Property interests during the Initial Term and during the continuance of this Agreement, the aforesaid covenant, both during the Initial Term of this Agreement and thereafter, is reasonable and commensurate for the protection of the legitimate business interests of the Company. As a final note, the Executive hereby further covenants and agrees to immediately notify the Company of any infringement of or challenge to the any of the Property interests as soon as the Executive becomes aware of the infringement or challenge.

In addition, and for even greater certainty, the Executive hereby assigns to the Company the entire right, title and interest throughout the world in and to all work performed, writings, formulas, designs, models, drawings, photographs, design inventions, and other inventions, made, conceived, or reduced to practice or authored by the Executive or the Executive's employees, either solely or jointly with others, during the performance of this Agreement, or which are made, conceived, or reduced to practice, or authored with the use of information or materials of the Company either received or used by the Executive during the performance of this Agreement or any extension or renewal thereof. The Executive shall promptly disclose to the Company all works, writings, formulas, designs, models, photographs, drawings, design inventions and other inventions made, conceived or reduced to practice, or authored by the Executive or the Executive's employees as set forth above. The Executive shall sign, execute and acknowledge, or cause to be signed, executed and acknowledged without cost to Company or its nominees, patent, trademark or copyright protection throughout the world upon all such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions; title to which the Company acquires in accordance with the provisions of this section. The Executive has acquired or shall acquire from each of the Executive's employees, if any, the necessary rights to all such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions made by such employees within the scope of their employment by the Executive in performing the General Services under this Agreement. The Executive shall obtain the cooperation of each such employee to secure to the Company or its nomine es the rights to such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions as the Company may acquire in accordance with the provisions of this section. The work performed and the information produced under this Agreement are works made for hire as defined in 17 U.S.C. Section 101.

Article 6
ADDITIONAL OBLIGATIONS OF THE PARTIES

6.1 **No conflict, no competition and non-circumvention**. During the continuance of this Agreement neither Party hereto shall engage in any business or activity which reasonably may detract from or conflict with that Party's respective duties and obligations to other Party as set forth in this Agreement without the prior written consent of the other Party hereto. In addition, during the continuance of this Agreement, and for a period of at least one year following the termination of this Agreement in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" or "5.3" hereunder, no Party shall engage in any business or activity whatsoever which reasonably may be determined by the other Party hereto, in its sole and absolute discretion, to compete with any portion of that Party's business interests as contemplated hereby without the prior written consent of that Party. Furthermore, each of the Parties hereby acknowledges and agrees, for a period of at least one year following the termination of this Agreement in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" or "5.3" hereunder, not to initiate any contact or communication directly with either of the other Party or any of its respective subsidiaries, as the case may be, together with each of the other Party's respective directors, officers, representatives, agents or employees, without the prior written consent of the other Party hereto and, notwithstanding the generality of the foregoing, further acknowledges and agrees, even with the prior written consent of the other Party to such contact or communication, to limit such contact or communication to discussions outside the scope of any confidential information (as hereinafter determined). For the purposes of the foregoing the Parties hereby recognize and agree that a breach a Party of any of the covenants herein contained would result in irreparabl e harm and significant damage to the other Party that would not be adequately compensated for by monetary award. Accordingly, each of the Parties agrees that, in the event of any such breach, in addition to being entitled as a matter of right to apply to a Court of competent equitable jurisdiction for relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance with the provisions hereof, a Party will also be liable to the other Party hereto, as liquidated damages, for an amount equal to the amount received and earned by that Party as a result of and with respect to any such breach. The Parties hereby acknowledge and agree that if any of the aforesaid restrictions, activities, obligations or periods are considered by a Court of competent jurisdiction as being unreasonable, the Parties agree that said Court shall have authority to limit such restrictions, activities or periods as the Court deems proper in the circumstances. In addition, the Parties further acknowledge and agree that all restrictions or obligations in this Agreement are necessary and fundamental to the protection of their respective business interests and are reasonable and valid, and all defenses to the strict enforcement thereof by the Parties are hereby waived.

6.2 **Confidentiality**. Each Party will not, except as authorized or required by its respective duties and obligations hereunder, reveal or divulge to any person, company or entity any information concerning the respective organization, business, finances, transactions or other affairs of the other Party hereto, or of any of the other Party's respective subsidiaries, which may come to the Party's knowledge during the continuance of this Agreement, and each Party will keep in complete secrecy all confidential information entrusted to the Party and will not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the other Party's respective business interests. This restriction will continue to apply after the termination of this Agreement without limit in point of time but will cease to apply to information or kno wledge which may come into the public domain.

6.3 **Compliance with applicable laws**. Each Party will comply with all U.S., Canadian and foreign laws, whether federal, provincial or state, applicable to its respective duties and obligations hereunder and, in addition, hereby represents and warrants that any information which the Party may provide to any person or company hereunder will, to the best of the Party's knowledge, information and belief, be accurate and complete in all material respects and not misleading, and will not omit to state any fact or information which would be material to such person or company.

Article 7
INDEMNIFICATION AND LEGAL PROCEEDINGS

7.1 **Indemnification**. The Parties hereto hereby each agree to indemnify and save harmless the other Party hereto and including, where applicable, their respective subsidiaries and affiliates and each of their respective directors, officers, Executives and agents (each such party being an "*Indemnified Party*") harmless from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatever nature or kind and including, without limitation, any investigation expenses incurred by any Indemnified Party, to which an Indemnified Party may become subject by reason of the terms and conditions of this Agreement.

7.2 **No indemnification**. This indemnity will not apply in respect of an Indemnified Party in the event and to the extent that a Court of competent jurisdiction in a final judgment shall determine that the Indemnified Party was grossly negligent or guilty of willful misconduct.

7.3 **Claim of indemnification**. The Parties hereto agree to waive any right they might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming this indemnity.

7.4 **Notice of claim**. In case any action is brought against an Indemnified Party in respect of which indemnity may be sought against either of the Parties hereto, the Indemnified Party will give both Parties hereto prompt written notice of any such action of which the Indemnified Party has knowledge and the relevant Party will undertake the investigation and defense thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Party affected and the relevant Party and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the relevant Party of such relevant Party's obligation of indemnification hereunder unless (and only to the extent that) such failure results in a forfeiture by the relevant Party of substantive rights or defenses.

7.5 **Settlement**. No admission of liability and no settlement of any action shall be made without the consent of each of the Parties hereto and the consent of the Indemnified Party affected, such consent not to be unreasonable withheld.

7.6 **Legal proceedings**. Notwithstanding that the relevant Party will undertake the investigation and defense of any action, an Indemnified Party will have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

(a) such counsel has been authorized by the relevant Party;

(b) the relevant Party has not assumed the defense of the action within a reasonable period of time after receiving notice of the action;

(c) the named parties to any such action include that any Party hereto and the Indemnified Party shall have been advised by counsel that there may be a conflict of interest between any Party hereto and the Indemnified Party; or

(d) there are one or more legal defenses available to the Indemnified Party which are different from or in addition to those available to any Party hereto.

7.7 **Contribution**. If for any reason other than the gross negligence or bad faith of the Indemnified Party being the primary cause of the loss claim, damage, liability, cost or expense, the foregoing indemnification is unavailable to the Indemnified Party or insufficient to hold them harmless, the relevant Party shall contribute to the amount paid or payable by the Indemnified Party as a result of any and all such losses, claim, damages or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by the relevant Party on the one hand and the Indemnified Party on the other, but also the relative fault of relevant Party and the Indemnified Party and other equitable considerations which may be relevant. Notwithstanding the foregoing, the relevant Party shall in any event contribute to the amount paid or payable by the Indemnified Party, as a result of the loss, claim, damage, liability, cost or expense (other than a loss, claim, damage, liability, cost or expenses, the primary cause of which is the gross negligence or bad faith of the Indemnified Party), any excess of such amount over the amount of the fees actually received by the Indemnified Party hereunder.

Article 8
FORCE MAJEURE

8.1 **Events**. If either Party hereto is at any time either during this Agreement or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of strikes, walk-outs, labour shortages, power shortages, fires, wars, acts of God, earthquakes, storms, floods, explosions, accidents, protests or demonstrations by environmental lobbyists or native rights groups, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market, unavailability of equipment, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of that Party, then the time limited for the performance by that Party of its respective obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or dela y.

8.2 **Notice**. A Party shall within three calendar days give notice to the other Party of each event of *force majeure* under section "8.1" hereinabove, and upon cessation of such event shall furnish the other Party with notice of that event together with particulars of the number of days by which the obligations of that Party hereunder have been extended by virtue of such event of *force majeure* and all preceding events of *force majeure*.

Article 9
ARBITRATION

9.1 **Matters for arbitration**. Except for matters of indemnity or in the case of urgency to prevent material harm to a substantive right or asset, the Parties agree that all questions or matters in dispute with respect to this Agreement shall be submitted to arbitration pursuant to the terms hereof. This provision shall not prejudice a Party from seeking a Court order or assistance to garnish or secure sums or to seek summary remedy for such matters as counsel may consider amenable to summary proceedings.

9.2 **Notice**. It shall be a condition precedent to the right of any Party to submit any matter to arbitration pursuant to the provisions hereof that any Party intending to refer any matter to arbitration shall have given not less than five business days' prior written notice of its intention to do so to the other Parties together with particulars of the matter in dispute. On the expiration of such five business days the Party who gave such notice may proceed to refer the dispute to arbitration as provided for in section "9.3" hereinbelow.

9.3 **Appointments**. The Party desiring arbitration shall appoint one arbitrator, and shall notify the other Parties of such appointment, and the other Parties shall, within five business days after receiving such notice, appoint an arbitrator, and the two arbitrators so named, before proceeding to act, shall, within five business days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator, to act with them and be chairperson of the arbitration herein provided for. If the other Parties shall fail to appoint an arbitrator within five business days after receiving notice of the appointment of the first arbitrator, and if the two arbitrators appointed by the Parties shall be unable to agree on the appointment of the chairperson, the chairperson shall be appointed in accordance with the Arbitration Act. Except as specifically otherwise provided in this section, the arbitration herein provided for shall be conducted in accordance with such Arbitration Act. The chairperson, or in the case where only one arbitrator is appointed, the single arbitrator, shall fix a time and place for the purpose of hearing the evidence and representations of the Parties, and the chairperson shall preside over the arbitration and determine all questions of procedure not provided for by the Arbitration Act or this section. After hearing any evidence and representations that the Parties may submit, the single arbitrator, or the arbitrators, as the case may be, shall make an award and reduce the same to writing, and deliver one copy thereof to each of the Parties. The expense of the arbitration shall be paid as specified in the award.

9.4 **Award**. The Parties agree that the award of a majority of the arbitrators, or in the case of a single arbitrator, of such arbitrator, shall be final and binding upon each of them.

Article 10
GENERAL PROVISIONS

10.1 **No assignment**. This Agreement may not be assigned by any Party hereto except with the prior written consent of the other Parties.

10.2 **Notice**. Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be sent by prepaid registered mail deposited in a recognized post office and addressed to the Party entitled to receive the same, or delivered to such Party, at the address for such Party specified on the front page of this Agreement. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered, or, if given by registered mail as aforesaid, shall be deemed conclusively to be the third business day after the same shall have been so mailed, except in the case of interruption of postal services for any reason whatsoever, in which case the date of receipt shall be the date on which the notice, demand or other communication is actually received by the addressee. Any Part y may at any time and from time to time notify the other Parties in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

10.3 **Time of the essence**. Time will be of the essence of this Agreement.

10.4 **Enurement**. This Agreement will enure to the benefit of and will be binding upon the Parties hereto and their respective heirs, executors, administrators and assigns.

10.5 **Currency**. Unless otherwise stipulated, all payments required to be made pursuant to the provisions of this Agreement and all money amount references contained herein are in lawful currency of the United States.

10.6 **Further assurances**. The Parties will from time to time after the execution of this Agreement make, do, execute or cause or permit to be made, done or executed, all such further and other acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

10.7 **Representation and costs**. It is hereby acknowledged by each of the Parties hereto that Lang Michener LLP, Lawyers - Patent & Trade Mark Agents, acts solely for the Company, and, correspondingly, that the Executive has been required by each of Lang Michener LLP and the Company to obtain independent legal advice with respect to its review and execution of this Agreement. In addition, it is hereby further acknowledged and agreed by the Parties hereto that Lang Michener LLP, and certain or all of its principal owners or associates, from time to time, may have both an economic or shareholding interest in and to Company and/or a fiduciary duty to the same arising from either a directorship, officership or similar relationship arising out of the request of the Company for certain of such persons to act in a similar capacity while acting for the Company as c ounsel. Correspondingly, and even where, as a result of this Agreement, the consent of each Party hereto to the role and capacity of Lang Michener LLP, and its principal owners and associates, as the case may be, is deemed to have been received, where any conflict or perceived conflict may arise, or be seen to arise, as a result of any such capacity or representation, each Party hereto acknowledges and agrees to, once more, obtain independent legal advice in respect of any such conflict or perceived conflict and, consequent thereon, Lang Michener LLP, together with any such principal owners or associates, as the case may be, shall be at liberty at any time to resign any such position if it or any Party hereto is in any way affected or uncomfortable with any such capacity or representation. Each Party to this Agreement will also bear and pay its own costs, legal and otherwise, in connection with its respective preparation, review and execution of this Agreement and, in particular, that the

costs involved in the preparation of this Agreement, and all documentation necessarily incidental thereto, by Lang Michener LLP, shall be at the cost of the Company.

10.8 **Applicable law**. The situs of this Agreement is Vancouver, British Columbia, Canada, and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws and Courts prevailing in the Province of British Columbia, Canada, and the federal laws of Canada applicable thereto.

10.9 **Severability and construction**. Each Article, section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable, and if, for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any applicable present or future law, rule or regulation in a final unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which any Party hereto is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible (all of which shall remain binding on the Parties and continue to be given full force and effect as of the date upon which the ruling becomes final).

10.10 **Captions**. The captions, section numbers and Article numbers appearing in this Agreement are inserted for convenience of reference only and shall in no way define, limit, construe or describe the scope or intent of this Agreement nor in any way affect this Agreement.

10.11 **Counterparts**. This Agreement may be signed by the Parties hereto in as many counterparts as may be necessary, and via facsimile if necessary, each of which so signed being deemed to be an original and such counterparts together constituting one and the same instrument and, notwithstanding the date of execution, being deemed to bear the Effective Date as set forth on the front page of this Agreement.

10.12 **No partnership or agency**. The Parties have not created a partnership and nothing contained in this Agreement shall in any manner whatsoever constitute any Party the partner, agent or legal representative of the other Parties, nor create any fiduciary relationship between them for any purpose whatsoever.

10.13 **Consents and waivers**. No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall:

(a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this section;

(b) be relied upon as a consent to or waiver of any other breach or default of the same or any other obligation;

(c) constitute a general waiver under this Agreement; or

(d) eliminate or modify the need for a specific consent or waiver pursuant to this section in any other or subsequent instance.

IN WITNESS WHEREOF the Parties hereto have hereunto set their respective hands and seals as at the Effective Date as hereinabove determined.

The COMMON SEAL of	)	
GENEMAX CORP.,	)	
the Company herein, was hereunto affixed	)	
in the presence of:	)	(C/S)
	)	
	)	
"Alan Lindsay"	)	
Authorized Signatory	)	
SIGNED, SEALED and DELIVERED by	)	
DENIS CORIN,	)	
the Executive herein, in the presence of:	)	
	)	
	)	
"Thomas J. Deutsch"	)	
Witness Signature	)	*"Denis Corin"*
	)	**DENIS CORIN**
Lang Michener LLP	)	
1500-1055 West Georgia St.	)	
Vancouver, BC V6E 4N7	)	
Witness Address	)	
	)	
Thomas J. Deutsch, Attorney	)	
Witness Name and Occupation	)	

Schedule A

This is Schedule "A" to that certain Amended Executive Services Agreement, dated for reference effective on May 1, 2007, as entered into between GeneMax Corp. and Denis Corin.

Underlying Agreement

Refer to the materials attached hereto.

_____

EXECUTIVE SERVICES AGREEMENT

Between:

GENEMAX CORP.

And:

PATRICK A. McGOWAN

GeneMax Corp.
Suite 400, 1681 Chestnut Street, Vancouver, British Columbia, Canada, V6J 4M6

EXECUTIVE SERVICES AGREEMENT

THIS EXECUTIVE SERVICES AGREEMENT is made and dated for reference effective as at July 1, 2006, as fully executed on this 17th day of November, 2006.

BETWEEN:

GENEMAX CORP., a company incorporated under the laws of the State of Nevada, U.S.A., and having an executive office and an address for notice and delivery located at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia, Canada, V6J 4M6

(the "*Company*");

OF THE FIRST PART

AND:

PATRICK A. McGOWAN, businessperson, having an address for notice and delivery located at c/o #1 - 8765 Ash Street, Vancouver, British Columbia, Canada, V6P 6T3

(the "*Executive*");

OF THE SECOND PART

(the Company and the Executive being hereinafter singularly also referred to as a "*Party*" and collectively referred to as the "*Parties*" as the context so requires).

WHEREAS:

A. The Company is a reporting company incorporated under the laws of the State of Nevada, U.S.A., and has its common shares listed for trading on the NASDAQ Over-The-Counter Bulletin Board;

B. The Executive has experience in and specializes in providing reporting and non-reporting companies with valuable management and operational services;

C. The Company is involved in the principal business of developing innovative therapeutics to treat serious disorders, primarily for cancer and infectious diseases (collectively, the "*Business*"); and, as a consequence thereof, the Company is hereby desirous of retaining the Executive as the Secretary and Chief Financial Officer of the Company, and the Executive is hereby desirous of accepting such positions, in order to provide such related services to the Company (collectively, the "*General Services*");

D. Since the introduction of the Parties hereto the Parties hereby acknowledge and agree that there have been various discussions, negotiations, understandings and agreements between them relating to the terms and conditions of the General Services and, correspondingly, that it is their intention by the terms and conditions of this agreement (the "*Agreement*") to hereby replace, in their entirety, all such prior discussions, negotiations, understandings and agreements with respect to the General Services; and

E. The Parties hereto have agreed to enter into this Agreement which replaces, in its entirety, all such prior discussions, negotiations, understandings and agreements, and, furthermore, which necessarily clarifies their respective duties and obligations with respect to the within General Services to be provided hereunder, all in accordance with the terms and conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the mutual covenants and provisos herein contained, **THE PARTIES HERETO AGREE AS FOLLOWS**:

Article 1
DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following words and phrases shall have the following meanings:

(a) "*Agreement*" means this Executive Services Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof, together with any Schedules attached hereto;

(b) "*Arbitration Act*" means the *International Commercial Arbitration Act* (British Columbia) and pursuant to the rules and procedures of the British Columbia International Arbitration Centre, as amended from time to time, as set forth in Article "9" hereinbelow;

(c) "*Benefits*" has the meaning ascribed to it in section "4.9" hereinbelow;

(d) "*Board of Directors*" means the Board of Directors of the Company as duly constituted from time to time;

(e) "*Bonus*" has the meaning ascribed to it in section "4.4" hereinbelow;

(f) "*Business*" has the meaning ascribed to it in recital "C." hereinabove.

(g) "*business day*" means any day during which Canadian Chartered Banks are open for business in the City of Vancouver, Province of British Columbia, Canada;

(h) "*Company*" means GeneMax Corp., a company incorporated under the laws of the State of Nevada, U.S.A., or any successor company, however formed, whether as a result of merger, amalgamation or other action;

(i) "*Company's Non-Renewal Notice*" has the meaning ascribed to in section "3.2" hereinbelow;

(j) "*Effective Date*" has the meaning ascribed to in section "3.1" hereinbelow;

(k) "*Effective Termination Date*" has the meaning ascribed to it in each of sections "3.3", "3.4", "3.5", "3.6" and "5.3" hereinbelow;

(l) "*Exchange Act*", "*Form S-8 Registration Statement*", "*SEC*", "*Registration Statement*" and "*Securities Act*" have the meanings ascribed to them in section "4.8" hereinbelow;

(m) "*Executive*" means Patrick A. McGowan;

(n) "*Expenses*" has the meaning ascribed to it in section "4.5" hereinbelow;

(o) "*Fee*" has the meaning ascribed to it in section "4.1" hereinbelow;

(p) "*Initial Term*" has the meaning ascribed to it in section "3.1" hereinbelow;

(q) "*General Services*" has the meaning ascribed to it in section "2.1" hereinbelow;

(r) "*Indemnified Party*" has the meaning ascribed to it in section "7.1" hereinbelow;

(s) "*Notice of Termination Date*" has the meaning ascribed to it in each of sections "3.3", "3.4", "3.5" and "5.3" hereinbelow;

(t) "*Option*" has the meaning ascribed to it in section "4.7" hereinbelow;

(u) "*Option Plan*" has the meaning ascribed to it in section "4.7" hereinbelow;

(v) "*Option Share*" has the meaning ascribed to it in section "4.7" hereinbelow;

(w) "*OTCBB*" means the NASDAQ Over-The-Counter Bulletin Board;

(x) "*Parties*" or "*Party*" means, individually and collectively, the Company, and/or the Executive hereto, as the context so requires, together with each of their respective successors and permitted assigns as the context so requires;

(y) "*Property*" has the meaning ascribed to it in section "5.4" hereinbelow;

(z) "*Regulatory Approval*" means the acceptance for filing, if required, of the transactions contemplated by this Agreement by the Regulatory Authorities;

(aa) "*Regulatory Authorities*" and "*Regulatory Authority*" means, either singularly or collectively as the context so requires, such regulatory agencies who have jurisdiction over the affairs of either of the Company and/or the Executive and including, without limitation, and where applicable, the United States Securities and Exchange Commission, the NASDAQ, the OTCBB and all regulatory authorities from whom any such authorization, approval or other action is required to be obtained or to be made in connection with the transactions contemplated by this Agreement;

(ab) "*subsidiary*" means any company or companies of which more than 50% of the outstanding shares carrying votes at all times (provided that the ownership of such shares confers the right at all times to elect at least a majority of the directors of such company or companies) are for the time being owned by or held for that company and/or any other company in like relation to that company and includes any company in like relation to the subsidiary; and

(ac) "*Vacation*" has the meaning ascribed to it in section "4.6" hereinbelow.

1.2 **Interpretation**. For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the words "*herein*", "*hereof*" and "*hereunder*" and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of this Agreement;

(b) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a permitted successor to such entity; and

(c) words in the singular include the plural and words in the masculine gender include the feminine and neuter genders, and *vice versa*.

Article 2
GENERAL SERVICES AND DUTIES OF THE EXECUTIVE

2.1 **General Services**. During the Initial Term and during the continuance of this Agreement the Company hereby agrees to retain the Executive as the Secretary and Chief Financial Officer of the Company, and the Executive hereby agrees to be subject to the direction and supervision of, and to have the authority as is delegated to the Executive by, the Board of Directors consistent with such positions, and the Executive also agrees to accept such positions in order to provide such related services as the Board of Directors shall, from time to time, reasonably assign to the Executive and as may be necessary for the ongoing maintenance and development of the Company's various Business interests during the Initial Term and during the continuance of this Agreement (collectively, the "*General Services*"); it being expressly acknowle dged and agreed by the Parties hereto that the Executive shall initially commit and provide to the Company the General Services on a reasonably part-time basis during the Initial Term and during the continuance of this Agreement for which the Company, as more particularly set forth hereinbelow, hereby agrees to pay and provide to the order and direction of the Executive each of the proposed compensation amounts as set forth in Articles "4" hereinbelow.

In this regard it is hereby acknowledged and agreed that the Executive shall be entitled to communicate with and shall rely upon the immediate advice, direction and instructions of the Chairman of the Board of Directors of the Company, or upon the advice or instructions of such

other director or officer of the Company as the Chairman of the Board of Directors of the Company shall, from time to time, designate in times of the Chairman's absence, in order to initiate, coordinate and implement the General Services as contemplated herein subject, at all times, to the final direction and supervision of the Board of Directors.

2.2 **Additional duties respecting the General Services**. Without in any manner limiting the generality of the General Services to be provided as set forth in section "2.1" hereinabove, it is hereby also acknowledged and agreed that Executive will, during the Initial Term and during the continuance of this Agreement, devote a reasonable portion of the Executive's consulting time to the General Services of the Executive as may be determined and required by the Board of Directors of the Company for the performance of said General Services faithfully, diligently, to the best of the Executive's abilities and in the best interests of the Company and, furthermore, that the Executive's employment time will be prioritized at all times for the Company in that regard.

2.3 **Adherence to rules and policies of the Company**. The Executive hereby acknowledges and agrees to abide by the reasonable rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the same as such rules, regulations, instructions, personnel practices and policies may be reasonably applied to the Secretary and Chief Financial Officer of the Company.

Article 3
INITIAL TERM, RENEWAL AND TERMINATION

3.1 **Effectiveness and Initial Term of the Agreement**. The initial term of this Agreement (the "*Initial Term*") is for a period of one year commencing on July 1, 2006 (the "*Effective Date*"), however, is subject, at all times, to the Company's prior receipt, if required, of Regulatory Approval from each of the Regulatory Authorities to the terms and conditions of and the transactions contemplated by this Agreement.

3.2 **Renewal by the Company after the Initial Term**. Subject at all times to sections "3.3", "3.4", "3.5" and "5.3" hereinbelow, this Agreement shall renew automatically if not specifically terminated in accordance with the following provisions. The Company agrees to notify the Executive in writing at least 90 calendar days prior to the end of the Initial Term of its intent not to renew this Agreement (the "*Company's Non-Renewal Notice*"). Should the Company fail to provide a Company's Non-Renewal Notice this Agreement shall automatically renew on a three-month to three-month term renewal basis after the Initial Term until otherwise specifically renewed in writing by each of the Parties hereto for the next three-month term of renewal or, otherwise, terminated upon delivery by the Company of a corresponding and follow-up 90 calendar day Company's Non-Renewal Notice in c onnection with and within 90 calendar days prior to the end of any such three-month term renewal period. Any such renewal on a three-month basis shall be on the same terms and conditions contained herein unless modified and agreed to in writing by the Parties in advance.

3.3 **Termination without cause by the Executive**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the Executive at any time after the Effective Date and during the Initial Term and during the continuance of this Agreement upon the Executive's delivery to the Company of prior written notice of its intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company's ongoing obligation to provide and to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinbelow will continue only until the Effective Termination Date.

3.4 **Termination without cause by the Company**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the Company at any time after the Effective Date and during the Initial Term and during the continuance of this Agreement upon the Company's delivery to the Executive of prior written notice of its intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will immediately cease upon the date of the Notice of Termination, however, the Company shall continue to be obligated to provide and to pay to the Executive all of the amounts otherwise payable to the Execu tive under Article "4" hereinbelow until the end of the entire Initial Term under this Agreement; such ongoing compensation representing the Executive's clear and unequivocal severance for the early termination by the Company without cause of this Agreement prior to the completion of the Initial Term.

3.5 **Termination for cause by any Party**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by any Party hereto at any time upon written notice to the other Party of such Party's intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein), and damages sought, if:

(a) the other Party fails to cure a material breach of any provision of this Agreement within 21 calendar days from its receipt of written notice from said Party (unless such material breach cannot be reasonably cured within said 21 calendar days and the other Party is actively pursuing to cure said material breach);

(b) the other Party is willfully non-compliant in the performance of its respective duties under this Agreement within 21 calendar days from its receipt of written notice from said Party (unless such willful non-compliance cannot be reasonably corrected within said 21 calendar days and the other Party is actively pursuing to cure said willful non-compliance);

(c) the other Party commits fraud or serious neglect or misconduct in the discharge of its respective duties hereunder or under the law; or

(d) the other Party becomes adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, and where any such involuntary petition is not dismissed within 21 calendar days.

In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company shall continue to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinbelow until the Effective Termination Date.

3.6 **Disability or death and Advance**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated at any time by any Party within 21 calendar days after the death or disability of the Executive, as a without fault termination (the resulting effective date of any such termination being herein also the "*Effective Termination Date*"). For the purposes of this Agreement the term "*disability*" shall mean the Executive shall have been unable to provide the General Services contemplated under this Agreement for a period of 90 calendar days, whether or not consecutive, during any 360 calendar day period, due to a physical or mental disability. A determination of disability shall be made by a physician satisfactory to both the Executive and the Company; provided th at if the Executive and the Company do not agree on a physician, the Executive and the Company shall each select a physician and these two together shall select a third physician whose determination as to disability shall be binding on all Parties. In the event that the Executive's employment is terminated by death or because of disability pursuant to this Agreement, the Company shall pay to the estate of the Executive or to the Executive, as the case may be, all amounts to which the Executive would otherwise be entitled under Article "4" hereinbelow until the Effective Termination Date.

3.7 **Effect of Termination**. Terms of this Agreement relating to accounting, payments, confidentiality, accountability for damages or claims and all other matters reasonably extending beyond the terms of this Agreement and to the benefit of the Parties hereto or for the protection of the Business interests of the Company shall survive the termination of this Agreement, and any matter of interpretation thereto shall be given a wide latitude in this regard. In addition, and without limiting the foregoing, each of sections "3.3", "3.4", "3.5", "3.6" and "5.3" hereinabove shall survive the termination of this Agreement.

Article 4
COMPENSATION OF THE EXECUTIVE

4.1 **Fee**. It is hereby acknowledged and agreed that the Executive shall render the General Services as defined hereinabove during the Initial Term and during the continuance of this Agreement and shall thus be compensated from the Effective Date of this Agreement to the termination of the same by way of the payment by the Company to the Executive, or to the further order or direction of the Executive as the Executive may determine, in the Executive's sole and absolute discretion, and advise the Company of prior to such payment, of the gross monthly fee of Cdn. $3,000.00 (the "*Fee*"). All such Fees will be due and payable by the Company to the Executive, or to the further order or direction of the Executive as the Executive may determine, in the Executive's sole and absolute discretion, and advise the Company of prior to any such Fee payment, bi-monthly and on or about the fifteenth and thirtieth day of each month of the then monthly period of service during the continuance of this Agreement.

4.2 **Payment of Fee and status as a non-taxable consultant**. It is hereby also acknowledged and agreed that the Executive will be classified as a non-taxable consultant of the Company for all purposes, such that all compensation which is provided by the Company to the Executive under this Agreement, or otherwise, will be calculated on the foregoing and gross Fee basis and otherwise for which no statutory taxes will first be deducted by the Company.

4.3 **Increase in the Fee**. It is hereby acknowledged that the proposed Fee payments under this Agreement were negotiated as between the Parties hereto in the context of the stage of development of the Company existing as at the Effective Date of this Agreement. Correspondingly, it is hereby acknowledged and agreed that the Fee shall be reviewed and renegotiated at the request of either Party on a reasonably consistent basis during the continuance of this Agreement and, in the event that the Parties cannot agree, then the Fee shall be increased on an annual basis by the greater of (i) 10% and (ii) the percentage which is the average percentage of all increases to management salaries and fees within the Company during the previous 12-month period. Any dispute respecting eith er the effectiveness or magnitude of the final Fee hereunder shall be determined by arbitration in accordance with Article "9" hereinbelow.

4.4 **Bonus payments**. It is hereby also acknowledged that the Board of Directors shall, in good faith, consider the payment of reasonable industry standard annual bonuses (each being a "*Bonus*") based upon the performance of the Company and upon the achievement by the Executive and/or the Company of reasonable management objectives to be reasonably established by the Board of Directors (after reviewing proposals with respect thereto defined by the Executive in the Executive's capacity as the Secretary and Chief Financial Officer of the Company, and delivered to the Board of Directors by the Executive at least 30 calendar days before the beginning of the relevant year of the Company (or within 90 calendar days following the commencement of the Company's first calendar year commencing on the Effective Date)). These manag ement objectives shall consist of both financial and subjective goals and shall be specified in writing by the Board of Directors, and a copy shall be given to the Executive prior to the commencement of the applicable year. The payment of any such Bonus shall be payable no later than within 120 calendar days of the ensuing year after any calendar year commencing on the Effective Date. Any dispute respecting either the effectiveness or the magnitude of any Bonus hereunder shall be determined by arbitration in accordance with Article "8" hereinbelow.

4.5 **Reimbursement of Expenses**. It is hereby acknowledged and agreed that the Executive shall also be reimbursed for all pre-approved, direct and reasonable expenses actually and properly incurred by the Executive for the benefit of the Company (collectively, the "*Expenses*"); and which Expenses, it is hereby acknowledged and agreed, shall be payable by the Company to the order, direction and account of the Executive as the Executive may designate in writing, from time to time, in the Executive's sole and absolute discretion, as soon as conveniently possible after the prior delivery by the Executive to the Company of written substantiation on account of each such reimbursable Expense.

4.6 **Paid Vacation**. It is hereby also acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to four weeks paid vacation (collectively, the "*Vacation*") during each and every year during the continuance of this Agreement. In this regard it is further understood hereby that the Executive's entitlement to any such paid Vacation during any year (including the initial year) during the continuance of this Agreement will be subject, at all times, to the Executive's entitlement to only a pro rata portion of any such paid Vacation time during any year (including the initial year) and to the effective date upon which this Agreement is terminated prior to the end of any such year for any reason whatsoever.

4.7 **Options**. Subject to the following and the provisions of section "4.8" hereinbelow, and as soon as reasonably practicable after the Effective Date hereof, it is hereby acknowledged and agreed that the Executive will be granted, or will have already been granted, subject to the rules and policies of the Regulatory Authorities and applicable securities legislation, the terms and conditions of the Company's existing stock option plan (the "*Option Plan*") and the final determination of the Board of Directors, acting reasonably, an incentive stock option or options (each being an "*Option*") for the collective purchase of up to an aggregate of not less than 500,000 common shares of the Company (each an "*Option Share*"), at an exercise price of not more than U.S. $0.10 per Option Share and exercisable for a period of not less than five years from the date of gr ant; or such further number of Options to acquire an equivalent number of Option Shares of the Company as the Board of Directors may determine, in its sole and absolute discretion; and which Option or Options will be exercisable for such periods and at such exercise price or prices per Option Share as the Board of Directors may also determine, in its sole and absolute discretion, from time to time after the Effective Date hereof.

It is hereby acknowledged that the initial Options granted under this Agreement were negotiated as between the Parties hereto in the context of the stage of development of the Company existing as at the Effective Date of this Agreement. Correspondingly, it is hereby acknowledged and agreed that the number of Options granted by the Company to the Executive hereunder shall be reviewed and renegotiated at the request of either Party on a reasonably consistent basis during the continuance of this Agreement and, in the event that the Parties cannot agree, then the number of Options shall be increased on an annual basis by the percentage which is the average percentage of all increases to management stock options within the Company during the previous 12-month period; and in each case on similar and reasonable exercise terms a nd conditions. Any dispute respecting either the effectiveness or magnitude of the final number and terms hereunder shall be determined by arbitration in accordance with Article "9" hereinbelow.

4.8 **Options subject to the following provisions**. In this regard, and subject also to the following, it is hereby acknowledged and agreed that the exercise of any such Options shall be subject, at all times, to such vesting and resale provisions as may then be contained in the Company's Option Plan and as may be finally determined by the Board of Directors, acting reasonably. Notwithstanding the foregoing, however, it is hereby also acknowledged and agreed that, in the event that this Agreement is terminated in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" and "5.3" herein, such portion of the within and remaining Options which shall have then not been exercised on the determined Effective Termination Date shall, notwithstanding the remaining exercise period of the Option(s), then be exercisable by the Execu tive for a period of 90 calendar days following such Effective Termination Date or otherwise. In this regard, and in accordance with the terms and conditions of each final form of Option agreement, the Parties hereby also acknowledge and agree that:

(a) *Registration of Option Shares under the Options*: the Company shall file with the United States Securities and Exchange Commission (the "*SEC*") a registration statement on Form S-8 (the "*Form S-8 Registration Statement*") within 60 calendar days after the Effective Date hereof covering the issuance of all Option Shares of the Company underlying the then issued Options, and such Form S-8 Registration Statement shall comply with all requirements of the United States *Securities Act of 1933*, as amended (the "*Securities Act*"). In this regard the Company shall use its best efforts to ensure that the Form S-8 Registration Statement remains effective as long as such Options are outstanding, and the Executive fully understands and acknowledges that these Option Shares will be issued in reliance upon the exemption afforded under the Form S-8 Registration Statement which is available only if the Executive acquires such Option Shares for investment and not with a view to distribution. The Executive is familiar with the phrase "acquired for investment and not with a view to distribution" as it relates to the Securities Act and the special meaning given to such term in various releases of the United States Securities and Exchange Commission (the "*SEC*");

(b) *Section 16 compliance*: the Company shall ensure that all grants of Options are made to ensure compliance with all applicable provisions of the exemption afforded under Rule 16b-3 promulgated under the *Securities and Exchange Act of 1934*, as amended (the "*Exchange Act*"). Without limiting the foregoing, the Company shall have an independent committee of the Board of Directors of the Company approve each grant of Options to the Executive and, if required, by the applicable Regulatory Authorities and the shareholders of the Company. The Company shall file, on behalf of the Executive, all reports required to filed with the SEC pursuant to the requirements of Section 16(a) under the Exchange Act and applicable rules and regulations;

(c) *Disposition of any Option Shares*: the Executive further acknowledges and understands that, without in anyway limiting the acknowledgements and understandings as set forth hereinabove, the Executive agrees that the Executive shall in no event make any disposition of all or any portion of the Option Shares which the Executive may acquire hereunder unless and until:

(i) there is then in effect a "*Registration Statement*" under the Securities Act covering such proposed disposition and such disposition is made in accordance with said Registration Statement; or

(ii) (A) the Executive shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, (B) the Executive shall have furnished the Company with an opinion of the Executive's own counsel to the effect that such disposition will not require registration of any such Option Shares under the Securities Act and (C) such opinion of the Executive's counsel shall have been concurred in by counsel for the Company and the Company shall have advised the Executive of such concurrence; and

(d) *Payment for any Option Shares*: it is hereby further acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to exercise any Option granted hereunder and pay for the same by way of the prior agreement of the Executive, in the Executive's sole and absolute discretion, and with the prior knowledge of the Company, to settle any indebtedness which may be due and owing by the Company under this Agreement in payment for the exercise price of any Option Shares acquired thereunder. In this regard, and subject to further discussion as between the Company and the Executive, together with the prior approval of the Board of Directors of the Company and the establishment by the Company of a new Option Plan predicated upon the same, it is envisioned that, when the Company is in a position to afford the same, the Company may adopt certain additional "cashless exercise" provisions respecting the gr anting and exercise of incentive stock options during the continuance of this Agreement.

4.9 **Benefits**. It is hereby acknowledged and agreed that, during the continuance of this Agreement, the Executive shall be entitled to participate fully in each of the Company's respective medical services plans and management and employee benefits program(s) (collectively, the "*Benefits*").

Article 5
ADDITIONAL OBLIGATIONS OF THE EXECUTIVE

5.1 **Reporting**. At such time or times as may be required by the Board of Directors, acting reasonably, the Executive will provide the Board of Directors with such information concerning the results of the Executive's General Services and activities hereunder for the previous month as the Board of Directors may reasonably require.

5.2 **Opinions, reports and advice of the Executive**. The Executive acknowledges and agrees that all written and oral opinions, reports, advice and materials provided by the Executive to the Company in connection with the Executive's engagement hereunder are intended solely for the Company's benefit and for the Company's uses only, and that any such written and oral opinions, reports, advice and information are the exclusive property of the Company. In this regard the Executive covenants and agrees that the Company may utilize any such opinion, report, advice and materials for any other purpose whatsoever and, furthermore, may reproduce, disseminate, quote from and refer to, in whole or in part, at any time and in any manner, any such opinion, report, advice and materials in the Company's sole and absolute discretion. The Executive further covenants and agrees that no public references to the Executive or disclosure of the Executive's role in respect of the Company may be made by the Executive without the prior written consent of the Board of Directors in each specific instance and, furthermore, that any such written opinions, reports, advice or materials shall, unless otherwise required by the Board of Directors, be provided by the Executive to the Company in a form and with such substance as would be acceptable for filing with and approval by any Regulatory Authority having jurisdiction over the affairs of the Company from time to time.

5.3 **Executive's business conduct**. The Executive warrants that the Executive shall conduct the business and other activities in a manner which is lawful and reputable and which brings good repute to the Company, the Company's business interests and the Executive. In particular, and in this regard, the Executive specifically warrants to provide the General Services in a sound and professional manner such that the same meets superior standards of performance quality within the standards of the industry or as set by the specifications of the Company. In the event that the Board of Directors has a reasonable concern that the business as conducted by the Executive is being conducted in a way contrary to law or is reasonably likely to bring disrepute to the business interests or to the Company's or the Executive's reputation, the Company may require that the Executive make such alterations in the Executive's business conduct or structure, whether of management or Board representation or employee or sub-licensee representation, as the Board of Directors may reasonably require, in its sole and absolute discretion, failing which the Company, in its sole and absolute discretion, may terminate this Agreement upon prior written notice to the Executive to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Executive's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company shall continue to pay to the Executive all of the amounts otherwise payable to the Executive under Article "4" hereinabove until the Effective Termination. In the event of any debate or dispute as to the reasonableness of the Board of Direc tors' request or requirements, the judgment of the Board of Directors shall be deemed correct until such time as the matter has been determined by arbitration in accordance with Article "9" hereinbelow.

5.4 **Right of ownership to the business and related Property**. The Executive hereby acknowledges and agrees that any and all Company Business interests, together with any products or improvements derived therefrom and any trade marks or trade names used in connection with the same (collectively, the "*Property*"), are wholly owned and controlled by the Company. Correspondingly, neither this Agreement, nor the operation of the business contemplated by this Agreement, confers or shall be deemed to confer upon the Executive any interest whatsoever in and to any of the Property. In this regard the Executive hereby further covenants and agrees not to, during or after the Initial Term and the continuance of this Agreement, contest the title to any of the Property interests, in any way dispute or impugn the validity of the Property interests or take any action to the detriment of the Company's interests therein. The Executive acknowledges that, by reason of the unique nature of the Property interests, and by reason of the Executive's knowledge of and association with the Property interests during the Initial Term and during the continuance of this Agreement, the aforesaid covenant, both during the Initial Term of this Agreement and thereafter, is reasonable and commensurate for the protection of the legitimate business interests of the Company. As a final note, the Executive hereby further covenants and agrees to immediately notify the Company of any infringement of or challenge to the any of the Property interests as soon as the Executive becomes aware of the infringement or challenge.

In addition, and for even greater certainty, the Executive hereby assigns to the Company the entire right, title and interest throughout the world in and to all work performed, writings, formulas, designs, models, drawings, photographs, design inventions, and other inventions, made, conceived, or reduced to practice or authored by the Executive or the Executive's employees, either solely or jointly with others, during the performance of this Agreement, or which are made, conceived, or reduced to practice, or authored with the use of information or materials of the Company either received or used by the Executive during the performance of this Agreement or any extension or renewal thereof. The Executive shall promptly disclose to the Company all works, writings, formulas, designs, models, photographs, drawings, design inventions and other inventions made, conceived or reduced to practice, or authored by the Executive or the Executive's employees as set forth above. The Executive shall sign, execute and acknowledge, or cause to be signed, executed and acknowledged without cost to Company or its nominees, patent, trademark or copyright protection throughout the world upon all such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions; title to which the Company acquires in accordance with the provisions of this section. The Executive has acquired or shall acquire from each of the Executive's employees, if any, the necessary rights to all such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions made by such employees within the scope of their employment by the Executive in performing the General Services under this Agreement. The Executive shall obtain the cooperation of each such employee to secure to the Company or its nomine es the rights to such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions as the Company may acquire in accordance with the provisions of this section. The work performed and the information produced under this Agreement are works made for hire as defined in 17 U.S.C. Section 101.

Article 6
ADDITIONAL OBLIGATIONS OF THE PARTIES

6.1 **No conflict, no competition and non-circumvention**. During the continuance of this Agreement neither Party hereto shall engage in any business or activity which reasonably may detract from or conflict with that Party's respective duties and obligations to other Party as set forth in this Agreement without the prior written consent of the other Party hereto. In addition, during the continuance of this Agreement, and for a period of at least one year following the termination of this Agreement in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" or "5.3" hereunder, no Party shall engage in any business or activity whatsoever which reasonably may be determined by the other Party hereto, in its sole and absolute discretion, to compete with any portion of that Party's business interests as contemplated hereby without the prior written consent of that Party. Furthermore, each of the Parties hereby acknowledges and agrees, for a period of at least one year following the termination of this Agreement in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" or "5.3" hereunder, not to initiate any contact or communication directly with either of the other Party or any of its respective subsidiaries, as the case may be, together with each of the other Party's respective directors, officers, representatives, agents or employees, without the prior written consent of the other Party hereto and, notwithstanding the generality of the foregoing, further acknowledges and agrees, even with the prior written consent of the other Party to such contact or communication, to limit such contact or communication to discussions outside the scope of any confidential information (as hereinafter determined). For the purposes of the foregoing the Parties hereby recognize and agree that a breach a Party of any of the covenants herein contained would result in irreparabl e harm and significant damage to the other Party that would not be adequately compensated for by monetary award. Accordingly, each of the Parties agrees that, in the event of any such breach, in addition to being entitled as a matter of right to apply to a Court of competent equitable jurisdiction for relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance with the provisions hereof, a Party will also be liable to the other Party hereto, as liquidated damages, for an amount equal to the amount received and earned by that Party as a result of and with respect to any such breach. The Parties hereby acknowledge and agree that if any of the aforesaid restrictions, activities, obligations or periods are considered by a Court of competent jurisdiction as being unreasonable, the Parties agree that said Court shall have authority to limit such restrictions, activities or periods as the Court deems proper in the circumstances. In addition, the Parties further acknowledge and agree that all restrictions or obligations in this Agreement are necessary and fundamental to the protection of their respective business interests and are reasonable and valid, and all defenses to the strict enforcement thereof by the Parties are hereby waived.

6.2 **Confidentiality**. Each Party will not, except as authorized or required by its respective duties and obligations hereunder, reveal or divulge to any person, company or entity any information concerning the respective organization, business, finances, transactions or other affairs of the other Party hereto, or of any of the other Party's respective subsidiaries, which may come to the Party's knowledge during the continuance of this Agreement, and each Party will keep in complete secrecy all confidential information entrusted to the Party and will not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the other Party's respective business interests. This restriction will continue to apply after the termination of this Agreement without limit in point of time but will cease to apply to information or kno wledge which may come into the public domain.

6.3 **Compliance with applicable laws**. Each Party will comply with all U.S., Canadian and foreign laws, whether federal, provincial or state, applicable to its respective duties and obligations hereunder and, in addition, hereby represents and warrants that any information which the Party may provide to any person or company hereunder will, to the best of the Party's knowledge, information and belief, be accurate and complete in all material respects and not misleading, and will not omit to state any fact or information which would be material to such person or company.

Article 7
INDEMNIFICATION AND LEGAL PROCEEDINGS

7.1 **Indemnification**. The Parties hereto hereby each agree to indemnify and save harmless the other Party hereto and including, where applicable, their respective subsidiaries and affiliates and each of their respective directors, officers, Executives and agents (each such party being an "*Indemnified Party*") harmless from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatever nature or kind and including, without limitation, any investigation expenses incurred by any Indemnified Party, to which an Indemnified Party may become subject by reason of the terms and conditions of this Agreement.

7.2 **No indemnification**. This indemnity will not apply in respect of an Indemnified Party in the event and to the extent that a Court of competent jurisdiction in a final judgment shall determine that the Indemnified Party was grossly negligent or guilty of willful misconduct.

7.3 **Claim of indemnification**. The Parties hereto agree to waive any right they might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming this indemnity.

7.4 **Notice of claim**. In case any action is brought against an Indemnified Party in respect of which indemnity may be sought against either of the Parties hereto, the Indemnified Party will give both Parties hereto prompt written notice of any such action of which the Indemnified Party has knowledge and the relevant Party will undertake the investigation and defense thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Party affected and the relevant Party and the payment of all expenses. Failure by the Indemnified Party to so notify shall not relieve the relevant Party of such relevant Party's obligation of indemnification hereunder unless (and only to the extent that) such failure results in a forfeiture by the relevant Party of substantive rights or defenses.

7.5 **Settlement**. No admission of liability and no settlement of any action shall be made without the consent of each of the Parties hereto and the consent of the Indemnified Party affected, such consent not to be unreasonable withheld.

7.6 **Legal proceedings**. Notwithstanding that the relevant Party will undertake the investigation and defense of any action, an Indemnified Party will have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

(a) such counsel has been authorized by the relevant Party;

(b) the relevant Party has not assumed the defense of the action within a reasonable period of time after receiving notice of the action;

(c) the named parties to any such action include that any Party hereto and the Indemnified Party shall have been advised by counsel that there may be a conflict of interest between any Party hereto and the Indemnified Party; or

(d) there are one or more legal defenses available to the Indemnified Party which are different from or in addition to those available to any Party hereto.

7.7 **Contribution**. If for any reason other than the gross negligence or bad faith of the Indemnified Party being the primary cause of the loss claim, damage, liability, cost or expense, the foregoing indemnification is unavailable to the Indemnified Party or insufficient to hold them harmless, the relevant Party shall contribute to the amount paid or payable by the Indemnified Party as a result of any and all such losses, claim, damages or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by the relevant Party on the one hand and the Indemnified Party on the other, but also the relative fault of relevant Party and the Indemnified Party and other equitable considerations which may be relevant. Notwithstanding the foregoing, the relevant Party shall in any event contribute to the amount paid or payable by the Indemnified Party, as a result of the loss, claim, damage, liability, cost or expense (other than a loss, claim, damage, liability, cost or expenses, the primary cause of which is the gross negligence or bad faith of the Indemnified Party), any excess of such amount over the amount of the fees actually received by the Indemnified Party hereunder.

Article 8
FORCE MAJEURE

8.1 **Events**. If either Party hereto is at any time either during this Agreement or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of strikes, walk-outs, labour shortages, power shortages, fires, wars, acts of God, earthquakes, storms, floods, explosions, accidents, protests or demonstrations by environmental lobbyists or native rights groups, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market, unavailability of equipment, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of that Party, then the time limited for the performance by that Party of its respective obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention or dela y.

8.2 **Notice**. A Party shall within three calendar days give notice to the other Party of each event of *force majeure* under section "8.1" hereinabove, and upon cessation of such event shall furnish the other Party with notice of that event together with particulars of the number of days by which the obligations of that Party hereunder have been extended by virtue of such event of *force majeure* and all preceding events of *force majeure*.

Article 9
ARBITRATION

9.1 **Matters for arbitration**. Except for matters of indemnity or in the case of urgency to prevent material harm to a substantive right or asset, the Parties agree that all questions or matters in dispute with respect to this Agreement shall be submitted to arbitration pursuant to the terms hereof. This provision shall not prejudice a Party from seeking a Court order or assistance to garnish or secure sums or to seek summary remedy for such matters as counsel may consider amenable to summary proceedings.

9.2 **Notice**. It shall be a condition precedent to the right of any Party to submit any matter to arbitration pursuant to the provisions hereof that any Party intending to refer any matter to arbitration shall have given not less than five business days' prior written notice of its intention to do so to the other Parties together with particulars of the matter in dispute. On the expiration of such five business days the Party who gave such notice may proceed to refer the dispute to arbitration as provided for in section "9.3" hereinbelow.

9.3 **Appointments**. The Party desiring arbitration shall appoint one arbitrator, and shall notify the other Parties of such appointment, and the other Parties shall, within five business days after receiving such notice, appoint an arbitrator, and the two arbitrators so named, before proceeding to act, shall, within five business days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator, to act with them and be chairperson of the arbitration herein provided for. If the other Parties shall fail to appoint an arbitrator within five business days after receiving notice of the appointment of the first arbitrator, and if the two arbitrators appointed by the Parties shall be unable to agree on the appointment of the chairperson, the chairperson shall be appointed in accordance with the Arbitration Act. Except as specifically otherwise provided in this section, the arbitration herein provided for shall be conducted in accordance with such Arbitration Act. The chairperson, or in the case where only one arbitrator is appointed, the single arbitrator, shall fix a time and place for the purpose of hearing the evidence and representations of the Parties, and the chairperson shall preside over the arbitration and determine all questions of procedure not provided for by the Arbitration Act or this section. After hearing any evidence and representations that the Parties may submit, the single arbitrator, or the arbitrators, as the case may be, shall make an award and reduce the same to writing, and deliver one copy thereof to each of the Parties. The expense of the arbitration shall be paid as specified in the award.

9.4 **Award**. The Parties agree that the award of a majority of the arbitrators, or in the case of a single arbitrator, of such arbitrator, shall be final and binding upon each of them.

Article 10
GENERAL PROVISIONS

10.1 **Entire agreement**. This Agreement constitutes the entire agreement to date between the Parties hereto and supersedes every previous agreement, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, between the Parties with respect to the subject matter of this Agreement.

10.2 **No assignment**. This Agreement may not be assigned by any Party hereto except with the prior written consent of the other Parties.

10.3 **Notice**. Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be sent by prepaid registered mail deposited in a recognized post office and addressed to the Party entitled to receive the same, or delivered to such Party, at the address for such Party specified on the front page of this Agreement. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered, or, if given by registered mail as aforesaid, shall be deemed conclusively to be the third business day after the same shall have been so mailed, except in the case of interruption of postal services for any reason whatsoever, in which case the date of receipt shall be the date on which the notice, demand or other communication is actually received by the addressee. Any Part y may at any time and from time to time notify the other Parties in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

10.4 **Time of the essence**. Time will be of the essence of this Agreement.

10.5 **Enurement**. This Agreement will enure to the benefit of and will be binding upon the Parties hereto and their respective heirs, executors, administrators and assigns.

10.6 **Currency**. Unless otherwise stipulated, all payments required to be made pursuant to the provisions of this Agreement and all money amount references contained herein are in lawful currency of the United States.

10.7 **Further assurances**. The Parties will from time to time after the execution of this Agreement make, do, execute or cause or permit to be made, done or executed, all such further and other acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

10.8 **Representation and costs**. It is hereby acknowledged by each of the Parties hereto that Lang Michener LLP, Lawyers - Patent & Trade Mark Agents, acts solely for the Company, and, correspondingly, that the Executive has been required by each of Lang Michener LLP and the Company to obtain independent legal advice with respect to its review and execution of this Agreement. In addition, it is hereby further acknowledged and agreed by the Parties hereto that Lang Michener LLP, and certain or all of its principal owners or associates, from time to time, may have both an economic or shareholding interest in and to Company and/or a fiduciary duty to the same arising from either a directorship, officership or similar relationship arising out of the request of the Company for certain of such persons to act in a similar capacity while acting for the Company as c ounsel. Correspondingly, and even where, as a result of this Agreement, the consent of each Party hereto to the role and capacity of Lang Michener LLP, and its principal owners and associates, as the case may be, is deemed to have been received, where any conflict or perceived conflict may arise, or be seen to arise, as a result of any such capacity or representation, each Party hereto acknowledges and agrees to, once more, obtain independent legal advice in respect of any such conflict or perceived conflict and, consequent thereon, Lang Michener LLP, together with any such principal owners or associates, as the case may be, shall be at liberty at any time to resign any such position if it or any Party hereto is in any way affected or uncomfortable with any such capacity or representation. Each Party to this Agreement will also bear and pay its own costs, legal and otherwise, in connection with its respective preparation, review and execution of this Agreement and, in particular, that the costs involved in the preparation of this Agreement, and all documentation necessarily incidental thereto, by Lang Michener LLP, shall be at the cost of the Company.

10.9 **Applicable law**. The situs of this Agreement is Vancouver, British Columbia, Canada, and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws and Courts prevailing in the Province of British Columbia, Canada, and the federal laws of Canada applicable thereto.

10.10 **Severability and construction**. Each Article, section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable, and if, for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any applicable present or future law, rule or regulation in a final unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which any Party hereto is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible (all of which shall remain binding on the Parties and continue to be given full force and effect as of the date upon which the ruling becomes final).

10.11 **Captions**. The captions, section numbers and Article numbers appearing in this Agreement are inserted for convenience of reference only and shall in no way define, limit, construe or describe the scope or intent of this Agreement nor in any way affect this Agreement.

10.12 **Counterparts**. This Agreement may be signed by the Parties hereto in as many counterparts as may be necessary, and via facsimile if necessary, each of which so signed being deemed to be an original and such counterparts together constituting one and the same instrument and, notwithstanding the date of execution, being deemed to bear the Effective Date as set forth on the front page of this Agreement.

10.13 **No partnership or agency**. The Parties have not created a partnership and nothing contained in this Agreement shall in any manner whatsoever constitute any Party the partner, agent or legal representative of the other Parties, nor create any fiduciary relationship between them for any purpose whatsoever.

10.14 **Consents and waivers**. No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall:

(a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this section;

(b) be relied upon as a consent to or waiver of any other breach or default of the same or any other obligation;

(c) constitute a general waiver under this Agreement; or

(d) eliminate or modify the need for a specific consent or waiver pursuant to this section in any other or subsequent instance.

IN WITNESS WHEREOF the Parties hereto have hereunto set their respective hands and seals as at the Effective Date as hereinabove determined.

The COMMON SEAL of)
GENEMAX CORP.,)
the Company herein, was hereunto affixed)
in the presence of:)
) (C/S)
)
"Denis Corin")
Authorized Signatory)

SIGNED, SEALED and DELIVERED by)
PATRICK A. McGOWAN,)
the Executive herein, in the presence of:)
)
)
"Theresa L. Grigg")
Witness Signature)
) *"Patrick A. McGowan"*
#809-888 Pacific St.) **PATRICK A. McGOWAN**
Vancouver, BC V6Z 2S6)
Witness Address)
)
Theresa L. Grigg, Executive Assistant)
Witness Name and Occupation)

CONSULTING SERVICES AGREEMENT

Between:

GENEMAX CORP.

And:

ALAN LINDSAY & ASSOCIATES LTD.

GeneMax Corp.
Suite 400, 1681 Chestnut Street, Vancouver, British Columbia, Canada, V6J 4M6

CONSULTING SERVICES AGREEMENT

THIS CONSULTING SERVICES AGREEMENT is made and dated for reference effective as at July 1, 2006, as fully executed on this 17th day of November, 2006.

BETWEEN:

GENEMAX CORP., a company incorporated under the laws of the State of Nevada, U.S.A., and having an executive office and an address for notice and delivery located at Suite 400, 1681 Chestnut Street, Vancouver, British Columbia, Canada, V6J 4M6

(the "*Company*");

OF THE FIRST PART

AND:

ALAN LINDSAY & ASSOCIATES LTD., a company incorporated under the laws of the Province of British Columbia,

Canada, and having an address for notice and delivery located at Suite 203, 1571 Bellevue Avenue, West Vancouver, British Columbia, Canada, V7V 1A6, on behalf of itself and **ALAN P. LINDSAY**, its principal

(collectively, the "*Consultant*");

OF THE SECOND PART

(the Company and the Consultant being hereinafter singularly also referred to as a "*Party*" and collectively referred to as the "*Parties*" as the context so requires).

WHEREAS:

A. The Company is a reporting company incorporated under the laws of the State of Nevada, U.S.A., and has its common shares listed for trading on the NASDAQ Over-The-Counter Bulletin Board;

B. The Consultant has experience in and specializes in providing reporting and non-reporting companies with valuable management and operational services, and Alan P. Lindsay, the Consultant's principal, is a current Director of the Company;

C. The Company is involved in the principal business of developing innovative therapeutics to treat serious disorders, primarily for cancer and infectious diseases (collectively, the "*Business*"); and, as a consequence thereof, the Company is hereby desirous of retaining the Consultant as a management consultant to the Company, and the Consultant is hereby desirous of accepting such position, in order to provide such related services to the Company (collectively, the "*General Services*");

D. Since the introduction of the Parties hereto the Parties hereby acknowledge and agree that there have been various discussions, negotiations, understandings and agreements between them relating to the terms and conditions of the General Services and, correspondingly, that it is their intention by the terms and conditions of this agreement (the "*Agreement*") to hereby replace, in their entirety, all such prior discussions, negotiations, understandings and agreements with respect to the General Services; and

E. The Parties hereto have agreed to enter into this Agreement which replaces, in its entirety, all such prior discussions, negotiations, understandings and agreements, and, furthermore, which necessarily clarifies their respective duties and obligations with respect to the within General Services to be provided hereunder, all in accordance with the terms and conditions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the mutual covenants and provisos herein contained, **THE PARTIES HERETO AGREE AS FOLLOWS**:

Article 1
DEFINITIONS AND INTERPRETATION

1.1 **Definitions**. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following words and phrases shall have the following meanings:

(a) "*Agreement*" means this Consulting Services Agreement as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof, together with any Schedules attached hereto;

(b) "*Arbitration Act*" means the *International Commercial Arbitration Act* (British Columbia) and pursuant to the rules and procedures of the British Columbia International Arbitration Centre, as amended from time to time, as set forth in Article "9" hereinbelow;

(c) "*Benefits*" has the meaning ascribed to it in section "4.9" hereinbelow;

(d) "*Board of Directors*" means the Board of Directors of the Company as duly constituted from time to time;

(e) "*Bonus*" has the meaning ascribed to it in section "4.4" hereinbelow;

(f) "*Business*" has the meaning ascribed to it in recital "C." hereinabove.

(g) "*business day*" means any day during which Canadian Chartered Banks are open for business in the City of Vancouver, Province of British Columbia, Canada;

(h) "*Company*" means GeneMax Corp., a company incorporated under the laws of the State of Nevada, U.S.A., or any successor company, however formed, whether as a result of merger, amalgamation or other action;

(i) "*Company's Non-Renewal Notice*" has the meaning ascribed to in section "3.2" hereinbelow;

(j) "*Consultant*" means Alan Lindsay & Associates Ltd., a company incorporated under the laws of the Province of British Columbia, Canada, or any successor company, however formed, whether as a result of merger, amalgamation or other action, on

behalf of itself and Alan P. Lindsay, its principal;

(k) "*Effective Date*" has the meaning ascribed to in section "3.1" hereinbelow;

(l) "*Effective Termination Date*" has the meaning ascribed to it in each of sections "3.3", "3.4", "3.5", "3.6" and "5.3" hereinbelow;

(m) "*Exchange Act*", "*Form S-8 Registration Statement*", "*SEC*", "*Registration Statement*" and "*Securities Act*" have the meanings ascribed to them in section "4.8" hereinbelow;

(n) "*Expenses*" has the meaning ascribed to it in section "4.5" hereinbelow;

(o) "*Fee*" has the meaning ascribed to it in section "4.1" hereinbelow;

(p) "*Initial Term*" has the meaning ascribed to it in section "3.1" hereinbelow;

(q) "*General Services*" has the meaning ascribed to it in section "2.1" hereinbelow;

(r) "*Indemnified Party*" has the meaning ascribed to it in section "7.1" hereinbelow;

(s) "*Notice of Termination Date*" has the meaning ascribed to it in each of sections "3.3", "3.4", "3.5" and "5.3" hereinbelow;

(t) "*Option*" has the meaning ascribed to it in section "4.7" hereinbelow;

(u) "*Option Plan*" has the meaning ascribed to it in section "4.7" hereinbelow;

(v) "*Option Share*" has the meaning ascribed to it in section "4.7" hereinbelow;

(w) "*OTCBB*" means the NASDAQ Over-The-Counter Bulletin Board;

(x) "*Parties*" or "*Party*" means, individually and collectively, the Company, and/or the Consultant hereto, as the context so requires, together with each of their respective successors and permitted assigns as the context so requires;

(y) "*Property*" has the meaning ascribed to it in section "5.4" hereinbelow;

(z) "*Regulatory Approval*" means the acceptance for filing, if required, of the transactions contemplated by this Agreement by the Regulatory Authorities;

(aa) "*Regulatory Authorities*" and "*Regulatory Authority*" means, either singularly or collectively as the context so requires, such regulatory agencies who have jurisdiction over the affairs of either of the Company and/or the Consultant and including, without limitation, and where applicable, the United States Securities and Exchange Commission, the NASDAQ, the OTCBB and all regulatory authorities from whom any such authorization, approval or other action is required to be obtained or to be made in connection with the transactions contemplated by this Agreement;

(ab) "*subsidiary*" means any company or companies of which more than 50% of the outstanding shares carrying votes at all times (provided that the ownership of such shares confers the right at all times to elect at least a majority of the directors of such company or companies) are for the time being owned by or held for that company and/or any other company in like relation to that company and includes any company in like relation to the subsidiary; and

(ac) "*Vacation*" has the meaning ascribed to it in section "4.6" hereinbelow.

1.2 **Interpretation**. For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the words "*herein*", "*hereof*" and "*hereunder*" and other words of similar import refer to this Agreement as a whole and not to any particular Article, section or other subdivision of this Agreement;

(b) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a permitted successor to such entity; and

(c) words in the singular include the plural and words in the masculine gender include the feminine and neuter genders, and *vice versa*.

Article 2
GENERAL SERVICES AND DUTIES OF THE EXECUTIVE

2.1 **General Services**. During the Initial Term and during the continuance of this Agreement the Company hereby agrees to retain the Consultant as a management consultant to the Company, and the Consultant hereby agrees to be subject to the direction and supervision of, and to have the authority as is delegated to the Consultant by, the Board of Directors consistent with such position, and the Consultant also agrees to accept such position in order to provide such related services as the Board of Directors shall, from time to time, reasonably assign to the

Consultant and as may be necessary for the ongoing maintenance and development of the Company's various Business interests during the Initial Term and during the continuance of this Agreement (collectively, the "*General Services*"); it being expressly acknowledged and agreed by the Parties hereto that the Consultant shall initially commit and provide to the Company the General Services on a reasonably part-time basis during the Initial Term and during the continuance of this Agreement for which the Company, as more particularly set forth hereinbelow, hereby agrees to pay and provide to the order and direction of the Consultant each of the proposed compensation amounts as set forth in Articles "4" hereinbelow.

In this regard it is hereby acknowledged and agreed that the Consultant shall be entitled to communicate with and shall rely upon the immediate advice, direction and instructions of the Chairman of the Board of Directors of the Company, or upon the advice or instructions of such other director or officer of the Company as the Chairman of the Board of Directors of the Company shall, from time to time, designate in times of the Chairman's absence, in order to initiate, coordinate and implement the General Services as contemplated herein subject, at all times, to the final direction and supervision of the Board of Directors.

2.2 **Additional duties respecting the General Services**. Without in any manner limiting the generality of the General Services to be provided as set forth in section "2.1" hereinabove, it is hereby also acknowledged and agreed that Consultant will, during the Initial Term and during the continuance of this Agreement, devote a reasonable portion of the Consultant's consulting time to the General Services of the Consultant as may be determined and required by the Board of Directors of the Company for the performance of said General Services faithfully, diligently, to the best of the Consultant's abilities and in the best interests of the Company and, furthermore, that the Consultant's employment time will be prioritized at all times for the Company in that regard.

2.3 **Adherence to rules and policies of the Company**. The Consultant hereby acknowledges and agrees to abide by the reasonable rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the same as such rules, regulations, instructions, personnel practices and policies may be reasonably applied to the Secretary and Chief Financial Officer of the Company.

Article 3
INITIAL TERM, RENEWAL AND TERMINATION

3.1 **Effectiveness and Initial Term of the Agreement**. The initial term of this Agreement (the "*Initial Term*") is for a period of one year commencing on July 1, 2006 (the "*Effective Date*"), however, is subject, at all times, to the Company's prior receipt, if required, of Regulatory Approval from each of the Regulatory Authorities to the terms and conditions of and the transactions contemplated by this Agreement.

3.2 **Renewal by the Company after the Initial Term**. Subject at all times to sections "3.3", "3.4", "3.5" and "5.3" hereinbelow, this Agreement shall renew automatically if not specifically terminated in accordance with the following provisions. The Company agrees to notify the Consultant in writing at least 90 calendar days prior to the end of the Initial Term of its intent not to renew this Agreement (the "*Company's Non-Renewal Notice*"). Should the Company fail to provide a Company's Non-Renewal Notice this Agreement shall automatically renew on a three-month to three-month term renewal basis after the Initial Term until otherwise specifically renewed in writing by each of the Parties hereto for the next three-month term of renewal or, otherwise, terminated upon delivery by the Company of a corresponding and follow-up 90 calendar day Company's Non-Renewal Noti ce in connection with and within 90 calendar days prior to the end of any such three-month term renewal period. Any such renewal on a three-month basis shall be on the same terms and conditions contained herein unless modified and agreed to in writing by the Parties in advance.

3.3 **Termination without cause by the Consultant**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the Consultant at any time after the Effective Date and during the Initial Term and during the continuance of this Agreement upon the Consultant's delivery to the Company of prior written notice of its intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Consultant's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company's ongoing obligation to provide and to pay to the Consultant all of the amounts otherwise payable to the Consultant under Article "4" hereinbelow will continue only until the Effective Termination Date.

3.4 **Termination without cause by the Company**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the Company at any time after the Effective Date and during the Initial Term and during the continuance of this Agreement upon the Company's delivery to the Consultant of prior written notice of its intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Consultant's ongoing obligation to provide the General Services will immediately cease upon the date of the Notice of Termination, however, the Company shall continue to be obligated to provide and to pay to the Consultant all of the amounts otherwise payable to the Consultant under Article "4" hereinbelow until the end of the entire Initial Term under this Agreement; such ongoing compensation representing the Consultant's clear and unequivocal severance for the early termination by the Company without cause of this Agreement prior to the completion of the Initial Term.

3.5 **Termination for cause by any Party**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by any Party hereto at any time upon written notice to the other Party of such Party's intention to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein), and damages sought, if:

(a) the other Party fails to cure a material breach of any provision of this Agreement within 21 calendar days from its receipt of written notice from said Party (unless such material breach cannot be reasonably cured within said 21 calendar days and the other Party is actively pursuing to cure said material breach);

(b) the other Party is willfully non-compliant in the performance of its respective duties under this Agreement within 21 calendar days from its receipt of written notice from said Party (unless such willful non-compliance cannot be reasonably corrected within said 21 calendar days and the other Party is actively pursuing to cure said willful non-compliance);

(c) the other Party commits fraud or serious neglect or misconduct in the discharge of its respective duties hereunder or under the law; or

(d) the other Party becomes adjudged bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, and where any such involuntary petition is not dismissed within 21 calendar days.

In any such event the Consultant's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company shall continue to pay to the Consultant all of the amounts otherwise payable to the Consultant under Article "4" hereinbelow until the Effective Termination Date.

3.6 **Disability or death and Advance**. Notwithstanding any other provision of this Agreement, this Agreement may be terminated at any time by any Party within 21 calendar days after the death or disability of the Consultant, as a without fault termination (the resulting effective date of any such termination being herein also the "*Effective Termination Date*"). For the purposes of this Agreement the term "*disability*" shall mean the Consultant shall have been unable to provide the General Services contemplated under this Agreement for a period of 90 calendar days, whether or not consecutive, during any 360 calendar day period, due to a physical or mental disability. A determination of disability shall be made by a physician satisfactory to both the Consultant and the Company; pr ovided that if the Consultant and the Company do not agree on a physician, the Consultant and the Company shall each select a physician and these two together shall select a third physician whose determination as to disability shall be binding on all Parties. In the event that the Consultant's employment is terminated by death or because of disability pursuant to this Agreement, the Company shall pay to the estate of the Consultant or to the Consultant, as the case may be, all amounts to which the Consultant would otherwise be entitled under Article "4" hereinbelow until the Effective Termination Date.

3.7 **Effect of Termination**. Terms of this Agreement relating to accounting, payments, confidentiality, accountability for damages or claims and all other matters reasonably extending beyond the terms of this Agreement and to the benefit of the Parties hereto or for the protection of the Business interests of the Company shall survive the termination of this Agreement, and any matter of interpretation thereto shall be given a wide latitude in this regard. In addition, and without limiting the foregoing, each of sections "3.3", "3.4", "3.5", "3.6" and "5.3" hereinabove shall survive the termination of this Agreement.

Article 4
COMPENSATION OF THE EXECUTIVE

4.1 **Fee**. It is hereby acknowledged and agreed that the Consultant shall render the General Services as defined hereinabove during the Initial Term and during the continuance of this Agreement and shall thus be compensated from the Effective Date of this Agreement to the termination of the same by way of the payment by the Company to the Consultant, or to the further order or direction of the Consultant as the Consultant may determine, in the Consultant's sole and absolute discretion, and advise the Company of prior to such payment, of the gross monthly fee of U.S. $8,333.33 (the "*Fee*"). All such Fees will be due and payable by the Company to the Consultant, or to the further order or direction of the Consultant as the Consultant may determine, in the Consultant's sole and absolute discretion, and advise the Company of prior to any such Fee payment, bi-monthly a nd on or about the fifteenth and thirtieth day of each month of the then monthly period of service during the continuance of this Agreement.

4.2 **Payment of Fee and status as a non-taxable consultant**. It is hereby also acknowledged and agreed that the Consultant will be classified as a non-taxable consultant of the Company for all purposes, such that all compensation which is provided by the Company to the Consultant under this Agreement, or otherwise, will be calculated on the foregoing and gross Fee basis and otherwise for which no statutory taxes will first be deducted by the Company.

4.3 **Increase in the Fee**. It is hereby acknowledged that the proposed Fee payments under this Agreement were negotiated as between the Parties hereto in the context of the stage of development of the Company existing as at the Effective Date of this Agreement. Correspondingly, it is hereby acknowledged and agreed that the Fee shall be reviewed and renegotiated at the request of either Party on a reasonably consistent basis during the continuance of this Agreement and, in the event that the Parties cannot agree, then the Fee shall be increased on an annual basis by the greater of (i) 10% and (ii) the percentage which is the average percentage of all increases to management salaries and fees within the Company during the previous 12-month period. Any dispute respectin g either the effectiveness or magnitude of the final Fee hereunder shall be determined by arbitration in accordance with Article "9" hereinbelow.

4.4 **Bonus payments**. It is hereby also acknowledged that the Board of Directors shall, in good faith, consider the payment of reasonable industry standard annual bonuses (each being a "*Bonus*") based upon the performance of the Company and upon the achievement by the Consultant and/or the Company of reasonable management objectives to be reasonably established by the Board of Directors (after reviewing proposals with respect thereto defined by the Consultant in the Consultant's capacity as the Secretary and Chief Financial Officer of the Company, and delivered to the Board of Directors by the Consultant at least 30 calendar days before the beginning of the relevant year of the Company (or within 90 calendar days following the commencement of the Company's first calendar year commencing on the Effective Date)). T hese management objectives shall consist of both financial and subjective goals and shall be specified in writing by the Board of Directors, and a copy shall be given to the Consultant prior to the commencement of the applicable year. The payment of any such Bonus shall be payable no later than within 120 calendar days of the ensuing year after any calendar year commencing on the Effective Date. Any dispute respecting either the effectiveness or the magnitude of any Bonus hereunder shall be determined by arbitration in accordance with Article "8" hereinbelow.

4.5 **Reimbursement of Expenses**. It is hereby acknowledged and agreed that the Consultant shall also be reimbursed for all pre-approved, direct and reasonable expenses actually and properly incurred by the Consultant for the benefit of the Company (collectively, the

"*Expenses*"); and which Expenses, it is hereby acknowledged and agreed, shall be payable by the Company to the order, direction and account of the Consultant as the Consultant may designate in writing, from time to time, in the Consultant's sole and absolute discretion, as soon as conveniently possible after the prior delivery by the Consultant to the Company of written substantiation on account of each such reimbursable Expense.

4.6 **Paid Vacation**. It is hereby also acknowledged and agreed that, during the continuance of this Agreement, the Consultant shall be entitled to four weeks paid vacation (collectively, the "*Vacation*") during each and every year during the continuance of this Agreement. In this regard it is further understood hereby that the Consultant's entitlement to any such paid Vacation during any year (including the initial year) during the continuance of this Agreement will be subject, at all times, to the Consultant's entitlement to only a pro rata portion of any such paid Vacation time during any year (including the initial year) and to the effective date upon which this Agreement is terminated prior to the end of any such year for any reason whatsoever.

4.7 **Options**. Subject to the following and the provisions of section "4.8" hereinbelow, and as soon as reasonably practicable after the Effective Date hereof, it is hereby acknowledged and agreed that the Consultant will be granted, or will have already been granted, subject to the rules and policies of the Regulatory Authorities and applicable securities legislation, the terms and conditions of the Company's existing stock option plan (the "*Option Plan*") and the final determination of the Board of Directors, acting reasonably, an incentive stock option or options (each being an "*Option*") for the collective purchase of up to an aggregate of not less than 1,500,000 common shares of the Company (each an "*Option Share*"), at an exercise price of not more than U.S. $0.10 per Option Share and exercisable for a period of not less than five years from the d ate of grant; or such further number of Options to acquire an equivalent number of Option Shares of the Company as the Board of Directors may determine, in its sole and absolute discretion; and which Option or Options will be exercisable for such periods and at such exercise price or prices per Option Share as the Board of Directors may also determine, in its sole and absolute discretion, from time to time after the Effective Date hereof.

It is hereby acknowledged that the initial Options granted under this Agreement were negotiated as between the Parties hereto in the context of the stage of development of the Company existing as at the Effective Date of this Agreement. Correspondingly, it is hereby acknowledged and agreed that the number of Options granted by the Company to the Consultant hereunder shall be reviewed and renegotiated at the request of either Party on a reasonably consistent basis during the continuance of this Agreement and, in the event that the Parties cannot agree, then the number of Options shall be increased on an annual basis by the percentage which is the average percentage of all increases to management stock options within the Company during the previous 12-month period; and in each case on similar and reasonable exercise terms and conditions. Any dispute respecting either the effectiveness or magnitude of the final number and terms hereunder shall be determined by arbitration in accordance with Article "9" hereinbelow.

4.8 **Options subject to the following provisions**. In this regard, and subject also to the following, it is hereby acknowledged and agreed that the exercise of any such Options shall be subject, at all times, to such vesting and resale provisions as may then be contained in the Company's Option Plan and as may be finally determined by the Board of Directors, acting reasonably. Notwithstanding the foregoing, however, it is hereby also acknowledged and agreed that, in the event that this Agreement is terminated in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" and "5.3" herein, such portion of the within and remaining Options which shall have then not been exercised on the determined Effective Termination Date shall, notwithstanding the remaining exercise period of the Option(s), then be exercisable by the Consultant for a period of 90 calendar days following such Effective Termination Date or otherwise. In this regard, and in accordance with the terms and conditions of each final form of Option agreement, the Parties hereby also acknowledge and agree that:

(a) *Registration of Option Shares under the Options*: the Company shall file with the United States Securities and Exchange Commission (the "*SEC*") a registration statement on Form S-8 (the "*Form S-8 Registration Statement*") within 60 calendar days after the Effective Date hereof covering the issuance of all Option Shares of the Company underlying the then issued Options, and such Form S-8 Registration Statement shall comply with all requirements of the United States *Securities Act of 1933*, as amended (the "*Securities Act*"). In this regard the Company shall use its best efforts to ensure that the Form S-8 Registration Statement remains effective as long as such Options are outstanding, and the Consultant fully understands and acknowledges that these Option Shares will be issued in reliance upon the exemption afforded under the Form S-8 Registration Statement which is available only if the Consultant acquire s such Option Shares for investment and not with a view to distribution. The Consultant is familiar with the phrase "acquired for investment and not with a view to distribution" as it relates to the Securities Act and the special meaning given to such term in various releases of the United States Securities and Exchange Commission (the "*SEC*");

(b) *Section 16 compliance*: the Company shall ensure that all grants of Options are made to ensure compliance with all applicable provisions of the exemption afforded under Rule 16b-3 promulgated under the *Securities and Exchange Act of 1934*, as amended (the "*Exchange Act*"). Without limiting the foregoing, the Company shall have an independent committee of the Board of Directors of the Company approve each grant of Options to the Consultant and, if required, by the applicable Regulatory Authorities and the shareholders of the Company. The Company shall file, on behalf of the Consultant, all reports required to filed with the SEC pursuant to the requirements of Section 16(a) under the Exchange Act and applicable rules and regulations;

(c) *Disposition of any Option Shares*: the Consultant further acknowledges and understands that, without in anyway limiting the acknowledgements and understandings as set forth hereinabove, the Consultant agrees that the Consultant shall in no event make any disposition of all or any portion of the Option Shares which the Consultant may acquire hereunder unless and until:

(i) there is then in effect a "*Registration Statement*" under the Securities Act covering such proposed disposition and such disposition is made in accordance with said Registration Statement; or

(ii) (A) the Consultant shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, (B) the Consultant shall have furnished the Company with an opinion of the Consultant's own counsel to the effect that such disposition will not require registration of any such Option Shares under the Securities Act and (C) such opinion of the Consultant's counsel shall have been concurred in by counsel for the Company and the Company shall have advised the Consultant of such concurrence; and

(d) *Payment for any Option Shares*: it is hereby further acknowledged and agreed that, during the continuance of this Agreement, the Consultant shall be entitled to exercise any Option granted hereunder and pay for the same by way of the prior agreement of the Consultant, in the Consultant's sole and absolute discretion, and with the prior knowledge of the Company, to settle any indebtedness which may be due and owing by the Company under this Agreement in payment for the exercise price of any Option Shares acquired thereunder. In this regard, and subject to further discussion as between the Company and the Consultant, together with the prior approval of the Board of Directors of the Company and the establishment by the Company of a new Option Plan predicated upon the same, it is envisioned that, when the Company is in a position to afford the same, the Company may adopt certain additional "cashless exercise" provisions respecting th e granting and exercise of incentive stock options during the continuance of this Agreement.

4.9 **Benefits**. It is hereby acknowledged and agreed that, during the continuance of this Agreement, the Consultant shall be entitled to participate fully in each of the Company's respective medical services plans and management and employee benefits program(s) (collectively, the "*Benefits*").

Article 5
ADDITIONAL OBLIGATIONS OF THE EXECUTIVE

5.1 **Reporting**. At such time or times as may be required by the Board of Directors, acting reasonably, the Consultant will provide the Board of Directors with such information concerning the results of the Consultant's General Services and activities hereunder for the previous month as the Board of Directors may reasonably require.

5.2 **Opinions, reports and advice of the Consultant**. The Consultant acknowledges and agrees that all written and oral opinions, reports, advice and materials provided by the Consultant to the Company in connection with the Consultant's engagement hereunder are intended solely for the Company's benefit and for the Company's uses only, and that any such written and oral opinions, reports, advice and information are the exclusive property of the Company. In this regard the Consultant covenants and agrees that the Company may utilize any such opinion, report, advice and materials for any other purpose whatsoever and, furthermore, may reproduce, disseminate, quote from and refer to, in whole or in part, at any time and in any manner, any such opinion, report, advice and materials in the Company's sole and absolute discretion. The Consultant further covenants and agrees tha t no public references to the Consultant or disclosure of the Consultant's role in respect of the Company may be made by the Consultant without the prior written consent of the Board of Directors in each specific instance and, furthermore, that any such written opinions, reports, advice or materials shall, unless otherwise required by the Board of Directors, be provided by the Consultant to the Company in a form and with such substance as would be acceptable for filing with and approval by any Regulatory Authority having jurisdiction over the affairs of the Company from time to time.

5.3 **Consultant's business conduct**. The Consultant warrants that the Consultant shall conduct the business and other activities in a manner which is lawful and reputable and which brings good repute to the Company, the Company's business interests and the Consultant. In particular, and in this regard, the Consultant specifically warrants to provide the General Services in a sound and professional manner such that the same meets superior standards of performance quality within the standards of the industry or as set by the specifications of the Company. In the event that the Board of Directors has a reasonable concern that the business as conducted by the Consultant is being conducted in a way contrary to law or is reasonably likely to bring disrepute to the business interests or to the Company's or the Consultant's reputation, the Company may require that the Consult ant make such alterations in the Consultant's business conduct or structure, whether of management or Board representation or employee or sub-licensee representation, as the Board of Directors may reasonably require, in its sole and absolute discretion, failing which the Company, in its sole and absolute discretion, may terminate this Agreement upon prior written notice to the Consultant to do so (the "*Notice of Termination*" herein) at least 30 calendar days prior to the effective date of any such termination (the end of such 30-day period from such Notice of Termination being the "*Effective Termination Date*" herein). In any such event the Consultant's ongoing obligation to provide the General Services will continue only until the Effective Termination Date and the Company shall continue to pay to the Consultant all of the amounts otherwise payable to the Consultant under Article "4" hereinabove until the Effective Termination. In the event of any debate or dispute as to the reasonableness of the Board of Directors' request or requirements, the judgment of the Board of Directors shall be deemed correct until such time as the matter has been determined by arbitration in accordance with Article "9" hereinbelow.

5.4 **Right of ownership to the business and related Property**. The Consultant hereby acknowledges and agrees that any and all Company Business interests, together with any products or improvements derived therefrom and any trade marks or trade names used in connection with the same (collectively, the "*Property*"), are wholly owned and controlled by the Company. Correspondingly, neither this Agreement, nor the operation of the business contemplated by this Agreement, confers or shall be deemed to confer upon the Consultant any interest whatsoever in and to any of the Property. In this regard the Consultant hereby further covenants and agrees not to, during or after the Initial Term and the continuance of this Agreement, contest the title to any of the Property interests, in any way dispute or impugn the validity of the Property interests or take any action to the detriment of the Company's interests therein. The Consultant acknowledges that, by reason of the unique nature of the Property interests, and by reason of the Consultant's knowledge of and association with the Property interests during the Initial Term and during the continuance of this Agreement, the aforesaid covenant, both during the Initial Term of this Agreement and thereafter, is reasonable and commensurate for the protection of the legitimate business interests of the Company. As a final note, the Consultant hereby further covenants and agrees to immediately notify the Company of any infringement of or challenge to the any of the Property interests as soon as the Consultant becomes aware of the infringement or challenge.

In addition, and for even greater certainty, the Consultant hereby assigns to the Company the entire right, title and interest throughout the world in and to all work performed, writings, formulas, designs, models, drawings, photographs, design inventions, and other inventions, made, conceived, or reduced to practice or authored by the Consultant or the Consultant's employees, either solely or jointly with others, during the performance of this Agreement, or which are made, conceived, or reduced to practice, or authored with the use of information or materials of the Company either received or used by the Consultant during the performance of this Agreement or any extension or renewal thereof. The Consultant shall promptly disclose to the Company all works, writings, formulas, designs, models, photographs, drawings, design inven tions and other inventions made, conceived or reduced to practice, or authored by the Consultant or the Consultant's employees as set forth above. The Consultant shall sign, execute and acknowledge, or cause to be signed, executed and acknowledged without cost to Company or its nominees,

patent, trademark or copyright protection throughout the world upon all such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions; title to which the Company acquires in accordance with the provisions of this section. The Consultant has acquired or shall acquire from each of the Consultant's employees, if any, the necessary rights to all such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions made by such employees within the scope of their employment by the Consultant in performing the General Services under this Agreement. The Consultant shall obtain the cooperation of each such employee to secure to the Company o r its nominees the rights to such works, writings, formulas, designs, models, drawings, photographs, design inventions and other inventions as the Company may acquire in accordance with the provisions of this section. The work performed and the information produced under this Agreement are works made for hire as defined in 17 U.S.C. Section 101.

Article 6
ADDITIONAL OBLIGATIONS OF THE PARTIES

6.1 **No conflict, no competition and non-circumvention**. During the continuance of this Agreement neither Party hereto shall engage in any business or activity which reasonably may detract from or conflict with that Party's respective duties and obligations to other Party as set forth in this Agreement without the prior written consent of the other Party hereto. In addition, during the continuance of this Agreement, and for a period of at least one year following the termination of this Agreement in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" or "5.3" hereunder, no Party shall engage in any uranium exploration or development business or activity whatsoever which reasonably may be determined by the other Party hereto, in its sole and absolute discretion, to compete with any portion of that Party's uranium exploration or development business inter ests as contemplated hereby without the prior written consent of that Party. Furthermore, each of the Parties hereby acknowledges and agrees, for a period of at least one year following the termination of this Agreement in accordance with either of sections "3.2", "3.3", "3.4", "3.5", "3.6" or "5.3" hereunder, not to initiate any contact or communication directly with either of the other Party or any of its respective subsidiaries, as the case may be, together with each of the other Party's respective directors, officers, representatives, agents or employees, without the prior written consent of the other Party hereto and, notwithstanding the generality of the foregoing, further acknowledges and agrees, even with the prior written consent of the other Party to such contact or communication, to limit such contact or communication to discussions outside the scope of any confidential information (as hereinafter determined). For the purposes of the foregoing the Parties hereby recognize and agree that a breach a Party of any of the covenants herein contained would result in irreparable harm and significant damage to the other Party that would not be adequately compensated for by monetary award. Accordingly, each of the Parties agrees that, in the event of any such breach, in addition to being entitled as a matter of right to apply to a Court of competent equitable jurisdiction for relief by way of restraining order, injunction, decree or otherwise as may be appropriate to ensure compliance with the provisions hereof, a Party will also be liable to the other Party hereto, as liquidated damages, for an amount equal to the amount received and earned by that Party as a result of and with respect to any such breach. The Parties hereby acknowledge and agree that if any of the aforesaid restrictions, activities, obligations or periods are considered by a Court of competent jurisdiction as being unreasonable, the Parties agree that said Court shall have authority to limit such restrictions, activities or periods as the Court deems proper in the circumstances. In addition, the Parties further acknowledge and agree that all restrictions or obligations in this Agreement are necessary and fundamental to the protection of their respective business interests and are reasonable and valid, and all defenses to the strict enforcement thereof by the Parties are hereby waived.

6.2 **Confidentiality**. Each Party will not, except as authorized or required by its respective duties and obligations hereunder, reveal or divulge to any person, company or entity any information concerning the respective organization, business, finances, transactions or other affairs of the other Party hereto, or of any of the other Party's respective subsidiaries, which may come to the Party's knowledge during the continuance of this Agreement, and each Party will keep in complete secrecy all confidential information entrusted to the Party and will not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the other Party's respective business interests. This restriction will continue to apply after the termination of this Agreement without limit in point of time but will cease to apply to information or knowledge which may come into the public domain.

6.3 **Compliance with applicable laws**. Each Party will comply with all U.S., Canadian and foreign laws, whether federal, provincial or state, applicable to its respective duties and obligations hereunder and, in addition, hereby represents and warrants that any information which the Party may provide to any person or company hereunder will, to the best of the Party's knowledge, information and belief, be accurate and complete in all material respects and not misleading, and will not omit to state any fact or information which would be material to such person or company.

Article 7
INDEMNIFICATION AND LEGAL PROCEEDINGS

7.1 **Indemnification**. The Parties hereto hereby each agree to indemnify and save harmless the other Party hereto and including, where applicable, their respective subsidiaries and affiliates and each of their respective directors, officers, Consultants and agents (each such party being an "*Indemnified Party*") harmless from and against any and all losses, claims, actions, suits, proceedings, damages, liabilities or expenses of whatever nature or kind and including, without limitation, any investigation expenses incurred by any Indemnified Party, to which an Indemnified Party may become subject by reason of the terms and conditions of this Agreement.

7.2 **No indemnification**. This indemnity will not apply in respect of an Indemnified Party in the event and to the extent that a Court of competent jurisdiction in a final judgment shall determine that the Indemnified Party was grossly negligent or guilty of willful misconduct.

7.3 **Claim of indemnification**. The Parties hereto agree to waive any right they might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other person before claiming this indemnity.

7.4 **Notice of claim**. In case any action is brought against an Indemnified Party in respect of which indemnity may be sought against either of the Parties hereto, the Indemnified Party will give both Parties hereto prompt written notice of any such action of which the Indemnified Party has knowledge and the relevant Party will undertake the investigation and defense thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Party affected and the relevant Party and the payment of all expenses. Failure by the

Indemnified Party to so notify shall not relieve the relevant Party of such relevant Party's obligation of indemnification hereunder unless (and only to the extent that) such failure results in a forfeiture by the relevant Party of substantive rights or defenses.

7.5 **Settlement**. No admission of liability and no settlement of any action shall be made without the consent of each of the Parties hereto and the consent of the Indemnified Party affected, such consent not to be unreasonable withheld.

7.6 **Legal proceedings**. Notwithstanding that the relevant Party will undertake the investigation and defense of any action, an Indemnified Party will have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

(a) such counsel has been authorized by the relevant Party;

(b) the relevant Party has not assumed the defense of the action within a reasonable period of time after receiving notice of the action;

(c) the named parties to any such action include that any Party hereto and the Indemnified Party shall have been advised by counsel that there may be a conflict of interest between any Party hereto and the Indemnified Party; or

(d) there are one or more legal defenses available to the Indemnified Party which are different from or in addition to those available to any Party hereto.

7.7 **Contribution**. If for any reason other than the gross negligence or bad faith of the Indemnified Party being the primary cause of the loss claim, damage, liability, cost or expense, the foregoing indemnification is unavailable to the Indemnified Party or insufficient to hold them harmless, the relevant Party shall contribute to the amount paid or payable by the Indemnified Party as a result of any and all such losses, claim, damages or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by the relevant Party on the one hand and the Indemnified Party on the other, but also the relative fault of relevant Party and the Indemnified Party and other equitable considerations which may be relevant. Notwithstanding the foregoing, the relevant Party shall in any event contribute to the amount paid or p ayable by the Indemnified Party, as a result of the loss, claim, damage, liability, cost or expense (other than a loss, claim, damage, liability, cost or expenses, the primary cause of which is the gross negligence or bad faith of the Indemnified Party), any excess of such amount over the amount of the fees actually received by the Indemnified Party hereunder.

Article 8
FORCE MAJEURE

8.1 **Events**. If either Party hereto is at any time either during this Agreement or thereafter prevented or delayed in complying with any provisions of this Agreement by reason of strikes, walk-outs, labour shortages, power shortages, fires, wars, acts of God, earthquakes, storms, floods, explosions, accidents, protests or demonstrations by environmental lobbyists or native rights groups, delays in transportation, breakdown of machinery, inability to obtain necessary materials in the open market, unavailability of equipment, governmental regulations restricting normal operations, shipping delays or any other reason or reasons beyond the control of that Party, then the time limited for the performance by that Party of its respective obligations hereunder shall be extended by a period of time equal in length to the period of each such prevention o r delay.

8.2 **Notice**. A Party shall within three calendar days give notice to the other Party of each event of *force majeure* under section "8.1" hereinabove, and upon cessation of such event shall furnish the other Party with notice of that event together with particulars of the number of days by which the obligations of that Party hereunder have been extended by virtue of such event of *force majeure* and all preceding events of *force majeure*.

Article 9
ARBITRATION

9.1 **Matters for arbitration**. Except for matters of indemnity or in the case of urgency to prevent material harm to a substantive right or asset, the Parties agree that all questions or matters in dispute with respect to this Agreement shall be submitted to arbitration pursuant to the terms hereof. This provision shall not prejudice a Party from seeking a Court order or assistance to garnish or secure sums or to seek summary remedy for such matters as counsel may consider amenable to summary proceedings.

9.2 **Notice**. It shall be a condition precedent to the right of any Party to submit any matter to arbitration pursuant to the provisions hereof that any Party intending to refer any matter to arbitration shall have given not less than five business days' prior written notice of its intention to do so to the other Parties together with particulars of the matter in dispute. On the expiration of such five business days the Party who gave such notice may proceed to refer the dispute to arbitration as provided for in section "9.3" hereinbelow.

9.3 **Appointments**. The Party desiring arbitration shall appoint one arbitrator, and shall notify the other Parties of such appointment, and the other Parties shall, within five business days after receiving such notice, appoint an arbitrator, and the two arbitrators so named, before proceeding to act, shall, within five business days of the appointment of the last appointed arbitrator, unanimously agree on the appointment of a third arbitrator, to act with them and be chairperson of the arbitration herein provided for. If the other Parties shall fail to appoint an arbitrator within five business days after receiving notice of the appointment of the first arbitrator, and if the two arbitrators appointed by the Parties shall be unable to agree on the appointment of the chairperson, the chairperson shall be appointed in accordance with the Arbitr ation Act. Except as specifically otherwise provided in this section, the arbitration herein provided for shall be conducted in accordance with such Arbitration Act. The chairperson, or in the case where only one arbitrator is appointed, the single arbitrator, shall fix a time and place for the purpose of hearing the

evidence and representations of the Parties, and the chairperson shall preside over the arbitration and determine all questions of procedure not provided for by the Arbitration Act or this section. After hearing any evidence and representations that the Parties may submit, the single arbitrator, or the arbitrators, as the case may be, shall make an award and reduce the same to writing, and deliver one copy thereof to each of the Parties. The expense of the arbitration shall be paid as specified in the award.

9.4 **Award**. The Parties agree that the award of a majority of the arbitrators, or in the case of a single arbitrator, of such arbitrator, shall be final and binding upon each of them.

Article 10
GENERAL PROVISIONS

10.1 **Entire agreement**. This Agreement constitutes the entire agreement to date between the Parties hereto and supersedes every previous agreement, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, between the Parties with respect to the subject matter of this Agreement.

10.2 **No assignment**. This Agreement may not be assigned by any Party hereto except with the prior written consent of the other Parties.

10.3 **Notice**. Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be sent by prepaid registered mail deposited in a recognized post office and addressed to the Party entitled to receive the same, or delivered to such Party, at the address for such Party specified on the front page of this Agreement. The date of receipt of such notice, demand or other communication shall be the date of delivery thereof if delivered, or, if given by registered mail as aforesaid, shall be deemed conclusively to be the third business day after the same shall have been so mailed, except in the case of interruption of postal services for any reason whatsoever, in which case the date of receipt shall be the date on which the notice, demand or other communication is actually received by the addressee. An y Party may at any time and from time to time notify the other Parties in writing of a change of address and the new address to which notice shall be given to it thereafter until further change.

10.4 **Time of the essence**. Time will be of the essence of this Agreement.

10.5 **Enurement**. This Agreement will enure to the benefit of and will be binding upon the Parties hereto and their respective heirs, executors, administrators and assigns.

10.6 **Currency**. Unless otherwise stipulated, all payments required to be made pursuant to the provisions of this Agreement and all money amount references contained herein are in lawful currency of the United States.

10.7 **Further assurances**. The Parties will from time to time after the execution of this Agreement make, do, execute or cause or permit to be made, done or executed, all such further and other acts, deeds, things, devices and assurances in law whatsoever as may be required to carry out the true intention and to give full force and effect to this Agreement.

10.8 **Representation and costs**. It is hereby acknowledged by each of the Parties hereto that Lang Michener LLP, Lawyers - Patent & Trade Mark Agents, acts solely for the Company, and, correspondingly, that the Consultant has been required by each of Lang Michener LLP and the Company to obtain independent legal advice with respect to its review and execution of this Agreement. In addition, it is hereby further acknowledged and agreed by the Parties hereto that Lang Michener LLP, and certain or all of its principal owners or associates, from time to time, may have both an economic or shareholding interest in and to Company and/or a fiduciary duty to the same arising from either a directorship, officership or similar relationship arising out of the request of the Company for certain of such persons to act in a similar capacity while acting for the Compa ny as counsel. Correspondingly, and even where, as a result of this Agreement, the consent of each Party hereto to the role and capacity of Lang Michener LLP, and its principal owners and associates, as the case may be, is deemed to have been received, where any conflict or perceived conflict may arise, or be seen to arise, as a result of any such capacity or representation, each Party hereto acknowledges and agrees to, once more, obtain independent legal advice in respect of any such conflict or perceived conflict and, consequent thereon, Lang Michener LLP, together with any such principal owners or associates, as the case may be, shall be at liberty at any time to resign any such position if it or any Party hereto is in any way affected or uncomfortable with any such capacity or representation. Each Party to this Agreement will also bear and pay its own costs, legal and otherwise, in connection with its respective preparation, review and execution of this Agreement and, in particular, that the costs invo lved in the preparation of this Agreement, and all documentation necessarily incidental thereto, by Lang Michener LLP, shall be at the cost of the Company.

10.9 **Applicable law**. The situs of this Agreement is Vancouver, British Columbia, Canada, and for all purposes this Agreement will be governed exclusively by and construed and enforced in accordance with the laws and Courts prevailing in the Province of British Columbia, Canada, and the federal laws of Canada applicable thereto.

10.10 **Severability and construction**. Each Article, section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable, and if, for any reason, any portion of this Agreement is determined to be invalid, contrary to or in conflict with any applicable present or future law, rule or regulation in a final unappealable ruling issued by any court, agency or tribunal with valid jurisdiction in a proceeding to which any Party hereto is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible (all of which shall remain binding on the Parties and continue to be given full force and effect as of the date upon which the ruling becomes final).

10.11 **Captions**. The captions, section numbers and Article numbers appearing in this Agreement are inserted for convenience of reference only and shall in no way define, limit, construe or describe the scope or intent of this Agreement nor in any way affect this Agreement.

10.12 **Counterparts**. This Agreement may be signed by the Parties hereto in as many counterparts as may be necessary, and via facsimile if necessary, each of which so signed being deemed to be an original and such counterparts together constituting one and the same instrument and, notwithstanding the date of execution, being deemed to bear the Effective Date as set forth on the front page of this Agreement.

10.13 **No partnership or agency**. The Parties have not created a partnership and nothing contained in this Agreement shall in any manner whatsoever constitute any Party the partner, agent or legal representative of the other Parties, nor create any fiduciary relationship between them for any purpose whatsoever.

10.14 **Consents and waivers**. No consent or waiver expressed or implied by either Party in respect of any breach or default by the other in the performance by such other of its obligations hereunder shall:

(a) be valid unless it is in writing and stated to be a consent or waiver pursuant to this section;

(b) be relied upon as a consent to or waiver of any other breach or default of the same or any other obligation;

(c) constitute a general waiver under this Agreement; or

(d) eliminate or modify the need for a specific consent or waiver pursuant to this section in any other or subsequent instance.

IN WITNESS WHEREOF the Parties hereto have hereunto set their respective hands and seals as at the Effective Date as hereinabove determined.

The COMMON SEAL of	)	
GENEMAX CORP.,	)	
the Company herein, was hereunto affixed	)	
in the presence of:	)	(C/S)
	)	
	)	
"Denis Corin"	)	
Authorized Signatory	)	

The COMMON SEAL of	)	
ALAN LINDSAY & ASSOCIATES LTD.,	)	
the Consultant herein, was hereunto affixed	)	
in the presence of:	)	
	)	(C/S)
	)	
"Alan Lindsay"	)	
Authorized Signatory	)	

Exhibit 31.1

CERTIFICATION

I, Denis Corin, certify that:

(1) I have reviewed this Report on Form 10-QSB for the quarterly period ended September 30, 2007 of TapImmune Inc.;

(2) Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

(3) Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this Report;

(4) The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this Report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

(5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 14, 2007.

/s/ Denis Corin
By: **Denis Corin**
Title: Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Patrick A. McGowan, certify that:

(1) I have reviewed this Report on Form 10-QSB for the quarterly period ended September 30, 2007 of TapImmune Inc.;

(2) Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

(3) Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this Report;

(4) The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this Report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

(5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of the internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 14, 2007.

/s/ Patrick A. McGowan
By: **Patrick A. McGowan**
Title: Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Denis Corin, the Chief Executive Officer of TapImmune Inc., and Patrick A. McGowan, the Chief Financial Officer of TapImmune Inc., each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge, the Report on Form 10-QSB of TapImmune Inc., for the quarterly period ended September 30, 2007, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Report on Form 10-QSB fairly presents in all material respects the financial condition and results of operations of TapImmune Inc.

Date: November 14, 2007.

/s/ Denis Corin

_____

Denis Corin
Chief Executive Officer

/s/ Patrick A. McGowan

_____

Patrick A. McGowan
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to TapImmune Inc. and will be retained by TapImmune Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

_____