

## LOAN AGREEMENT

THIS AGREEMENT dated March 07, 2012 is between:

**IOU FINANCIAL INC.**, a Quebec company, having its head office at 1 Place Ville-Marie, Suite 1812, Montreal, Qc H3B 4A9

(the “**Borrower**”)

AND:

**GUS-KAN Inc**, an Ontario company, having its head office at 600 Campbell St, Cornwall, ON K6H 6C9

(the “**Lender**”)

AND:

**THE MARLEAU CAPITAL CORPORATION**, a Canadian company, having its head office at 1 Place Ville-Marie, Suite 1812, Montreal, Qc. H3B 4A9

(the “**Guarantor**”)

**WHEREAS** the Lender has agreed to lend to the Borrower and the Borrower has agreed to borrow from the Lender the principal amount of CAD\$300,000 (the “**Loan**”), on the terms and subject to the conditions of this Agreement;

**AND WHEREAS** the Guarantor has agreed to guarantee the obligations of the Borrower under this Agreement;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants hereinafter set forth, the Lender, the Borrower and The Marleau Capital Corporation (collectively, the “**Parties**”, and each a “**Party**”) hereto agree as follows:

1. **Loan Advance and Use of Proceeds.** The Lender agrees to advance the Loan to the Borrower.

2. **Term and Prepayment.**

- (a) Any outstanding balance of the Loan, including principal and accrued interest (collectively the “**Outstanding Balance**”), will be immediately due and payable by the Borrower to the Lender on the occurrence of an Event of Default, as defined in paragraph 12 hereof.
- (b) If an Event of Default has not occurred, the Outstanding Balance shall be payable on the date that is twelve months from the date of this Agreement.
- (c) The Borrower may repay the Outstanding Balance at any time before maturity, without notice or penalty.

3. **Interest.** Interest shall be payable monthly in arrears and shall accrue on the Outstanding Balance as at the date of this Agreement. The interest rate shall be 1.25% per month.

4. **Set-Up Fee.** The Parties agree that the Borrower shall pay the Lender a set-up fee of 3% of the principal (the “**Set-Up Fee**”). The Set-Up Fee shall be deducted from the initial disbursement of the principal such that the Lender shall disburse 97% of the principal and the Borrower shall repay 100% of the principal plus any other amounts comprising the Outstanding Balance at the time of repayment as set out in Paragraph 2.

5. **Bonus Warrants.** In further consideration of the Lender having entered into this Agreement, the Borrower agrees to issue warrants to acquire 12,000 Class B Common Shares in the capital stock of the Borrower (the “**Bonus Warrants**”). The Bonus Warrants shall expire on the date that is 2 years from the date of their issuance and shall be exercisable at a price of CAN\$0.50 per Bonus Warrant. Each Bonus Warrant shall entitle the Lender to acquire one Class B Common Share in the capital stock of the Borrower. In the event that the Borrower engages in a consolidation or stock split, the Bonus Warrants shall be adjusted accordingly to maintain the ratio of Bonus Warrants to the total stock of the Borrower that is outstanding at that time. The Borrower agrees to issue the Bonus Warrants following the restatement of its financial statements for the first three quarters of 2011, and in any event, no later than the date that is two years from the date of the disbursement of the Loan, and subject to compliance with all regulatory requirements in connection thereof.

6. **Security.** As security for the Loan the Borrower will execute and deliver to the Lender a promissory note, in the form attached hereto as Schedule “A” (the “**Note**”).
7. **Guarantee.** In the event that the Borrower is unable or unwilling to meet part or all of its obligations under this agreement, the Guarantor hereby agrees to guarantee the obligations of the Borrower to the Lender and to be liable to the Lender.
8. **Representations and Warranties.** The Borrower represents and warrants to the Lender as follows:
  - (a) the Borrower is a company incorporated under the Quebec Act (the “**Act**”), has not discontinued or been dissolved under that Act and is in good standing with respect to the filing of annual reports with the relevant local corporate registry;
  - (b) the Borrower has the power and authority to carry on its businesses as now being conducted, to acquire, own, hold, lease and mortgage or grant security in its assets including real property and personal property, and to enter into and perform its obligations under this Agreement and the Note and all other documents or instruments delivered hereunder or thereunder;
  - (c) this Agreement, the Note, and all ancillary instruments or documents issued, executed and delivered hereunder or thereunder by the Borrower have been duly authorized by all necessary action of the Borrower and each constitutes or will constitute a legal, valid and binding obligation of the Borrower enforceable against it in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, and other similar laws affecting the rights and remedies of creditors and to the general principles of equity;
  - (d) the Borrower is not in breach of or in default under any obligation in respect of borrowed money and the execution and delivery of this Agreement, the Note and all ancillary instruments or documents issued and delivered hereunder or thereunder, and the performance of the terms hereof and thereof will not be, or result in, a violation or breach of, or default under the Borrower’s constating documents, any law, any judgment, agreement or instrument to which it is a party or may be bound;
  - (e) no litigation or administrative proceedings before any court or governmental authority are presently ongoing, or have been threatened in writing, or to the best of the Borrower’s knowledge are pending, against the Borrower or any of its assets or affecting any of its assets which could have a material adverse effect on its business or assets; and

- (f) except as disclosed to the Lender in writing prior to the date of this Agreement, and except as set out in the Borrower's public disclosures required by applicable securities legislation, the Borrower owns its business, operations and assets, and holds good title thereto, free and clear of all liens, claims or encumbrances whatsoever, other than those in favour of the Lender.

9. **Representations and Warranties.** The Guarantor represents and warrants to the Lender as follows:

- (g) the Guarantor is a company incorporated under the Canada Act (the "Act"), has not discontinued or been dissolved under that Act and is in good standing with respect to the filing of annual reports with the relevant local corporate registry;
- (h) the Guarantor has the power and authority to carry on its businesses as now being conducted, to acquire, own, hold, lease and mortgage or grant security in its assets including real property and personal property, and to enter into and perform its obligations under this Agreement and all other documents or instruments delivered hereunder or thereunder;
- (i) this Agreement and all ancillary instruments or documents issued, executed and delivered hereunder or thereunder by the Guarantor have been duly authorized by all necessary action of the Guarantor and each constitutes or will constitute a legal, valid and binding obligation of the Guarantor enforceable against it in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, and other similar laws affecting the rights and remedies of creditors and to the general principles of equity;
- (j) the Guarantor is not in breach of or in default under any obligation in respect of borrowed money and the execution and delivery of this Agreement and all ancillary instruments or documents issued and delivered hereunder or thereunder, and the performance of the terms hereof and thereof will not be, or result in, a violation or breach of, or default under the Guarantor's constating documents, any law, any judgment, agreement or instrument to which it is a party or may be bound; and
- (k) no litigation or administrative proceedings before any court or governmental authority are presently ongoing, or have been threatened in writing, or to the best of the Guarantor's knowledge are pending, against the Guarantor or any of its assets or affecting any of its assets which could have a material adverse effect on its business or assets.

10. **Positive Covenants of the Borrower.** The Borrower covenants and agrees that so long as any amount of the Outstanding Balance will be outstanding under this Agreement, it will:
  - (a) at all times maintain its corporate existence and the corporate existence of all other corporations owned or controlled by it that own assets material to the Borrower's business;
  - (b) duly perform its obligations under this Agreement, the and all other agreements and instruments executed and delivered hereunder or thereunder;
  - (c) carry on and conduct its business in a proper business-like manner in accordance with good business practice and will keep or cause to be kept proper books of account in accordance with generally accepted accounting principles; and
  - (d) furnish and give to the Lender (if such is the case) notice that there has occurred and is continuing an Event of Default (as defined herein) under this Agreement or any event which would constitute an Event of Default hereunder and specifying the same.
  
11. **Negative Covenant of the Borrower.** The Borrower covenants and agrees with the Lender that the Borrower will not without first obtaining the written consent of the Lender, directly or through any subsidiary, make any sale of or dispose of any substantial or material part of its business, assets or undertaking, including its interest in the shares or assets of any subsidiary outside of the ordinary course of business;
  
12. **Events of Default.** Each and every of the events set forth in this paragraph will be an event of default ("**Event of Default**"):
  - (a) if the Borrower fails to make any payment of principal or interest when due hereunder, and such failure continues for seven (7) calendar days;
  - (b) if the Borrower defaults in observing or performing any material term, covenant or condition of this Agreement or any other collateral document delivered hereunder or in connection with the Loan, other than the payment of monies as provided for in subparagraph (a) hereof, on its part to be observed or performed and such failure continues for ten (10) calendar days;
  - (c) if any of the Borrower's covenants or representations in this Agreement or any other collateral document delivered hereunder or in connection with the Loan were at the time given false or misleading in any material respect;

- (d) if the Borrower defaults, in any material respect, in observing or performing any term, covenant or condition of any debt instrument or obligation by which it is bound, makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts as they become due, or is adjudicated bankrupt or insolvent;
  - (e) if the Borrower permits any sum which has been admitted as due by the Borrower, or is not disputed to be due by it, and which forms or is capable of being made a charge upon any of the assets or undertaking of the Borrower to remain unpaid or not challenged for thirty (30) calendar days after proceedings have been taken to enforce the same;
  - (f) if the Borrower, either directly or indirectly through any material subsidiary, ceases or threatens to cease to carry on business;
  - (g) if, in the reasonable opinion of the Lender, a material adverse change occurs in the financial condition of the Borrower;
  - (h) if the Lender in good faith and on commercially reasonable grounds believes that the ability of the Borrower to pay any of the Outstanding Balance to the Lender or to perform any of the covenants contained in this Agreement or any other collateral agreement or other document is impaired or any security granted by the Borrower to the Lender is or is about to be impaired or in jeopardy;
  - (i) if the Borrower petitions or applies to any tribunal for the appointment of a trustee, receiver or liquidator or commences any proceedings under any bankruptcy, insolvency, readjustment of debt or liquidation law of any jurisdiction, whether now or hereafter in effect; or
  - (j) if any petition or application for appointment of a trustee, receiver or liquidator is filed, or any proceedings under any bankruptcy, insolvency, readjustment of debt or liquidation law are commenced, against the Borrower which is not opposed by the Borrower in good faith, or an order, judgment or decree is entered appointing any such trustee, receiver, or liquidator, or approving the petition in any such proceeding.
13. **Effect of Event of Default.** If any one or more of the Events of Default occur or occurs and is or are continuing, the Lender may without limitation in respect of any other rights it may have in law or pursuant to this Agreement or any other document or instrument delivered hereunder, demand immediate payment of all monies owing hereunder.
14. **Notices.** In this Agreement:

(a) any notice or communication required or permitted to be given under this Agreement will be in writing and will be considered to have been given if delivered by hand or mailed by prepaid registered post to the address of each party set out below:

(i) if to the Lender:

If by mail

Gus-Kan Inc  
Box 635  
Cornwall, ON  
K6H 5T3

Attention: Tom Kaneb

If by Courier

Gus-Kan Inc  
600 Campbell St  
Cornwall, ON  
K6H 6C9

(ii) if to the Borrower:

IOU Financial Inc

1 Place Ville-Marie,  
Suite 1812, Montreal,  
Qc. H3B 4A9

Attention: Phil Marleau and Mayco Quiroz

or to such other address as either Party may designate in the manner set out above; and

(b) notice or communication will be considered to have been received:

(i) if delivered by hand during business hours on a day that the Toronto Stock Exchange is open for business, (a “**Business Day**”) upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business on the next Business Day;

(iii) if mailed by prepaid registered post upon the fifth Business Day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication will be delivered by hand or sent by facsimile transmission.

15. **Assignment.** Each Party agrees that it shall not assign its rights under this Agreement without the prior written consent of the other Party, which consent shall not be withheld unreasonably.
16. **Enurement.** This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
17. **Waivers.** No failure or delay on the Lender's part in exercising any power or right hereunder will operate as a waiver thereof.
18. **Remedies are Cumulative.** The Lender's rights and remedies hereunder are cumulative and not exclusive of any rights or remedies at law or in equity.
19. **Time.** Time is of the essence of this Agreement and all documents or instruments delivered hereunder.
20. **Criminal Code Compliance.** In this paragraph the terms "**interest**", "**criminal rate**" and "**credit advanced**" have the meanings ascribed to them in Section 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the Loan or the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:
  - (a) the elements of return which fall within the term "interest" will be reduced to the extent necessary to eliminate such excess;
  - (b) any remaining excess that has been paid will be credited towards prepayment of the Loan; and
  - (c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand, and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender will perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties. This Agreement, the Note and all related agreements and documents will automatically be modified to reflect such modifications without the necessity of any further act or deed of the Borrower and the Lender to give effect to them.



21. **Invalidity.** If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby to the fullest extent possible by law.
22. **Governing Laws.** This Agreement will be governed by and interpreted in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein. The Borrower and the Lender submit to the non-exclusive jurisdiction of the Courts of the Province of Quebec and agree to be bound by any suit, action or proceeding commenced in such Courts and by any order or judgment resulting from such suit, action or proceeding, but the foregoing will in no way limit the right of the Lender to commence suits, actions or proceedings based on this Agreement in any jurisdiction it may deem appropriate.
23. **Amendment.** This Agreement may be varied or amended only by or pursuant to an agreement in writing signed by the parties hereto.
24. **Schedules.** All Schedules attached hereto will be deemed fully a part of this Agreement.
25. **Currency.** All references herein to “dollars” or “\$” are to Canadian dollars, unless otherwise indicated.
26. **Counterparts.** This Agreement may be signed in one or more counterparts, originally or by facsimile, each such counterpart taken together will form one and the same agreement.
27. **English Language:** The Parties have requested that this agreement be drawn up in the English language only. Les parties ont exigé que cet accord soit rédigé en anglais.

*Remainder of this page intentionally left blank. Next page is the signature page.*

TO EVIDENCE THEIR AGREEMENT each of the Parties has executed this Agreement on the date first above written.

**IOU FINANCIAL INC**

Per: Mayco Quiroz

(signed) Mayco Quiroz

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Authorized Signatory

**GUS-KAN Inc**

Per: T. A. Kaneb

(signed) T. A. Kaneb

\_\_\_\_\_  
Authorized Signatory

Per: Charles Marleau

(signed) Charles Marleau

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**THE MARLEAU CAPITAL CORPORATION**

**SCHEDULE "A"**

**PROMISSORY NOTE**

Principal Amount: CAD\$300,000

For value received, IOU Financial Inc (the "**Borrower**") hereby promises to pay to Gus Kan (the "**Lender**") the principal sum of \$300,000 Canadian dollars on the earlier of:

- (a) twelve months from the date of this promissory note; or
- (b) the occurrence of an Event of Default (as defined in the Loan Agreement),

together with interest at the rate of 1.25% per month accruing on the Outstanding Balance (as defined in the Loan Agreement) and compounding monthly. All payments under this promissory note will be made by certified cheque, bank draft or wire transfer (pursuant to wire transfer instructions provided by the Lender from time to time) and delivered to the Lender at Box 635, Cornwall, Ont, Canada. All payments made by the Borrower will be applied first to interest and then to principal.

The undersigned is entitled to prepay this promissory note, in whole or in part, without notice or penalty. The undersigned waives demand and presentment for payment, notice of non-payment, protest, notice of protest and notice of dishonour. This promissory note will be governed by and construed in accordance with the laws of Quebec and the federal laws of Canada applicable therein.

The Marleau Capital Corporation Inc. (the "**Guarantor**") hereby guarantees the obligations of the Borrower under this promissory note.

The Parties have requested that this promissory note be drawn up in the English language only. Les parties ont exigé que cete billet à ordre soient rédigées en anglais.

Dated: March 07, 2012.

**IOU FINANCIAL INC.**

Per: (signed) Mayco Quiroz

\_\_\_\_\_  
Authorized Signatory

**THE MARLEAU CAPITAL CORPORATION**

Per: (signed) Charles Marleau

\_\_\_\_\_  
Authorized Signatory