

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 25, 2003

BMB MUNAI, INC.

(Formerly INTERUNION FINANCIAL CORPORATION)

Delaware

87-0520294

(State or other jurisdiction of incorporation) (Commission File No.) (IRS Employer Identification No.)

4121 18th Avenue
Brooklyn, New York, 11218

(Address of principal executive offices)

Tel: 718-972-6333
Fax: 718-972-9034

(Registrant's telephone number, including area code)

Registrant's former address:

1232 North Ocean Blvd.
Palm Beach, Florida, 33480

Item 1. Changes in Control of Registrant.

InterUnion Financial Corporation, a Delaware corporation, completed a statutory merger with BMB Holding Inc., a Delaware corporation on November 25, 2003 (the "Merger"), pursuant to a Plan and Agreement of Merger (the "Agreement"). InterUnion Financial Corporation, now known as BMB Munai, Inc. (the "Company"), is the surviving corporation.

The Merger

Pursuant to the terms of the Agreement, the Company issued an aggregate of 148,571,429 shares of its common stock to the shareholders of BMB Holding, Inc. The shareholders of BMB Holding, Inc. transferred all of their shares (being all of the issued and outstanding shares) of BMB Holding, Inc. to the Company.

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As result, the former shareholders of BMB Holding, Inc. collectively control the Company. Immediately following the Merger, the Company had an aggregate of 153,987,978 common shares issued and outstanding, including the 148,571,429 common shares issued pursuant to the Merger. Additional shares of the Company have been issued as more fully described under Item 5 below.

Pursuant to Delaware Corporate Law, shareholders of each of the merging corporations holding at least a majority of the stock entitled to vote have approved the Merger by their written consent. As a result, the respective boards of directors of each of the merging companies was authorized to enter into and to take all measures required to give effect to the Merger.

Two of the shareholders of BMB Holding, Inc. were also creditors of BMB Holding, Inc. In partial consideration for the shares of the Company issued pursuant to the Merger, the creditors have released both the Company and BMB Holding, Inc. from obligation to pay the respective debts.

Corporate Changes

Pursuant to the Merger, the Company has changed its name from InterUnion Financial Corporation to BMB Munai, Inc. The Company has also conducted a reverse-split of its common shares on the basis of ten old shares for one new share (10:1).

Further, the Company has effected a reduction in its authorized capital from 500,000,000 common shares to 50,000,000 common shares. The Company is authorized to issue preferred shares designated as Class "A," Class "B," and Class "C" preferred shares, of which no such shares have been issued by the Company.

Pursuant to the terms of the agreement, each of the following directors of the Company have resigned: Muriel Woodtli and Peter Prendergast. In addition, each of T. Jack Gary and Georges Benarroch have resigned as officers of the Company.

The new board of directors of the Company consists of: Boris Cherdabayev, Alexandre Agaian, Bakhtyev Baiseitov, Mirgali Kunayev, and Georges Benarroch. The officers of the Company are: Mr. Anuar Kulmagambetov, Chief Financial Officer; Mr. Boris Cherdabayev, Chief Operating Officer; Alexandre Agaian, President and Chief Executive Officer; and Gary Lerner, Corporate Secretary.

Board of Directors and Executive Officers

Georges Benarroch:

Mr. Benarroch is also a Director of Credifinance Capital Corp., the Chief Executive Officer, and Chairman of the Board of Credifinance Securities Limited, President, Chief Executive Officer, and Chairman of the Board of Credifinance Capital Inc.

Dr. Alexandre Agaian:

Since creating the first commercial bank in the USSR in 1988 (the Innovation Bank of St. Petersburg), Dr. Agaian has served as Chairman or director of a number of banks or financial institutions in Russia and the U.S.

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Boris Cherdabayev:

Mr. Cherdabayev has participated in the Kazakhstan petroleum and energy sector for 30. Mr. Cherdabayev has been on the board of directors or has been an executive of companies such as TCO TengizChevroil; national oil and gas company Kazakhoil; Uzenmunaygas; Kazakhoil-Emba; Kazakhstancaspiyshelf; MangistauMunaiGas, Mangyshlakneft; Karakadukmunai and many other entities;

Bakhtyev Baiseitov:

Mr. Baiseitov, has participated in banking, business and political circles of Kazakhstan. After starting his career at the State Bank of Kazakhstan and acting as the Head of the Industrial Department of the Kazakh Republican Office of the State Bank of the USSR, Mr. Baiseitov founded Bank CenterCredit, the first private (cooperative) bank in the USSR of which he was and still is Chairman. Amongst a number of other positions held in the private and public sectors, Mr. Baiseitov is also Chairman of Kazakhstan International Bank and President of The Banking Association of Kazakhstan;

Dr. Mirgali Kunayev:

Dr. Kunayev, a business man from Kazakhstan is the Chairman of the Board of AralParket, a joint venture between Parker Drilling, a U.S. drilling company and AralNedra, a Kazakh company. Dr. Kunayev was a president of KazakhstanCaspiShelf, a state oil company. He is now on the board of directors of Bank CenterCredit, several oil & gas services companies operating on and offshore in the pre-Caspian basin and serves as Chairman and CEO of a U.S. public company, EMPS Corporation.

The Business of the Company

In exchange for an aggregate of 148,571,429 common shares of the Company, the shareholders of BMB Holding, Inc. transferred 1,000 common shares of BMB Holding Inc. (being all of the issued and outstanding shares of BMB Holding, Inc.) to the Company. The assets of BMB Holding, Inc consist of a 70% ownership in Emir Oil, LLC, a limited liability company existing under the laws of Kazakhstan. Emir Oil, LLC holds an exploration license and government contract with respect to certain oil and gas fields located in Kazakhstan.

The Company plans to focus operations onshore in proven oil and gas producing areas of the Caspian Sea region of Western Kazakhstan. The Akasz, Doninnoe and Emir fields to be developed are located 50 kilometres (approximately 35 miles) northeast of the Caspian port city of Aktau in the Manigstau oblast of western Kazakhstan. The Company plans to commence development of Dolinnoe and Emir oil fields and then to phase in development of the Akasz gas field.

Item 5. Other Events

The Financing

As a condition of the Merger, the Company was obligated to secure equity financing of at least \$3,000,000. Credifinance Securities Limited (the "Agent") assisted in the financing of the Company. Pursuant to an Agency Agreement between the Company and the Agent, the Company has issued an aggregate of

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4,430,494 common shares of the Company via private placement. These shares were issued in two transactions each of which closed on November 26, 2003. The first private placement consisted of an aggregate of 2,750,494 common shares at US \$2.15 per share. The second private placement consisted of an aggregate of 1,680,000 shares at US \$2.50 per share. The Agent received a commission equal to 8.5% of the gross proceeds received by the issuer other than for shares issued to US Persons. In addition, the Agent received Agent's Warrants equal to 10% of the number of shares sold on behalf of the Company. Further, on November 19, 2003, the Company entered into two (2) stock option agreements with the Agent. Pursuant the first option agreement, the Agent may purchase up to two million (2,000,000) common shares of the Company at an exercise price of \$0.10 per shares for a period of five (5) years from the date of the Merger. The second option agreement allows the Agent to purchase up to one million, four hundred twenty eight thousand, five hundred and seventy one (1,428,571) common shares of the Company at an exercise price of \$0.35 per share for a period of five (5) years from the date of the Merger. The agent also received a fee of \$150,000 for advisory services rendered to the Company in connection with the Merger.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BMB MUNAI, INC.

December 10, 2003

/s/ Gary Lerner

Date

Gary Lerner
Secretary

Exhibits: 2.1 Plan and Agreement of Merger
10.1 Agency Agreement
99 Press Releases

PLAN AND AGREEMENT OF MERGER

OF

BMB HOLDING, INC.
(A Delaware Corporation)

INTO

INTERUNION FINANCIAL CORPORATION
(A Delaware Corporation)

THIS PLAN AND AGREEMENT OF MERGER (hereinafter called the "Agreement" or the "Agreement of Merger"), by and between BMB HOLDING, INC., a corporation organized and existing under the laws of the State of Delaware (hereinafter sometimes referred to as "BMB") and INTERUNION FINANCIAL CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter sometimes referred to as "InterUnion"). These two parties are herein sometimes referred to collectively as the "Merging Corporations" and InterUnion is designated as and shall be the surviving corporation.

WHEREAS a majority of the shareholders of each of BMB and InterUnion have authorized their respective Boards of Directors to enter into this Agreement;

AND WHEREAS the Board of Directors of each of BMB and InterUnion, by the execution of this Plan and Agreement of Merger, do approve this said Plan and Agreement of Merger and do hereby declare its advisability; and

WHEREAS the Delaware General Corporation Law, Section 251, does authorize this merger of domestic corporations pursuant to its terms and conditions.

NOW THEREFORE, the Merging Corporations have agreed, and do hereby agree, each with the other in consideration of the premises and the mutual agreements, provisions, covenants and grants herein contained and in accordance with the laws of the State of Delaware that BMB and InterUnion be merged (the "Merger") into a single corporation and that InterUnion shall be the continuing and surviving corporation and do hereby agree upon and prescribe that the terms and conditions of the Merger hereby agreed upon and the mode of carrying the same into effect and the manner of converting the presently outstanding shares of BMB into shares of InterUnion are and shall be hereinafter set forth:

ARTICLE I
INTERPRETATION

1.1 Definitions. In this Agreement, unless the context otherwise requires, the terms set forth in Schedule 1 shall have the meanings set forth therein.

1.2 Entire Agreement. This Agreement together with the agreements and other documents to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties pertaining to the Merger and supersedes all prior

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agreements, understandings, negotiations and discussions, whether oral or written, including the letter of intent dated August, 7, 2003 (the "Letter of Intent"), and there are no warranties, representations or other agreements between the Parties in connection with the subject matter hereof except as specifically set forth in this Agreement or any other agreement or document to be delivered pursuant to this Agreement.

1.3 Extended Meaning. In this Agreement, words importing the singular number include the plural and vice versa; words importing the masculine gender include the feminine and neuter genders.

1.4 Headings. The division of this Agreement into articles, sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 References. References to an article, section, subsection, paragraph, schedule or exhibit shall be construed as references to an article, section, subsection, paragraph, schedule or exhibit to this Agreement, unless the context otherwise requires.

1.6 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware.

1.7 Currency. Unless otherwise specified, the word "dollar", or the symbol "\$" refers to the lawful currency of the United States of America.

1.8 Schedules. The following is a list of schedules attached to and incorporated into this Agreement by reference and deemed as part of this Agreement.

SCHEDULE	DESCRIPTION
1	Definitions
2	BMB Holding, Inc. Financial Statements
3	InterUnion Financial Statements
4	InterUnion Management Information Circular
5	BMB Shareholdings
6	Agency Agreement

1.9 Recitals. The parties agree that the foregoing recitals are true and correct and incorporated by this reference.

ARTICLE II
MANNER AND TERMS OF CONVERSION OF SHARES

2.1 Conversion and Exchange of Shares. On the date of the Merger, each and every holder of certificates for common stock of BMB (the "BMB Shareholders") shall surrender them to InterUnion or its duly appointed agent in the manner that InterUnion shall reasonably require, it being mutually agreed upon that such certificates of BMB shall total One Thousand (1,000) shares (the "BMB Securities"). On receipt of the BMB Securities, InterUnion shall issue, an

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aggregate of One Hundred Forty Eight Million Five Hundred Seventy One Thousand Four Hundred Twenty Nine shares (148,571,429) shares (the "InterUnion Shares") of its common stock to the BMB Shareholders in accordance with Schedule "5" hereof. Such aggregate number of InterUnion Shares are inclusive of 5,714,216 shares (at \$0.35 per share) to be issued on Closing in respect of the conversion of an aggregate of Two Million (\$2,000,000) of debt held by two (2) BMB Shareholders as more particularly described in Schedule "5" attached hereto. BMB represents herein that the shares being surrendered pursuant to this Paragraph 2.1 represent all of the issued and outstanding stock of BMB.

2.2 Amendment to Certificate of Incorporation. The Parties hereby agree that, after the completion of the Merger, InterUnion, as the surviving corporation shall adopt the name "BMB Munai, Inc." or such other similar name as may be agreed and approved by Governmental Authorities having jurisdiction, by amendment to its Certificate of Incorporation.

2.3 Directors. The Parties hereby agree that, upon the completion of the Merger, the shareholders of InterUnion by approval of this Merger do further agree, approve of and elect the following named individuals to serve as the board of directors as of the Closing of the Merger: Boris Cherdabayev, Chairman, Georges Benarroch, Alexandre Aгаian, Bakhytbek Basiseitov and Mirgali Kunayev. All directors of InterUnion, with the exception of Georges Benarroch, shall immediately resign upon completion of the Merger.

2.4 Nature of Issued Shares. BMB and the BMB Shareholders acknowledge that the common shares issued by InterUnion pursuant to this Agreement are being issued pursuant to a claim of one or more exemptions from registration and prospectus requirements, as contained within U.S. federal securities laws. All shares as issued by InterUnion shall bear the following restrictive legend:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (THE

"ACT"). THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF A CURRENT AND EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT WITH RESPECT TO SUCH SHARES, OR AN OPINION OF THE ISSUER'S COUNSEL TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT."

It is further understood that InterUnion, as issuer, shall issue such stop transfer instructions to its transfer agent as it may deem necessary.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE BMB SHAREHOLDERS

3.1 Representations and Warranties of the BMB Shareholders. The BMB Shareholders represent and warrant to InterUnion as follows and acknowledge that InterUnion is relying on these representations and warranties in connection with the completion of the Merger:

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- (a) Capacity to own BMB Securities - The BMB Shareholders have all necessary power, authority and capacity to own the BMB Securities.
- (b) Capacity to Enter Agreement - The BMB Shareholders have full power, right and authority to enter into this Agreement and to perform their obligations under it and to authorize BMB to enter into this Agreement and to perform its obligations under it.
- (c) Binding Obligation - This Agreement constitutes a valid and binding obligation of the BMB Shareholders, which BMB Shareholders have approved and authorized the entering into of this Agreement.
- (d) Absence of Conflict - The BMB Shareholders are not a party to, bound or affected by any agreement which would be violated, breached or terminated by, or which would result in creation or imposition of any Encumbrance upon any of the BMB Securities, as a consequence of the execution and delivery of this Agreement or the consummation of the transactions contemplated in this Agreement.
- (e) Title to BMB Securities - The BMB Shareholders are the legal owners of the BMB Securities with good and marketable title, free and clear of any Encumbrances.
- (f) No Bankruptcy - No proceedings have been taken or authorized by any BMB Shareholders or by any other person in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up as applicable, of any BMB Shareholders.
- (g) Disclosure - The representations and warranties of the BMB Shareholders in this Agreement are true, correct and do not contain any untrue or misleading statement of a material fact or omit to state a material fact necessary to make such representations and warranties not misleading to InterUnion.
- (h) Non-Violation - The entering into of this Agreement and the consummation of transactions contemplated herein do not and will not conflict with, or result in a breach of, or constitute a default under the terms or conditions of any constating document of BMB, any by-laws, any court or administrative order or process, any agreement or instrument to which BMB or the BMB Shareholders are party or by which it is bound.

ARTICLE IV
REPRESENTATION AND WARRANTIES OF BMB

4.1 Representations and Warranties of BMB. BMB represents and warrants to InterUnion as follows and acknowledges that InterUnion is relying on these representations and warranties in connection with the Merger:

- (a) Due Incorporation - BMB is a corporation duly incorporated and validly existing under the laws of the State of Delaware.

- (b) Capacity to Enter Agreement - BMB has full corporate power and authority to enter into this Agreement and to perform its obligations under it.
- (c) Due Authorization - The executing and delivery of this Agreement and the consummation of the transactions contemplated under it have been duly authorized by all necessary corporate action on the part of BMB.
- (d) Binding Obligation - This Agreement has been duly executed and delivered by BMB and constitutes a valid and binding obligation of it.
- (e) Absence of Conflict - Other than those disclosed in the financial statements of BMB, BMB is not a party to, bound or affected by any agreement which would be violated, breached or terminated by, or which would result in the creation or imposition of any Encumbrance upon any of the BMB Securities as a consequence of the execution and delivery of this Agreement or the consummation of the transactions contemplated in this Agreement.
- (f) Regulatory Approvals - Except for Shareholder Approval and Regulatory Approval, no governmental or regulatory authorization, approval, order, consent or filing is required on the part of BMB, in connection with the execution, delivery and performance of this Agreement and the performance of BMB's obligations under this Agreement.
- (g) No Bankruptcy - No proceedings have been taken, are pending or authorized by BMB or by any other person in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of BMB.
- (h) Authorized and Issued Capital - The authorized capital stock of BMB consists of One Thousand (1,000) common shares, of which One Thousand (1,000) of such shares are issued and outstanding as fully paid and non-assessable shares of BMB. There are no warrants, options or other rights of any kind in existence, authorized or agreed to, which could result in any further shares or other securities of BMB being allotted or issued or becoming outstanding.
- (i) Minute Books - The minute books of BMB contain accurate and complete minutes of all meetings and resolutions of the directors and the shareholders of BMB held or passed by signature in writing, respectively, since the date of its incorporation. All such meetings have been duly called and held. The share and warrant certificate books and share registers of BMB are complete and accurate.
- (j) BMB's Capacity and Power - BMB has full corporate right, power and authority to own or lease its assets as now owned or leased and to carry on the BMB Business.
- (k) BMB Financial Statements - BMB Financial Statements attached hereto as Schedule 2 have been prepared in accordance with US generally accepted accounting principles applied on a consistent basis throughout the periods indicated, and fairly and accurately present, subject to immaterial variation, the financial position, assets and liabilities (whether absolute, contingent, accrued or otherwise) of BMB on the dates thereof and the financial results of BMB for the periods referred to in the BMB Financial Statements.

- (l) Subsidiary -- Emir Oil, LLC, a company existing under the laws of Kazakhstan, is a 70%-owned subsidiary of BMB.
- (m) No Guarantees etc. -- Other than as disclosed in the financial statements of BMB, BMB is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person.
- (n) Records

- (i) The BMB Records are true and correct and present fairly and disclose in all material respects the actual results of the BMB Business.
 - (ii) To the best of the knowledge of the Board of Directors of BMB, all material financial transactions of BMB have been accurately recorded in the BMB Records. The BMB Records (of a financial nature) have been prepared in accordance with US generally accepted accounting principles consistently applied.
 - (iii) The files, documentation and information in writing provided by BMB to InterUnion in connection with the negotiation and completion of the transactions contemplated in this Agreement are true and correct in all material respects.
 - (o) Litigation - There are no judgments, decrees, injunctions, ruling or orders of any court, Governmental Authority or arbitration panel, or any actions, suits, or proceedings, (whether or not on behalf of BMB) and, to the best of the knowledge of the Board of Directors of BMB, are pending or threatened or involving BMB, or the BMB Business which may materially adversely affect the BMB Business or BMB's assets.
 - (p) Securities Documents - The InterUnion Information Circular appended hereto as Schedule 4 (to the extent that it sets forth facts or information about BMB, which facts or information was provided or reviewed by BMB) does not contain, to the best of the knowledge and belief of the Board of Directors of BMB, any untrue statement of a material fact or omit to state a material fact that is required to be stated or omit to state a material fact that is necessary to be stated in order to make a statement contained in those documents not misleading in light of the circumstances in which it was made.
 - (q) Disclosure - To the best of the knowledge of the Board of Directors of BMB, the representation and warranties of the BMB Shareholders in this Agreement are true, complete and correct and do not contain any untrue or misleading statement of a material fact.
 - (r) Non-Violation - The entering into of this Agreement and the consummation of transactions contemplated herein do not and will not conflict with, or result in a breach of, or constitute a default under the terms or conditions of any constating document of BMB, any by-laws, any court or administrative order or process, any agreement or instrument to which BMB is party or by which it is bound.
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- (s) Conversion of Debt - It is acknowledged that the issuance to the BMB shareholders of an aggregate of 148,571,429 shares as specified in ARTICLE II, Paragraph 2.1, represents, in part, the consideration paid to certain shareholders of BMB who, prior to this Closing, were owed Two Million (\$2,000,000) Dollars as a result of loans to BMB and who have agreed to accept shares in InterUnion as full payment of the loans.

ARTICLE V
EFFECT OF MERGER

5.1 Operating Effect of Merger. When this Merger is completed the Merging Corporations shall be a single corporation to be known as BMB Munai, Inc. or a similar name if that name shall not be available under Delaware law. The separate existence of BMB HOLDING, INC. shall cease.

5.2 Rights and Privileges. InterUnion shall thereupon and thereafter possess all rights, privileges, immunities and franchises of a public as well as a private nature of each of the Merging Corporations and all property, real, personal, tangible and intangible and all debt due, if any, on whatever account, and all and every other interest of and belonging to or due to each of the merging corporations shall be taken and deemed to be transferred to and vested in InterUnion without further act or deed.

5.3 Liabilities and Obligations. InterUnion shall thenceforth be responsible and liable for all of the liabilities and obligations of each of the

Merging Corporations and any claim existing or action or proceeding pending by or against either of the Merging Corporations may be prosecuted to judgment as if such Merger had not taken place, or InterUnion may be substituted in its place. Neither the rights of creditors nor any liens upon the property of either of the merging corporations shall be impaired by reason of the Merger.

ARTICLE VI
REPRESENTATIONS AND WARRANTIES OF INTERUNION

6.1 Representations and Warranties of InterUnion. InterUnion hereby represents and warrants to BMB and to the BMB Shareholders as follows and acknowledges that BMB, and the BMB Shareholders are relying on those representations and warranties in connection with the Merger:

- (a) Due Incorporation - InterUnion is a corporation duly incorporated and validly existing under the federal laws of the State of Delaware
 - (b) Capacity to Enter Agreement - InterUnion has full power, right and authority to enter into this Agreement and to perform the obligations under it.
 - (c) Due Corporate Authorization - The execution and delivery of this Agreement and the consummation of the transactions contemplated under it have been duly authorized by all necessary corporate action on the part of InterUnion.
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- (d) Binding Obligation - This Agreement has been duly executed and delivered by InterUnion and constitutes a valid and binding obligation of InterUnion.
 - (e) Absence of Conflict - InterUnion is not a party to, bound or affected by or subject to any agreement which would be violated, breached or terminated by, or which would result in the creation or imposition of any Encumbrance upon any of the InterUnion Shares as a consequence of, the execution and delivery of this Agreement or the consummation of the transactions contemplated in this Agreement.
 - (f) Approval - Except for Shareholders Approval, no governmental authorization approval, order, consent or filing is required on the part of InterUnion, in connection with the execution, delivery and performance of this Agreement and the performance of InterUnion's obligations under this Agreement.
 - (g) No Bankruptcy - No proceedings have been taken, are pending or authorized by InterUnion or by any other person in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of InterUnion.
 - (h) Authorized and Issued Capital - On the date of execution of this Agreement, the authorized capital of InterUnion consists of 500,000,000 common voting shares, of which 4,916,549 common shares are issued and outstanding. In addition, InterUnion is authorized to issue 1,500,000 shares of Class A preferred stock, 1,000 shares of Class B preferred stock and 1,000 shares of Class C preferred stock, of which no preferred shares of any class are issued or outstanding. After issuing an aggregate of 148,571,429 common shares to BMB Shareholders as provided herein, and after issuing a further 500,000 common shares to the shareholders of InterUnion as a stock dividend, the InterUnion shares issued and outstanding at Closing shall total 153,987,987 common shares, all of which such shares shall be fully paid and non-assessable. There shall also be 3,428,571 InterUnion options outstanding. There shall also be an InterUnion stock purchase warrant issued in favor of Credifinance Securities Limited which is to receive a further ten per cent (10%) of the number of InterUnion shares sold in the financing undertaken by it and on behalf of and for the benefit of InterUnion, at the issue price of the shares sold, such warrant to exist for an eighteen (18) month period from the date of November 25, 2003. There are no other rights of any kind in existence, authorized or agreed to which could result in any further shares or the securities of InterUnion being allotted or issued or becoming outstanding.

- (i) Minute Books - Minute books of InterUnion contain accurate and complete minutes of all meetings and resolutions of the directors and the shareholders of InterUnion held or passed by signature in writing, respectively, since the date of its incorporation. All such meetings have been duly called and held.
- (j) Subsidiary - InterUnion owns 100% of InterUnion Merchant Group, a company incorporated in the British Virgin Islands. InterUnion has no other business affiliations with other entities of any kind whatsoever.
- (k) Reporting Issuer - InterUnion is a reporting issuer in the United States and is not in default of any reporting requirement.

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- (i) InterUnion has timely filed (taking into account all available extensions) all reports, forms and other filings required to be filed by applicable Law with the SEC and other applicable federal and State agencies ("Filing(s)"), and have paid all amounts due in respect of the above filings, if any; all such filings are true, correct and complete in all material respects and accurately set forth all items to the extent required to be reflected or included in such Filings by applicable Law.
 - (ii) as of the date hereof, InterUnion has not executed any outstanding waivers or comparable consents regarding the application of the statute of limitations with respect to any Filings.
 - (iii) no examination or audit of any Filing filed by InterUnion pursuant to the Laws of any jurisdiction has been made by any appropriate Governmental Authority during the preceding three years or is in progress, and InterUnion has not received any notice (official or unofficial) of any such examination, audit, investigation or other proceeding.
 - (iv) InterUnion has maintained the books and records required to be maintained pursuant to the Laws of the applicable jurisdiction in reference to all Filings.
- (1) Compliance with Laws - InterUnion is in compliance with all applicable laws, rules, regulations, notices, approvals and orders. For greater certainty, InterUnion confirms that it has at present, no active business undertakings.
- (m) Absence of Material Changes - Since March 31, 2003 and to the date of execution of this Agreement, and except as set out herein:
 - (i) no changes have been made in the accounting methods, practices, or policies followed by InterUnion;
 - (ii) InterUnion has not increased, incurred or guaranteed any debt, obligation, or liability (whether absolute or contingent and whether or not currently due and payable);
 - (iii) there has been no damage, destruction or loss, labor trouble, or other event, development or condition of any character (whether or not covered by insurance) which adversely affects, or, may adversely affect, the properties or prospects of InterUnion; and
 - (iv) InterUnion has not paid any amount or dividend, or otherwise made any distribution or the payment of any kind or nature whatsoever to any non-arm's length Person.
 - (v) InterUnion Liabilities - As of the Closing, InterUnion shall have no outstanding liabilities, other than those incurred in the normal course of business and except as set out herein and in the financial statements of InterUnion.

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- (n) InterUnion Financial Statement - The InterUnion Financial Statements

attached hereto as Schedule 3:

- (i) have been prepared in accordance with U.S. generally accepted accounting principles; and
- (ii) fairly and accurately present the financial position, assets and liabilities (whether absolute, contingent, accrued or otherwise) of InterUnion on the dates thereof the financial results of InterUnion for the periods referred to in the InterUnion Financial Statements, which financial position, assets and liabilities, shall not have materially changed other than as so contemplated in this agreement.
- (o) No Guarantees etc. - InterUnion is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person.
- (p) Title to and Condition of Assets - As of the date hereof, InterUnion has no tangible assets of any kind.
- (q) Employees - As of the Closing, InterUnion does not employ or engage any employees.
- (r) Litigation - There are no judgments, decrees, injunctions, ruling or orders of any court, Governmental Authority or arbitration, or any actions, suits, grievances or proceedings (whether or not on behalf of InterUnion) pending or threatened or involving InterUnion.
- (s) Disclosure - The representations and warranties of InterUnion in this Agreement are true, complete and correct and do not contain any untrue or misleading statement of a material fact or omit to state a material fact necessary to make such representations and warranties not misleading to the BMB Shareholders. There are no liabilities, contingent or otherwise, or indemnity responsibilities of InterUnion that are not disclosed herein.
- (t) Environmental - To the knowledge and belief of the Board of Directors of InterUnion all premises used by InterUnion to carry on its business comply and have at all times complied with, and InterUnion is not in violation of and has not violated, in connection with its ownership of such property or conduct of its business, any applicable laws, regulations or orders of any governmental authorities relating to environmental matters;
- (u) Tax Liabilities - InterUnion has no outstanding tax liabilities presently due and owing or expected to come due and owing, to any taxation authority in the USA or elsewhere.
 - (i) InterUnion has timely filed (taking into account all available extensions) all Tax returns required to be filed by applicable Law and have paid all amounts due in respect of Taxes (whether or not assessed or actually shown on such Tax returns); all such Tax returns are true, correct and complete in all material respects and accurately set forth all items to the extent required to be reflected or included in such Tax returns by applicable Law;

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- (ii) as of the date hereof, InterUnion has not executed any outstanding waivers or comparable consents regarding the application of the statute of limitations with respect to any material Taxes or Tax returns; no requests for any such agreements are pending; and the period during which any assessment may be made by any appropriate Governmental Authority has expired without waiver or extension of any such period for each such authority;
- (iii) no claim has ever been made by any authority in a jurisdiction where InterUnion does not file Tax Returns that it is or may be subject to taxation by that jurisdiction; and
- (iv) as of the date hereof, there are no Liens with respect to any

material Taxes upon any of the assets and properties of the Company.

- (b) No examination or audit of income and other Tax Returns filed by InterUnion pursuant to the Laws of any Tax authority has been made by any appropriate Governmental Authority during the preceding three years or is in progress, and InterUnion has not received any notice (official or unofficial) of any Tax examination, audit, investigation or other proceeding for the assessment or proposed assessment or collection of any Taxes. Except for Taxes payable with Tax Returns not yet due and filed, there are no grounds for any further Tax Liability, beyond amounts accrued with respect to the years that have not been examined or audited.
- (c) InterUnion has maintained the books and records required to be maintained pursuant to the Laws of the states and localities wherein it is required to file Tax Returns and other reports relating to Taxes.
- (d) BMB has been provided with true and correct copies of the original and amended tax returns of the Company for all the years of its existence.
- (u) Agency Agreement - The Agency Agreement in the form attached hereto as Schedule "6", when executed, will not result in InterUnion being in breach of any representations and warranties contained thereunder.

ARTICLE VII
NATURE AND SURVIVAL OF REPRESENTATIONS AND WARRANTIES

7.1 Subject to section 7.2, all representations and warranties contained in this Agreement on the part of each of the parties shall survive the Closing for a period of three (3) years from the Closing Date, after which time, if no claim shall have been made against a Party with respect to any incorrectness or in breach of any representation or warranty, that Party shall have no further liability under this Agreement with respect to the representation or warranty.

7.2 The representations, warranties, covenants and indemnities of the Parties relating to the tax liability of InterUnion and BMB shall:

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- (a) unless resulting from any misrepresentation made or fraud committed in filing a return or supplying information for the purposes of the federal Internal Revenue Code ("IRC"), applicable state corporation tax legislation or any other legislation imposing tax on InterUnion and BMB, terminate at the expiration of the last of the limitation periods contained in the IRC, applicable state corporation tax legislation or any other legislation imposing tax on InterUnion and BMB, subsequent to the expiration of which an assessment, reassessment, or other form of recognized document assessing liability for its year ended immediately prior to the Closing Date; and
- (b) if based upon misrepresentation made or fraud committed in filing a return or in supplying information for the purpose of the IRC, applicable state corporation tax legislation or any other legislation imposing tax on InterUnion and BMB, survive without limit as to time.

7.3 All statements contained in any certificate or any instrument delivered by or on behalf of a Party pursuant to or in connection with the transactions contemplated by this Agreement shall be deemed to be made by such Party under this Agreement.

ARTICLE VIII
COVENANTS

8.1 Conduct of BMB Business Prior to Closing. During the Interim Period, BMB shall:

- (a) Conduct Business in Ordinary Course - except as otherwise contemplated

or permitted by this Agreement, conduct the BMB Business diligently and prudently, and in the normal course;

- (b) Continue Insurance - continue in full force all existing insurance policies;
- (c) Comply with Laws - comply with all laws applicable to the BMB Business;
- (d) Maintain Permits - apply for, maintain in good standing and renew all Permits, licenses, and registrations necessary to enable it to carry on the BMB Business as now conducted;
- (e) Issue Securities, etc. - not issue any securities, including debt, except in the ordinary course of business, as contemplated herein or with the prior written consent of InterUnion;
- (f) Dividends - not declare or pay any dividends or distribute any of its properties or assets to shareholders or any non-arm's length Person without the prior written consent of InterUnion;
- (g) Agreements - not enter into any contracts, except in the ordinary course of business or with the prior written consent of InterUnion;
- (h) Articles and Bylaws - not alter or amend its articles or bylaws, except as contemplated herein or with the prior written consent of InterUnion;
- (i) Business Activity - not engage in any business enterprise or other activity different from its current activities to date except those specifically expressed herein or with the prior written consent of InterUnion;

8.2 Conduct of InterUnion Prior to Closing - During the Interim Period, InterUnion shall:

- (a) Conduct Business in Ordinary Course - except as otherwise contemplated or permitted by this Agreement, conduct its business diligently and prudently, and in the normal course;
- (b) Continue Insurance - continue in full force all existing insurance policies;
- (c) Comply with Laws - comply with all laws applicable to its business;
- (d) Maintain Permits - apply for, maintain in good standing and renew all permits, licenses, and registrations necessary to enable it to carry on its business as now conducted;
- (e) Issue Securities, etc. - not issue any securities, including debt, except in the ordinary course of business, as contemplated herein or with the prior written consent of BMB;
- (f) Dividends - not declare or pay any dividends or distribute any of its properties or assets to shareholders or any non-arm's length Person other than as provided for herein without the prior written consent of BMB;
- (g) Agreements - not enter into any contracts, except in the ordinary course of business or with the prior written consent of BMB;
- (h) Articles and Bylaws - not alter or amend its articles or bylaws, except as contemplated herein or with the prior written consent of BMB;
- (i) Business Activity - not engage in any business enterprise or other activity different from its current activities to date except those specifically expressed herein or with the prior written consent of BMB.
- (j) Minimum Subscriptions at Closing - Credifinance Securities Limited, acting on behalf of InterUnion will have secured in completed form at least \$3,000,000 held in escrow pursuant to subscriptions for common stock of InterUnion.

8.3 Access for Investigation.

- (a) InterUnion and BMB shall permit the other Party and its Authorized Representatives, until the Closing Date, to have reasonable access during normal business hours to their respective premises and their respective Records to enable confirmation of the accuracy of the Records and the matters represented and warranted in Articles III, IV, and VI.

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Until the Closing Date and, in the event the termination of this Agreement without the completion of the transactions contemplated hereby, each of the Parties shall thereafter, subject to subsection 8.3(b), use its best efforts to keep confidential and not use for its own purpose (other than as contemplated by this Agreement) any information obtained from any other Party with respect to the other Party's affairs. If this Agreement is terminated, all documents, working papers and other written material obtained by the Party from the other party in connection with this Agreement and not previously made public (and all copies thereof) shall be returned to the other Party promptly after such termination.

- (b) The obligation of each of the Parties under subsection 8.3(a) to keep confidential and not use any information shall not apply to information which:
- (i) becomes generally available to the public other than as a result of a disclosure by the Party or its representatives in violation of this Agreement;
 - (ii) was available to the Party on a non-confidential basis prior to its disclosure by the other party or their representatives;
 - (iii) becomes available to the party on a non-confidential basis from a source other than the other Party or its representatives, provided that such source is not bound by a confidentiality agreement with the other Party; or
 - (iv) the Party is required by law to disclose.

8.4 Closing Documents. The Ancillary Agreements and the Conveyance Documents shall be executed and delivered by the Parties thereto at the Closing Time.

8.5 Corporate Proceedings. On or before the Closing Date, each of the Merging Corporations shall provide to the other certified copies of all necessary proceedings and resolutions, corporate or otherwise, and all other necessary actions, corporate or otherwise, authorizing the execution and delivery of this Agreement and the matters contemplated in it.

8.6 Actions to Satisfy Closing Conditions. Each Party shall take all such actions as are within its power to control, and shall use its best efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with any conditions set forth in this Agreement that are for the benefit of itself or any other Party.

8.7 InterUnion Corporate Proceedings. InterUnion shall have obtained or effected prior to the Closing:

- (i) Shareholder Approval; and
- (ii) Amendment of the Certificate of Incorporation of InterUnion to increase its authorized capital to common shares to 500,000,000, subsequent to Closing.

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ARTICLE IX
CONDITIONS OF CLOSING

9.1 Conditions for InterUnion's Benefit. InterUnion shall not be obliged to complete the Merger unless, on the Closing Date, each of the following

conditions shall have been satisfied:

- (a) Accuracy of Representations -- The representations and warranties of the BMB Shareholders and of BMB, as set forth in Articles III and IV, respectively, shall be true and correct at the Closing Date, except as those representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement, including, without limitation, those in the ordinary course of business, and InterUnion shall have received a certificate from the BMB Shareholders, and BMB confirming the foregoing.
- (b) Performance of Obligations - BMB and the BMB Shareholders shall have performed all of the obligations hereunder to be performed by them at or prior to the Closing. BMB and the BMB Shareholders shall not be in breach of any agreement on their part contained herein;
- (c) Deliveries - BMB and the BMB Shareholders shall have delivered or caused to be delivered to BMB the Conveyance Documents, and shall deliver up to InterUnion possession of the BMB Securities, free and clear of any Encumbrances;
- (d) Shareholder Approval and Regulatory Approval - On or before Closing Time, all items listed in the sub-articles of section 8.7 herein shall have been approved by the shareholders of InterUnion;
- (e) Completion of Investigations - The investigations and assessments contemplated in section 8.3 shall have been completed and InterUnion shall be satisfied with the result of such investigations and assessments including, without limitation, the accuracy of the BMB Records and Subsidiary Records and matters represented and warranted in Articles III and IV;
- (f) Consents, Authorizations and Registrations - All consents, approvals, orders and authorizations of, from or notifications to any persons or Governmental Authorities required in connection with the completion of any of the transactions contemplated by this Agreement, the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement shall have been obtained on or before the Closing Date.

There shall be no injunction or order issued preventing, and no pending or threatened claim, action, litigation or proceeding, judicial or administrative, or investigation against any Party by any Governmental Authority or Person for the purpose of enjoining or preventing the consummation of this Agreement, or otherwise claiming that this Agreement or the consummation thereof is improper or would give rise to proceedings under any statute or rule of law;

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- (g) No Loss - During the Interim Period, there shall have been no material damage to the assets of BMB or the BMB Business by fire or other peril, whether or not such damage is covered by insurance; and
- (h) No Material Changes - There shall have been no material adverse changes in the BMB Business, assets or financial condition of BMB during the Interim Period. For the purposes of this subsection, the term "material adverse change" shall mean any change in the assets, liabilities or financial condition of BMB or the BMB Business that may involve material reduction, damage, risk to or destruction of the assets, whether or not the change is covered by insurance.
- (i) Acknowledgment re Conversion of Certain Debt - Each of BMB Munai, LLC and Alexander Agaian, both of whom are BMB Shareholders, shall have agreed to convert \$1,800,000 and \$200,000, respectively, in indebtedness owed to them by BMB for InterUnion Shares, as provided for in this Agreement. In addition, such parties shall be required to deliver, on or before Closing, a Release, satisfactory to InterUnion confirming such debt has been released.

If any one or more of the foregoing conditions shall not have been fulfilled on or before the Closing Date, InterUnion may terminate this Agreement by notice in writing to the other Parties in which event InterUnion shall be released from

all obligations under this Agreement and (InterUnion can show that the condition relied upon could reasonably have been performed by the other parties) the other Parties shall also be released from all obligations hereunder; provided, however, that InterUnion shall be entitled to waive compliance with any one or more of such conditions in whole or in part if it shall see fit to do so, without prejudice to its rights of termination in the event of the non-fulfillment of any other condition in whole or in part.

9.2 Conditions for the Benefit of BMB and the BMB Shareholders. BMB and the BMB Shareholders shall not be obliged to complete the Merger unless, on the Closing Date, each of the following conditions shall have been satisfied:

- (a) Accuracy of Representations - The representations and warranties of InterUnion set forth in Article VI shall be true and correct at the Closing Date, except as those representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted by this Agreement, and the BMB Shareholders shall have received a certificate from InterUnion confirming the foregoing.
- (b) Performance of Obligations - InterUnion shall have performed all of the obligations hereunder to be performed by it at or prior to the Closing and InterUnion shall not be in breach of any agreement on its part contained herein.
- (c) Deliveries - InterUnion shall have delivered or caused to be delivered to the BMB Shareholders, or as they may direct in writing, possession of an aggregate 148,571,429 InterUnion Shares, free and clear of any Encumbrances.
- (d) Shareholders Approval - The Shareholders Approval, the approval of this Agreement and the transactions contemplated herein by the BMB Shareholders and the matters contemplated in section 8.7 shall have been obtained, completed or given, as the case may be, on or before the Closing Time.

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- (e) Completion of Investigations - Based in the documents provided by InterUnion, the investigations and assessments contemplated in section 8.3 shall have been completed and BMB and the BMB Shareholders shall be satisfied with the results of such investigations and assessments including, without limitation, the accuracy of the InterUnion Records and matters represented and warranted in Article VI.
- (f) Consents, Authorizations and Registrations - All consents, approvals, orders and authorizations of, from or notifications to any Persons or Governmental Authorities required in connection with the completion of any of the transactions contemplated by this Agreement, the execution of this Agreement, the Closing or the performance of any of the terms and conditions of this Agreement shall have been obtained on or before the Closing Date.

There shall be no injunction or order issued preventing, and no pending or threatened claim, action, litigation or proceeding, judicial or administrative, or investigation against any Party by any Governmental Authority or Person for the purpose of enjoining or preventing the consummation of this agreement, or otherwise claiming that this Agreement or the consummation thereof is improper or would give rise to proceedings under any statute or rule of law.

- (g) No Material Changes - Based in the documents provided by InterUnion, there shall have been, in the reasonable opinion of BMB and the BMB Shareholders, no material adverse changes in the assets or financial condition of InterUnion during the Interim Period. For the purposes of this subsection, the term "material adverse change" shall mean any change in the assets, liabilities or financial condition of InterUnion that may, in the reasonable opinion of BMB and the BMB Shareholders involve material reduction, damage, risk to or destruction of the assets whether or not the change is covered by insurance.
- (h) InterUnion Debt - As of the Closing, InterUnion shall have no outstanding debt.

If any one or more of the foregoing conditions shall not have been fulfilled on or before the Closing Date, BMB and the BMB Shareholders may terminate this Agreement by notice in writing to InterUnion in which event BMB and the BMB Shareholders shall be released from all obligations under this Agreement and (unless BMB and the BMB Shareholders can show that the condition relied upon could reasonably have been performed by InterUnion) InterUnion shall also be released from all obligations hereunder; provided, however, that BMB and the BMB Shareholders shall be entitled to waive compliance with any one or more of such conditions in whole or in part if they shall see fit to do so, without prejudice to their rights to termination in the event of the non-fulfilment of any other condition in whole or in part.

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ARTICLE X
INDEMNIFICATION

10.1 Mutual Indemnification's for Breaches of Warranty, etc. Subject to section 10.3, InterUnion hereby covenants and agrees with BMB, and BMB covenants and agrees severally with InterUnion (the parties covenanting and agreeing to indemnify another party under this Article X are hereinafter individually referred to as "Indemnifying Party" and the parties that are being indemnified by another Party under this Article X are hereinafter individually referred to as the "Indemnified Party") to indemnify and save harmless the Indemnified Party, effective as and from the Closing Time, from and against any Claims which may be made or brought against the Indemnified Party and/or which it may suffer or incur as a result of, or arising out of any non-fulfillment of any covenant or agreement on the part of the Indemnifying Party under this Agreement or any Ancillary Agreement or any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement or any Ancillary Agreement.

10.2 Undisclosed Liabilities Indemnity - Notwithstanding section 10.1 and without limiting the generality of section 10.1:

- (a) BMB shall indemnify InterUnion from all Claims arising from liabilities or obligations to Persons that arise from the act or failure to act of BMB prior to the Closing Date that are not disclosed to InterUnion pursuant to Article 1V;
- (c) InterUnion shall indemnify BMB, and the BMB Shareholders from all Claims arising from liabilities or obligations to Persons that arise from the act or failure to act of InterUnion prior to the Closing Date that are not disclosed to BMB and the BMB Shareholders pursuant to Article VI.

10.3 Limit on Mutual Indemnification. Indemnification obligations of each of the Parties pursuant to section 10.1 and 10.2 shall be subject to the following:

- (a) the applicable limitation mentioned in Article VII respecting the survival of the representations and warranties of the Parties;
- (b) the indemnity obligations under section 10.2 shall survive for a period of three (3) years from the Closing Date;
- (c) there shall be no limit as to amount in respect of breaches of the representations and warranties of the Parties other than as specifically limited by the provisions of the section; and
- (d) an Indemnifying Party shall not be required to indemnify an Indemnified Party until the aggregate Claims sustained by the Indemnified Party exceeds a value of \$5,000, in which case the Indemnifying Party shall be obligated to the Indemnified party for all Claims without limit as to amount.

10.4 Procedure for Indemnification. The following provisions shall apply to any Claims for which an Indemnifying Party may be obligated to indemnify an Indemnified Party pursuant to this Agreement:

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- (i) upon receipt from a third party by the Indemnified Party of notice of a Claim or the Indemnified party becoming aware of a Claim in respect of which the Indemnified Party proposes to demand indemnification from the Indemnifying Party, the Indemnified Party shall give notice to that effect to the Indemnifying Party with reasonable promptness, provided that failure to give such notice shall not relieve an Indemnifying Party from any liability it may have to the Indemnified Party except to the extent that the Indemnifying Party is prejudiced thereby;
- (ii) in the case of Claims arising from third parties, the Indemnifying Party shall have the right by notice to the Indemnified party not later than thirty (30) days after receipt of the notice described in paragraph (i) above to assume the control of the defense, compromise or settlement of the Claims, provided that such assumption shall, by its terms, be without costs to the Indemnified Party and the Indemnifying Party shall at the Indemnified Party's request furnish it with reasonable security against any costs or other liabilities to which it may be or become exposed by reason of such defense, compromise or settlement;
- (iii) upon the assumption of control by the Indemnifying Party as aforesaid, the Indemnifying Party shall diligently proceed with the defense, compromise or settlement of the Claims at its sole expense, including employment of counsel reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall co-operate fully, but at the expense of the Indemnifying Party, to make available to the Indemnifying Party all pertinent information and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are necessary to enable the Indemnifying Party to conduct such defense; provided always that the Indemnified Party shall be entitled to reasonable security from the Indemnifying Party for the expense, costs of other liabilities to which it may be or may become exposed by reason of such co-operation;
- (iv) the final determination of any such Claims arising from third parties, including all related costs and expenses, will be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be of such Claims against the Indemnifying Party hereunder; and
- (v) should the Indemnifying Party fail to give notice to the Indemnified Party as provided in paragraph (ii) above, the Indemnified Party shall be entitled to make such settlement of the Claims as in its sole discretion may appear advisable, and such settlement or any other final determination of the Claims shall be binding upon the Indemnifying Party.

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ARTICLE XI
CLOSING ARRANGEMENTS

11.1 Closing. The Closing shall take place at the offices of Aird & Berlis LLP, Barristers and Solicitors, 181 Bay Street, Suite 1800, BCE Place, Toronto, M5J 2T9, Ontario, Canada at the Closing Time on the Closing Date, which such date shall be November 25, 2003 at 4.00 p.m. or on such date and at such time as the Parties may mutually agree and in no event later than January 30, 2004.

11.2 Closing Procedures. At the Closing Time:

- (a) InterUnion shall issue and deliver to the BMB Shareholders possession of an aggregate of 148,571,429 InterUnion Shares;
- (b) the BMB Shareholders shall deliver up to InterUnion 1,000 shares of BMB.
- (c) BMB Munai LLC and Alexandre Agaian have shall have signed a release re

indebtedness (as specified in section 9.1(i) of this Agreement.

- (d) BMB shall provide to InterUnion a certified copy of a unanimous resolution of the shareholders of BMB approving the Share Exchange;
- (e) Counsel for BMB shall deliver a legal opinion, addressed to InterUnion and counsel for InterUnion, in a form satisfactory to counsel for InterUnion, concerning the status and standing of BMB and other various material issues addressed herein concerning BMB and the BMB Shareholder including various matters addressed in Articles III and IV herein;
- (f) Counsel for InterUnion shall deliver a legal opinion, addressed to BMB and the BMB Shareholders and counsel for BMB and the BMB Shareholders, in a form satisfactory to counsel for BMB and the BMB Shareholders, concerning the status and standing of InterUnion and other various material issues addressed herein concerning InterUnion including various matters addressed in Article VI herein;
- (g) The current directors of InterUnion who have not been invited to join the board of directors of BMB shall resign in seriatim from the board of InterUnion in favor of the nominees of BMB; and
- (h) The Parties shall take or shall have taken, as the case may be, the other actions contemplated to be taken by them at or before the Closing contemplated in this Agreement.

11.3 Non-Waiver. No investigations made by or on behalf of InterUnion, BMB and the BMB Shareholders at any time shall have the effect of waiving or diminishing the scope of or otherwise affecting any representation, warranty or indemnity made by or imposed upon the Parties pursuant to this Agreement.

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11.4 Merger Advisor Fee. At or before Closing, BMB shall pay to Credifinance Securities Limited a merger advisory fee of \$150,000.

ARTICLE XII GENERAL

12.1 Termination

- (a) This Agreement may be terminated at any time prior to the Closing:
 - (i) by the mutual agreement of the Parties;
 - (ii) by the Parties if:
 - (I) the Merger shall not have been completed by January 30, 2004 (or such other date, if any, as the Parties shall have agreed in writing), if the failure to complete such purchase and sale on or before such date is not caused by any breach of this Agreement by the Party electing to terminate; or
 - (II) the Merger would violate any non-appealable final order, decree or judgment of any court or governmental body having competent jurisdiction.
- (b) If this Agreement is terminated by a Party under subsection 11.1(a), such termination shall be without liability of either Party to the other parties, or to any of their shareholders, directors, officers, employees, agents, consultants or representatives provided that if such termination shall result from the willful failure of the Party to fulfill a condition to the performance of the other Parties or to perform a covenant of this agreement or from a willful breach by the party to this Agreement, the Party shall be fully liable for any and all damages, costs and expenses (including, but not limited to, reasonable counsel fees and disbursements) sustained or incurred by the other Parties.

12.2 Expenses. All costs and expenses (including the fees and disbursements of accountants and legal counsel) incurred in connection with this Agreement and completion of the transactions contemplated by this Agreement shall be paid by

each Party whether or not the Merger is completed.

12.3 Notices. Any notice or other communication which is required or permitted to be given or made by one Party to the others hereunder shall be in writing and shall be either:

(1) personally delivered to such Parties; or (2) sent by facsimile.

Any notice shall be sent to the intended recipient at its address as follows:

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(a) to InterUnion:

1232 North Ocean Way
Palm Beach FL 33480
Attention: Georges Benarroch
Facsimile: (561) 877-0517

(b) to BMB and/or the BMB Shareholders at:

245 East 93rd Street Suite 22E
New York NY 10128
Attention : Alexandre Agaian
Facsimile : (212) 534-6712

or at such other address as any Party may from time to time advise the others by notice in writing. Any notice given by personal delivery shall be deemed to be received on the date of delivery. Any notice sent by facsimile or similar method of recorded communication shall be deemed to have been received on the next Business Day following the date of its transmission.

12.4 Further Assurances. The Parties shall with reasonable diligence do all things and provide all reasonable assurances as may be required to complete the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to give effect to this Agreement and carry out its provisions, whether before or after the Closing.

12.5 Public Notice. All public notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and co-coordinated by the Parties and no Party shall act unilaterally in this regard without the prior written approval of the other Parties, such approval not to be unreasonably withheld.

12.6 Amendment and Waiver. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound. No waiver of any of the Provisions of this Agreement shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

12.7 Assignment. This Agreement and the rights or obligations hereunder or thereunder are not assignable by any Party without the prior written consent of the other Parties, which consent shall not be unreasonably withheld. This Agreement shall ensure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

12.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

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12.9 Independent Legal Advice. The Parties hereby acknowledge that each has been advised to seek independent legal counsel in respect of the Agreement and the matters contemplated herein. To the extent that a Party declines to receive independent legal counsel in respect of the Agreement, that Party waives the right, should a dispute later develop, to rely on its lack of independent legal counsel to avoid its obligations, to seek indulgences from the other Parties or to otherwise attack the integrity of the Agreement and the provisions thereof,

in whole or in part.

12.10 Counterparts. This agreement may be executed by the Parties in one or more counterparts by original or facsimile signature, each of which when so executed and delivered shall be an original and such counterparts shall together constitute one and the same instrument.

(Executions on next page)

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IN WITNESS WHEREOF this agreement has been executed by the Parties each as of the day and year first before written.

THIS AGREEMENT IS HEREBY EXECUTED on the date set forth above.

INTERUNION FINANCIAL CORP.

Per: /s/ Georges Benarroch

Authorized Signing Officer
I have authority to bind the company

BMB HOLDING, INC.

Per: /s/ Alexandre Agaian

Authorized Signing Officer
I have authority to bind the company

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SCHEDULE 1
DEFINITIONS

"Affiliate and Associate" means an "affiliate" and "associate", respectively, as those terms redefined in the Securities Act of 1933, as amended on the date hereof.

"Agreement" means this Plan and Agreement of Merger and any instrument supplemental or ancillary to it.

"Ancillary Agreements" means all documents, agreements, certificates and instruments to be executed or delivered by any Person under this Agreement including the Conveyance Documents.

"Authorized Representatives" means employees, agents, counsel, accountants and other representatives.

"BMB's Business" means BMB's business, and headquartered in New York City, NY. BMB is a company engaged in the development and production of oil and gas in the

Republic of Kazakhstan through its 70% interest in Emir Oil, LLC.

"BMB Records" means BMB's books, records, files, including business and financial records, documentation and information (other than the BMB Financial Statements), whether in writing or stored in any retrieval system or data base.

"BMB Securities" means all the issued and outstanding securities of BMB, being one thousand (1,000) common shares.

"BMB Shareholders" means the registered shareholders of BMB, respectively, as of the day this Agreement was executed.

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the State of Delaware.

"Claims" means claims, demands, actions, causes of action, damages, losses, costs, fines, penalties, interest, liabilities and expenses, including, without limitation, reasonable legal fees.

"Closing" means the completion of the Merger of InterUnion and BMB pursuant to this Agreement.

"Closing Date" means November 25, 2003, or such other later date as may be agreed to by the Parties.

"Closing Time" means 4:00 p.m. (Toronto time) on the Closing Date or such other time on the Closing Date as may be agreed to by the Parties.

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"Consolidation" means the consolidation of the outstanding common shares of InterUnion on a 1 for 10 basis as provided herein.

"Conveyance Documents" means all bills of sale, assignments, instruments of transfer, assurances, consents, and other documents as shall be necessary to effectively transfer to InterUnion the BMB Securities

"Encumbrances" means any mortgage, charge, pledge, hypothecate, lien, encumbrance, restriction, option, right of others or security interest of any kind.

"Governmental Authorities" means any applicable United States or non-US federal, state and municipal agency, ministry, department, inspector and official.

"Interim Period" means the period commencing on the date of this Agreement and ending immediately before the opening of business on the Closing Date.

"InterUnion Financial Statements" means the financial statements of InterUnion attached Schedule 3.

"InterUnion Information Circular" means the draft management information circular of InterUnion appended hereto as Schedule 4, to be used at the annual and special meeting of the shareholders of the Corporation relating to, amongst other things, the Share Exchange.

"InterUnion Options" means the outstanding options to acquire InterUnion common shares as of the date of this Agreement.

"InterUnion Records" means InterUnion books, records, files including business and financial records, documentation and information (other than the InterUnion Financial Statements), whether in writing or stored in any retrieval system or data base.

"InterUnion Shares" means an aggregate of 148,571,429, the common shares of InterUnion to be issued to the BMB Shareholders, or as they may direct, under the terms of this Agreement of Merger.

"InterUnion Warrants" means the outstanding warrants to acquire common shares of InterUnion as of the date of this Agreement.

"Law" means any law, rule or regulation of any Governmental Authority.

"Letter of Intent" means the letter of intent dated August 7, 2003 between

InterUnion and BMB which is superseded by this Agreement.

"Parties" means the parties to the Agreement and "Party" means any one of them.

"Permits" means authorizations, registrations, permits, approvals or licenses that can be issued or granted by Governmental Authorities.

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"Person" means an individual, body corporate, partnership, trustee, trust, unincorporated association, executor, administrator or legal representative.

"Records" means the BMB Records, InterUnion Records and Subsidiary Records.

"Regulatory Approval" means the approvals and consents of applicable regulatory authorities in the United States, which are required to complete the Share Exchange.

"SEC" means the United States Securities and Exchange Commission.

"Shareholder Approval" means approval by a majority of the holders of the common shares in InterUnion Financial Corporation or BMB Holding, Inc as the case may be, in respect to the Merger and any action requiring approval of the InterUnion shareholders.

"Tax" and "Taxes" shall mean all taxes and similar governmental charges, imposts, levies, duties, fees and assessments, however denominated, including any interest, penalties, fines or additions to tax that may become payable in respect thereof, imposed by any federal, state or local government or any agency or political subdivision thereof or therein, whether arising before, on or after the Closing Date.

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SCHEDULE 2

FINANCIAL STATEMENTS OF BMB HOLDING, INC.

[to be provided at a later date via amendment]

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SCHEDULE 3

FINANCIAL STATEMENTS OF INTERUNION FINANCIAL CORPORATION

[to be provided at a later date via amendment]

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SCHEDULE 4

INTERUNION FINANCIAL CORPORATION
MANAGEMENT INFORMATION CIRCULAR

[to be provided at a later date via amendment]

<TABLE>
<CAPTION>

SCHEDULE 5

BMB SHAREHOLDINGS

No.	Name and Address of BMB SHAREHOLDERS	Shares Owned	Number of BMB to be Issued to BMB Shareholders	Number of InterUnion Shaes
<C>	<C>	<C>	<C>	<C>
1	BMB Munai, LLC, 59A Kabanbai Batyr St., Almaty, Kazakhstan	500	76,571,429 (1)	
2	Boris T. Cherdabayev, 162 Kunayeva Street, Apt 51 Almaty, Kazakhstan	220	31,428,572	
3	Bakhtybek R. Baiseitov c/o Alexandre Agaian 245 East 93rd Street, Apt. 22E New York, New York 10128	120	17,142,857	
4	Caspian Services Group Limited c/o Alexandre Agaian 245 East 93rd Street, Apt. 22E New York, New York 10128	10	1,428,571	
5	Alexandre Agaian 245 East 93rd Street, Apt. 22E New York, New York 10128	30	4,857,143 (2)	
6	Anuar R. Kulmagambetov c/o Alexandre Agaian 245 East 93rd Street, Apt. 22E New York, New York 10128	20	2,857,143	
7	Mirgali S. Kunayev 58 Zenkova Street, Apt. 52 Almaty Kazakhstan 480100	100	14,285,714	
	TOTAL	1,000	148,571,429	

</TABLE>

- (1) Such number of shares includes 5,142,857 in respect of conversion of \$1,800,000 of indebtedness owed by BMB Holding, Inc.
- (2) Such number of shares includes 571,429 in respect of conversion of \$200,00.00 of indebtedness owed by BMB Holding, Inc.

SCHEDULE 6

AGENCY AGREEMENT

[Attached as Exhibit 10.1]

AGENCY AGREEMENT

THIS AGREEMENT dated for reference November 26 2003, is made

BETWEEN:

InterUnion Financial Corporation, (to be renamed "BMB
Munai, Inc" on or about November 30 , 2003)
245 East 93rd Street,
Suite 22E, New York, NY 10128.

(the "Issuer");

AND

Credifinance Securities Limited, 41A Avenue Road,
Toronto, Ontario M5R 2G3

(the "Agent")

WHEREAS:

A. BMB Holding, Inc. ("BMB") has completed the reverse take-over of InterUnion Financial Corporation ("IUFC") pursuant to a plan and agreement to merger ("Merger Agreement") between BMB and IUFC dated November 26, 2003 ("Merger"). Upon completion of the Merger, IUFC will be renamed as "BMB Munai, Inc." (the "Issuer").

B. The Issuer acknowledges the financial advisory services provided by Agent relating to the Merger. Such services included, without limitation, the analysis and structuring of the Merger and the preparation of the Issuer for future financing. In consideration for such services, the Issuer paid a fee of \$150,000 to the Agent on closing of the Merger as outlined in the Merger Agreement and granted to the Agent upon the signing of the Merger Agreement (i) an option to purchase 2,000,000 (pre-consolidation) common shares of the Issuer exercisable at \$0.10 per (pre-consolidation) common share expiring 5 years from the date of closing of the Merger, and (ii) an option to purchase \$500,000 (pre-consolidation) common shares of the Company exercisable at \$0.35 per (pre-consolidation) common share expiring 5 years from the date of closing the Merger (i.e. 1,428,571 shares).

C. The Issuer wishes to privately place with purchasers up to \$10,000,000 in Shares (hereinafter defined) on a best efforts agency basis, without giving effect to any proceeds raised under the exercise of the Over-Allotment Option (hereinafter defined) (the "Offering");

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D. The Issuer wishes to appoint the Agent to distribute the Shares on an exclusive basis, and the Agent is willing to accept such appointment on the terms and conditions of this Agreement;

E. It is hereby agreed and understood that the Agent shall act as agent only and shall not at any time be obligated to purchase or arrange for the purchase of any Shares but may subscribe for and purchase Shares if it so chooses.

THE PARTIES to this Agreement therefore agree:

1. DEFINITIONS

In this Agreement and the Recitals hereto:

- (a) "Agent's Fee" has the meaning defined in section 4.1;
- (b) "Agent's Warrants" means the share purchase warrants of the Issuer, form of which is set forth in "Schedule B", which will be issued to the Agent and which have the terms provided in this Agreement and the certificates representing such share purchase warrants;
- (c) "Agent's Warrant Shares" means the previously unissued common shares in the capital of the Issuer, as presently constituted,

which will be issued upon the exercise of the Agent's Warrants;

- (d) "Applicable Legislation" means collectively (i) the applicable securities laws of the Selling Jurisdictions and the regulations, rules, rulings and orders made thereunder, and (ii) the U.S. Securities Act together with the regulations and rules made and promulgated thereunder and all administrative policy statements, blanket orders and rulings, notices, and other administrative directions issued by the Regulatory Authorities;
 - (e) "Audited Financial Statements" has the meaning defined in subsection 12.1(l);
 - (f) "Claims" has the meaning defined in section 16;
 - (g) "Closing" means a day or days when Shares are issued to the Purchasers;
 - (h) "Commission" means the United States Securities and Exchange Commission;
 - (i) "Emir Oil" means Emir Oil, LLC, registered in Kazakhstan with the Almaty Justice Department on March 20, 2002;
 - (j) "Exemptions" means the statutory exemptions whereby the distribution of the Securities may be effected without the requirement of compliance with the registration or prospectus requirements of the Applicable Legislation and where the placement takes place in accordance with Regulation S or another applicable exemption from registration under the U.S. Securities Act;
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- (k) "Interim Financial Statements" has the meaning defined in subsection 12.1(m);
 - (l) "Letter Agreement" means the letter of engagement dated August 26, 2003 between BMB and the Agent;
 - (m) "Material Change" has the meaning defined in the Applicable Legislation;
 - (n) "Material Fact" has the meaning defined in the Applicable Legislation;
 - (o) "NASD" means the National Association of Securities Dealers;
 - (p) "NASD Policies" means the rules and policies of the NASD;
 - (q) "Offering" as the meaning set forth in the recitals hereof;
 - (r) "Over-Allotment Option" has the meaning set forth in section 4.9 hereof;
 - (s) "Private Placement" means the offering of the Securities on the terms and conditions of this Agreement;
 - (t) "Public Record" means all documents filed by the Issuer with the Commission pursuant to the prospectus, continuous disclosure and proxy solicitation requirements of the Applicable Legislation, including without limitation all press releases, material change reports, annual reports, prospectuses and financial statements;
 - (u) "Purchasers" means the purchasers of Shares pursuant to the Private Placement;
 - (v) "Regulation M" means Regulation M promulgated under the U.S. Securities Act;
 - (w) "Regulation S" means Regulation S promulgated under the U.S. Securities Act;

- (x) "Regulatory Authorities" means the Commission and the NASD;
- (y) "Rules" means the rules made under the Applicable Legislation;
- (z) "SEC" means the United States Securities and Exchange Commission;
- (aa) "Securities" means the Shares, the Agent's Warrants and the Agent's Warrant Shares;
- (bb) "Selling Jurisdictions" means the Province of Ontario and certain offshore jurisdictions outside of Canada and the United States;
- (cc) "Shares" means the Shares (post-consolidation) of the Issuer to be offered by the Issuer pursuant to this Agreement having the terms provided in this Agreement;
- (dd) "Subscription Agreement" means a subscription agreement executed by Purchaser in respect of the Shares;

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- (ee) "Subsidiaries" means Emir Oil and InterUnion Merchant Group Inc. (BVI);
- (ff) "U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended;
- (gg) "U.S. Person" has the meaning defined in Regulation S;
- (hh) "U.S. Securities Act" means the United States Securities Act of 1933, as amended; and
- (ii) "United States" has the meaning defined in Regulation S.

2. APPOINTMENT OF AGENT

- 2.1 The Issuer appoints the Agent as its exclusive agent and the Agent accepts the appointment and agrees to act as the exclusive agent of the Issuer to use its commercially reasonable efforts to find and introduce to the Issuer Purchasers to purchase up to \$10,000,000 in Shares (without giving effect to any proceeds raised under the exercise of the Over-Allotment Option (as hereinafter defined)), at a varying prices per Share, by way of Private Placement under the Exemptions.
- 2.2 The Offering will be marketed on a best efforts basis to qualified investors in those jurisdictions where the Shares may be legally sold, as determined by the Agent and the Issuer.

3. THE SHARES

- 3.1 The Shares will be issued and registered in the names of the Purchasers or their nominees.

4. AGENT'S FEE

- 4.1 In consideration of the services performed by the Agent under this Agreement, the Issuer agrees to pay to the Agent on each Closing, an Agent's Fee consisting of:
 - (a) a cash payment equal to 8.5% (2.5% if Section 4.1(c) is applicable) of the gross proceeds received by the Issuer from the sale of the Shares on such Closing, payable by certified cheque, in lawful money of the United States;
 - (b) that number of Agent's Warrants which is equal to 10% of the number of Shares sold on such Closing; and
 - (c) it is recognized that the Issuer has a list of investors disclosed in Schedule "A" to this Agreement that have been referred to the Agent by the Issuer and on such subscriptions, the Issuer will pay the Agent a cash payment equal to 2.5% of the gross proceeds received by the Issuer.

4.2 In the event that the Issuer completes the sale of additional equity or debt securities to any person who either (i) subscribed in the Private Placement or (ii) was introduced to the Issuer by the Agent but did not subscribe in the initial Private Placement, from the date of this

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agreement until the 18th month anniversary of the date of this agreement, the Issuer shall pay the Agent an agent's fee in accordance with Section 4.1 above.

4.3 Each Agent's Warrant will entitle the holder, on exercise, to purchase one Agent's Warrant Share at an exercise price that is identical to the price per share for the Shares offered hereunder for a period of 18 months from Closing.

4.4 The Agent's Warrants will be non-transferable except as permitted by the Applicable Legislation and any order granted by the Regulatory Authorities.

4.5 The certificates representing the Agent's Warrants will, among other things, include provisions for the appropriate adjustment in the class, number and price of the Agent's Warrant Shares issued upon exercise of the Agent's Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Issuer's common shares, the payment of stock dividends and the amalgamation of the Issuer.

4.6 The issue of the Agent's Warrants will not restrict or prevent the Issuer from obtaining any other financing, or from issuing additional securities or rights, during the period within which the Agent's Warrants may be exercised.

4.7 The Agent's Warrants may be exercised in whole or in part from time to time by the Agent subject to the requirements, if any, of Applicable Legislation.

4.8 Notwithstanding anything to the contrary herein, no commissions shall be due or payable to the Agent for investments in Shares that are made by the current stockholders or employees of BMB or its affiliates.

4.9 The Agent shall have the option (the "Over-Allotment Option"), exercisable at its sole discretion, to subscribe for an additional number of Shares equal to 10% of the original offering size to cover over-allotments. These additional Shares will be issued from treasury.

5. OFFERING RESTRICTIONS

5.1 The Agent will only sell the Shares to persons who represent themselves as being:

(a) resident in the Province of Ontario or a resident in jurisdictions outside of Canada and the United States where the Shares may lawfully be offered for sale provided that the Issuer is not required to file a prospectus or disclosure document or become subject to continuing obligations in such other jurisdictions, in each case in accordance with the provisions of this Agreement;

(b) not a U.S. Person;

(c) persons purchasing as principal; and

(d) qualified to purchase the Shares under the Exemptions.

5.2 The Shares will only be sold to Purchasers who were outside the United States at the time such person placed the order to purchase Shares and at the time of execution and delivery of the Subscription Agreement.

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5.3 No offers to sell the Securities will be made by a person to the Purchaser while the Purchaser was in the United States.

- 5.4 The Shares will not be acquired, directly or indirectly, for the account or benefit of a U.S. Person or a person in the United States.
- 5.5 The Private Placement has not been and will not be advertised.
- 5.6 No selling or promotional expenses will be paid or incurred in connection with the Private Placement, except for professional services or for services performed by a registered dealer.
- 5.7 Before each Closing, the Issuer and the Agent will take all reasonable steps necessary to ensure compliance with the Exemptions.
- 5.8 The Agent will comply with all applicable laws of the jurisdictions of which it assists in soliciting or procuring subscriptions for the Shares and will not assist in soliciting or procuring subscriptions for Shares so as to require the registration thereof or the filing of a prospectus with respect thereto under the laws of any jurisdiction.
- 5.9 None of the restrictions set forth in this Section 5 shall prohibit the Issuer from accepting subscriptions for Shares from US Persons directly.

6. SUBSCRIPTIONS

- 6.1 The Agent will use its commercially reasonable efforts to obtain from each Purchaser introduced by the Agent, and deliver to the Issuer, on or before each Closing duly completed and signed subscriptions in the form attached as Schedule "A" or in such other form consented to by the Issuer and the Agent and executed by the Purchaser.
- 6.2 The Issuer will accept each properly completed subscription agreement tendered by the Agent, unless:
- (a) the subscriber thereunder would, by virtue of the issue of the Shares subscribed for, become a "control person" of the Issuer, with the meaning of the Applicable Legislation; or
 - (b) the Issuer's directors determine, acting reasonably, that it would not be in the best interests of the Issuer to accept such subscription.

7. FILINGS WITH THE REGULATORY AUTHORITIES

- 7.1 The Issuer will comply with all requirements of the NASD for notice of the terms of this Agreement and the proposed Private Placement and all other information required by the NASD Policies (the "Notice").
- 7.2 The Issuer will forthwith provide the Agent and its legal counsel with a copy of the Notice, if any.
- 7.3 After the Closing, the Issuer will file all required documents with, and pay all required filing fees of the NASD or the Commission, as the case may be, and take all other actions required by the NASD Policies

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or by the Applicable Legislation to fulfil all conditions upon listing imposed by the NASD, or to comply with the Exemptions, with all possible dispatch.

- 7.4 The Issuer and the Agent will agree on the text of any press release issued by the Issuer in connection with the Offering.
- 7.5 Should the Issuer be in a position to meet the "foreign" listing requirements of the Toronto Stock Exchange ("TSX"), the Agent will prepare a sponsorship letter for the Issuer to be provided to the TSX should the Issuer undertake such a listing within 4 months of Closing.

8. CLOSINGS

- 8.1 In this Section:

- (a) "Certificates" means certificates representing the Shares sold and Agent's Warrants to be issued, on a Closing in the names and denominations reasonably requested by the Agent or the Purchasers, as the case may be; and
- (b) "Proceeds" means the gross proceeds of the sale of Shares on a Closing:
 - (i) less the balance of the portion of the Agent's Fee which is payable in cash;
 - (ii) any amount due to the Agent pursuant to the provisions of the Letter Agreement; and
 - (iii) the expenses of the Agent in connection with the Private Placement which have not been paid by the Issuer.

8.2 It is intended that there will be an initial Closing once \$3 million has been arranged by the Agent, any subsequent amounts to be closed in tranches thereafter. The initial Closing will take place on or about November 26th, 2003, or such other date as reasonably agreed between the Issuer and the Agent.

8.3 The Issuer will, on each Closing, issue and deliver the Certificates to the Agent, or at the Agent's request, to the Purchasers, against payment of the Proceeds.

8.4 If the Issuer has satisfied all of its material obligations under this Agreement, the Agent will, on each Closing, pay the Proceeds to the Issuer against delivery of the Certificates.

8.5 The Issuer will endorse the Certificates with the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED THEREUNDER, OR PURSUANT TO REGISTRATION UNDER THE ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS INVOLVING THESE AND ANY UNDERLYING SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THAT ACT.

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9. CONDITIONS OF CLOSINGS

9.1 The obligations of the Agent on the Closing will be conditional upon the following:

- (a) the Issuer having taken all necessary corporate action to be able to validly create, issue and sell the Shares and Agent's Warrants to be issued at the Closing and, the Agent's Warrant Shares to be issued pursuant to the Agent's Warrants;
- (b) the Issuer having made all necessary filings, if any, and obtained all necessary approvals, if any, in the Selling Jurisdictions, required before such Closing in order to issue and sell the Shares to the Purchasers and to ensure that such issuance and sale will not be subject to the registration and prospectus requirements of the Applicable Legislation;
- (c) the Issuer's outstanding common shares being listed and posted for trading on the NASD Over The Counter Bulletin Board;
- (d) the Agent being satisfied, in its sole discretion, with the results of its investigation of the business and affairs of the Issuer and BMB;
- (e) the Issuer having delivered to the Agent and its solicitors at each Closing a favourable opinion of the Issuer's solicitors dated as of the date of the Closing, as to all legal matters reasonably requested by the Agent relating to the incorporation of the Issuer

and its business and the creation, issuance and sale of the Securities, satisfactory in form and substance to the Agent;

- (f) the Issuer having delivered to the Agent and its solicitors at each Closing such certificates of its officers and other documents relating to the Private Placement or the affairs of the Issuer as the Agent or its solicitors may reasonably request, satisfactory in form and substance to the Agent;
- (g) each representation and warranty of the Issuer herein being true, and the Issuer having performed or complied with all of its covenants, agreements and obligations hereunder;
- (h) receipt of all required regulatory approval for or acceptance of the Private Placement;
- (i) the removal or partial revocation of any cease trading order or trading suspension made by any competent authority to the extent necessary to complete the Private Placement; and
- (j) the Agent being satisfied, in its sole discretion, that the transactions contemplated by the Merger Agreement have been completed.

9.2 The conditions set out in Subsection 9.1 are for the sole benefit of the Agent and may be waived by the Agent in whole or in part.

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10. MATERIAL CHANGES

10.1 The Issuer agrees that if, between the date of this Agreement and any subsequent Closing, a Material Change, or a change in a Material Fact occurs, the Issuer will:

- (a) as soon as practicable notify the Agent in writing, setting forth the particulars of such change;
- (b) as soon as practicable, issue and file with applicable Regulatory Authorities a press release that is authorized by a senior officer disclosing the nature and substance of the change;
- (c) as soon as practicable file with the Commission any report required by the applicable securities legislation and in any event no later than 10 days after the date on which the change occurs; and
- (d) provide copies of that press release, when issued, and that report, when filed, to the Agent and its solicitor.

10.2 If the Issuer is uncertain as to whether there has been a Material Change, or a change in a Material Fact, it will promptly provide the Agent with full particulars of the event giving rise to the uncertainty, and will consult with the Agent as to whether such event constitutes a Material Change, or a change in a Material Fact.

11. TERMINATION

11.1 The Agent may terminate its obligations under this Agreement by notice in writing to the Issuer at any time before the Offering is fully subscribed if:

- (a) an adverse Material Change, or an adverse change in a Material Fact relating to any of the Securities, occurs or is announced by the Issuer;
- (b) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets, or the business of the Issuer or any of its Subsidiaries or the ability of the Agent to perform its obligations under this Agreement, or a Purchaser's decision to purchase the Shares;

- (c) following a consideration of the history, business, products, property or affairs of the Issuer or its principals and promoters, or of the state of the financial markets in general, or the state of the market for the Issuer's securities in particular, the Agent determines, in its sole discretion, that it is not in the interest of the Purchasers to complete the purchase and sale of the Shares;
- (d) the Securities cannot, in the opinion of the Agent, be marketed due to the state of the financial markets, or the market for the Shares in particular;
- (e) an enquiry or investigation (whether formal or informal) in relation to the Issuer, or the Issuer's directors, officers or promoters, is commenced or threatened by an officer or official of any competent authority;
- (f) any order to cease, halt or suspend trading (including an order prohibiting communications with persons in order to obtain expressions of interest) in the securities of the Issuer

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prohibiting or restricting the Private Placement is made by a competent regulatory authority and that order is still in effect;

- (g) the Issuer is in breach of any material term of this Agreement; or
- (h) the Agent determines that any of the representations or warranties made by the Issuer in this Agreement is false or has become false.

11.2 The Issuer's obligations under sections 2, 12, 16 and 18 shall survive termination of this Agreement.

12. WARRANTIES, REPRESENTATIONS AND COVENANTS

12.1 The Issuer warrants and represents to and covenants with the Agent that:

- (a) the Issuer beneficially owns free and clear of any security interest, option, encumbrance or adverse interest of any kind in 70 per cent of the issued and outstanding share capital of Emir Oil and wholly-owns InterUnion Merchant Group Inc. (BVI);
- (b) the Issuer does not own any subsidiaries other than those defined as Subsidiaries;
- (c) the Issuer and the Subsidiaries are valid and subsisting corporations duly incorporated and in good standing under the laws of the jurisdiction in which they are incorporated, continued or merged;
- (d) the Issuer and the Subsidiaries are duly registered and licenced to carry on business in the jurisdictions in which they carry on business or own property where so required by the laws of that jurisdiction except where the failure to be so licenced or qualified would not have a material adverse effect on the business of the Issuer or the Subsidiaries, as applicable, or the operations of such entity;
- (e) the Issuer and the Subsidiaries each have the corporate power and capacity to own their assets and to carry on the business presently carried on by them;
- (f) the authorized and issued capital of the Issuer consists of the number of common shares disclosed in the Public Record and all of the Shares shown in the Public Record as issued are issued and outstanding as fully paid and non-assessable as at the date hereof;
- (g) the Issuer will reserve or set aside sufficient shares in its treasury to issue the Shares, and the Agent's Warrant Shares and all such shares will be duly and validly issued as fully paid and

non-assessable;

- (h) the minute books of the Issuer, and the Subsidiaries contain all records of the proceedings of the meetings of the Issuer's or the Subsidiaries' directors, shareholders and committees of directors since incorporation;
- (i) the Issuer is the beneficial owner of the material businesses and assets or the interests in the businesses and assets referred to in the Public Record as being owned by the Issuer or the

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Subsidiaries and all agreements by which the Issuer or the Subsidiaries holds or may earn an interest in a business or asset are in good standing according to their terms;

- (j) the Public Record, taken as a whole, is true and complete in all material respects and each document included in the Public Record was prepared in accordance with the securities legislation and rules applicable thereto and was true and correct and contained no misrepresentation as at the date thereof;
- (k) the Issuer is a reporting issuer under Section 13 of the U.S. Exchange Act and is not in default of any of the requirements thereof or the regulation and rules made thereunder;
- (l) the Issuer's outstanding common shares are eligible for quotation on the NASD Over The Counter Bulletin Board;
- (m) the audited financial statements of the Issuer for its fiscal years ended March 31, 2003 (the "Audited Financial Statements") have been prepared in accordance with United States generally accepted accounting principles, and accurately reflect the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer on a consolidated basis as at the date thereof;
- (n) the unaudited financial statements of the Issuer for the period ended September 30, 2003 (the "Interim Financial Statements") have been prepared in accordance with United States generally accepted accounting principles and accurately reflect the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer as at the date thereof;
- (o) there have been no adverse material changes in the financial position of the Issuer since the date of the Audited Financial Statements, except as recorded in the books of the Issuer and fully and plainly disclosed in the Public Record;
- (p) since the date of the Audited Financial Statements, there has been no damage, loss or other change of any kind whatsoever in circumstances materially affecting the business or assets of the Issuer or the Subsidiaries or the right or capacity of the Issuer or the Subsidiaries to carry on their business;
- (q) all of the material transactions of the Issuer and the Subsidiaries have been promptly and properly recorded or filed in or with the Public Record or the books or records of the Issuer or the Subsidiaries;
- (r) all of the material contracts of the Issuer and the Subsidiaries are described in the Public Record and are in good standing in all material respects, and neither the Issuer nor any of the Subsidiaries is in default in any material respect thereof, and the Issuer is not aware of any default in any material respect by any other party to such contracts;

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- (s) the Issuer has complied and will comply fully with the requirements of all applicable corporate and securities laws, and

all applicable Delaware corporate legislation in relation to the issue of the Shares, and in all matters relating to the Private Placement;

- (t) the issue and sale of the Securities by the Issuer does not and will not conflict with, and does not and will not result in a material breach of, any of the terms of its incorporating documents or any agreement or instrument to which the Issuer is a party;
- (u) neither the Issuer nor any of the Subsidiaries is party to any actions, suits, proceedings or arbitrations which could materially affect the business or financial condition of the Issuer, taken as a whole, and, to the best of the knowledge of the Issuer, no such actions, suits, proceedings or arbitrations are contemplated or have been threatened.;
- (v) there are no judgments against the Issuer or the Subsidiaries which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer or any of the Subsidiaries are subject;
- (w) to the best of the Issuer's knowledge, neither the Issuer nor any of the Subsidiaries is in breach of any law, ordinance, statute, regulation, bylaw, order or decree of any kind whatsoever which breach would have a material adverse effect on the financial position, business or prospects of the Issuer on a consolidated basis;
- (x) this Agreement has been duly authorized by all necessary corporate action on the part of the Issuer and the Issuer has full corporate power and authority to undertake the Private Placement and the transactions contemplated by the Merger Agreement;
- (y) there is not presently, and will not be until the Offering is fully subscribed, any material change relating to the Issuer which has not been or will not be fully disclosed in the Public Record;
- (z) no order ceasing, halting or suspending trading in securities of the Issuer or prohibiting the sale of such securities has been issued to and is outstanding against the Issuer or, to the best of the knowledge of the Issuer, its directors, officers or promoters and, to the best of the knowledge of the Issuer, no investigations or proceedings for such purposes are pending or threatened;
- (aa) except as disclosed in the Public Record, no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any shares in the capital of the Issuer or any other security convertible into or exchangeable for any such shares, or to require the Issuer to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (bb) the Issuer and the Subsidiaries have filed all federal, state, provincial, local and foreign tax returns which are required to be filed, or have requested extensions thereof, and have paid all taxes required to be paid and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for such assessments, fines and penalties which are currently being contested in good faith;
- (cc) there are no liens for taxes on the assets of the Issuer or any of the Subsidiaries except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer or any of the Subsidiaries which are known by the Issuer's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental

agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Issuer on a consolidated basis;

- (dd) this Agreement will be upon execution and delivery by the Issuer, a legal, valid and binding agreement of the Issuer, enforceable against the Issuer in accordance with its terms, subject only to customary qualifications regarding the availability of equitable remedies;
- (ee) the Issuer or any of the Subsidiaries own or are entitled to use all material patents, trademarks, service marks, trade names, copyrights, trade secrets, information, proprietary rights and processes necessary for the business of the Issuer and the Subsidiaries as now conducted and as proposed to be conducted, without any conflict with or infringement of the rights of others;
- (ff) apart from the Agent, no person, firm or corporation acting or purporting to act at the request of the Issuer is entitled to any brokerage, agency or finder's fee in connection with the transactions described herein;
- (gg) if at any time the Issuer is required to file reports in compliance with either Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended, the Issuer will (a) fully comply with the reporting requirements of such Act and (b) fully comply with all rules and regulations of the SEC applicable to the use of SEC Rule 144; and
- (hh) the Issuer has not engaged or will not engage in any "Directed Selling Efforts" within the meaning of Regulation S with respect to the Securities, has not made or will not make any offer to sell or solicitation of an offer to buy any of the Shares to any person and has not solicited or will not solicit offers for or has not made or will not make offers to sell, the Securities by means of any form of general solicitation or general advertising or in any manner involving a public offering within the meaning of the U.S. Securities Act.
- (ii) With the Agent's guidance, the Issuer agrees to obtain all requisite regulatory approvals and to complete the necessary documentation with respect to the Offering in all Selling Jurisdictions in which subscribers reside;

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- (jj) Given reasonable notice, management of the Issuer will be available to meet with qualified investors in the Selling Jurisdictions with respect to the Offering;
- (kk) The Issuer has disclosed to the Agent all material facts in relation to the business and affairs of the Issuer that any prudent agent or investor would want to know prior to making any investment in securities of the Issuer.

12.2 The Agent warrants and represents to the Issuer that:

- (a) it is a valid and subsisting corporation under the law of the jurisdiction in which it was incorporated;
- (b) it will sell the Shares in compliance with the Applicable Legislation;
- (c) the Shares, the Agent's Warrants and all of the underlying Shares issuable upon exercise of such Agent's Warrants have not been and will not be registered in the United States under the U.S. Securities Act or in any other jurisdiction and that the Securities are being offered and sold in reliance upon Exemptions from registration provided by Regulation S and other Applicable Legislation;
- (d) the Agent, any selected dealer of the Agent, if applicable, or any of their respective affiliates (i) have not engaged or will not

engage in any "Directed Selling Efforts" within the meaning of Regulation S with respect to the Securities, (ii) have not made or will not make (A) any offer to sell or solicitation of an offer to buy any of the Shares to any person or (B) any sale of the Shares to any person unless (1) the offer is made to such person outside the United States, (2) the seller of such Shares and any person acting on its behalf reasonably believes that at the time such person placed the order to purchase Shares, such person was outside the United States and (3) such sale is otherwise in compliance with the applicable requirements of Regulation S, (iii) have not taken or will not take any action which would constitute a violation of Regulation M, or (iv) have not solicited or will not solicit offers for, or have not made or will not make offers to sell, the Securities by means of any form of general solicitation or general advertising or in any manner involving a public offering within the meaning of the U.S. Securities Act;

- (e) the Agent has caused or will promptly cause each selected dealer of the Agent to acknowledge in writing its awareness of and agreement to be bound by and shall use its commercially reasonable efforts to ensure that each selected dealer complies with the representations and warranties contained in this Agreement in connection with all offers and sale of the Securities; and
- (f) the Agent has not entered, and will not enter, into any contractual arrangement without the prior written consent of the Company with respect to the placement of the Securities, except with its affiliates.
- (g) Obtain from each Purchaser an executed Subscription Agreement in a form reasonably acceptable to the Issuer and to the Agent relating to the transactions contemplated, together with all documentation as may be necessary in connection with subscriptions for Shares.

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- (h) The Agent hereby represents that it is an "accredited investor" as defined under Applicable Legislation by virtue of being a company registered under the Securities Act (Ontario) as an adviser or dealer (other than a limited market dealer) and is acquiring its portion of the Agent's Warrants as principal for its own account and not for the benefit of any other person.

12.3 All representations and warranties contained in this Agreement on part of each of the parties shall survive Closing for a period of three (3) years from the initial Closing of the Offering, after which time, if no Claim shall have been made against a party with respect to any incorrectness or breach of any representation and warranty, that party shall have no further liability under this Agreement with respect to the representation or warranty.

13. EXPENSES OF AGENT

13.1 Whether or not Closing takes place, the Issuer will be responsible for all expenses related to the Offering. The Issuer will be responsible for all reasonable fees and disbursements of the Agent. Agent's invoices will be payable by the Issuer immediately upon receipt therefor. The Issuer will be responsible for the payment of all reasonable fees and disbursements of the Agent's legal counsel. Furthermore, the Issuer will be billed directly for costs related to marketing, engineering reports and the Issuer financial statements (including pro-forma statements).

14. Intentionally deleted

15. STANDSTILL

The Issuer hereby agrees that it will not issue any securities (or securities convertible into common shares), except in the normal course relating to compensation of employees and other compensation related matters, for a period of 4 months following the completion of the Offering unless it has received the consent of the Agent, such consent not to be unreasonably withheld;

16. INDEMNITY

16.1 The Issuer agrees to indemnify and hold harmless the Agent under the Private Placement and its affiliates, directors, officers and agents, to the full extent lawful, from and against any actions or claims (collectively "Claims"), including actions by the Issuer's shareholders, and all related damages, liabilities and losses (other than lost profits, remuneration or other costs of personnel and consequential damages) including any reasonable amount paid with the consent of the Issuer to settle a Claim, related to or arising out of this Agreement or the Agent's role in connection therewith, and will reimburse the Agent and any other party entitled to be indemnified

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hereunder for all reasonable and necessary expenses reasonably incurred by it or any such other indemnified party in connection with investigating, preparing or defending any such Claim in connection with pending or threatened litigation to which it is a party. The Issuer will not be responsible for any Claims or expenses associated therewith which are finally judicially determined to have resulted from the willful misconduct, bad faith or negligence of any indemnified party hereunder. The Issuer also agrees that neither the Agent nor any of its affiliates, nor any officer, director, employee or agent of the Agent or any of its affiliates, nor any person controlling the Agent nor any of its affiliates, shall have any liability to the Issuer for or in connection with such engagement except as a result of the Agent's willful misconduct, bad faith or negligence. The foregoing agreement shall be in addition to any rights that the Agent or any indemnified party may have at common law or otherwise.

16.2 Promptly after receipt by the Agent or any other indemnified party of notice of or the communication of any Claim or of any fact which reasonably might give rise to any Claim, the Agent or such other party shall notify the Issuer in writing of such Claim or facts and the Issuer shall assume the investigation and defence or contestation thereof and shall employ counsel satisfactory to the Agent, acting reasonably, and neither the Agent nor such other party shall incur any expense as regards such Claim or facts, including any investigation for which the Issuer would be liable to indemnify without the Issuer's prior written consent which shall not be unreasonably withheld. Notwithstanding the preceding sentence the Agent will be entitled to employ counsel separate from counsel to the Issuer or to any other party in such action if the Agent, acting reasonably, determines that a conflict of interest exists which makes representations by counsel chosen by the Issuer not advisable or that it is likely that such a conflict of interest will develop.

16.3 The Issuer shall not pursuant to this indemnity be obliged in any event to pay, as regards any particular Claim or series of related Claims, the fees and disbursements of more than one counsel in addition to those of its own counsel.

16.4 The Agent covenants and agrees that it shall use its reasonable efforts to co-operate fully with the Issuer in the investigation and defence of any Claim or potential Claim and to cause any other indemnified party to so cooperate.

16.5 To the extent that any party entitled to be indemnified hereunder is not a party to this Agreement, the Agent shall obtain and hold the rights and benefits of this agreement in trust for and on behalf of such party.

16.6 For purposes of this section, "Claim" or "Claims" shall include, without limitation:

(a) an untrue statement contained in the Public Record, subscription agreement or other written or oral representation made by the Issuer to a Purchaser or potential Purchaser in connection with the Private Placement, or by reason of the omission to state any fact necessary to make such statements or representations not misleading (except for information and statements supplied by and relating solely to the Agent);

- (b) arising directly or indirectly out of any order made by any regulatory authority based upon an allegation that any such untrue statement or representation, or omission exists (except information and statements supplied by and relating solely to the Agent), that trading in or distribution of any of the Securities is to cease;
- (c) resulting from the failure by the Issuer to obtain the requisite regulatory approval to the Private Placement unless the failure to obtain such approval is the result of a breach of this Agreement by the Agent;
- (d) resulting from any failure by the Issuer to file an "offering memorandum", if required by the Applicable Legislation, or an amendment or supplement to it either of them;
- (e) resulting from the breach by the Issuer of any of the terms of this Agreement;
- (f) resulting from the breach by IUFC or BMB of any of the terms of the Merger Agreement or resulting from any representation or warranty made by the IUFC or BMB in the Merger Agreement not being true or ceasing to be true;
- (g) resulting from any representation or warranty made by the Issuer herein not being true or ceasing to be true;
- (h) if the Issuer fails to issue and deliver the certificates representing the Securities in the form and denominations reasonably satisfactory to the Agent at the time and place reasonably required by the Agent with the result that any completion of a sale of the Securities does not take place; or
- (i) if following the completion of a sale of any of the Securities, a determination is made by any competent authority setting aside the sale, unless that determination arises out of an act or omission by the Agent.

16.7 If any Claim results in any adverse judgment or obligation by the Issuer to issue securities in its capital to satisfy such judgment, then the Issuer shall issue to the Agent and each subscriber under the Private Placement sufficient additional securities so that there is no dilutive impact on the Agent and/or the subscribers to the Private Placement in respect of such Claim.

16.8 Notwithstanding anything in this Agreement to the contrary, the Issuer shall indemnify the Agent from all Claims arising from the failure of the shareholders of BMB (existing immediately prior to the closing of the Merger) to disclose to IUFC, and therefore the Agent under this Agreement, any material liabilities or obligations of BMB which existed as of the date hereof or which were likely to accrue or fall due within 120 days from Closing.

17. ASSIGNMENT AND SELLING GROUP PARTICIPATION

17.1 The Agent will not assign this Agreement or any of their rights under this Agreement or, with respect to the Securities, enter into any agreement in the nature of an option or a sub-option unless and until,

for each intended transaction, the Agent has obtained the consent of the Issuer, and any required notice has been given to and accepted by the Regulatory Authorities.

17.2 Subject to sections 12.2(e) and 12.2(f), the Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the Agent's Fee.

18. RIGHT OF FIRST REFUSAL

- 18.1 Subsequent to the Offering being fully subscribed, the Issuer will notify the Agent of the terms of any further securities issues or corporate finance advisory assignments that it requires or proposes to obtain during the 18 months following the execution of this Agreement and the Agent will have the right of first refusal to provide any such equity financing or financial advisory services.
- 18.2 The right of first refusal must be exercised by the Agent within 7 days following the receipt of written notice by notifying the Issuer that it will provide such financing or financial advisory work on the terms set out in the notice.
- 18.3 If the Agent fails to give notice within the 7 days that it will provide such financing upon the terms set out in the notice, the Issuer will then be free to make other arrangements to obtain financing from another source on the same terms or on terms no less favourable to the Issuer.
- 18.4 The right of first refusal will not terminate if, on receipt of any notice from the Issuer under this Section, the Agent fails to exercise the right.
- 18.5 Should the Agent believe that there may be an opportunity to introduce a strategic partner to the Issuer to try to arrange a strategic investment into the Issuer, any strategic partner introduced by the Agent to the Issuer which makes an investment(s) for the benefit of the Issuer, the Agent shall receive an advisory fee, payable in cash, to be negotiated in good faith between the Agent and the Issuer of at least 1.5% of the gross strategic investment(s) made by such strategic partner for a period of 18 months following the closing of the Merger.

19. NOTICE

- 19.1 Any notice under this Agreement will be given in writing and must be delivered, sent by facsimile transmission addressed to the party to which notice is to be given at the address indicated above, or at another address designated by the party in writing.
- 19.2 If notice is sent by facsimile transmission or is delivered, it will be deemed to have been given at the time of transmission or delivery, or if not a business day, the next business day.

20. TIME

Time is of the essence of this Agreement.

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21. LANGUAGE

This Agreement is to be read with all changes in gender or number as required by the context.

22. ENUREMENT

This Agreement enures to the benefit of and is binding on the parties to this Agreement and their successors and permitted assigns.

23. HEADINGS

The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

24. COUNTERPARTS

This Agreement may be executed in two or more counterparts and may be delivered by facsimile transmission, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

This agreement may be executed by facsimile and in counterparts, and when fully executed, will constitute a valid and binding agreement in accordance with its terms and will constitute the entire agreement among the parties hereto with respect to the matters herein. This agreement shall not be amended, modified or altered in any way except by written agreement among InterUnion and the Agent.

25. LAW

This Agreement is governed by the laws of the Province of Ontario, and the parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of Ontario with respect to any dispute related to this Agreement.

26. CURRENCY

Unless stated otherwise, all references to dollars herein shall be to United States Dollars. This document was executed and delivered as of the date given above:

[execution page over]

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Executed by an authorized signatory of:

BMB MUNAI, INC.

/s/ Alexandre Agaian

Alexandre Agaian
President & Chief Executive Officer

Executed by an authorized signatory of:

CREDIFINANCE SECURITIES LIMITED

/s/ Georges Benarroch

Georges Benarroch
Authorized Signing Officer

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SCHEDULE A

Protected List of Investors

List provided by the Issuer to evidence to the Agent the list of individuals and corporate investors that were referred to the Agent by the Issuer:

- | Name: | Contact Information: |
|--------------------------------|---|
| 1 Valkyries Petroleum Corp. | 885 West Georgia Street,
Vancouver, B.C. V6C 3E8 Canada |
| 2. UPETROM Trading co B.V.I | Romania
Almaty Office: 135 Abylay Khan Av
Almaty, Kazakhstan |
| 3. Camer Oil und Gas | Poststrasse 9,
CH-6300, ZUG
Switzerland |
| 4. Korean National Oil Company | Seoul, Korean
Almaty office: 223 Furmanova Str.
Almaty, 480099 Kazakhstan |

SCHEDULE "B"

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY OTHER SECURITIES AUTHORITIES. IT IS BEING OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER REGULATIONS PROMULGATED UNDER THE SECURITIES ACT. IT MAY NOT BE SOLD OR TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION TO THE REGISTRATION REQUIREMENTS OF THOSE SECURITIES LAWS.

THIS CERTIFICATE GIVES EFFECT TO A PLANNED TEN "OLD" FOR ONE "NEW" REVERSE SPLIT (SHARE CONSOLIDATION) AND CHANGE OF NAME OF THE ISSUER TO BMB MUNAI, INC. TO BE EFFECTED BY THE ISSUER ON OR ABOUT NOVEMBER 30, 2003.

AGENT WARRANTS TO PURCHASE COMMON SHARES OF

BMB MUNAI, INC.
(Existing under the laws of Delaware)

Void After
*, 2005

THIS CERTIFIES that, for value received, Credifinance Securities Limited (the "Holder"), is the registered holder of o broker warrants (the "Agent Warrants") each of which entitle the holder, subject to the terms and conditions set forth in this Agent Warrant Certificate, to purchase from BMB Munai, Inc. (the "Issuer"), one common share in the capital of the Issuer (a "Share"), at any time until 5:00 p.m. (Toronto time) on *****, 2005 (the "Time of Expiry") on payment of \$***** per share (the "Exercise Price"). The number of Shares which the Holder is entitled to acquire upon exercise of the Agent Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

1. Exercise of Agent Warrants

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- (a) Election to Purchase. The rights evidenced by this certificate may be exercised by the Holder in whole or in part and in accordance with the provisions hereof by delivery of an Election to Purchase in substantially the form attached hereto as Schedule 1, properly completed and executed, together with payment by certified cheque or bank draft of the Exercise Price for the number of Shares specified in the Election to Purchase at the office of the Issuer at *****, or such other address in the United States as may be notified in writing by the Issuer (the "Issuer Office"). The election to purchase must be executed outside the United States. In the event that the rights evidenced by this certificate are exercised in part, the Issuer shall, contemporaneously with the issuance of the Shares issuable on the exercise of the Agent Warrants so exercised, issue to the Holder an Agent Warrant Certificate on identical terms in respect of that number of Units in respect of which the Holder has not exercised the rights evidenced by this certificate.

- (b) Exercise. The Issuer shall, within five business days after receiving a duly executed Election to Purchase and the Exercise Price for the number of Shares specified in the Election to Purchase (the "Exercise Date"), issue that number of Shares specified in the Election to Purchase.
- (c) Certificates. As promptly as practicable after the Exercise Date, the Issuer shall issue and deliver to the Holder, registered in such name or names as the Holder may direct or if no such direction has been given, in the name of the Holder, a certificate for the number of Shares specified in the Election to Purchase. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date,

and at such time the rights of the Holder with respect to the number of Agent Warrants which have been exercised as such shall cease, and the person or persons in whose name or names any certificate for Shares shall then be issuable upon such exercise shall be deemed to have become the holder or holders of record of the Shares represented thereby.

(d) Fractional Shares. No fractional Shares shall be issued upon exercise of any Agent Warrant and no payments or adjustment shall be made upon any exercise on account of any cash dividends on the Shares issued upon such exercise. If any fractional interest in a Share would, except for the provisions of the first sentence of this Section 1(d), be deliverable upon the exercise of a Agent Warrant, the Issuer shall, in lieu of delivering the fractional unit therefore, pay to the Holder an amount in cash equal to the Fair Market Value (as hereinafter defined) of such fractional interest.

(e) Corporate Changes.

(i) Subject to paragraph 1(e)(ii) hereof, if, after November 26, 2003 and prior to the Time of Expiry, the Issuer shall be a party to any reorganization, merger, dissolution or sale of all or substantially all of its assets, whether or not the Issuer is the surviving entity, the Agent Warrants evidenced by this certificate shall be adjusted so that the holder hereof shall be entitled to acquire the same number and type of securities to which the holder of that number of Shares of the Issuer subject to the unexercised Agent Warrants would have been entitled by reason of such reorganization, merger, dissolution or sale of all or substantially all of its assets (the "Event"), and the Exercise Price shall be adjusted to be the amount determined by multiplying the Exercise Price in effect immediately prior to the Event by the number of Shares subject to the unexercised Agent Warrants immediately prior to the Event, and dividing the product thereof by the number of securities to which the holder of that number of Shares subject to the unexercised Agent Warrants would have been entitled to by reason of such Event.

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(ii) If the Issuer is unable to deliver securities to the Holder pursuant to the proper exercise of an Agent Warrant, the Corporation may satisfy such obligations to the Holder hereunder by paying to the Holder in cash the difference between the Exercise Price of all unexercised Agent Warrants granted hereunder and the Fair Market Value of the securities to which the Holder would be entitled to upon exercise of all unexercised Agent Warrants. Adjustments under this subparagraph (e) or (subject to subparagraph (o)) any determinations as to the Fair Market Value of any securities shall be made by the board of directors of the Corporation, or any committee thereof specifically designated by the board of directors to be responsible therefor, and any reasonable determination made by such board or committee thereof shall be binding and conclusive, subject only to any disputes being resolved by the Issuer's auditors, whose determination shall be binding and conclusive.

(f) Subdivision or Consolidation of Common Shares.

(i) In the event that after the already planned ten "old" for one "new" reverse split (share consolidation) to be effected by the Issuer on or about November 30, 2003 but prior to the Time of Expiry, the Corporation shall subdivide its outstanding common shares ("Common Shares") into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding Common Shares shall be consolidated into a smaller number of shares, the Exercise

Price in effect immediately prior to such consolidation shall be proportionately increased. For clarity, if there is such a subdivision or consolidation of the Common Shares, there shall also be a proportionate adjustment to the number of warrants held.

(ii) Upon each adjustment of the Exercise Price as provided herein, the Holder shall thereafter be entitled to acquire, at the Exercise Price resulting from such adjustment, the number of Shares (calculated to the nearest tenth of a Share) obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Shares which may be acquired hereunder immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment.

(g) Change or Reclassification of Common Shares. In the event that, after November 26, 2003 and prior to the Time of Expiry, the Corporation shall change or reclassify its outstanding Common

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Shares into a different class of securities, the rights evidenced by the Agent Warrants shall be adjusted as follows so as to apply to the successor class of securities:

(i) the number of the successor class of securities which the Holder shall be entitled to acquire as part of the Shares shall be that number of the successor class of securities which a holder of that number of Shares subject to the unexercised Agent Warrants immediately prior to the change or reclassification would have been entitled to by reason of such change or reclassification; and

(ii) the Exercise Price shall be determined by multiplying the Exercise Price in effect immediately prior to the change or reclassification by the number of Shares subject to the unexercised Agent Warrants immediately prior to the change or reclassification, and dividing the product thereof by the number of shares determined in paragraph 1(g)(i) hereof.

(h) Offering to Shareholders. If and whenever at any time after November 26, 2003 and prior to the Time of Expiry, the Issuer shall fix a record date or if a date of entitlement to receive is otherwise established (any such date being hereinafter referred to in this subsection 1(h) as the "record date") for the issuance of rights, options or warrants to all or substantially all the holders of the outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares or securities convertible into or exchangeable for Common Shares at a price per share or, as the case may be, having a conversion or exchange price per share less than 95% of the Fair Market Value (as hereinafter defined) on such record date, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number equal to the number arrived at by dividing the aggregate subscription or purchase price of the total number of additional Common Shares offered for subscription or purchase or, as the case may be, the aggregate conversion or exchange price of the convertible or exchangeable securities so offered by such Fair Market Value, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares so offered (or into which the convertible or exchangeable securities so offered are convertible or exchangeable); Common Shares owned by or held for the account of the Issuer or any subsidiary of the Issuer shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any rights or warrants are not so

issued or any such rights or warrants are not exercised prior to the expiration thereof, the Exercise Price shall then be

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readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number of Common Shares or conversion or exchange rights contained in convertible or exchangeable securities actually issued upon the exercise of such rights or warrants, as the case may be.

- (i) Carry Over of Adjustments. No adjustment of the Exercise Price shall be made if the amount of such adjustment shall be less than 1% of the Exercise Price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least 1% of the Exercise Price.
- (j) Notice of Adjustment. Upon any adjustment of the number of Shares and upon any adjustment of the Exercise Price, then and in each such case the Issuer shall give written notice thereof to the Holder, which notice shall state the Exercise Price and the number of Shares and Warrants or other securities subject to the unexercised Agent Warrants resulting from such adjustment, and shall set forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Upon the request of the Holder there shall be transmitted promptly to the Holder a statement of the firm of independent chartered accountants retained to audit the financial statements of the Issuer to the effect that such firm concurs in the Issuer's calculation of the change.
- (k) Other Notices. In case at any time after November 26, 2003 and prior to the Time of Expiry:
 - (i) the Issuer shall declare any dividend upon its Common Shares payable in Common Shares;
 - (ii) the Issuer shall offer for subscription pro rata to the holders of its Common Shares any additional shares of any class or other rights;
 - (iii) there shall be any capital reorganization or reclassification of the capital stock of the Issuer, or consolidation, amalgamation or merger of the Issuer with, or sale of all or substantially all of its assets to, another corporation; or
 - (iv) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Issuer,

then, in any one or more of such cases, the Issuer shall give to the Holder (A) at least 10 days' prior written notice of the date on which a record date shall be taken for such dividend, distribution or subscription rights or for determining rights to

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vote in respect of any such reorganization, reclassification, consolidation, merger, amalgamation, sale, dissolution, liquidation or winding-up and (B) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, at least 10 days' prior written notice of the date when the same shall take place. Such notice in accordance with the foregoing clause (A) shall also specify, in the case of any such dividend, distribution or

subscription rights, the date on which the holders of Common Shares shall be entitled thereto, and such notice in accordance with the foregoing clause (B) shall also specify the date on which the holders of Common Shares shall be entitled to exchange their Common Shares for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, amalgamation, sale, dissolution, liquidation or winding-up, as the case may be.

- (l) Shares to be Reserved. The Issuer will at all times keep available, and reserve if necessary under Delaware law, out of its authorized Common Shares, solely for the purpose of issue upon the exercise of the Agent Warrants, (i) such number of Shares as shall then be issuable upon the exercise of the Agent Warrants, and (ii) such number of Common Shares issuable upon the due exercise of the Warrants issuable upon the due exercise of the Agent's Warrants. The Issuer covenants and agrees that all such Shares and Common Shares which shall be so issuable will, upon issuance, be duly authorized and issued as fully paid and non-assessable. The Issuer will take all such actions as may be necessary to ensure that all such Shares and Common Shares may be so issued without violation of any applicable requirements of any exchange upon which the Common Shares may be listed or in respect of which the Common Shares are qualified for unlisted trading privileges. The Issuer will take all such actions are within its power to ensure that all such Shares may be so issued without violation of any applicable law.
- (m) Issue Tax. The issuance of certificates for Shares and Warrants upon the exercise of Agent Warrants shall be made without charge to the Holder for any issuance tax in respect thereto, provided that the Issuer shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the Holder.
- (n) Fair Market Value. For the purposes of any computation hereunder, the "Fair Market Value" at any date shall be the weighted average sale price per share for the Common Shares of the Issuer for the 20 consecutive trading days immediately before such date on the most senior stock exchange in the USA on which the Common Shares may then be listed and on which there is the greatest volume of trading of the Common Shares for such 20 day period, or, if the shares or any other security in respect of which a determination of Fair Market Value is being made are not listed on any stock exchange, the Fair Market Value shall be determined by the

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directors, which determination shall be conclusive. The weighted average price shall be determined by dividing the aggregate sale price of all such shares sold on the said exchange during the said 20 consecutive trading days by the total number of such shares so sold.

2. Replacement.

Upon receipt of evidence satisfactory to the Issuer of the loss, theft, destruction or mutilation of this Agent Warrant Certificate and, if requested by the Issuer, upon delivery of a bond of indemnity satisfactory to the Issuer (or, in the case of mutilation, upon surrender of this Agent Warrant Certificate), the Issuer will issue to the Holder a replacement certificate (containing the same terms and conditions as this Agent Warrant Certificate).

3. Expiry Date.

The Agent Warrants shall expire and all rights to purchase Units hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on May *, 2005.

4. Covenant.

So long as any Agent Warrants remain outstanding the Issuer covenants that it shall do or cause to be done all things necessary to maintain its status as a reporting issuer not in default in the Offering Jurisdictions.

5. Inability to Deliver Units.

If for any reason, other than the failure or default of the Holder, the Issuer is unable to issue and deliver the Units or other securities as contemplated herein to the Holder upon the proper exercise by the Holder of the right to purchase any of the Units covered by this Agent Warrant Certificate, the Issuer may pay, at its option and in complete satisfaction of its obligations hereunder, to the Holder, in cash, an amount equal to the difference between the Exercise Price and the Fair Market Value of such Units or other securities on the Exercise Date.

6. Defined Terms.

All capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the agency agreement dated as of November 26, 2003 between the Issuer and Credifinance Securities Limited.

7. Governing Law

The laws of the State of Delaware shall govern the Agent Warrants.

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8. Successors

This Agent Warrant Certificate shall enure to the benefit of the Holder and its successors or assigns and shall be binding on the Issuer and its respective successors.

IN WITNESS WHEREOF the Issuer has caused this Agent Warrant Certificate to be signed by a duly authorized officers.

DATED as of November _____, 2003.

BMB MUNAI, INC.

Per: _____
Authorized Signing Officer

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Schedule "1"

Election to Exercise

The undersigned hereby irrevocably elects to exercise the number of Agent Warrants of BMB Munai, Inc. set out below for the number of Shares (or other property or securities subject thereto) as set forth below:

(a) Number of Agent Warrants to be Exercised: _____

(b) Number of Shares to be Acquired: _____

(c) Exercise Price per Share: \$ _____

(d) Aggregate Purchase Price [(b) multiplied by (c)] \$ _____

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Shares to be registered and a certificate therefor to be issued as directed below.

DATED this _____ day of _____, 200__ .

[NAME OF HOLDER]

Per: _____

Name of Registered Holder:

Address of Registered Holder:
