

Signed by Union



U N I O N S E C U R I T I E S L T D .

April 26, 2011

Signal Exploration Inc.
1021 Kilmer Road
North Vancouver, BC V7K 1P9

Attention: Mr. Barry Hartley, President

Dear Sir:

Re: Letter Agreement – Offering of Shares and TSX Venture Listing Application

The following proposal, hereinafter referred to as the "Agreement" confirms that Union Securities Ltd. ("Union") would be pleased to act as financial advisor and exclusive financing agent to Signal Exploration Inc., with respect to an initial public offering (the "Offering") comprised of 2,500,000 flow-through shares and 3,000,000 non-flow through shares at a price of \$0.10 per Share to raise gross proceeds of \$550,000.

Services to be provided by Union

The assignment will include, but will not be limited to, completing any of the necessary work required in connection with the Offering including the making of investment presentations to prospective investors. The Offering, and any filings required in conjunction with the Offering, will be made in the provinces of British Columbia and Alberta and any other province or international jurisdiction (collectively "the Jurisdictions") deemed necessary by the Company and Union to complete the Offering. Union will place, on a commercially reasonable basis and subject to due diligence being satisfactory to Union and its counsel, the Offering with private and /or institutional investors in accordance with listing requirements of the TSX Venture Exchange.

Information and Confidentiality

Except as Union may otherwise agree, all written or verbal advice or opinions provided by Union to the Company or its directors, officers, employees, consultants and advisors pursuant to this Agreement is for the exclusive benefit of the Company and shall not be disclosed by the Company or by any of such other persons to any third party or circulated or referred to publicly without the prior written consent of Union.

The Company will furnish Union with such information (the "Information") concerning the Company and its business plan that Union believes appropriate to its assignment and as is necessary to permit Union to properly execute its role as financial advisor and financing agent. The Information will be kept confidential by Union and its legal counsel, except such of the Information that has been made public or which the Company agrees may be disclosed, or which Union is required by law to disclose.

The Company agrees that Union shall be entitled to rely without independent investigation on information, data and advice provided by the Company and its directors, officers, employees, consultants and advisors. Subject to applicable laws, the Company will keep Union fully informed of

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all material changes concerning the Company during the term of this engagement and advised Union of any circumstances or developments which might be relevant to the performance of this engagement.

Termination

The Company may terminate this Agreement upon written notice (exclusive of the following paragraph) to the other party, at any time following the date of execution of this Agreement provided that if the Company terminates this engagement, otherwise than for breach of this Agreement by Union, the Company shall pay the fees and expenses of Union incurred in connection with this engagement up until such date, as contemplated in this Agreement.

Union may terminate its obligations under this Agreement and the obligations of the investors under any subscription agreement by notice in writing to the Company at any time if:

- (a) an adverse "material change", as that term is defined by the Securities Act of British Columbia, in the affairs of the Company occurs or is announced by the Company;
- (b) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of Union, seriously affects or will seriously affect the financial markets, or the business of the Company or any subsidiary of the Company, or the ability of Union to perform its obligations under this Agreement, or an investor's decision to purchase the offered securities;
- (c) following a consideration of the history, business, products, property or affairs of the Company or its principals, or of the state of the financial markets in general, or the state of the market for the Company's securities in particular, Union determines, acting reasonably, that it is not in the interest of the purchasers to complete the purchase and sale of the offered securities;
- (d) an enquiry or investigation (whether formal or informal) in relation to the Company, or the Company's directors or officers, is commenced by an officer or official of any competent authority;
- (e) any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Company is made by a competent regulatory authority and that order is still in effect;
- (f) the Company is in breach of any term of this Agreement;
- (g) the Company does not provide Union or its legal counsel with access to the Company's records or with documentation and/or information on a timely basis to enable Union to carry out its due diligence review of the Company and its affairs so as to market the offered securities in a timely fashion;
- (h) Union determines that any of the representations or warranties made by the Company in this Agreement or any of the Information is false or has become false in a material sense; or
- (i) Union is not satisfied with its due diligence review.

This Agreement will be superseded in its entirety by an agency agreement prior to the closing of the Offering. All confidentiality provisions shall continue in the event of a termination of this Agreement.

The indemnity appended as Schedule "A" hereto is incorporated herein by reference, and forms a part of this Agreement.

Corporate Finance Fee

In consideration of the advisory services to be rendered by Union in connection with the Offering the Company agrees to pay Union a Corporate Finance Fee of \$25,000 + HST payable as follows:

- \$11,200 non-refundable fee comprising \$10,000 + \$1,200 HST upon signing this Agreement (the "Initial Corporate Finance Fee"); and
- the balance upon completion of the IPO Offering

Selling Commissions

It is understood that Union may, as required, act as the syndication manager and may invite other registered investment dealers to participate in the Offering on a selling group basis as may be required to complete the Offering at no additional cost to the Company. Union will have exclusive responsibility for making invitations to the syndicate and for paying investment dealers who participate in the selling group a selling commission.

Upon closing of the Offering, the Company will pay Union (a) a cash commission of ten percent (10.0%) of the total funds raised from sales pursuant to the Offering and (b) a non-transferable option to purchase within 36 months of the date of listing of the common shares, the number of Shares of the Corporation equal to 10.0% of the total number of Shares sold pursuant to the Offering at a price of \$0.10 per Share.

Expenses

Union will seek independent legal counsel and other advice prior to finalizing the Offering and will be provided a budget to cover reasonable legal fees incurred in the process of finalizing the Offering. In this regard, Union will require an initial legal retainer in the amount of \$8,000.00 (the "Legal Retainer") against these costs.

It is understood that the Company will reimburse Union for all reasonable out-of-pocket expenses incurred in connection with this engagement. Reasonable out-of-pocket expenses include, but are not limited to, reasonable legal, independent consultation, travel, telephone, and fax charges, couriers, postage, photocopying, meals, etc., including applicable HST. All expenditures relating to travel, or any expense (other than professional fees) exceeding \$2,000, will be communicated to the Company for approval in advance of being incurred. Union will provide a periodic accounting of its costs and may request additional funds as the assignment progresses.

Right of First Refusal

Union will have the right of first refusal in connection with any proposed brokered equity financing for a period of 24 months from the Closing date of the Offering contemplated herein.

Signal Exploration Inc.
April 26, 2011
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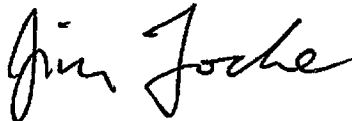
Execution

If you are in agreement with the foregoing, please execute two copies of this letter, acknowledging your acceptance, along with a \$19,200.00 cheque payable to Union Securities Ltd. as an \$11,200.00 non-refundable deposit against our Corporate Finance Fee and as an \$8,000.00 retainer for due diligence counsel. Please feel free to contact the undersigned of our Corporate Finance Group should you have any questions in this regard. We look forward to working with you on this engagement.

Yours truly,

UNION SECURITIES LTD.

Per:



Jim Locke
Vice President, Corporate Finance

Signal Exploration Inc. does hereby confirm and agree to the foregoing.

Dated this 27th day of April, 2011.

Per:


Authorized Signing Authority

Schedule "A"

Standard Indemnification Agreement for Union Securities Ltd.

In consideration of providing professional services pursuant to the engagement to advise and assist the Company, the Company agrees to indemnify and hold harmless Union Securities Ltd. and its affiliates (collectively "Union" or the "Agent(s)"), and the respective directors, officers, employees, partners, agents and shareholders of Union (each such person or company being herein referred to as an "Indemnified Person"), to the full extent lawful, from and against all losses, claims, damages, liabilities, obligations or expenses (collectively, the "Indemnifiable Loss") incurred by each Indemnified Person related to or arising out of any activities performed or role assumed in connection with the Agreement, whether performed before or after the execution of the Agreement to which this Indemnity is a Schedule.

The Company will not be responsible for any Indemnifiable Loss of any Indemnified Person which is, and no Indemnified Person shall have any liability (direct, indirect, in contract, in tort or otherwise) to the Company, except for damages, liabilities, obligations or expenses incurred by or on behalf of the Company which are determined by a final judgement of a court of competent jurisdiction to have resulted from actions taken or not taken by such Indemnified Person dishonestly, illegally, in bad faith or through gross negligence or wilful misconduct.

Union agrees to notify the Company promptly of the assertion of any claim or the commencement of any investigation or proceeding relating to the performance of the Agreement in respect of which indemnification may be sought hereunder provided that the failure by Union to do so shall not relieve the Company from its obligations or liabilities hereunder, except to the extent that such failure has materially and adversely affected the Company's ability to reduce the amount of the Indemnifiable Loss. Union shall, and shall use its reasonable efforts to, cause other relevant Indemnified Persons to, co-operate with the Company in responding to any such investigation or defending any such proceeding.

Upon the assertion of any claim against or the commencement of any investigation or proceeding involving any Indemnified Person the Company may, and shall if reasonably requested by an Indemnified Person, participate in such action, investigation or proceeding and assume the defence of any proceeding in respect of which indemnification may be sought hereunder, including the employment of counsel of the Company's selection who are satisfactory to the Agents, acting reasonably, the fees and disbursements of which counsel shall be paid by the Company. Upon such assumption, Union shall provide such assistance and documentation relating to the investigation or proceeding as the Company may reasonably request. In any investigation or proceeding the defence of which the Company has assumed, any Indemnified Person shall have the right to participate and to retain its own counsel, the fees and disbursements of which shall be paid by such Indemnified Person unless (i) the Company and the Indemnified Person have agreed in writing to the retention of such counsel; or (ii) both the Company and the Indemnified Person are subject to the investigation or are parties to the proceeding and the representation of both by the same counsel would be inappropriate due to, or could give rise to, actual or potential differing or conflicting interests between them.

The Company shall not be responsible for any settlement of any proceeding effected without its prior written consent, but shall indemnify each Indemnified Person from and against any Indemnifiable Loss incurred by reason of any settlement made with its consent or any final judgement in favour of the plaintiff. The Company will not, without the prior written consent of Union (not to be unreasonably withheld or delayed), settle, compromise or consent to any judgement or decision in any proceeding in respect of which indemnification may be sought

hereunder unless such settlement, compromise or consent includes an unconditional release of each Indemnified Person from all liability arising out of such proceeding.

If for any reason (other than a determination based on dishonesty, illegality, bad faith, gross negligence or wilful misconduct as contemplated herein) the indemnification provided hereby is unavailable to an Indemnified Person or is insufficient to hold an Indemnified Person harmless, the Company shall contribute to the Indemnifiable Loss incurred by the Indemnified Person in a proportion appropriate to reflect not only the relative benefits received by the Company on the one hand and all Indemnified Persons on the other hand, but also the relative degrees of fault of the Company and of all Indemnified Persons and any other equitable considerations, provided that the Company shall in any event contribute to the amount paid or payable by any Indemnified Person as a result of an Indemnifiable Loss any excess of such amount over the amount of the fees actually received by the Agents and all affiliates pursuant to the Agreement.

In connection with or as a result of the Agreement, Union or an affiliate may also be engaged to act for the Company in one or more additional capacities, and the terms of the Agreement or any such additional engagement may be contained in one or more separate written agreements, including the agency agreement, and may be modified from time to time by agreement of the parties. This indemnity shall apply solely to the Agreement, and to any modification of the terms thereof, which shall remain in full force and effect following the completion or termination thereof. This indemnity shall be binding on and enure to the benefit of the Company and each Indemnified Person and the respective successors, assigns, heirs and personal representatives of each of them, and to the extent necessary or appropriate may be enforced by Union as trustee for any other Indemnified Person. This indemnity shall be in addition to any rights that any Indemnified Person may have at common law or otherwise.