

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

OCT 18 2016

Form 1 (Rule 3-1 (1))

S-169580
No.
Vancouver Registry



In the Supreme Court of British Columbia

Between:

GXK VENTURES INC.

Plaintiff

And:

MEDINAH MINERALS, INC.

Defendant

NOTICE OF CIVIL CLAIM

[Rule 22-3 of the Supreme Court Civil Rules applies to all forms.]

This action has been started by the plaintiff(s) 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

FORM 11 (Rule 4-5 (2))

ENDORSEMENT ON ORIGINATING PROCESS FOR SERVICE OUTSIDE BRITISH COLUMBIA

THE PLAINTIFF CLAIMS THE RIGHT TO SERVE THIS WRIT ON THE DEFENDANT, MEDINAH MINERALS, INC., OUTSIDE BRITISH COLUMBIA ON THE GROUND THAT THE PROCEEDING IS BROUGHT ON BEHALF OF THE CROWN/MINISTER TO RECOVER MONIES OWING FOR DEBTS DUE TO THE CROWN/MINISTER PURSUANT TO SECTION 10(e)(i) OF THE COURT JURISDICTION AND PROCEEDINGS TRANSFER ACT IN THIS CASE.

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A response to civil claim must be filed and served on the plaintiffs:

- (a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service,
- (b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, 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

- 1 The Plaintiff GXX VENTURES INC. (incorporation Number BC0362473) (the "Plaintiff") is a company incorporated pursuant to the laws of British Columbia with a registered address at 405 – 221 West Esplanade, North Vancouver, BC, V7M 3J3.
- 2 The Defendant MEDINAH MINERALS, INC. (the "Defendant") is a publically traded company incorporated pursuant to the laws of the State of Nevada in the United States of America with its principal place of business at 8200 Soaring Owl Avenue, Las Vegas, Nevada, USA, 89129 and its registered offices at the Nevada Agency and Transfer Company (NATCO) at 50 West Liberty Street, Suite 880, Reno, Nevada, USA 89501.
- 3 On or about April of 2007 the Plaintiff and the Defendant entered into an oral agreement that the Plaintiff would act as the Defendant's agent in the Province of British Columbia such that the Plaintiff would receive and deposit the Defendant's monies in an account set up by the Plaintiff in the name of MMC Mines Inc. (an affiliate company of the Defendant), make payments on behalf of the Defendant (using the Plaintiff's funds if necessary) and pay the Defendant's debts (again, using the Plaintiff's funds if necessary), in expectation of repayment of any arrears with

interest at the rate of Ten (10%) Percent per annum compounded annually (the "Agreement").

- 4 Insofar as the Agreement was made orally, the Agreement was made in a series of discussions held between January 2007 and April 2007 at various times and locations, including over the phone, between Les Price, the President and director of the Plaintiff, and Juan Jose Quijano (then President of the Defendant), Larry Regis (then Secretary of the Defendant) and Gregory A. Chapin (then Operating Director of the Defendant) for the purpose of allowing the Defendant to conduct business in Canada from time to time.
- 5 Insofar as the Agreement is evidenced in writing, on May 1, 2007 the directors of the Defendant approved a Directors' Resolution that
 - a. Authorized the Plaintiff to act as the Defendant's agent for the purposes of banking and related financial transactions in the Province of British Columbia; and
 - b. Agreed that the Defendant would repay to the Plaintiff on an ongoing basis all monies paid by the Plaintiff and debts incurred by the Plaintiff on behalf of the Defendant, such debts to be recorded in the Defendant's Financial Statements from time to time (the "Directors' Resolution").
- 6 The Plaintiff complied with its obligations under, and in reliance upon, the Agreement and on the basis of the Agreement and the representations contained in the Directors' Resolution proceeded to make payments from its own funds at the Defendant's request and on the Defendant's behalf on an ongoing basis.
- 7 Pursuant to, and in reliance on, the Agreement approved by the Directors' Resolution, the Plaintiff between May of 2007 and August of 2008 advanced Seven Hundred Ninety-Four Thousand One Hundred and Six (\$794,106.00 USD) United States Dollars of its own funds on behalf of the Defendant.

- 8 The above monies were advanced at the request of the Defendant, and all amounts were authorized and approved by the Defendant's corporate directors at the time, and published in the Defendant's relevant Quarterly Financial Reports.
- 9 In furtherance of the Directors' Resolution, the Defendant executed a Promissory Note dated August 17, 2008 in the amount of Seven Hundred Ninety-Four Thousand One Hundred and Six (\$794,106.00 USD) United States Dollars to cover the Plaintiff's monetary advances to and on behalf of the Defendant as of that date (the "Promissory Note").
- 10 Particulars of the Promissory Note are as follows:
- a. Principal due: Seven Hundred Ninety-Four Thousand One Hundred and Six (\$794,106.00 USD) United States Dollars;
 - b. Interest at Ten (10%) per annum from August 17, 2008 to June 30, 2016;
 - c. Payable On Demand
- 11 The amount due on the Promissory Note as of June 30, 2016 is Two Million Seventeen Thousand and Sixty Six (\$2,017,066.00 USD) United States Dollars (the "Debt").
- 12 Between May 1, 2007 and June 30, 2016 the Plaintiff continued to pay the Defendant's debts, made payments on behalf of the Plaintiff, and provided assistance to the Defendant in furtherance of the Agreement and Directors' Resolution.
- 13 The Plaintiff repaid part of the Debt owing from time to time, acknowledging the debt thereby, and then authorized and entered into further indebtedness, which was

recorded in the Defendant's Quarterly Financial Statements, again as an acknowledgment of the Debt.

- 14 The Defendant has made the following repayments towards the Debt:

December 18, 2015	\$5000.00 USD
January 6, 2016	\$2500.00 USD
January 15, 2016	\$5000.00 USD

- 15 The Defendant acknowledged its debt to the Plaintiff in the amount of Two Million Seventeen Thousand and Sixty Six (\$2,017,066.00 USD) United States Dollars in its draft Schedule of Creditors Accounts circulated on June 14, 2016.
- 16 The Defendant further acknowledged its debt to the Plaintiff in the amount of Two Million Seventeen Thousand and Sixty Six (\$2,017,066.00 USD) United States Dollars in its Quarterly Financial Statement of June 30, 2016.
- 17 The Plaintiff has demanded payment of the sum of Two Million Seventeen Thousand and Sixty Six (\$2,017,066.00 USD) United States Dollars from the Defendant but the Defendant has refused or neglected to pay that sum or any part thereof.
- 18 The Plaintiff claims the sum of the Promissory Note, plus interest, to the date of Judgement and post-judgment interest thereafter;
- 19 In addition or in the alternative, the Plaintiff claims the Defendant is in breach of contract, and that as a result of the Defendant's breach of contract, the Plaintiff has suffered, and continues to suffer, loss and damage.

- 20 In the further alternative, the Plaintiff says that the Defendant has been unjustly enriched at the Plaintiff's expense.

Part 2: RELIEF SOUGHT

1. The Plaintiff claims the sum of Two Million Seventeen Thousand and Sixty Six (\$2,017,066.00 USD) United States Dollars.
2. The Plaintiff claims contractual judgment of ten percent (10%) per annum on all amounts outstanding until payment or judgment.
3. In the alternative, the Plaintiff claims the sum of Two Million Seventeen Thousand and Sixty Six (\$2,017,066.00 USD) United States Dollars for breach of contract;
4. In the further alternative the Plaintiff claims Two Million Seventeen Thousand and Sixty Six (\$2,017,066.00 USD) United States Dollars for unjust enrichment;
5. General damages;
6. Special damages;
7. Interest in accordance with the *Court Order Interest Act*;
8. Costs; and
9. Such further relief as this Honourable Court deems meet.

Part 3: LEGAL BASIS

1. The Defendant is indebted to the Plaintiff for the amount claimed as maker of a promissory note.

2. In the alternative, the Defendant breached a contract with the Plaintiff and the Plaintiff has suffered loss and damage thereby.
3. In the further alternative the Defendant has been unjustly enriched and the Plaintiff has suffered a corresponding loss thereby, and there is no juristic reason for the enrichment.

Plaintiff's address for service:

Kowarsky Ritson LLP
Box 12102
1008 – 808 Nelson St
Vancouver, B.C. V6Z 2H2
Fax number address for service (if any): 604 683 2737
E-mail address for service (if any):
Place of trial: Vancouver, B.C.
The address of the registry is: 800 Smithe St., Vancouver, B.C.

Dated: October 18, 2016


Ori Kowarsky,
Solicitor 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

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

Suing on a promissory note; in the alternative, for breach of contract; in the further alternative, for unjust enrichment.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

[Check one box below for the case type that best describes this case.]

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:
