



NO. S 1 6 1 1 8 9 8
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

MEDINAH MINERALS, INC.

PLAINTIFF

AND

LESLIE PRICE, PAMELA FITZPATRICK, GXK VENTURES INC., MMC MINES INC.,
JOHN DOE #1, JOHN DOE #2, JOHN DOE #3, JOHN DOE #4, JOHN DOE #5, JOHN DOE
#6, JOHN DOE (COMPANY) #1, JOHN DOE (COMPANY) #2, JOHN DOE (COMPANY) #3,
JOHN DOE (COMPANY) #4, JOHN DOE (COMPANY) #5, and
JOHN DOE (COMPANY) #6

DEFENDANTS

NOTICE OF CIVIL CLAIM

This action has been started by the Plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a Response to Civil Claim in Form 2 in the above-named registry of this court within the time for Response to Civil Claim described below, and
- (b) serve a copy of the filed Response to Civil Claim on the Plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a Response to Civil Claim in Form 2 and a Counterclaim in Form 3 in the above-named registry of this court within the time for Response to Civil Claim described below, and
- (b) serve a copy of the filed Response to Civil Claim and counterclaim on the Plaintiff and on any new parties named in the Counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the Response to Civil Claim within the time for Response to Civil Claim described below.

TIME FOR RESPONSE TO CIVIL CLAIM

A Response to Civil Claim must be filed and served on the Plaintiff,

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed Notice of Civil Claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed Notice of Civil Claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed Notice of Civil Claim was served on you, or
- (d) if the time for Response to Civil Claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF

PART 1: STATEMENT OF FACTS

The Parties

1. The Plaintiff, Medinah Minerals, Inc. (“Medinah”), is a company formed pursuant to the laws of the State of Nevada, and has an address for service for the purposes of these proceedings care of Cooper Litigation, 540-220 Cambie Street, Vancouver, British Columbia, V6B 2M9. Medinah is a publicly traded company that is primarily a holding company with its principal asset being equity in a private company that owns mining claims in Chile.

2. The Defendant, Leslie Price, is a businessman with an address of 405-221 West Esplanade, North Vancouver, British Columbia, V7M 3J3. Price is a former Chief Executive Officer (“CEO”) of Medinah and is the director and controlling mind of the Defendants G.X.K. Ventures Inc. and MMC Mines Inc.

3. The Defendant, Pamela Fitzpatrick, is a businesswoman with an address that is currently unknown to Medinah. Fitzpatrick is the Executive Vice President of the Defendant MMC Mines Inc. and was at all material times the executive assistant to Price.

4. The Defendant, G.X.K. Ventures Inc. (“GXX”), is a company incorporated pursuant to the laws of British Columbia with a registered and records office of 301 145 East 13th Street, North Vancouver, British Columbia V7L 2L4. GXX was at all material times controlled by, and the alter ego of, Price.

5. The Defendant, MMC Mines Inc. (“MMC”), is a company incorporated pursuant to the laws of British Columbia with a registered and records office of Box 12102, Suite 1008, 808 Nelson Street, Vancouver, British Columbia, V6Z 2H2. MMC was at all material times controlled by, and the alter ego of, Price.

6. The Defendants John Doe #1, John Doe #2, John Doe #3, John Doe #4, John Doe #5, and John Doe #6 are affiliates or business partners of Price whose names and addresses are known to the Defendants but are not known to Medinah and who, *inter alia*, knowingly assisted the named Defendants in their wrongful conduct, as particularized herein, or wrongfully benefited from and/or received funds and assets as a result of that wrongful conduct.

7. The Defendant John Doe (Company) #1, John Doe (Company) #2, John Doe (Company) #3, John Doe (Company) #4, John Doe (Company) #5, and John Doe (Company) #6, are affiliates or business partners of Price whose names and addresses are known to the Defendants but are not known to Medinah and which, *inter alia*, knowingly assisted the named Defendants in their wrongful conduct, as particularized herein, or wrongfully benefited from and/or received funds and assets as a result of that wrongful conduct.

Medinah

8. For the previous two decades, Medinah was a junior mining company, with its business activity centering primarily on Chile, where it had ownership interests in certain prospective mining claims. These claims were held by Medinah through a Chilean company, Medinah Mining Chile, S.C.M. (“MM Chile”).

9. Medinah possessed a large number of claims in the Altos de Lipangue mining district of Chile (“ADL”) that had evidenced a high degree of mineralization and value. However, for various reasons, including the number of owners with ADL claims, the former management team of Medinah was unable to advance significantly the exploration and development of the claims in which it had a partial interest.

10. For several years, AURYN Mining Chile SpA (“AURYN”), an owner of other mineral claims in the ADL, sought to purchase Medinah’s claims in that region in an effort to consolidate the mining district. During this time and as part of that effort, MASGLAS Americas Corp., AURYN’s parent company, purchased several hundred million shares of Medinah. Eventually, AURYN’s efforts were successful and it was able to consolidate the ADL through its purchase of Medinah’s claims in exchange for a 25% equity interest in AURYN.

11. In or around May 2008, Medinah began filing public financial disclosures, which in or around 2012 were in the form of quarterly and annual reports in compliance with the United States Securities and Exchange Commission rule 15c211, and reporting on the OTCMarkets under the Alternative Reporting Standard for the Pink Sheet listings (the “Reports”). Among the information contained in the Reports was the capital structure of Medinah, including financial statements and its number of issued and outstanding shares. Shareholders and investors relied on the Reports for investing decisions.

Price’s relationship with Medinah

12. In addition to being a shareholder, Price has had official roles with Medinah at various points in time. Prior to August 13, 2002, when he was arrested and charged with conspiracy to commit fraud and money laundering by the Federal Bureau of Investigation in the United States, Price was Medinah’s CEO. Price was not convicted of those charges and returned to Medinah as its CEO in 2004.

13. During his time as CEO, Price had effective control of Medinah, including of its capital structure. In the latter respect, Price was Medinah’s point of contact with its transfer agent, American Registrar & Transfer Co. (“ARTCO”), a company based in Utah, through which further share issuances and allocations of Medinah were authorized.

14. As Medinah's CEO, Price put in place an arrangement for his own benefit and the benefit of the other named Defendants, that would allow him to retain control of important aspects of Medinah's affairs, and in particular its capital structure, even after ceasing to serve as its CEO or in any capacity as a director or officer. As part of that plan, in or around 2007, Price arranged to have Medinah authorize the use of his company, the Defendant GXK, to act as an agent for Medinah for the purposes of banking and related transactions in relation to Medinah's business affairs in Canada. This enabled Price, through GXK, to engage in financial and other transactions on Medinah's behalf without effective or any oversight on the part of Medinah.

15. In or around April, 2008, Price incorporated the Defendant MMC. Sometime between then and in or around March, 2012, Price began using MMC to act as an agent for Medinah's business in Canada in lieu of or along with GXK.

16. In or around 2008, Price resigned as CEO and was replaced by Juan Jose Quijano Fernandez, an associate of Price based in Chile. Despite his resignation as CEO in 2008, Price arranged it so that he would to be an "ambassador" for Medinah and retain responsibility for Medinah's interests in properties in Chile, including MM Chile. In March 2012, it was agreed that Price and his company, the Defendant MMC, would have a managerial role with respect to Medinah's interest in MM Chile, and serve as its representative in matters relating to Chilean properties owned or to be acquired in the future by Medinah.

17. As Medinah's CEO and in his role in respect of its interests in properties in Chile, including MM Chile, Price owed Medinah a fiduciary duty. Price's fiduciary duties to Medinah included:

- (a) a duty to act honestly and in good faith with a view to the best interests of Medinah;
- (b) a duty not to act so as to place himself in a position where his personal interests might conflict with the interests of Medinah;

- (c) a duty to refrain from conduct which would cause harm to Medinah, including a duty to preserve and prevent misapplication of Medinah's assets and not to use such assets for his personal benefit.

18. At no time, however, following Price's resignation as CEO, was it agreed that Price would be responsible for any administration duties, functions of management, corporate direction, or any other management duties in regard to Medinah, except as to reporting information relating to the Chilean properties owned by Medinah. Nevertheless, Price continued to represent himself and Fitzpatrick as acting on behalf of Medinah in relation to Medinah's capital structure, and assumed responsibility for working with ARTCO and Medinah's attorney and accountant to produce the Reports. In particular, Price acted as Medinah's point of contact with ARTCO, instructing ARTCO to issue shares on Medinah's behalf and communicating to Medinah's directors, shareholders, investors and business partners information regarding Medinah's capital structure.

The Scheme

19. Price, in breach of his fiduciary obligations to Medinah, and Fitzpatrick, alone or together with one or more of the other named Defendants, developed and implemented a scheme to misappropriate shares and other assets from Medinah for the benefit of Price and Fitzpatrick and/or for the benefit of the other named Defendants (the "Scheme"), particulars of which include:

- (a) Price and Fitzpatrick, at times through the Defendants GXX and/or MMC, used their position as Medinah's contact with ARTCO instructing ARTCO to issue shares in Medinah to themselves, the other named Defendants, or third parties, without Medinah's knowledge or authorization. Where necessary, Price and Fitzpatrick prepared documents, including documents referred to as "Board of Directors Resolutions", and used digitally forged signatures of directors in support of their directions to issue shares in Medinah.
- (b) Price and Fitzpatrick caused payments for the shares in Medinah to be paid to persons other than Medinah, including the Defendant MMC, which was so-

named to give the appearance to investors and other entities with which Price and Fitzpatrick communicated that they were dealing with MM Chile.

- (c) Price and Fitzpatrick did not inform Medinah or Medinah's representatives, including Medinah's attorney and accountant responsible for preparing the Reports, of the shares issued by ARTCO, misrepresented the number of shares that had been issued, and caused Medinah to provide inaccurate information relating to the number of issued and outstanding shares to investors and in the Reports.

(collectively, the "Improper Authorizations and Representations")

20. In furtherance of the Scheme, and as part of the Improper Authorizations and Representations:

- (a) On or about July 18, 2013, Price sent or caused to be sent a letter to ARTCO stating that Medinah:

"requests to clarify the authorized individuals in regard to all matters pertaining to your Firm as the Transfer Agents.

The individuals identified below are the only authorized agents for Medinah Minerals, Inc. in all matters of the shareholder records of the Company and any/all share issues, cancellations, or arbitrations.

Juan Jose Quijano Fernandez	President
Leslie P. Price	Assistant to the President
Pamela Fitzpatrick	Executive Assistant

..."

The letter included electronic signatures of Medinah's directors who did not authorize their signature or approve the letter or the authorization of Price and Fitzpatrick to be Medinah's authorized agents. Price was not a director or officer

of Medinah at the time, nor, to Medinah's knowledge, was he Assistant to the President.

- (b) On or about August 15, 2016, Price received an email from ARTCO setting out the number of shares issued in Medinah as of June 30, 2016. The email stated:

“Our records indicate issued as of 6/30/16 and current is 2,996,448,498

Holders of 68,000,000 or more shares are as follows:

CEDE & CO: 2,179,197,709
 MASGLAS Limited: 218,783,318
 Jim O'Callaghan: 157,000,000
 Vittal Karra: 75,157,222”

That same day, Price forwarded the email from ARTCO to Gary Goodin, at the time the President, CEO, and a director of Medinah. However, Price altered the email so that it read:

“Our records indicate issued as of 6/30/16 and current is 1,361,703,709

Holders of 68,000,000 or more shares are as follows:

CEDE & CO: 919,124 556
 MASGLAS Limited: 218,783,318
 Jim O'Callaghan: 87,000,000
 Vittal Karra: 75,157,222”

- (c) From March 24, 2016, to June 6, 2016, Price and Fitzpatrick, without the authorization of Medinah, caused 190,000 preferred shares in Medinah to be issued to one Jim O'Callaghan and one Victor Bishop in return for approximately USD 240,000 that was paid to the Defendant MMC, and not to Medinah.

21. Because Price and Fitzpatrick have deliberately concealed the Scheme from Medinah and have altered, removed, hidden or destroyed, or directed others to alter, remove, hide or destroy documents, full particulars of the scope of the Scheme are unavailable at this time. Further particulars are within the Defendants' knowledge and will be provided as they are discovered.

22. As part of and as a result of the Scheme, Medinah's actual outstanding shares were consistently and significantly higher than the issued and outstanding shares that Price caused Medinah to record in the Reports, or that Medinah's directors and officers were led to believe to be issued and outstanding, with the result that shares owned by Medinah's shareholders were of less value than Medinah or they believed. For example, due to the Scheme:

- (a) as of January 1, 2010, Medinah's financial disclosure in the Reports showed that Medinah had issued and outstanding common stock totaling 611,631,517, when its actual issued and outstanding common stock totaled approximately 1,297,965,462; and
- (b) as of June 30, 2016, Medinah's financial disclosure in the Reports showed that Medinah had issued and outstanding common stock totaling 1,361,703,709, when its actual issued and outstanding common stock totaled approximately 2,996,448,498.

Fraudulent Misrepresentations, Fraud, and Deceit

23. Each of the Improper Authorizations and Representations were made by Price and Fitzpatrick with knowledge that they were false, or alternatively, recklessly and without regard to their truth.

24. In reliance on the Improper Authorizations and Representations, Medinah, including through its representatives, *inter alia*, authorized the issuance of a higher number of shares and issued shares in return for less than full or no value, which caused Medinah to suffer loss and damage, as particularized herein and will be further particularized as more particulars become known.

Conspiracy

25. Price and Fitzpatrick, alone or together with GXX, MMC, John Doe #1, John Doe #2, John Doe #3, John Doe #4, John Doe #5, John Doe #6, John Doe (Company) #1, John Doe (Company) #2, John Doe (Company) #3, John Doe (Company) #4, John Doe (Company) #5, and John Doe (Company) #6 (collectively, the "Co-Conspirators"), were the architects of the

Scheme, which was undertaken with the assistance of the Co-Conspirators, for the personal benefit of Price and Fitzpatrick and for the benefit of the Co-Conspirators.

26. The Defendants' participation in the Scheme was:

- (a) intentional and maliciously undertaken with the express intention of causing harm, injury or loss to Medinah;
- (b) alternatively, undertaken recklessly and without due care and regard for whether Medinah would suffer loss or damage; and,
- (c) in all the circumstances, the Scheme was calculated to profit the Defendants at the expense of Medinah.

27. In consequence of the fraud, deceit, knowing assistance and knowing receipt particularized herein, the Defendants have committed unlawful acts for which they have been unjustly enriched at Medinah's expense.

28. In consequence of the Defendants' participation in the Scheme, Medinah has suffered loss and damage, as particularized herein and will be further particularized as more particulars become known, for which the Defendants are jointly and severally liable.

29. In the alternative, Price conspired separately with each of Fitzpatrick and the Co-Conspirators, as outlined herein to effect each instance of the Scheme and Price is jointly and severally liable for Medinah's damages with each of Fitzpatrick and the Co-Conspirators in respect of each of those conspiracies.

Unjust enrichment, knowing assistance and knowing receipt

30. The Defendants were not entitled to receive the monies, shares and other assets, or any portion thereof, acquired as a result of the Scheme (collectively, the "Assets"), and have been unjustly enriched by the Assets to the detriment of Medinah. There is no reason in law or equity why the Defendants or any of them are or ought to be entitled to keep the Assets, or any portion thereof.

31. At all times and at this time, Medinah has retained legal title to and property in the Assets that were received by the Defendants, and each of them, at the instance of Price in breach of his fiduciary duty.

32. The Defendants and each of them knew or ought to have known that:

- (a) Price was a fiduciary of Medinah;
- (b) the Defendants, and each of them, were not entitled to receive the Assets or any portion thereof;
- (c) the Assets received or paid to the Defendants and each of them were derived from Price's breach of his fiduciary obligations and misrepresentations to Medinah; and,
- (d) the Assets, being derived from Price's breach of his fiduciary obligations to Medinah, were subject to a constructive or resulting trust for the benefit of Medinah.

Constructive trust

33. Having received the Assets in circumstances in which they knew or ought to have known that the Assets were derived from Price's breach of fiduciary duty, and having been unjustly enriched by the receipt of the Assets:

- (a) the Defendants, and each of them, received the Assets, or such portion as was received by them, subject to a constructive or alternatively resulting trust for the benefit of Medinah;
- (b) any interest the Defendants, and each of them, purported to receive in the Assets is void or, in the alternative, is voidable and has been voided.

Conversion

34. The Defendants had no right to receive the Assets and, as such, at no time did they have a legitimate right of possession to them. Medinah at all times retained a right of possession to the Assets. To the extent that the Defendants and each of them no longer possess the Assets, or portion thereof, the Defendants and each of them wrongfully converted the Assets to their benefit.

Tracing

35. In consequence of the foregoing, Medinah is entitled to an equitable tracing order to recover the Assets or such portion as is held by the Defendants, and each of them, and all assets now or previously in the possession of the Defendants, acquired directly or indirectly with the Assets, including any and all interest that the Defendants may have received as a result of their receipt and investment of the Assets.

Intentional interference with economic relations

36. As part of the Scheme, the Defendants and each of them have communicated false and misleading information relating to Medinah's business to existing and potential shareholders, investors and business partners without authorization. In so doing, the Defendants have interfered with Medinah's economic interests.

37. The Defendants were aware that these actions would injure and have injured Medinah's economic interests.

Loss and damage

38. As a result of the Scheme, its implementation and the wrongdoing particularized herein, Medinah has suffered, and continues to suffer, loss and damage, particulars of which will be provided as they become known, but include:

- (a) Devaluation of shares;
- (b) Devaluation of assets;

- (c) Loss of profit;
- (d) Loss of business opportunities;
- (e) Attorneys' and accountants' fees; and,
- (f) Loss of reputation and goodwill.

PART 2: RELIEF SOUGHT

1. The Plaintiff claims against the Defendants, and each of them, as follows:
 - (a) An interim, interlocutory and permanent injunction restraining the Defendants and each of them, individually or by their officers, directors, servants, agents, employees or otherwise from communicating with any officers, directors, servants, agents, employees or shareholders of Medinah about the business or affairs of Medinah, or purporting to do so on behalf of Medinah;
 - (b) An interim, interlocutory and permanent injunction restraining the Defendants and each of them, individually or by their officers, directors, servants, agents, employees or otherwise from selling, transferring, liquidating or otherwise converting any Medinah assets, including but not limited to shares in Medinah;
 - (c) An order that the Defendants are jointly and severally liable to Medinah for the amount of the judgment;
 - (d) An order for the return of the Assets by the Defendants and each of them;
 - (e) A declaration that Medinah holds legal title to and property in the Assets received by the Defendants and each of them;
 - (f) A declaration that Medinah is the beneficial owner of the Assets received by the Defendants and each of them;

- (g) A declaration that Medinah holds a charge or lien on all assets purchased, repaired, maintained or enhanced by the Defendants and each of them with any of the Assets received;
- (h) An accounting of all monies received by the Defendants and each of them as a result of the Scheme or traceable to the Assets;
- (i) Restitution;
- (j) General damages;
- (k) Special damages;
- (l) Exemplary and punitive damages;
- (m) Special costs or, in the alternative, costs;
- (n) Legal fees and costs;
- (o) A constructive trust;
- (p) Interest pursuant to the *Court Order Interest Act*; and
- (q) Such further and other relief as this Honourable Court may deem just.

PART 3: LEGAL BASIS

1. The Defendants and each of them committed intentional interference with economic relations. Medinah suffered damage and loss as a result.
2. The Defendants and each of them committed fraud. Medinah suffered damage and loss as a result.
3. The Defendants and each of them committed fraudulent misrepresentation and deceit. Medinah suffered damage and loss as a result.

4. The Defendants and each of them committed conversion. Medinah suffered damage and loss as a result.
5. The Defendants committed the tort of conspiracy to injure by unlawful means. Medinah suffered damage and loss as a result.
6. The Defendants and each of them were unjustly enriched and Medinah suffered a corresponding deprivation.
7. Price breached his fiduciary duty to Medinah. Medinah suffered damage and loss as a result.
8. Fitzpatrick, GXX, MMC, John Doe #1, John Doe #2, John Doe #3, John Doe #4, John Doe #5, John Doe #6, John Doe (Company) #1, John Doe (Company) #2, John Doe (Company) #3, John Doe (Company) #4, John Doe (Company) #5, and John Doe (Company) #6, knowingly assisted Price to breach his fiduciary duty to Medinah. Medinah suffered damage and loss as a result.

PLAINTIFF'S ADDRESS FOR SERVICE:

Address for service:

Cooper Litigation
540 – 220 Cambie Street
Vancouver, BC V6B 2M9

Attention: Robert W. Cooper, Q.C.


Email address for service:

rcooper@cooperlitigation.ca

Place of Trial: Vancouver, BC

The address of the Registry is:
800 Smithe Street, Vancouver

DATED: December 21, 2016


for: Robert W. Cooper, Q.C.
Counsel for the Plaintiff

Rule 7-1 (1) of the Supreme Court Civil Rules states:

1. Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX**PART 1: CONCISE SUMMARY OF NATURE OF CLAIM:**

Breach of Fiduciary Duty, Tort, Unjust Enrichment

PART 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- a motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

PART 3: THIS CLAIM INVOLVES:

- a class action
- maritime law
- aboriginal law

constitutional law

conflict of laws

none of the above

do not know

PART 4: ENACTMENTS

Court Order Interest Act, R.S.B.C. 1996, c. 79