

SUBSCRIPTION AGREEMENT

THIS AGREEMENT MADE EFFECTIVE AS OF THE 31 DAY OF December, 2005 (the "Effective Date").

BETWEEN:

FUNDAMENTAL TECHNOLOGIES II CORP
906 Robinson St,
Coquitlam, B.C., V3J4G6

(the "Company")

AND:

**THE PARTY NAMED AND SIGNING
AS PURCHASER ON SCHEDULE "A"**

(the "Purchaser")

WHEREAS:

- A. The Purchaser wishes to subscribe for shares of a class and series of common shares of the Company as described below (the "Securities");
- B. The Purchaser has received from the Company an offering memorandum (the "Offering Memorandum") in compliance with the applicable Securities Rules (as defined below);
- C. It is the intention of the parties to this agreement (the "Agreement") that this subscription will be made pursuant to appropriate exemptions (the "Exemptions") from the registration and prospectus or equivalent requirements of all rules, policies, notices, orders and legislation of any kind whatsoever (collectively the "Securities Rules") of all jurisdictions applicable to this subscription;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the receipt of which is hereby acknowledged, the parties covenant and agree with each other as follows:

1. Representations and Warranties of the Purchaser

1.1 The Purchaser represents and warrants to the Company, and acknowledges that the Company is relying on these representations and warranties to, among other things, ensure that it is complying with all of the applicable Securities Rules, that:

- (a) the Purchaser is purchasing the Securities as principal for its own account and not for the benefit of any other person;
- (b) the Purchaser is:
 - (i) purchasing the Securities pursuant to the Offering Memorandum of the Company dated June 10, 2005, that was delivered to and received by the Purchaser prior to entering into this Agreement; **OR**
 - (ii) a director, officer, employee or "control person" (as that term is defined in the *Securities Act* (British Columbia) and set out in Schedule "B" to this Agreement) of the Company; **OR**

- (iii) a spouse, parent, grandparent, brother, sister or child of a director, "senior officer" (as that term is defined in the *Securities Act* (British Columbia) and set out in Schedule "B" to this Agreement) or control person of the Company; **OR**
 - (iv) a close personal friend of a director, senior officer or control person of the Company; **OR**
 - (v) a close business associate of a director, senior officer or control person of the Company; **OR**
 - (vi) a person or company that is wholly-owned by any combination of persons or companies described in subparagraphs (ii) to (v) above; **OR**
 - (vii) an "accredited investor" (as that term is defined in MI 45-103 and set out in Schedule "B" to this Agreement);
- (c) the Purchaser is, if an individual, a resident in British Columbia, as defined in the *Income Tax Act* (Canada) at the date of this Agreement;
- (d) the Purchaser acknowledges that because this subscription is being made pursuant to the Exemptions:
- (i) the Purchaser is restricted from using certain of the civil remedies available under the applicable Securities Rules,
 - (ii) the Purchaser may not receive information that might otherwise be required to be provided to the Purchaser under the applicable Securities Rules if the Exemptions were not being used, and
 - (iii) the Company is relieved from certain obligations that would otherwise apply under the applicable Securities Rules if the Exemptions were not being used; and
- (e) if the Purchaser is a Company, the Purchaser is a valid and subsisting Company incorporated under the laws of British Columbia, has the necessary corporate capacity and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Purchaser is a partnership, syndicate, trust or other form of unincorporated organization, the Purchaser is resident in British Columbia and has the necessary legal capacity and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in either case, upon the Company executing and delivering this Agreement, this Agreement will constitute a legal, valid and binding contract of the Purchaser enforceable against the Purchaser in accordance with its terms and neither the agreement resulting from such acceptance nor the completion of the transactions contemplated hereby conflicts with, or will conflict with, or results, or will result, in a breach or violation of any law applicable to the Purchaser, any constating documents of the Purchaser or any agreement to which the Purchaser is a party or by which the Purchaser is bound.
- (f) other than the Offering Memorandum, the Purchaser has not requested access to and does not need to receive any other information concerning the Company;
- (g) the Purchaser received a copy of the Offering Memorandum and confirms that the Purchaser has thoroughly read the Offering Memorandum and understands the nature of and risks involved in the proposed investment;
- (h) the Securities are not being subscribed for by the Purchaser as a result of any material information about the Company's affairs, that has not been publicly disclosed;

- (i) in the Purchaser's decision to execute this Agreement and purchase the Securities agreed to be purchased hereunder, it has relied solely upon the Offering Memorandum and this Agreement, and the Purchaser's decision has not been based upon any oral or written representation as to fact or otherwise made by or on behalf of the Company or any employee, agent or affiliate of, or any other person associate with the Company; and
- (j) the offer and sale of these Securities was not accomplished by an advertisement and the Purchaser was not induced to purchase these Securities as a result of any advertisement made by the Company.

1.2 The Company represents and warrants to the Purchaser, and acknowledges that the Purchaser is relying on these representations and warranties in entering into this Agreement, that:

- (a) the Company is a valid and subsisting Company duly incorporated and in good standing under the laws of British Columbia;
- (b) the Company holds all licences and permits that are required for carrying on its business in the manner in which such business has been carried on and the Company has the corporate power and capacity to carry on the business carried on by it and is duly qualified to carry on business in British Columbia;
- (c) the Company has good and sufficient right and authority to enter into this Agreement and complete its transactions contemplated under this Agreement on the terms and conditions set forth herein; and
- (d) to the best of its knowledge, the execution and delivery of this Agreement, the performance of its obligations under this Agreement and the completion of its transactions contemplated under this Agreement will not conflict with, or result in the breach of or the acceleration of any indebtedness under, or constitute default under, the constating documents of the Company or any indenture, mortgage, agreement, lease, license or other instrument or any kind whatsoever to which the Company is a party or by which it is bound, or any judgment or order of any kind whatsoever or any Court or administrative body of any kind whatsoever by which it is bound.

2. Subscription

2.1 The Purchaser hereby subscribes the subscription funds (the "Subscription Funds") for that number of Securities, at a price of Cdn. \$10.00 per Security, as is set forth under "Subscription Amount" below.

2.2 The Purchaser will deliver the Subscription Funds for the Securities subscribed for to the Company in the form of cash, solicitor's trust cheque, certified cheque, bank draft, money order or wire transfer payable to "Fundamental Technologies II Corp." The Company will hold the Subscription Funds in trust pending the closing of the subscription, and the expiry of the Purchaser's two day statutory rights to cancel this Agreement as set out in the Offering Memorandum, which rights are incorporated by reference herein.

2.3 In the event and to the extent that the Purchaser is entitled to repayment of the Subscription Funds of the Securities (pursuant to the Purchaser's Statutory Rights as set out in the Offering Memorandum or otherwise), the Company will repay or arrange for the repayment of the balance of the Purchaser's Subscription Funds to fulfill such repayment obligation.

3. Covenants, Agreements and Acknowledgments

3.1 Concurrent with the execution of this Agreement, the Purchaser will:

- (a) fully complete Schedule "A" to this Agreement and acknowledges that the Company is relying on the Exemptions in order to complete the trade and distribution of the securities and the Purchaser is aware of the criteria of the Exemptions to be met by the Purchaser including the representations contained in Schedule "A";

- (b) fully complete Schedule "C" to this Agreement, the 45-103F3 Risk Acknowledgement; and

3.2 The Purchaser agrees that the executed Form 45-103F3 Risk Acknowledgement, attached hereto as Schedule "C", forms a part of this Agreement as if contained herein and that the acknowledgements contained therein are true and correct as of the date of the execution of this Agreement and will be correct as of the Closing Date (as defined below) and that the Company may rely on the acknowledgements, representations and statements contained therein without the need for verification.

3.3 The Purchaser acknowledges and agrees that the Securities will be subject to such trade restrictions as may be imposed by operation of applicable Securities Rules and that the Company may be required to legend the certificates representing such Securities with those restrictions. This will prevent the Purchaser from reselling the Securities except in very limited circumstances. In this regard, the Purchaser acknowledges that such trade restrictions provide that the Purchaser must hold and not sell, transfer or in any manner dispose (collectively, the "Disposition") of the Securities before the earlier of the date that is 12 months and a day after the Company:

- (a) becomes a reporting issuer in the Canadian province in which the Purchaser is resident; or
- (b) first becomes a reporting issuer in Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Quebec or Saskatchewan and a SEDAR filer,

unless the Disposition is made in accordance with all applicable Securities Rules. The Purchaser further acknowledges that the Company may never become a reporting issuer and has not warranted that it will become a reporting issuer. The Purchaser further acknowledges and agrees that it is the Purchaser's obligation to comply with the trade restrictions in all of the applicable jurisdictions and the Company offers no advice as to those trade restrictions except as provided for herein. The Purchaser further acknowledges that it may never be able to resell these Securities.

3.4 The Purchaser acknowledges that no securities commission has evaluated or endorsed the merits of these Securities and that the person selling these Securities has no duty to tell the Purchaser whether these Securities are a suitable investment. The Purchaser further acknowledges that it is investing in the Company entirely at its own risk and it may lose all of the Subscription Funds. The Purchaser acknowledges and agrees that he, she or it has been advised to seek his, her or its own investment, tax, accounting and legal advice, and that the Company is not providing any such advice to the Purchaser and that the Company's advisors are providing advice to the Company and the Company only, and are not providing such advice to the Purchaser.

4. Closing

4.1 Upon the completion of the subscription contemplated under this Agreement, and after the expiration of the two day statutory time period, the Company will e-mail to the Purchaser (as per the "Delivery Instructions" below), a certificate or certificates representing the Securities. Upon doing so, the Company shall be entitled to retain the Subscription Funds as full payment for the Securities to be issued pursuant to this Agreement without any further instructions from, or notice to, the Purchaser of any kind whatsoever.

5. Power of Attorney

5.1 The Purchaser hereby irrevocably nominates, constitutes and appoints Basil Peters, the Chief Executive Officer of the Company, as his, her or its agent and true and lawful attorney to act on his, her or its behalf, whether in the best interest of the Purchaser or otherwise, with full power and authority in his, her or its name, place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver and file or record when, as and where required:

- (a) any waiver required under applicable legislation or the constating documents of the Company, waiving the Investor's right to subscribe for a pro-rata portion of any securities allotted while the Company is not a reporting company; and
- (b) any other matters that may be necessary in respect to the management of the Company which Basil Peters feels are appropriate matters to be addressed by this power of attorney;

The power of attorney granted herein is an irrevocable power coupled with an interest and it shall survive the death, disability, mental infirmity, or bankruptcy of the Purchaser or the assignment by the Purchaser of the whole or any part of the interest of the Purchaser in the Securities.

The Purchaser agrees to be bound by any representations made and actions taken by the Company pursuant to this power of attorney in accordance with the terms hereof and hereby waives any and all defences which may be available to the Purchaser to contest, negate or disaffirm the action of the Company taken under this power of attorney.

The Company, its directors, officers, employees, advisors and agents shall not be liable for any act done or omitted hereunder as attorney for the Purchaser. The Purchaser indemnifies the Company, its directors, officers, employees, advisors and agents and holds them harmless against any loss, liability or expense arising out of, or in connection with, any actions taken pursuant to this power of attorney.

6. General

6.1 For the purposes of this Agreement, time is of the essence.

6.2 The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as may, either before or after the execution of this Agreement, be reasonably required to carry out the full intent and meaning of this Agreement.

6.3 The Purchaser hereby authorizes the Company to correct any minor errors in, or complete any minor information missing from, any document which has been executed by the Purchaser and delivered to the Company with respect to this subscription.

6.4 This Agreement shall be subject to, governed by and construed in accordance with the laws of British Columbia.

6.5 This Agreement may not be assigned by either party hereto.

6.6 This Agreement may be signed by the parties in counterpart and by fax or email.

6.7 The Purchaser acknowledges and agrees that the Company will be entitled to communicate with the Purchaser entirely by e-mail and this includes, without limitation, in respect of correspondence and notices required by operation of securities or corporate law, by operation of the constating documents of the Company, in respect of reports to shareholders, shareholder meetings and shareholder votes, and in any other respect of any kind whatsoever.

IN WITNESS WHEREOF the parties have executed this written Agreement effective as of the Effective Date.

SIGNED, SEALED AND DELIVERED BY:
FUNDAMENTAL TECHNOLOGIES II CORP.

Per:



Authorized Signatory

SCHEDULE "A"

TO BE COMPLETED BY THE PURCHASER:

A. Subscription Amount

Subscription Funds: Cdn.\$ 1,000.00 for Series 1, Class A shares at \$10.00 per share.

B. Name and Address (Note: Cannot be a U.S. Address) The name and address (to establish the Purchaser's jurisdiction of residence for the purpose of determining the applicable Securities Rules) of the Purchaser is as follows:

Joe Investor
Name
His address
Street Address

Anytown BC.
City, Province, Country, Postal Code

Email: must have@hisemail.com

NOTE: An e-mail address is required as part of this subscription. All types of shareholder communications will only be available by e-mail.

It is the investors' responsibility to update this e-mail address if it changes by e-mailing basil@peters.ca

Phone: 604.555.1234

C. Registration Instructions (Note: Cannot be a U.S. Address) The name and address of the person in whose name the Purchaser's securities are to be registered is as follows (if the name and address is the same as was inserted in paragraph C above, then insert "see C above"):

See above
Name

Street Address

City, Province, Country, Postal Code

Email: _____

NOTE: An e-mail address is required as part of this subscription. All types of shareholder communications will only be available by e-mail.

It is the investors' responsibility to update this e-mail address if it changes by e-mailing basil@peters.ca

D. Delivery Instructions (Note: Cannot be a U.S. Address) The name and e-mail address of the person to whom the certificates representing the Purchaser's securities referred to above are to be e-mailed is as follows: (if the name and address is the same as was inserted in paragraph B or C above, then insert "see B above" or "see C above", as the case may be):

e-mail address for delivery of certificate: musthave@hisemail.com

E. Exemption Relied Upon. The Purchaser represents to the Company that the Purchaser is (tick one or more of the following boxes):

- (i) an individual who has received from the Company and read and understood the Offering Memorandum, in compliance with applicable Securities Rules:
- (ii) a director, officer, employee or control person* of the Company:
- (iii) a spouse, parent, grandparent, brother, sister or child of a director, senior officer* or control person* of the Company, being _____:
- (iv) a **close personal friend** of a director, senior officer* or control person* of the Company, being _____ (complete (1) below):
- (v) a **close business associate** of a director, senior officer* or control person* of the Company, being _____ (complete (1) below):
- (vi) a person or company that is wholly owned by any combination of person or companies described in subparagraph (ii) to (v), being _____:
- (vii) an **accredited investor*** (complete (2) below):

*See the definitions in Schedule "B" to this Agreement.

(1) If you are a **close personal friend** or **close business associate** of a director, senior officer or control person of the Company, please indicate how long you have known the individual and describe the nature of your relationship, including how you are in a position to assess the capabilities and trustworthiness of the individual.

(2) If you are an **accredited investor**, please describe how you qualify based on the definition in Schedule "B" to this Agreement.

Description of Qualifications _____

TO BE COMPLETED AND SIGNED BY THE PURCHASER:

SIGNED, SEALED AND DELIVERED BY:

Joe Investor
Name of the "Purchaser" - use the name inserted in paragraph B above.

Per:

Joe Jones
Signature of Purchaser

PRESIDENT
Title (if applicable)

SCHEDULE "B"

Definitions

"accredited investor" means

- (a) a Canadian financial institution (as defined in National Instrument 14-101 Definitions), or an authorized foreign bank listed in Schedule III of the *Bank Act* (Canada),
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada),
- (c) an association under the *Cooperative Credit Associations Act* (Canada) located in Canada,
- (d) a subsidiary of any person or company referred to in paragraphs (a) to (c), if the person or company owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary,
- (e) a person or company registered under the securities legislation, or under the securities legislation of another jurisdiction of Canada, as an adviser or dealer, other than a limited market dealer registered under the *Securities Act* (Ontario),
- (f) an individual registered or formerly registered under the securities legislation, or under the securities legislation of another jurisdiction of Canada, as a representative of a person or company referred to in paragraph (e),
- (g) the government of Canada or a province, or any crown Company or agency of the government of Canada or a province,
- (h) a municipality, public board or commission in Canada,
- (i) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government,
- (j) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission or similar regulatory authority,
- (k) a registered charity under the *Income Tax Act* (Canada),
- (l) an individual who, either alone or jointly with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds Cdn.\$1,000,000,
- (m) an individual whose net income before taxes exceeded Cdn.\$200,000 in each of the two most recent years or whose net income before taxes combined with that of a spouse exceeded Cdn.\$300,000 in each of the two most recent years and who, in either case, reasonably expects to exceed that net income level in the current year,
- (n) a company, limited partnership, limited liability partnership, trust or estate, other than a mutual fund or non-redeemable investment fund, that had net assets of at least Cdn.\$5,000,000 as shown on its most recently prepared financial statements,

- (o) a mutual fund or non-redeemable investment fund that, in the local jurisdiction, distributes its securities only to persons or companies that are accredited investors,
- (p) a mutual fund or non-redeemable investment fund that, in the local jurisdiction, distributes its securities under a prospectus for which the regulator has issued a receipt,
- (q) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) through (e) and paragraph (j) in form and function, or

a person or company in respect of which all of the owners of interests, direct or indirect, legal or beneficial, are persons or companies that are accredited investors.

"financial assets" means cash and securities;

"related liabilities" means

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (b) liabilities that are secured by financial assets.

"control person" means

- (a) a person who holds a sufficient number of the voting rights attached to all outstanding voting securities of the Company to affect materially the control of the Company, or
- (b) each person in a combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of the Company to affect materially the control of the issuer,

and, if a person or combination of persons holds more than 20% of the voting rights attached to all outstanding voting securities of the Company, the person or combination of persons is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of the Company.

"designated securities" means

- (a) voting securities,
- (b) securities that are not debt securities and that carry a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets, or
- (c) securities convertible, directly or indirectly, into securities described in paragraph (a) or (b).

"senior officer" means

- (a) the chair or a vice chair of the board of directors, the president, a vice president, the secretary, the treasurer or the general manager of the Company,
- (b) any individual who performs functions for a person similar to those normally performed by an individual occupying any office specified in paragraph (a), and

the 5 highest paid employees of the Company, including any individual referred to in paragraph (a) or (b) and excluding a commissioned salesperson who does not act in a managerial capacity.

SCHEDULE "C"

FORM 45-103F3

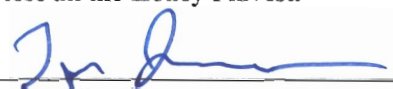
Risk Acknowledgement

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person or entity selling me these securities is not registered with a securities commission and has not duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances.
- I may never be able to sell these securities.
- I could lose all the money I invest.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

December 31, 2005
Date


Signature of Purchaser

JOE INGHAM
Print name of Purchaser

Sign 2 copies of this document. Keep one for your records.

You have 2 business days to cancel your purchase

To do so, send a notice to Fundamental Technologies II Corp. stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by email to basil@peters.ca or to the address below:

Keep a copy of the notice for your records.

FUNDAMENTAL TECHNOLOGIES II CORP.

906 Robinson St,
Coquitlam, B.C., V3J4G6
e-mail: basil@peters.ca
Phone 604.671.6565

You are buying *Exempt Market Securities*

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities commission.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You have received an offering memorandum

Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

For more information on the *exempt market*, call your local securities commission.

British Columbia Securities Commission
9th Floor, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2

Tel: (604) 899-6500
Website: www.bpsc.bc.ca

SCHEDULE "C"

FORM 45-103F3

Risk Acknowledgement

I acknowledge that this is a risky investment:

- I am investing entirely at my own risk.
- No securities commission has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person or entity selling me these securities is not registered with a securities commission and has not duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances.
- I may never be able to sell these securities.
- I could lose all the money I invest.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Dec 31 - 05
Date

J&E INVESTOR
Signature of Purchaser

J&E INVESTOR
Print name of Purchaser

Sign 2 copies of this document. Keep one for your records.

For more information on the *exempt market*, call your local securities commission.

British Columbia Securities Commission
9th Floor, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2

Tel: (604) 899-6500
Website: www.bsc.bc.ca