



NO. S-1610825
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN

LESLIE PRICE aka LES PRICE

PLAINTIFF

AND

MEDINAH MINERALS, INC.

DEFENDANT

RESPONSE TO CIVIL CLAIM

Filed by: The Defendant Medinah Minerals, Inc.

PART 1: RESPONSE TO NOTICE OF CIVIL CLAIM FACTS

Division 1 — Defendant's Response to Facts

1. The facts alleged in paragraph 2 of the Notice of Civil Claim are admitted.
2. The facts alleged in paragraphs 3 to 15 of Part 1 of the Notice of Civil Claim are denied.
3. The facts alleged in paragraph 1 of Part 1 of the Notice of Civil Claim are outside the knowledge of the Defendant.

Division 2 — Defendant's Version of Facts

1. In response to paragraph 3 of the Notice of Civil Claim ("Claim"), the Defendant denies that it entered into an agreement, oral or otherwise, that the Plaintiff would act as the Trustee on behalf of the Defendant of its Chilean mining operation in general and of its 50% stake in Medinah Minerals (Chile) S.A. in particular, for the sum of \$5,000 USD per month, plus expenses, as alleged or at all.

2. In response to paragraph 4 of the Claim, the Defendant denies that it entered into an agreement, written or otherwise, confirming any oral agreement wherein the Plaintiff would act as the Trustee on behalf of the Defendant of its Chilean mining operation in general and of its 50% stake in Medinah Minerals (Chile) S.A. in particular, for the sum of \$5,000 USD per month, plus expenses, as alleged or at all.
3. In response to paragraph 5 of the Claim, the Defendant denies that it entered into a Consultant Agreement, written or otherwise, clarifying or expanding upon the terms of any agreement with the Plaintiff, including one in which the Plaintiff would act as the Mining Trustee for all of the Defendant's operations in the Republic of Chile or provide business consulting services and advice, as alleged or at all.
4. In response to paragraph 6 of the Claim, the Defendant denies that it contracted, through a consultant agreement or otherwise, to pay the Plaintiff for the services referred to in paragraph 5 of the Claim or any other services, the sum of \$60,000 USD per annum, or any sum, to be paid on a monthly basis, with or without expenses, performance-based incentives or participation in the Defendant's employee benefit plans, as alleged or at all.
5. In response to paragraph 7 of the Claim, the Defendant denies that it owed any amount to the Plaintiff, to be paid on a timely basis or otherwise, or that the Plaintiff agreed for payment to be deferred at an ongoing interest rate of 10% per annum, compounded annually, or any interest rate, as alleged or at all.
6. In further response to paragraph 7 of the Claim, the Defendant denies that it has paid the Plaintiff \$5,000 USD for the alleged services by or from the Plaintiff, as alleged or at all.
7. In response to paragraph 8 of the Claim, the Defendant denies that it informed the Plaintiff that the alleged agreements with him had been terminated or repudiated, as alleged or at all.
8. In the alternative to paragraphs 1 to 7 above, if the Defendant was indebted to the Plaintiff in the amount claimed, which is not admitted but expressly denied, it has satisfied that debt.

9. In the further alternative to paragraphs 1 to 7 above, if the Defendant was indebted to the Plaintiff in the amount claimed, which is not admitted but expressly denied, the Plaintiff has forgiven or otherwise waived his right to that debt.
10. In response to paragraph 9 of the Claim, the Defendant denies that the Plaintiff made demand on the Defendant for any amounts allegedly owing to the Plaintiff, as alleged or at all.
11. In response to paragraph 10 of the Claim, the Defendant denies that it issued a press release on October 3, 2016, wherein it knowingly and falsely claimed that the Plaintiff had cancelled all debts owed to him by the Defendant. The Defendant says that on or about October 2, 2016, the Defendant issued a press release in which it stated that the Plaintiff “signed an agreement on August 23, 2016, cancelling all alleged debts owed” to him by the Defendant (the “Statement”).
12. In further response to paragraph 10 of the Claim, the Statement is true in substance and fact. The Plaintiff did sign an agreement cancelling all alleged debts owed to him by the Defendant.
13. In further response to paragraph 10 of the Claim, the Defendant denies that the Statement was defamatory.
14. In further response to paragraph 10 of the Claim, the Statement was published on a privileged occasion. In particular, as a publicly traded company, the Defendant was under a legal, moral or social duty to publish the words contained in the Statement to existing and potential investors, who had a corresponding duty or interest to receive them.
15. In further response to paragraph 10 of the Claim, and in the alternative to paragraphs 11 and 14 above, the Defendant pleads in mitigation of damages, if any were suffered, which is not admitted but expressly denied, evidence of general bad reputation, particulars of which include the conduct set forth at paragraphs 23 to 24 below.

16. In response to paragraph 11 of the Claim, the Defendant denies that the Plaintiff demanded on October 5 and 16, 2016, that the Defendant retract the Statement or that the Defendant refused or neglected to do so.
17. In response to paragraph 12 of the Claim, the Defendant denies that it owes, by contract or otherwise, the sum of \$262,708.86 USD, plus interest to the date of Judgment and post-judgment interest thereafter, or any sum, to the Plaintiff, as alleged or at all.
18. In response to paragraph 13 of the Claim, the Defendant denies that it breached a contract with the Plaintiff, as alleged or at all.
19. In the alternative and in further response to paragraph 13, if the Defendant did breach a contract with the Plaintiff, which is not admitted but expressly denied, the Defendant denies that the breach caused the Plaintiff to suffer any loss or damage.
20. In response to paragraph 14 of the Claim, the Defendant denies that the Defendant has been unjustly enriched at the Plaintiff's expense.
21. In response to paragraph 15 of the Claim, the Defendant denies that it defamed the Plaintiff.

Division 3 — Additional Facts

22. The Plaintiff is a former Chief Executive Officer of the Defendant.
23. Recent investigations by the Defendant have disclosed a pattern of unauthorized and fraudulent transactions engaged in by the Plaintiff, acting in his personal capacity and on behalf of, through and in conspiracy with others, in relation, *inter alia*, to the shares and assets of the Defendant, including documents that the Defendant believes were forged by the Plaintiff, over an extended period of time.
24. Investigations by the Defendant are continuing. Further particulars of the unauthorized and fraudulent transactions by the Plaintiff will be provided as they become known.

PART 2: RESPONSE TO RELIEF SOUGHT

1. The Defendant consents to the granting of the relief sought in **NIL** of the paragraphs of Part 2 of the Claim.
2. The Defendant opposes the granting of relief sought in **ALL** of Part 2 of the Claim.
3. The Defendant takes no position on the granting of the relief sought in **NIL** of the paragraphs of Part 2 of the Claim.

PART 3: LEGAL BASIS

1. The Defendant denies that it is indebted to the Plaintiff, as alleged or at all.
2. The Defendant denies that it breached a contract with the Plaintiff, as alleged or at all.
3. In the alternative, if the Defendant breached a contract with the Plaintiff, which is not admitted but expressly denied, the Defendant denies that the Plaintiff suffered loss or damage thereby.
4. The Defendant denies that it has been unjustly enriched.
5. The Defendant denies that it has defamed the Plaintiff.
6. In the alternative, if the Defendant defamed the Plaintiff, which is not admitted but expressly denied, the Defendant denies that the Plaintiff has suffered loss or damage thereby.
7. In the alternative, if there is a valid and enforceable claim to a debt or if there was an unjust enrichment or if the Defendant defamed the Plaintiff, as alleged or at all, which is not admitted but expressly denied, the Defendant claims the right to set off any amount owing

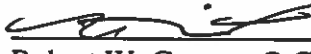
against damages suffered by the Defendant due to the fraudulent and unauthorized transactions engaged in by the Plaintiff.

Defendant's address for service: Cooper Litigation
540-220 Cambie Street
Vancouver, BC V6B 2M9
Attention: Robert W. Cooper, Q.C.

Fax address for service (if any): n/a

E-mail address for service (if any): n/a

Dated: January 3, 2017


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

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.