

# **EXHIBIT A**

## **PROPERTY GOLD RESERVES REPORT**

**PROPERTY GOLD RESERVES REPORT  
FOR THE  
JBSCH 1 – 10 PLACER CLAIMS  
BURWASH CREEK, YUKON**

**TECHNICAL REPORT  
FORM 43-101F1 OF  
NATIONAL INSTRUMENT 43-101**

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November, 2013

# TABLE OF CONTENTS

LIST OF FIGURES .....	3
LIST OF TABLES .....	5
SUMMARY .....	6
INTRODUCTION AND TERMS OF REFERENCE .....	9
DISCLAIMER .....	11
PROPERTY DESCRIPTION AND LOCATION .....	12
ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY .....	15
HISTORY .....	17
DEPOSIT TYPES .....	19
MINERALIZATION .....	24
EXPLORATION .....	29
SAMPLING METHOD AND APPROACH .....	44
SAMPLE PREPARATION, ANALYSES AND SECURITY .....	51
DATA VERIFICATION .....	57
MINERAL PROCESSING AND METALLURGICAL TESTING .....	58
MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES .....	67
INTERPRETATION AND CONCLUSION .....	71
RECOMMENDATIONS .....	72
REFERENCES .....	73
SIGNATURE PAGE .....	79
CERTIFICATE OF QUALIFICATIONS .....	80
APPENDIX A.....	82
APPENDIX B .....	84

## LIST OF FIGURES

<b>FIGURE 1.</b> Location of the Burwash Property.....	7
<b>FIGURE 2.</b> Location of total Burwash Creek Mining Claims.....	13
<b>FIGURE 3.</b> Location of ten Lower Burwash Claims .....	14
<b>FIGURE 4.</b> Different Types of Deposited Materials .....	21
<b>FIGURE 5.</b> Deposited Material .....	22
<b>FIGURE 6.</b> Exploration Program for Claims 5 to 10 .....	30
<b>FIGURE 7.</b> Exploration Program for Claims 1 to 10 .....	32
<b>FIGURE 8.</b> Exploration test Program, 2003.....	34
<b>FIGURE 9.</b> Drop-off dug down 75 feet along clay wall and filled with water.....	35
<b>FIGURE 10.</b> Ten Holes Drill Program, 2006 .....	37
<b>FIGURE 11.</b> Ten Holes Sampling Program, 2006 .....	39
<b>FIGURE 12.</b> Digging and collecting one ton sample from clay .....	42
<b>FIGURE 13.</b> Bulk Sampling Process.....	45
<b>FIGURE 14.</b> Bulk Sample Material in treed area .....	46

<b>FIGURE 15.</b> Gathering Head Ore Bulk Samples .....	48
<b>FIGURE 16.</b> Gathering Head Ore Samples, End of Season .....	49
<b>FIGURE 17.</b> Complex Sampling of the Large Bulk Sample .....	50
<b>FIGURE 18.</b> Burwash Creek, Wash Plant and Pilot Recovery Circuit, 2006.....	60
<b>FIGURE 19.</b> Processing Wash Plant, 2006.....	61
<b>FIGURE 20.</b> Wash Plant and Pilot Recovery Circuit, 2007-2008 .....	62
<b>FIGURE 21.</b> Pilot Refining Plant .....	63
<b>FIGURE 22.</b> Smelting Pilot Plant .....	64
<b>FIGURE 23.</b> Gravity Concentration Pilot Plant .....	65
<b>FIGURE 24.</b> Metallurgical Laboratory .....	66

## **LIST OF TABLES**

**TABLE 1.** Calculation of the Volume of Reserve Block .....69

**TABLE 2.** Burwash Creek Gold Reserve Calculation .....70

## SUMMARY

This Report was prepared for Northern Minerals Development Inc. In preparing this report, the author utilized many different methods of testing and analyses variety placer samples.

The sampling and sample preparation of the ore, concentrate, tailings and other related materials were done by experienced and skilled personal and analyses were carried out at reputable laboratories. It is assumed that the methods used were in keeping with accepted industry standards and there is no reason to believe that the assays reports are not representative of the intervals assayed.

The main objective of this report is to provide management of company with an independent opinion regarding Measured (Proven) Mineral Reserves and the mine plan to exploit those reserves.

Burwash Creek placer gold property and its potential and proven gold reserves on the JBSCH 1 – 10 Claims on Lower Burwash Creek is located at southwest part of Yukon and is approximately 100 km from the Whitehorse and 11 km from the town of Burwash Landing and is fully permitted to mine. Location of the Burwash Creek property may be seen on **Figure 1**.

Burwash Creek has over one hundred years of Placer Mining history, mostly mined by hand or with very low volume, small-scale equipment with primitive gravity recovery technology, which has no ability to recover the fine plus ultra-fine micron gold that is deposited on these claims. The current owners have been testing the gold potential of these Burwash Creek claims in bulk, pit and borehole since 2001. The calculation for the present gold resource for one claim area is 20,931,540 grams. The total present gold resource for all ten claims is 209,315,400 grams or 209.3 metric tons of gold. This is a significant gold deposit.

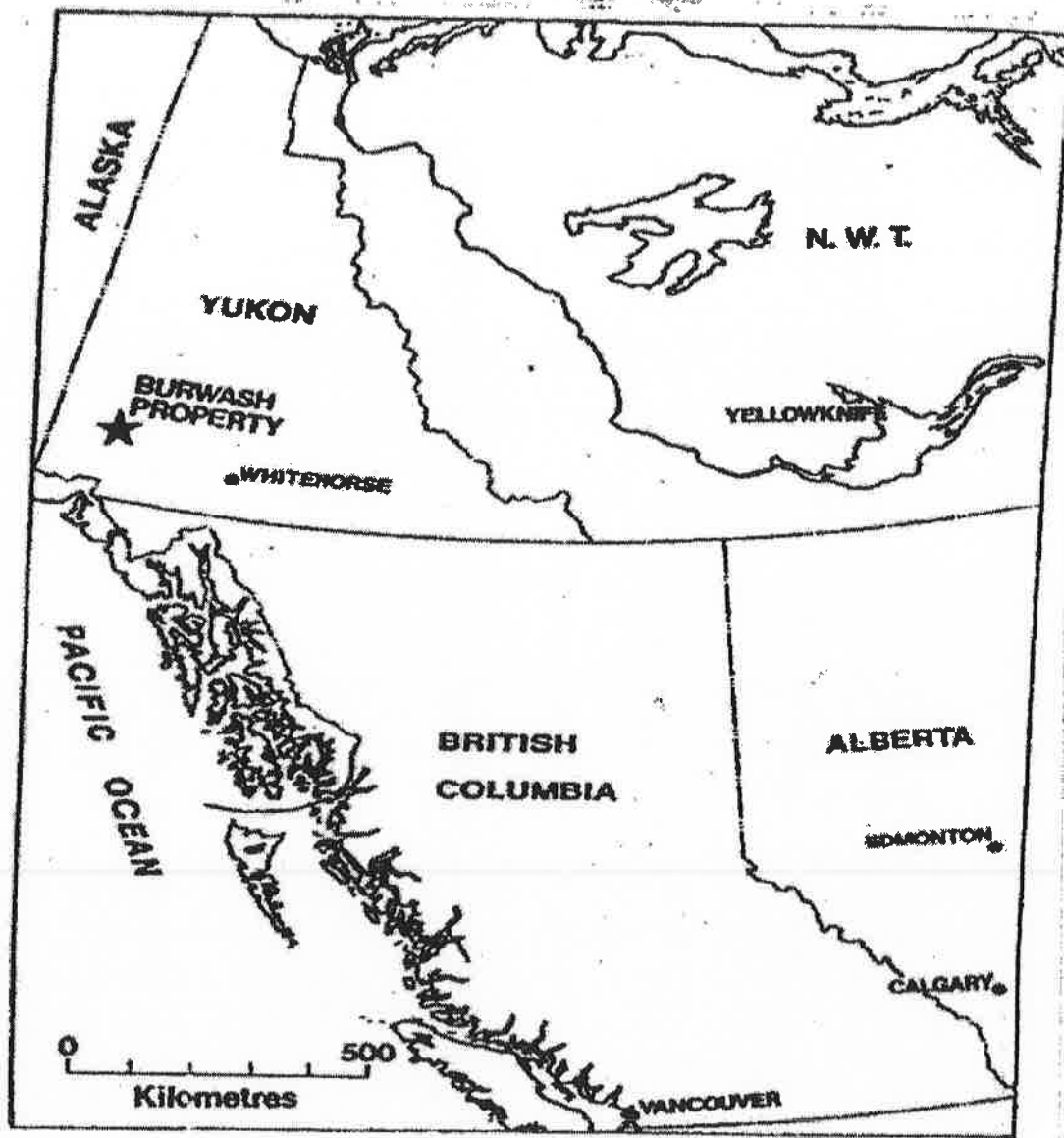


Figure 1.

Location of the Burwash Property

Dr. Valery J. Zhuravlev, P.Eng. as an Independent Consultant and Qualified Person visited the Burwash Creek property in 2003, 2006 to 2008, 2012 and 2013. During these trips the observation of many different areas of the property was done and the level of exploration and operation of the mine was examined.

The placer deposits comprise a glacially displaced, poorly sorted Late Jurassic/Cretaceous siltstone/greywacke matrix. Gold, silver, and platinum group elements were co-precipitated with other metallic and metal bearing species in the original sulfide rich seafloor depositional environment.

## INTRODUCTION AND TERMS OF REFERENCE

Preparation of this report was undertaken on behalf of Northern Minerals Development Inc. (NMDI), as part of its study and documentation of the Burwash Creek mining property in support of its exploration and operation program development and validation efforts. This work was conducted upon the request of Mr. Clarke Ashly, President of NMDI. In preparing this report, the author utilized historical and modern geological and geochemical data compiled by the Geological Survey of Canada, Memoir 284, Yukon Territory, H.S. Bostock, 1898 to 1933; Exploration Potential Burwash Creek Gold Mine, L.B. Halferdahl, Ph.D., P. Eng. 1984; Yukon Placer Industry 1989 – 2006, Government of Canada; Yukon Exploration & Geology 1998-2004, Government of Canada, and field observations assisted by local residents and prospectors familiar with this property.

The main objective of this report is to provide the management of Northern Minerals Development Inc. with an independent opinion regarding the potential of Burwash Creek mining deposit. This report follows the layout and format for technical reports as described in **Form 43-101F1 of National Instrument 43-101**.

This report is based on geological reports and maps, technical data and papers, company letters and memorandums, sampling and testing protocols, and public information as listed in the “Reference” section of this report. In addition, to official sources of information some data were also derived from personal contacts with the staff of Northern Minerals Development Inc. and local professional miners.

The author has assumed that all of the information and technical documents listed in the “Reference” section are accurate and complete in all material respects.

All units used in the report are expressed in terms of the international system (SI) and the empirical system used in the USA. Concentrations of noble metals are reported in grams per metric ton (g/t) or parts per million (ppm) as well as in troy ounces per short ton (oz/ton), or in percentages (%).

## **DISCLAIMER**

This report, dated November, 2013 has been prepared by an independently qualified consultant Valery J. Zhuravlev, Ph.D., P.Eng. (Author) for Northern Minerals Development Inc. (NMDI) and may be used by NMDI in connection with a review of the Burwash Creek mining property. The author does not accept any responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report.

The information, conclusions, estimates, and assessments contained herein are based on:

- 1) The information available to the Author at the time of the preparation of this report.
  
- 2) The data supplied by NMDI and other third party sources.

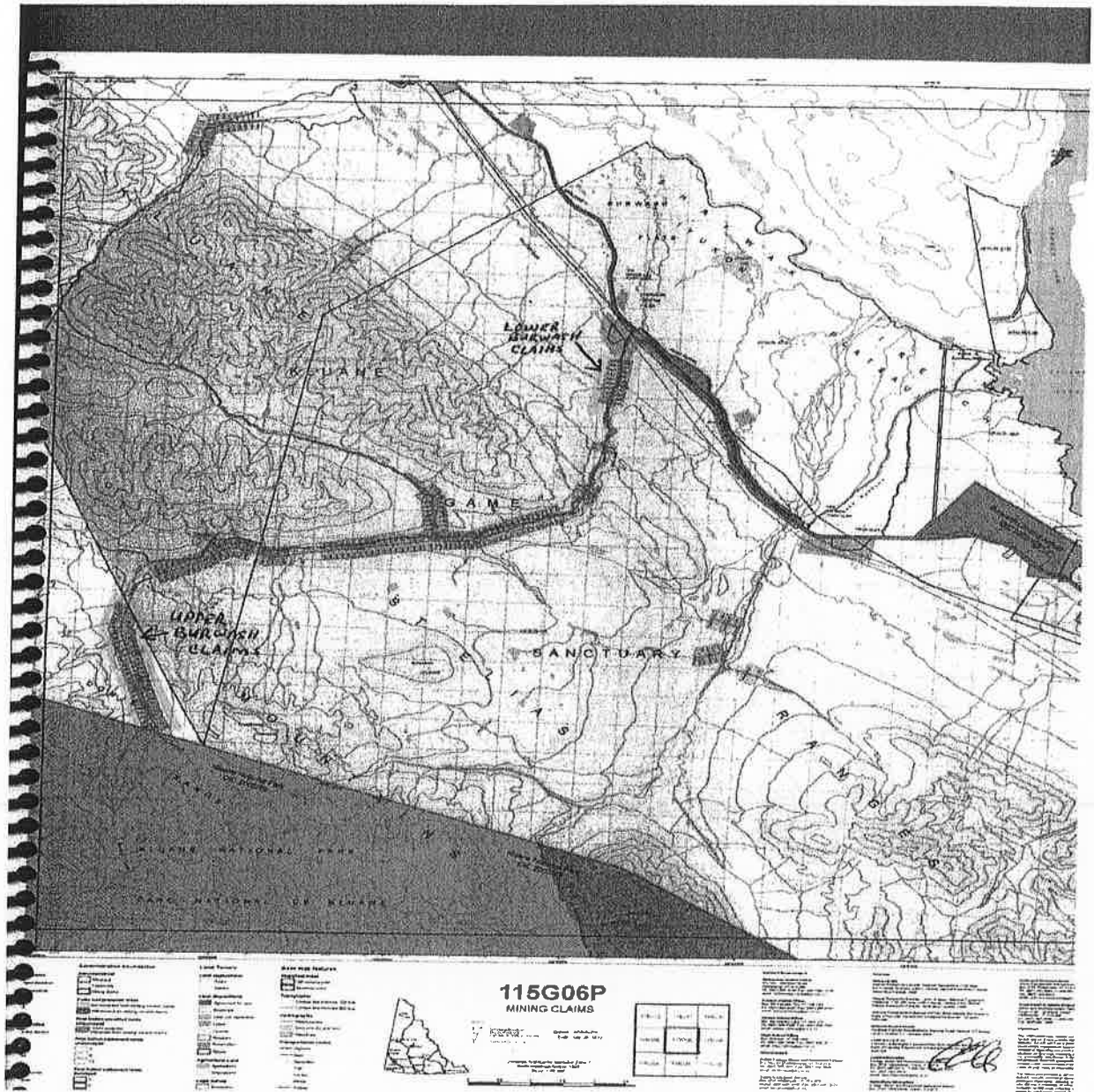
While it is believed that the information contained herein is reliable under the conditions and subject to the limitations set forth herein, this report is based in part on information not within the control of Author and the Author therefore cannot and does not guarantee its accuracy. The comments in this technical report reflect the Author's best judgment in light of the information available to the Author at the time of the preparation of the report.

Author has taken all reasonable care in producing this report in accordance with Form 43-101F1 of National Instrument 43-101.

## PROPERTY DESCRIPTION AND LOCATION

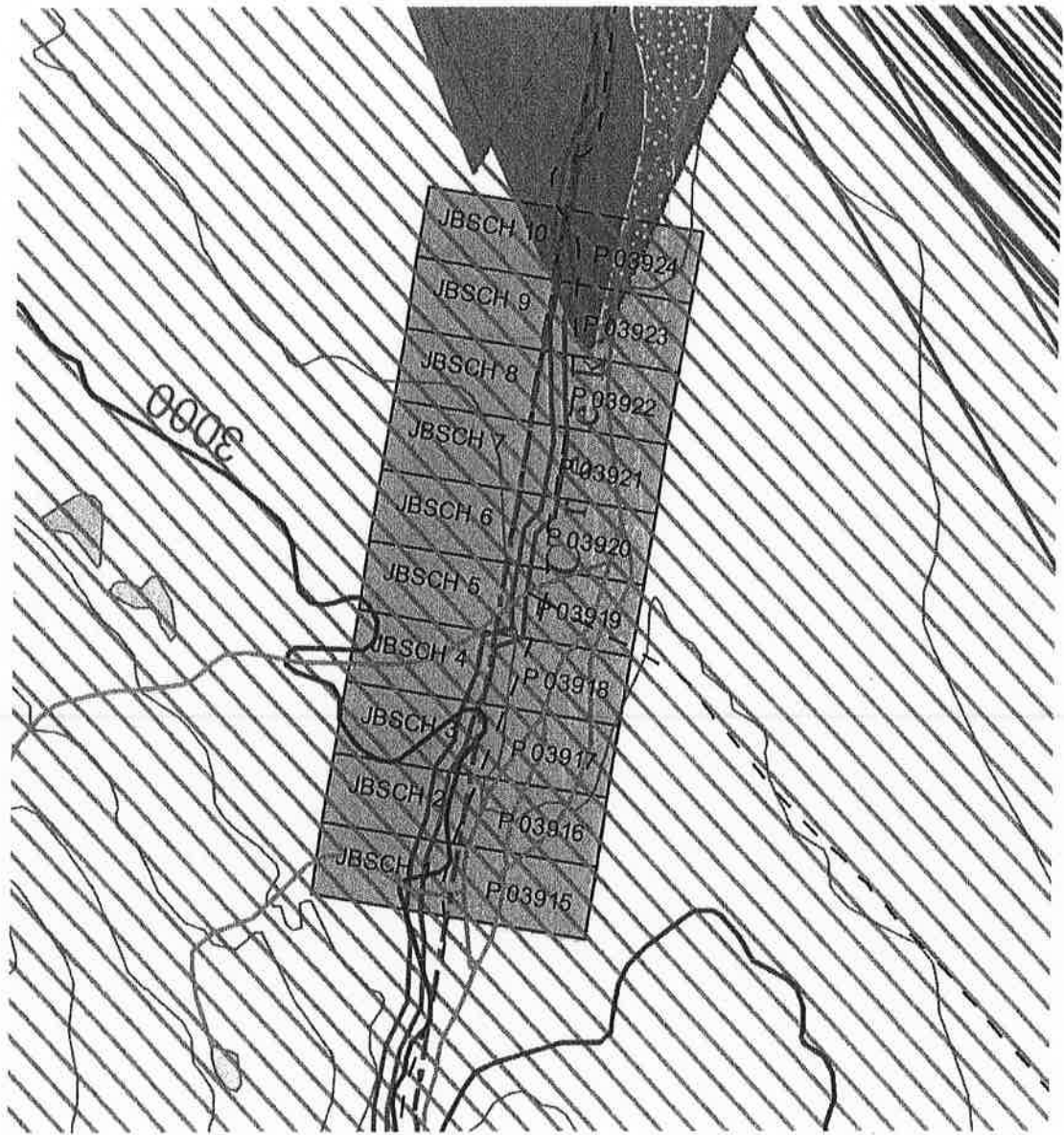
The Burwash Creek claim group consists of ten contiguous placer claims located in the Whitehorse Mining District, Yukon. These claims are registered as the JBSCH 1-10 claims with, Grant Numbers P 038915 to P 03924 and 100% owned by Northern Minerals Development Inc. They are located on the N.T.S. Map Sheet 115/G06 P; Latitude: 61 \_ 25' 0" N; Longitude: 139 \_ 13'5" W. Burwash Creek is a tributary of the Kluane River, which is located approximately 7 miles (11.2 km) northwest along the Alaska Highway from Burwash Landing, Yukon. A gravel road off the Alaska Highway is approximately one mile long, running through a Government gravel pit, accesses the Claims. The Alaska Highway is a Government maintained year around highway, which connects Alaska and Yukon to southern Canada and the mainland USA through the Province of British Columbia. The total Burwash Creek property assets are shown in **Figure 2.**

Since 2001, Northern Minerals Development Inc., conducted large scale sampling and mining on the lower Burwash Creek property with operations utilizing a wash plant for gold recovery. It was also testing many different types of mining recovery equipment including jigs, sluices, centrifuges, and cyclones. The location of the Burwash Creek claims and mine site may be seen in **Figure 3.**



**Figure 2.**

Location of total Burwash Creek Mining Claims.



## **ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY**

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Burwash Creek is within the St. Elias Mountains in southwest Yukon. The claim area is located from the mouth of the first canyon Northward or downstream on Burwash Creek where it opens into the wide-open Shakwack Trench, which runs perpendicular to Burwash Creek. There is an approximate 200 feet (61 m) drop in elevation from claim #1 downstream 5,000 feet (1,524 m) to the end of claim # 10. The east side of the Burwash valley has a 50 feet (15 m) bench that runs for about 1,500 feet (457 m) downstream from the canyon.

The west side of the valley is considerably steeper with slopes attaining 45 degrees and more and reaching a height of well over 100 feet (26 m) along the creek, with a length of approximately 1,000 feet (305 m) along the creek and widening from the canyon until it forms the south boundary of the Shakwak Trench at about 1,500 feet (457 m) downstream from the canyon. The height reaches 2,000 to 3,000 feet (610 to 914 m) above the valley floor further to the west away from the claim area. The valley bottom is basically flat, with permafrost under any area that has vegetation cover and not been open to the sun. The width of the valley from the canyons in the south is approximately 500 feet (152 m) opening by the end of the fifth claim to over 2,000 feet (610 m) wide.

Vegetation consists primarily of spruce and cottonwood forest. Alder and willow are common in the wetter areas and any area in the valley bottom that has not been cleared of vegetation.

The Burwash Creek area has a continental climate that it is relatively moderate by Yukon standards. Although the region lies over 250 km from the Pacific Ocean, the moderating effect of the warm water mass is the dominating factor of the local climate over most of

the year. Temperatures during the summer months range up to 20°C with rare frosts. During spring and fall months, temperatures range between -10°C and 10°C, while winter temperatures are seldom below - 20°C for extended periods of time. A heavy winter snowfall is found all around, and at some higher altitudes snow remains there year around. However, the snow seldom exceeds 2 – 3 feet (0.5-1 m) in depth and the ground is usually bare for approximately seven-eight months of the year. Much of the region lies in the rain shadow of the Saint Elias Mountains and overall precipitation is light although periodic Pacific storms can bring short-lived periods of heavy precipitation.

The property is very accessible and can be reached by vehicle along the Alaska Highway and by a gravel road from Alaska Highway to Burwash Creek. At the same time, the property is close to a major supply center within the Yukon Territory. All necessary supplies are available locally or in Whitehorse. This accessibility should lower mining costs as compared with other parts of the Yukon Territory. The local population includes skilled and experienced miners.

The physiography of Burwash Creek is highly complex, but fortunately the deep excavations made during the progress of mining have yielded much valuable information concerning it.

## HISTORY

Gold was first discovered in the Burwash Creek area in 1904 as a result of the famous “Klondike Gold Rush” which drew prospectors into the area in the late 1890’s in their search for new Bonanza Gold deposits. Burwash Creek was named after a Mining Recorder at Silver Creek named Lachlin Taylor Burwash.

Almost the complete length of Burwash Creek from the first canyon to its headwaters has seen some mining activity since 1904. The most prolific miner whose name was Henry Besner, mined from the first canyon upstream to the first main tributary called Tatamagouche Creek from 1945 to 1969 and the official records showed an average of 986 ounces of gold nuggets produced each year, which gave a total of 23,664 ounces of gold with platinum equaling one percent of the gold. His actual recoveries are believed to have been many times this amount. The gravity sluice boxes that have been used on Burwash Creek have not had the ability to recover fine gold, it just washes through there sluices.

When Henry Besner mined, he would position his sluice box in the middle of Burwash Creek and push pay gravels with a D8 Cat Dozer into it. All he could recover was large nuggets of gold plus some small platinum nuggets; the fine gold was washed through due to the large volume of water used to move the boulders through his sluice box. Today this method of mining is not allowed and would be stopped by the Mining Inspectors; this would also contravene Northern Minerals Water License and Land Use Permit, due to stream sediment loading aside from being very inefficient from a gold recovery standpoint.

Since 1904 Burwash Creek claims have been hand mined by a variety of miners. This property on lower Burwash was left untouched as a result of the water table being too near the surface 5 to 10 feet (2 – 3 m) and the fine gold although in abundance being unrecoverable using gravity recovery methods. In 1942 a Doodlebug Dredge which dug

to a depth of approximately 12 feet (3.7 m), was used to make one pass, up and back on the creek but was unable to recover the fine gold. It also had a difficult time dealing with the large boulders that it encountered on the creek as well.

Periodic small-scale cat mining of the east bench has been attempted by different people in the 1970's the 80's and 90's with each operator recovering a few hundred ounces in coarse gold, by using primitive gravity recovery sluice boxes.

## DEPOSIT TYPES

At the Kluane Ranges, near which the Burwash Creek deposit is located, at some remote period there has been a part of a huge glacier that has receded, possibly on account of its source of supply, or its connection with ice fields further north being cut off or disturbed by volcanic or subterranean activity of some kind. The deposit of wash dirt is evidence from the moraine matter left by the departed glacier; and the gradually accumulated products of erosion from the enclosing country.

Glacial history of the Kluane Ranges is documented by Muller (1967) and summarized by Doherty *et al* (1994), Mougeot and Walton (1996) and Duk-Rodkin (1999). The region has been subjected to a number of late Pleistocene glaciations. Most landforms in this area are a result of late Wisconsinian glaciation during which ice originated in the Icefield Ranges and flowed northeast, cutting prominent valleys across the Kluane Ranges before coalescing with ice flowing northwest along Shakwak Trench. In addition to ice streams occupying the valleys, smaller cirque glaciers capped summits of the Dezadeash and Kluane Ranges and they locally merged with the main ice streams. The valley ice reached elevations between 4500 and 5490 feet (1500 and 1830 m) so that tops of the higher peaks and ridges in the Kluane front ranges were ice-free with the exception of small cirque glaciers that developed along north-facing upper slopes.

In the past 3000 years, a series of major glacial advances occurred in the St. Elias Mountains. Ice streams flowed across the Kluane Ranges through major valleys cut by the earlier glaciations, reaching as far as the Shakwak Trench. In the past 500 years, surges of ice from prominent lobes extended to the Kluane Ranges from high ground in the Saint Elias Mountains locally blocking river valleys and resulting in a number of short-lived lakes. Ice margins of these glaciers have shown significant retreat since the earliest aerial photographs were taken in 1947.

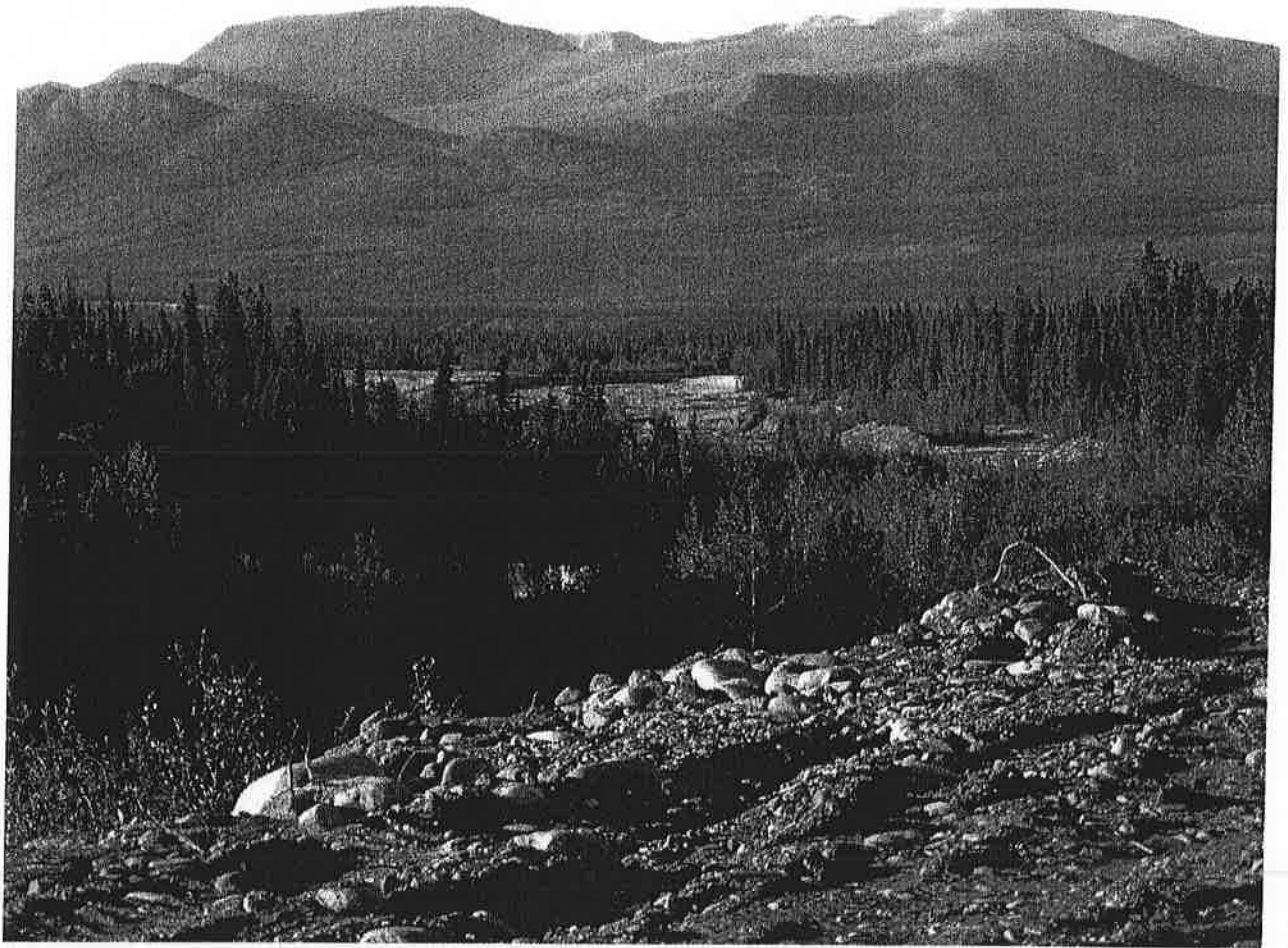
Permafrost is discontinuous to continuous in the Kluane Ranges. It is most extensively developed at higher elevations where the insulating effect of glacial ice was either

minimal or absent. For example permafrost extends to about 120 or 150 feet (40 or 50 m) from surface in the Wellgreen Mine 4250 Level (1300 m) whereas ice lenses are only present to depths of about 90 feet (30 m) in a nearby glaciated valley bottom (Carne, 1987).

The excessive agitation that the gravel deposit has been subjected to has so disturbed free gold and other value particles that it is doubtful whether or not there is a defined pay streak on the property, or great values on bedrock; it is highly probable that gold and other values in the ground are held in suspension throughout the deposit by a cementing medium of fine clay or glacier silt. Panning and assay results showed that on some parts of the property flat gold nuggets rarely up to five mm were obtained very near the surface, in other parts they were encountered fifteen or twenty feet below the surface, or accordingly as the cementing medium in the gravels had been affected. Different types of deposited materials (gravel, sand, and boulders) may be seen in **Figures 4 and 5**.

The Kluane Ranges are well endowed with mineral occurrences. The 94 mineral occurrences in the Mineral Files, discovered to date represent a total of 19 different deposit types. Economically significant Volcanic Redbed Cu, Cu±Au Skarn and Flood Basalt Associated Ni-Cu-PGE deposits are especially noteworthy. Despite this, very little modern regional exploration for these deposit models has been carried out. With its relatively good access, and with recent advances in understanding of the geological and metallurgical framework, the Kluane Ranges should be on the high priority list for any exploration manager.

The second most common type of mineral occurrence in the Kluane Ranges, although perhaps of lesser local economic importance, are a suite of unusual copper deposits that occur within Triassic Nikolai Assemblage mafic to intermediate volcanic rocks. The most significant of these are the Johobo and White River occurrences, which are described in some detail below.



**Figure 4.**

Different Types of Deposited Materials  
(Sand, Clay, Pebbles, Cobbles, and Boulders)



**Figure 5.**

Deposited Material

Volcanic Redbed Cu Occurrences is the Burwash Creek deposit type. Volcanic Redbed Cu deposits are defined as concordant or peneconcordant, disseminated, crosscutting vein and fault-controlled copper mineralization in predominantly sub-aerial volcanic sequences, usually basaltic. Native copper may be present at the cores of the deposits with mineralogical zoning grading outward through successive, overlapping and irregular

zones of chalcocite, bornite, chalcopyrite and finally pyrite. Digenite, djurleite and covellite may also be present. Late-stage diagenetic or low temperature metamorphic fluids are thought to be responsible for the observed mineralization and weakly developed enveloping alteration (Kirkham, 1995 and Wilton, 1999).

Well-known examples of volcanic redbed copper occurrences include the Keweenaw Peninsula, Michigan deposits. The Calumet Conglomerate lode produced about 72.4 Mt grading 2.64% Cu with remaining indicated and inferred resources of 38.3 Mt grading 1.92% Cu. The Kearsage Amygdaloid ore body produced about 89.1Mt grading 1.05% Cu with remaining inferred resources of 72.1 Mt grading 1.0% Cu (Kirkham, 1995). The Sustut deposit in north-central British Columbia is the most well-known Cordilleran example with a total mineral inventory of 43.5 Mt grading 0.81% Cu in three zones.

## MINERALIZATION

The Kluane Ranges district is not a distinct geological province in its own right. Rather it is a physiographic region within the Insular Superterrane tectonic province. The Insular Superterrane is mainly composed of two tectonostratigraphic assemblages - Wrangellia and Alexander Terranes.

Alexander Terrane is a large allochthonous crustal fragment that extends over 1000 km from Vancouver Island through southeast Alaska to southeast Yukon and into east-central Alaska (Peter and Scott, 1999). It includes a thick succession of Cambrian to Permian basinal and platformal carbonate and clastic sedimentary rocks with subordinate volcanic rocks that were deposited in ocean arc, back arc, platform, rift, trough and offshelf settings (Gordey and Makepeace, 1999 and 2001).

Stretching from west-central Idaho and eastern Oregon to the Wrangell Mountains of south-central Alaska, Wrangellia is one of the most extensively displaced exotic terranes in North America. Various controversial attempts have been made to reconstruct Wrangellia but the paleomagnetic and paleobiogeographic information is inconclusive. In any case, most of the scenarios support at least 4000 kilometres or more of drift before collision with North America. The northern segment of Wrangellia underlies a large part of central Alaska with two southeasterly trending branches that are separated in southwest Yukon by the main body of Alexander Terrane. The oldest rocks observed in the Kluane Ranges portion of Wrangellia are andesitic and basaltic flows, tuffs and breccias. Although these are similar in petrology and appearance to volcanic rocks in Alexander Terrane, they were extruded in a younger volcanic arc setting during the Late Pennsylvanian to Lower Permian.

Evidence that Wrangellia and Alexander Terranes were joined together at least 310 to 320 million years ago is given by Middle Pennsylvanian plutons in Alaska that "weld" the fault contact between the two. This observation contradicts stratigraphic and paleomagnetic data that had once been interpreted as evidence for two separate terranes until at least Jurassic time (Gardner *et al*, 1988).

Overlap successions include a thick Upper Jurassic to Lower Cretaceous deep marine clastic shale and sandstone sequence; Paleocene to Miocene fluvial and lacustrine conglomerate, sandstone shale and coal; Miocene to Pliocene or younger mafic to felsic volcanic rocks; and very recent pumice and volcanic ash deposits from vents in the White River area along the Alaska border. Overlap sequences in the strictest sense probably also include Triassic volcanic and sedimentary strata in both Alexander Terrane and Wrangellia, but since they differ somewhat in petrology and apparent environment of deposition (probably because of subsequent fault displacement on the Duke River Fault), they are described separately here.

Wrangellia and Alexander Terrane are bounded in the Kluane Ranges area by the Denali and Duke River Faults, which are right-lateral, strike slip faults. The Denali Fault originates in the region of Haines, Alaska and continues north through southwest Yukon, (where it is called the Shakwak Fault), and further northwest into eastern Alaska. This fault and the sub-parallel Duke River Fault are still the loci of seismic activity, causing a high frequency of small earthquakes (Hart, 2002). For instance, a total of 224 seismic events have been recorded in the Kluane Ranges area between 1920 and 1991, making it by far the most seismically active area in the Yukon. (Doherty *et al*, 1994). On November 3, 2002 a very strong earthquake (7.9 Richter Scale) was recorded in east-central Alaska as a result of 2.3 m of horizontal movement and 1.5 m vertical movement on the Denali Fault. A 4.1 magnitude quake occurred on November 19, 2002 with epicenter on the Duke River Fault near Haines Junction, Yukon. The length of Burwash Creek runs parallel to the Duke river which is approximately three km due east at the property.

Hulbert (1997) notes that in the Wrangellia portion of the Kluane Ranges there is little evidence for any strong orogenic activity prior to the Jurassic. However, in Alexander Terrane of northern British Columbia, Smith *et al* (1993) document an early (pre-Triassic?) phase of ductile deformation manifest primarily by isoclinal folds of variable orientation. This may have been a result of the Late Pennsylvanian to Permian amalgamation of Wrangellia and Alexander Terranes, forming the Insular Superterrane. The Upper Triassic Nikolai Assemblage shallow water to subaerial basalts in the Kluane

Ranges rest unconformably, at least in part, on marine sedimentary rocks of the Pennsylvanian Skolai Group, reflecting broad uplift prior to their extrusion.

Late Jurassic deformation along the eastern margin of the Insular Superterrane has been interpreted to reflect its initial juxtaposition with North America (McClelland and Gehrels, unpublished manuscript cited in Peter and Scott, 1999). Obduction and emplacement of Late Jurassic to Early Cretaceous plutons resulted in additional folding and low-grade regional metamorphism. Final accretion of the package to the western margin of the Intermontane Superterrane in mid- to Late Cretaceous time produced northwest trending zones of ductile to brittle shear that cut both the plutons and older rocks (Smith *et al.*, 1993).

The northeast boundary of the Insular Superterrane is marked by the northwest trending Denali Fault and its subsidiary structures. After obduction ceased, slicing of the North American continental margin along the ancestral Denali Fault took place during the Tertiary as Wrangellia migrated northwards. The end of the orogenic cycle is marked by exhumation resulting from orogen-parallel transtensional extension followed with contraction and deformation suspected to be Tertiary in age (Smith *et al.*, 1993; Crawford *et al.*, 1999).

In the central part of the study area the steeply dipping Duke River Fault separates Alexander Terrane from the eastern limb of Wrangellia Terrane. Strike-slip movement along this structure has almost certainly modified the post-amalgamation architecture of the Insular Superterrane but the actual amount of displacement is not known. Relatively young transtensional extension along the Duke River Fault corridor may have formed depositional basins for the Paleocene to Oligocene Amphitheatre Assemblage fluvial and lacustrine strata. Miocene to Pliocene Wrangell Suite lavas that overlie these rocks are deformed along the trace of the Duke River Fault in the northwest part of the study area but they are not apparently displaced.

Strike-slip faulting is present at all scales throughout the Kluane Ranges, especially in the Wrangellia Terrane segment between the Duke River and Denali Faults where subparallel

belts of relatively intact internal structure and stratigraphy have apparently been displaced some distance from each other.

In Wrangellia Terrane, major fold axes strike northwest, parallel to the bounding Duke River and Denali Faults. The folds are tight to isoclinal and upright to overturned to the northeast. These structures have, in turn, been folded about northeast axes into a series of culminations and depressions extending the length of the belt.

In Alexander Terrane, a similar pattern is present except that northeasterly-directed compression appears to dominate with a series of stacked northwest-facing thrust panels that are internally deformed by northeast-trending isoclinal folds. This is especially evident in the Donjek River area where the Duke River Fault changes orientation from northwest to more westerly.

The minerals generally contained in the deposited Burwash Creek's ore body are pyrite, arsenopyrite, galena, apatite, chalcopyrite, pyrrhotite, gold, and silver. The gangue minerals consist of two generations of quartz, granulated varieties calcite and altered wall rock.

The most important fact is that the sulfide mineralization is associated with the Burwash Creek placer deposit. These sulfides primarily consist of pyrite, marcasite, and arsenopyrite, with minor amounts of chalcopyrite, galena, and sphalerite. These sulfides are similar enough in character and probably derived from the lode vein occurrences in the headwaters of the Burwash Creek drainage. The placer deposit also contains native gold, silver, platinum, and copper.

The sulfide mineralization is a byproduct of the placer recovery method. It is difficult to determine an exact concentration ratio for the sulfide mineralization in the placer concentrates. The amount of sulfides recovered will vary upon the type of recovery method used. For whatever method is used, the recovery plant should be adjusted to collect this sulfide product.

## EXPLORATION

In 2001/2003 M Quest and Northern Minerals Development Inc. conducted an intensive research program to explore the properties and determine the mining reserves. As a result M Quest and Northern Minerals Development Inc. purchased the Claims in 2003. The exploration program in 2001/2002 consisted of filling one-ton ore bags and shipping them to Ontario to a scientific organization to assist in the determination, research, and development of the processing equipment they would be testing on the property in the summer of 2003.

Unfortunately the values recovered were not documented into a usable report; however it was noted significant values, which ranged from 1.5 grams and up to 18 grams with an average of 5 grams of gold per ton of head ore material.


Generally, an extensive level of exploration can be noted for the Burwash Creek property.

In 2003 was implemented a number of in-house exploration programs carried out on the Property. There was a 30,000 ton bulk testing program to test the plant design as well as for testing the recoveries from the various gravity plant systems, **Figure 6**. It was also taking six 1,000 ton, bulk samples gathered from claims 5 through 10. The average grade of coarse gold recovered was 1 gram per ton of head ore. Grades varied depending on which recovery methods were utilized. In a separate exploration test utilizing the same holes in an attempt to determine if bedrock could be reached, and to see if grade could be maintained. One hole from each of claim #5 to claim # 10 was prepared by using a D8 dozer to dig a trench down 20 to 30 feet (6.10 to 9.14 m) and then the excavator dug a further 40 feet (12.2 m). Bedrock was not encountered in any hole and visible coarse gold was recovered by using the Long Tom Sluice from each test hole, with a grade of better than 1.5 grams per ton maintained from bottom to top of each hole.

**Figure 6**  
Exploration Program for Claims 4 to 10

FIGURE 4A

- 2003A  
TESTING  
PROGRAMS:
- ① 30,000 TON BULK TEST -  (1 SAMPLE EVERY 200 TONS = 120)
  - ② TEST HOLES TRYING FOR BEDROCK -  CLAIMS 5-10
  - ③ 1000 TON BULK SAMPLES (10 SAMPLES FROM EACH LOCATION)
  - ④ 70' TEST HOLES (1 SAMPLE EVERY 2' BEGINNING FROM TOP 35 SAMPLES PER HOLE)

JBSCH 10	<input checked="" type="checkbox"/> ← {001BC03A2A10} 2A ↓ {010BC03A2A10} 2A ↑ {001BC03A2B10} 2B ↓ {035BC03A2B10} 2B
JBSCH 9	<input checked="" type="checkbox"/> ← {001BC03A2A9} 2A ↓ {010BC03A2A9} 2A ↑ {001BC03A2B9} 2B ↓ {035BC03A2B9} 2B
JBSCH 8	<input checked="" type="checkbox"/> ← {001BC03A2A8} 2A ↓ {010BC03A2A8} 2A ↑ {001BC03A2B8} 2B ↓ {035BC03A2B8} 2B
JBSCH 7	<input checked="" type="checkbox"/> ← {001BC03A2A7} 2A ↓ {010BC03A2A7} 2A ↑ {001BC03A2B7} 2B ↓ {035BC03A2B7} 2B
JBSCH 6	<input checked="" type="checkbox"/> ← {001BC03A2A6} 2A ↓ {010BC03A2A6} 2A ↑ {001BC03A2B6} 2B ↓ {035BC03A2B6} 2B
JBSCH 5	<input checked="" type="checkbox"/> ← {001BC03A2A5} 2A ↓ {010BC03A2A5} 2A ↑ {001BC03A2B5} 2B ↓ {035BC03A2B5} 2B
JBSCH 4	 ← {001BC03A1} 2A ↓ {010BC03A1} 2A
JBSCH 3	
JBSCH 2	
JBSCH 1	

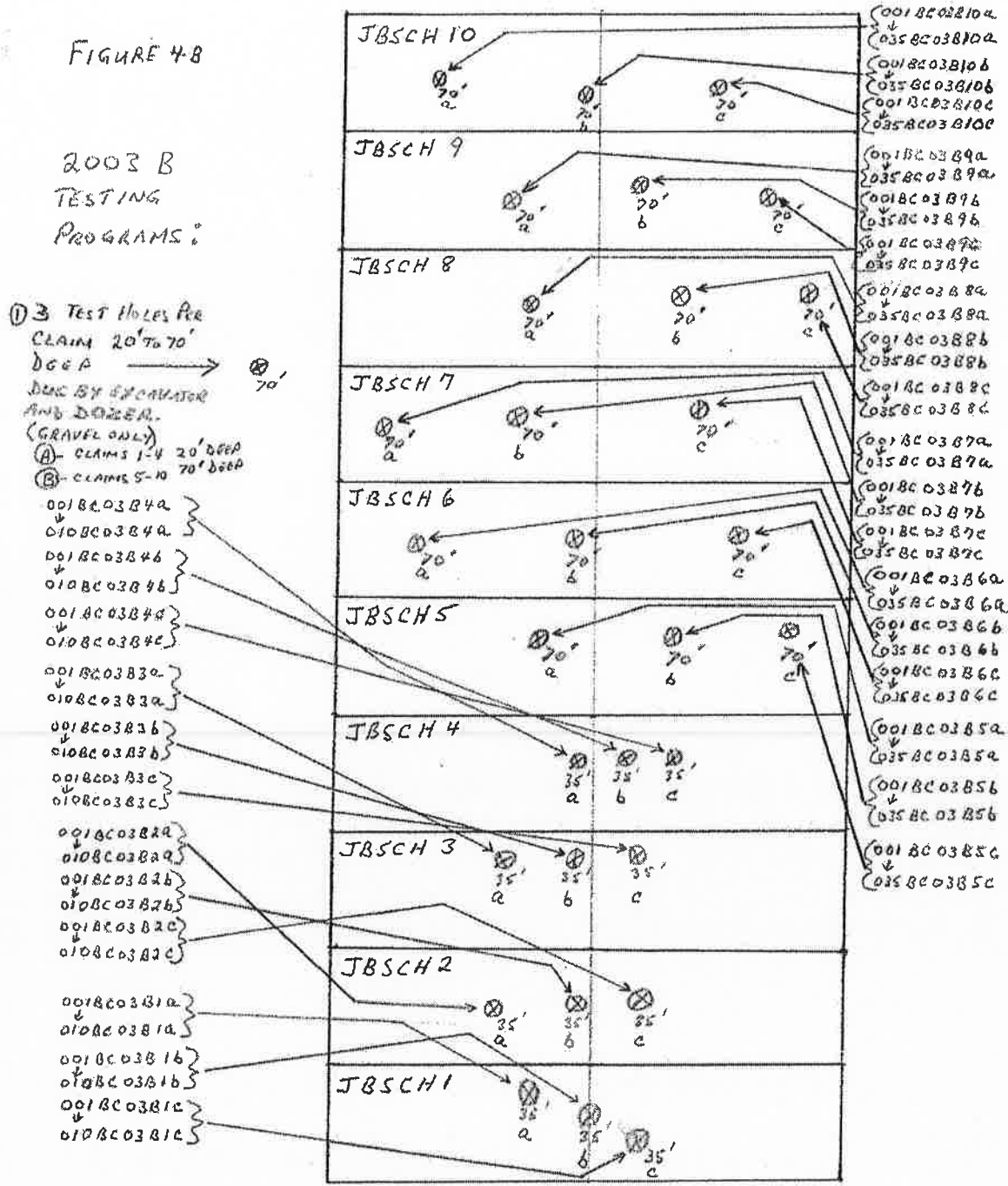
To process more volume, when utilizing a sluice box, the gold recovery was the lowest about one gram per ton. The recovery was highest when using a Hy-G Centrifuge, which achieved 1.5 grams gold per ton. All of this gold was coarse gold recovered through gravity concentration methods.

The fine gold could not be captured by any of the gravity concentration methods that was used to test, which ranged from sluices to centrifuges, and even to hydro-cyclones; yet by careful hand panning smaller gold particles could be observed in abundance with a loop and by microscope.

There was also an exploration-testing program, which saw a minimum of 3 holes per claim dug with an excavator to depths of 20 feet (6.1 m) on claims 1 through 4 (in the gravels only) and to 70 feet (21.3 m) on claims 5 through 10, **Figure 7**. A new Cat 330CL Excavator and a D8 Dozer were utilized to dig the holes. When Heavy Timber on surface or permafrost at a shallow depth was encountered the planned test holes were relocate until thawed ground was found. Each sample was one ton of gravel in the form of a channel from bottom to the top of the hole. The one-ton sample was bagged and hauled to the Long Tom Sluice testing unit for processing, plus two 1-ton samples from each claim were stored and then shipped to the Metallurgical Laboratory in Burnaby, BC which was completely constructed and equipped by M Quest/NMDI.

The test holes were filled in after sampling to prevent animals from falling in, which complies with Yukon Government exploration regulations. Once the one-ton sample was processed, the Long Tom sluice was carefully cleaned with the concentrate being washed into a pail and labeled for further hand panning. The sluice was then made ready for the next sample. The sluice sample was then carefully hand panned down to a heavy concentrate. The heavy concentrate was then worked to isolate the visible gold, which was removed, weighed and recorded. The remaining concentrates were stored, and then shipped to the metallurgical lab in Burnaby for assaying.

**Figure 7**  
Exploration Program for Claims 1 to 10



On claim # 4 there was a diagonal drop-off discovered at the downstream end of the 30,000 ton bulk sample location, where the clay abruptly stops and gravels fill in against the clay, making it like an underground clay wall, **Figure 8**. This clay wall runs diagonal across Burwash Creek and the clay continues upstream to claim # 1, which is the beginning of the property. A hole was dug down 75 feet (23 m) on the downstream side of the diagonal clay wall in the gravels and it did not hit bedrock, so it was called the Drop-off. The same grade of 1.5 grams per ton of visible coarse gold was maintained throughout the 75 feet (23 m) hole, from the gravels which are on the downstream side of the clay wall. As a note: this Drop-off has the potential of having a major gold enrichment zone or Bonanza deposit or accumulation of gold nuggets, at the bottom or base of the downstream side of the clay wall. Burwash Creek has a history of larger gold Nuggets being recovered by the miners. The theory is that the nuggets work there to the bottom, because of gravity, and then since they cannot penetrate the clay, they then travel along the bottom (top of the clay layer) through the end of time until they hit a hole or trap where they stop. The Drop-off is a natural trap, therefore a potential Bonanza Deposit. The Drop-off hole is shown on the **Figure 9**.

During the 2003 exploration test was done by hand sampling taking six samples per claim down the center and one on each of the right and left limits, other than the upper claims (1 to 4) where it was taking three samples, from the left limit on each claim, **Figure 8**.

At the end of 2003 a Water License and Land Use Permit were applied for, therefore no activity took place on the claims during 2004 and 2005. During this time the Metallurgical Laboratory was built, equipped, and began processing samples. In August 2005 the approval was received for the Water License and Land Use Permit, **Appendix A**.

Figure 8

Exploration test Program, 2003

FIGURE 4 C

2003 C  
TESTING  
PROGRAMS:

① DROP-OFF →  
(UNDERGROUND)  
(CLAY WALL)

② 75' EXCAVATION  
BEHIND CLAY WALL → ⊕  
ⓐ - GRAVEL - 38 SAMPLES  
ⓑ - CLAY - 38 SAMPLES

③ HAND SAMPLING → X

0016038BC03C 2a

0017038BC03C 2b

JBSCH 10	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C310 a-h
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 9	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C39 a-h
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 8	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C38 a-h
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 7	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C37 a-h
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 6	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C36 a-h
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 5	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C35 a-h
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 4	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C34 a-j
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 3	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C33 a-j
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 2	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C32 a-j
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		
JBSCH 1	X <sub>b</sub>	X <sub>d</sub>	X <sub>f</sub>	X <sub>h</sub>	001BC03C31 a-j
X <sub>a</sub>	X <sub>c</sub>	X <sub>e</sub>	X <sub>g</sub>		



**Figure 9**

Drop-off dug down 75 feet along underground clay wall.

In 2006 with a ten-year Water License and Land Use Permit in hand, testing work was recommenced on the Property. There was Bulk Testing, Excavator Hole Sampling, and a small 10 Hole Drill Program undertaken.

The Bulk Testing consisted of testing another type of recovery equipment called a Jig/Riffle Sluice Plant. This Jig/Riffle design had been used in Nome Alaska although it was used on a coarse gold creek deposit that came out to the Beach Sands, rather than on the Nome Beach Sands themselves as it had been represented. This plant was not able to recover the fine gold on Burwash Creek.

Samples were taken throughout the claims by digging with the excavator and by hand, they were processed using a 12 inch (30.5 cm) duplex jig. The results were comparable with the findings of 2003. The laboratory had been set up in 2005 and it was possible to test the concentrates for the fine and ultra-fine micron gold that proved to be present. The metallurgical laboratory carried out over one thousand lab tests and assays from the sampling on Burwash Creek materials from 2005 through 2008.

In 2006 a Reverse Circulation drill was contracted to implement a small 10 hole Drilling Program on the Property, **Figure 10**. The drill reached a depth of 83 feet (25.3 m), which was the maximum depth of the drilling pipe that the driller had available. This was 50 feet (13.1 m) from the downstream edge of claim #10 and bedrock was not achieved in that hole nor was the expected near bedrock gold enrichment area reached.

By the way, at the bridge where the Alaska Highway crosses Burwash Creek property, approximately 1 km downstream from the claims, the Government drilled down 90 feet (23.6 m) and it is said they did not hit bedrock.

This first hole was the deepest hole achieved by the drillers as a result of them losing 30 feet (8 m) of their drill pipe down hole in the first hole. The remaining nine holes were drilled to a maximum depth of 50 feet (13 m), which was the extent of the drilling pipe available. All the drill holes from claim 10 to claim 5 encountered gravel averaging 1.5

**Figure 10**  
10 Holes Drill Program, 2006

FIGURE 4 D

2006 D  
TESTING  
PROGRAMS:

① 10 HOLE DRILL  
PROGRAM → ✖

JBSCH 10	✖ 83' HOLE - ALL GRAVELS OPEN TO DEPTH	001-042 BC 06 D 10
JBSCH 9	✖ 70' GRAVELS OPEN TO DEPTH	001-035 BC 06 D 9
JBSCH 8	✖ 70' GRAVELS OPEN TO DEPTH	001-035 BC 06 D 8
JBSCH 7	✖ 70' GRAVELS OPEN TO DEPTH	001-035 BC 06 D 7
JBSCH 6	✖ 70' GRAVELS OPEN TO DEPTH	001-035 BC 06 D 6
JBSCH 5	✖ 70' GRAVELS OPEN TO DEPTH	001-035 BC 06 D 5
JBSCH 4	✖ 30' GRAVELS 50' CLAY OPEN TO DEPTH	001-035 BC 06 D 4
JBSCH 3	✖ 30' GRAVELS 50' CLAY OPEN TO DEPTH	001-035 BC 06 D 3
JBSCH 2	✖ 20' GRAVELS 50' CLAY OPEN TO DEPTH	001-035 BC 06 D 2
JBSCH 1	✖ 20' GRAVELS 50' CLAY OPEN TO DEPTH	001-035 BC 06 D 1

grams coarse gold and 5.5 grams fine gold, thereby confirming the same grade of the gravels as the previous sampling had indicated from top to bottom of the holes. The drill holes from claim 4 to claim 1, encountered clay at an average depth of 20 feet (5.2 m) from surface and the clay maintained its consistency to the full depth of the drill holes. It was discovered that the clay can be easily dug by excavator to at least 70 feet (18.3 m) from surface. The average grade of fine gold in the clay is 3.5 grams per ton. We encountered higher coarse gold content in the gravels above the clay averaging 3.5 grams per ton. This coarse gold enrichment is due to the clay acting as an impervious layer (like bedrock) not allowing the coarse gold to penetrate it, so that it gathers above the clay layer. We recovered the coarse gold above each of those drill holes that were drilled 50 feet (15 m) into the clay by bulk testing of the gravels and using a 12 inch (30.5 cm) duplex jig to process them. The gravel was sampled and pushed out to allow the drill to get to the 70 feet (18.3 m) depth, with 20 feet (6.1 m) of gravels and 50 feet (15.2 m) of clay. In 2006 a Ten Hole Exploration Excavator Sampling Program was also completed, **Figure 10**. The purpose of this 10 holes sampling was to confirm the coarse gold and to give an averaging weight per ton of the heavy concentrates that contain the fines and ultra-fine micron gold.

### **Gold in the Heavy Concentrates – 2006, Figure 11**

#### Hole # 1- Claim JBSCH 1:

1 ton sample taken of gravels to 20 feet (6.1 m) and 1 ton sample of clay, down a further 20 feet (6.1 m); Recovered 55 pounds (24997.5 g) of Heavy Cons and 2.3 g of visual gold, from gravels.

#### Hole # 2 – Claim JBSCH 2:

1 ton sample taken of gravels to 20 feet (6.1 m) and 1 ton sample of clay, down a further 20 feet (6.1 m); Recovered 55 pounds (24997.5 g) of Heavy Cons and 1.5 g of visual gold, from gravels.

**Figure 11**  
Ten Holes Sampling Program, 2006

**FIGURE 4 E**

① 2006 TEN HOLE SAMPLING PROGRAM TO CONFIRM GOLD IN HEAVY CONCENTRATES AND WEIGHT OF CONCENTRATES PER TON -  
 a - GRAVEL  
 b - CLAY

JBSCH 10	1 TON OF GRAVEL a	001BC06E10a
JBSCH 9	1 TON OF GRAVEL a	001BC06E9a
JBSCH 8	1 TON OF GRAVEL a	001BC06E8a
JBSCH 7	1 TON OF GRAVEL a	001BC06E7a
JBSCH 6	1 TON OF GRAVEL a	001BC06E6a
JBSCH 5	1 TON OF GRAVEL a	001BC06E5a
JBSCH 4	1 TON OF GRAVEL a 1 TON OF CLAY b	001BC06E4a 001BC06E4b
JBSCH 3	1 TON OF GRAVEL a 1 TON OF CLAY b	001BC06E3a 001BC06E3b
JBSCH 2	1 TON OF GRAVEL a 1 TON OF CLAY b	001BC06E2a 001BC06E2b
JBSCH 1	1 TON OF GRAVEL a 1 TON OF CLAY b	001BC06E1a 001BC06E1b

Hole # 3 – Claim JBSCH 3:

1 ton sample taken of gravels to 20 feet (6.1 m) and 1 ton sample of clay, down a further 20 feet (6.1 m); Recovered 65 pounds (29542.5 g) of Heavy Cons and 3.5 g of visual gold, from gravels.

Hole # 4 – Claim JBSCH 4:

1 ton sample taken of gravels to 20 feet (6.1 m) and 1 ton sample of clay, down a further 20 feet (6.1 m); Recovered 68 pounds (30906 g) of Heavy Cons and 7.0 g of visual gold, from gravels.

Hole # 5 – Claim JBSCH 5:

1 ton sample taken from 35 feet (10.7 m) of gravels, the extent of the reach of the excavator; Recovered 71 pounds (38730.5 g) of Heavy Cons and 6.7 g of visual gold.

Hole # 6 – Claim JBSCH 6:

1 ton sample taken from 35 feet (10.7 m) of gravels, the extent of the reach of the excavator;  
Recovered 83 pounds (45276.5 g) of Heavy Cons and 3.2 g of visual gold.

Hole # 7 – Claim JBSCH 7:

1 ton sample taken from 35 feet (10.7 m) of gravels, the extent of the reach of the excavator;  
Recovered 72 pounds (39276 g) of Heavy Cons and 2.1 g of visual gold.

Hole # 8 – Claim JBSCH 8:

1 ton sample taken from 35 feet (10.7 m) of gravels, the extent of the reach of the excavator;  
Recovered 62 pounds (33821 g) of Heavy Cons and 1.8 g of visual gold.

Hole # 9 – Claim JBSCH 9:

1 ton sample taken from 35 feet (10.7 m) of gravels, the extent of the reach of the excavator;

Recovered 59 pounds (32184.5 g) of Heavy Cons and 1.65 g of visual gold.

Hole # 10 – Claim JBSCH 10:

1 ton sample taken from 35 feet (10.7 g) of gravels, the extent of the reach of the excavator;

Recovered 56 pounds (30548 g) of Heavy Cons and 1.55 g of visual gold.

The total weight of the Heavy Concentrates was 646 pounds (352393 g), an average weight for one sample is 64.6 pounds (35239.3 g) of Heavy Concentrates or 3.2 g per ton of head ore. Example of one ton sample hole is shown on the **Figure 12**.

#### **Gold Distribution Statement:**

The obtained results of the described above exploration sampling program has proven that the gold has been fairly evenly distributed throughout the claims.

The one possible explanation for this even distribution of gold, which is not typical of a Burwash Creek Placer Deposit; is that this even distribution of gold is a direct result of the flooding that happens every 20 years on average (and appears to have happened through the millennia), it scours the canyon above the claims and deposits the gravels and gold onto these JBSCH 1 – 10 claims, which is the first flat wide area downstream of the canyons where the heavier gold and platinum are given a chance to settle out of the flow.

#### **Volume and Grade Calculations (Methodology):**

Creek cross-sections (the majority of the single hole excavator samples) were taken from the middle of each claim, which is 250 feet (76.2 m) from each number one claim post. When Bulk samples were taken, from each claim they were taken from either side of Burwash Creek that was easiest accessed or which would not affect the Water License & Land Use Permits. There was a minimum of 1,000 tons per bulk sample



**Figure 12**

Digging and collecting one ton sample from clay

processed and in two locations there was approximately 30,000 tons processed while testing various types of processing and recovery equipment.

The drilling was carried out 50 feet (15.2 m) upstream from each number two post, which is the downstream end of each claim, 10 holes in all. The first hole drilled was on claim #10, the drillers lost 23 feet (7.0 m) of this drill steel pipe down hole, so all the other holes were drilled from 10 feet (3.5 m) to 20 feet (7.0 m) deep cat trenches to attain a 70 feet (21.3 m) from surface drill depth target.



holes were drilled from 10 feet (3.5 m) to 20 feet (7.0 m) deep cat trenches to attain a 70 feet (21.3 m) from surface drill depth target.

The holes were sampled in 3-foot intervals and jigged to get a concentrate. Hand panned and the coarse gold weighed. The remainder of the sample containing the fine gold was bagged and shipped to the Lab. It was found that the ground remained consistent with previous testing. The claims upstream of the drop-off (underground Clay Wall) had 12 feet (3.7 m) to 20 feet (7.0 m) of gold bearing gravels, which rested on top of the clay layer. The clay averaged 3.5 grams of gold per ton and was easily drilled and excavator dug to 50 feet (15.2 m); which was as far as we could reach with the equipment utilized.

The assumptions made to facilitate the completion of the sections and volume calculations on the upper four claims (Claim #1 to #4). These were as follows:

- The depth of the gravels and clay on the upper four claims (Claim #1 to #4) were combined for the 70 feet (21.3 m) depth, 20 feet (7.0 m) of gravel and 50 feet (14.3 m) of clay;
- The East Bench has a minimum 20 feet (7.0 m) depth and much deeper in many areas;
- The foot of the mountain on the West side of these claims is over 150 feet (45.7 m) above the valley floor and all clay and gravel mixed.
- Any short fall of gravels on the East Bench is more than accommodated by evening out the height of the West mountainside of the claims, where selective hand sampling panned out fine and coarse gold; therefore it maintained the same 70 feet (21.3 m) depth of the deposit even on these upper 4 claims.

## SAMPLING METHOD AND APPROACH

An example of sampling and sample preparation procedures implemented for the Burwash Creek ore material is shown below. As an example a bulk sample was collected from the Burwash Creek property by backhoe or excavator and contained in excess of one ton of material. Each bulk sample was weighed and placed in a separate stockpile. Some sampling process is shown in **Figures 13 and 14**.

Ordinary representative one ton bulk sample consisted of non-classified typical head ore from the property. That sample was comprised of placer gravel and sand with some clay. Representative splits from each sub-sample were dried in an oven, crushed to 6 mm (1/4 inch) minus, then pulverized in an impact crusher to approximately 40 mesh. To prevent cross contamination all processing equipment was thoroughly cleaned between samples. The splits were placed in individually labeled containers, and subsequent sub-samples and splits were registered in the sample database.

A weighted sample calculation method was applied that combined production and samples based on the total volume of material evaluated. A weighted average calculation was used to evaluate the property. Weighing was based on the total volume of material for each sample, therefore allowing larger bulk samples and mining columns to fairly influence the final derived grade. The samples were applied to their relative ore block or claim and the resulting grades were then combined to produce an overall grade. High grade values due to nugget effect were excluded. Since sample recovery has not produced a significantly large numbers of nuggets and sample-assays do not show pronounced grade spikes, no grade limiting calculations were applied.



**Figure 13.**

**Bulk Sampling Process.**



**Figure 14.**

Bulk Sample Material in treed area.

The procedure for the preparation of many tons of bulk samples are shown in **Figures 15, 16, and 17**. The samples were applied to their relative ore block or claim and the resulting grades were then combined to produce an overall grade. High grade values due to nugget effect were excluded. Since sample recovery has not produced a significantly large numbers of nuggets and sample-assays do not show pronounced grade spikes, no grade limiting calculations were applied.



**Figure 15.**

Gathering Head Ore Bulk Samples.



**Figure 16.**

Gathering Head Ore Samples, End of Season



**Figure 17.**

Complex Sampling of the Large Bulk Sample.

## **SAMPLE PREPARATION, ANALYSES AND SECURITY**

The sampling and sample preparation of the ore, concentrate, tailings, and other related materials were done by experienced and skilled personal and sample pre-treatment, tests, and analyses were carried out at reputable laboratories. It is assumed that the methods used were in keeping with accepted industry standards and there is no reason to believe that the assays reports are not representative of the intervals assayed.

A detailed description of the sample preparation procedures, pre-treatment procedures, tests, instrumental, and chemical analyses are provided below.

### **Sample Preparation Procedure.**

Generally, the sample preparation for the Burwash Creek samples was done in the manner described below. Each sample was weighed and the color and texture of the sample was recorded. Then, the sample was crushed by a jaw crusher to below 13 mm (½ inch) and screened at six millimeter (1/4 inch). During screening, the oversize material was visually inspected for metal particles. After crushing to 100 % passing the 6 mm screen, the material was blended in a riffle splitter and a one kilogram (2 lbs) portion was removed after checking for visible gold. The remainder of the minus 6 mm (1/4 inch) sample material was sealed and stored. The one kilogram (2 lbs) portion was dry-milled. The ground sample material was screened at 0.6 mm (28 mesh) and the oversized material was weighed. The plus 0.6 mm (28 mesh) oversized material was inspected under a microscope for the presence of metal particles. The fine material was split into 250 grams (0.5 lb) portions and sent for pulverization. The material was pulverized and then the material was removed and screened to determine the approximate size. Then the pulverized material was split. One part of the material was delivered to an analytical laboratory for determination of precious metals (PM) and platinum group elements (PGE) and another part was retained for audit analyses.

### **Fire Assay. Procedure.**

Without any doubt the classical lead assay has proven to be the most important procedure for the concentration and isolation of the noble metals. Beamish stated that during 40 years of research in this field he had not experienced a single example of failure of the classical assay to find a paying ore.

Noble metals are often present in samples at sub-microgram levels. In addition, particularly in the case of gold, the distribution of the metals can be very inhomogeneous. These two factors favor the fire assay approach, where large enough sample size may be used and the noble metals are concentrated into a small bead.

In fire assay test the pulverized sample of the tested ore is usually mixed with an equal weight of litharge and enough charcoal or flour to reduce from 25 to 30 grams of lead to the metallic state, and to reduce all iron oxide to the ferrous condition. The fluxes to be added depend on the nature of the ore. Carbonate in the form of soda ash is added to form a fusible silicate with quartz or sand, and it is also useful in taking up and removing sulfur when sulfides are contained in the ore. Borax is needed to form fusible borates with the oxides of the metals if these are present in excess and is advantageous in increasing the fluidity of almost any charge. Sand is added in the comparatively rare case in which the ore is deficient in silica. Sand forms fusible silicates with alumina, lime, oxides of iron, etc., and protect the clay crucible from corrosion.

The quantities of the fluxes must be judged from the appearance of the ore and the experience of the assayer. The charge is thoroughly mixed and charged into a cold clay crucible which must not be much more than half full. The crucible is put into the furnace and started to heat. Chemical action begins between the carbonate of soda and the silica. Carbonic acid gas is given off and effervescence results. The temperature is gradually raised to a full red heat, and the lead beads coalesce and sink through the liquefying charge, which is continually stirred up by the disengaged gas. After a period of forty or fifty minutes the charge is in a state of quiet fusion, and the lead containing the gold is

collected at the bottom. At that point the charge poured into a warm iron mould. The lead is found at the bottom of the mould and detached from the slag by hammering. In case the charge is melted too quickly part of the gold remains in the slag.

The mixture of chemicals and ore used for the crucible fusion provides a complex system. The chemistry of the fusion process is extremely complicated and practically unknown. By analogy with simple systems such as metal oxide with borax or silica it is possible to make reasonable guesses concerning some of the reactions, but a complete explanation of the reaction for even one ore composition must await an extensive examination of these multicomponent systems. Thus the technique of a fire assay collection of the noble metals is largely an empirical process assisted to a degree by some fundamental principles.

Attractive feature of the fire assay is its wide applicability to ores, concentrates, rocks, and many industrial products. An additional benefit is achieved because the metals are extracted from a complex matrix into a relatively simple metal alloy. The latter effect is particularly important in view of the complex interference problems encountered in noble metal analytical chemistry.

### **Techniques for Overcoming Interferences.**

Several techniques are available to overcome interferences in the fire assay. The choice of technique may be problematic, especially when dealing with a material of unknown composition. However, the assayer learns, from experience, which technique is the most suitable for specific sample types. Procedures to be described have been found useful for a variety of complex materials.

### **Chemical Pretreatment.**

Acid digestion is used, as a pretreatment, for the assay of concentrates, matte, speiss, and metallic.

The principle here is the elimination of interfering elements by acid dissolution. Gold is retained in the residue, separated by filtration or decantation, and determined by the fire assay.

The acid treatment technique finds its greatest application in the assay of copper ores and concentrates. The sample is treated with hot hydrochloric or sulfuric acid. Nitric acid may be also be used to remove base metals. Although base metals are more readily dissolved in nitric acid, its use is restricted to materials known to be free of chloride: in the presence of chloride, gold will be lost by dissolution.

### **Roasting.**

Roasting is a process in which the material is heated in an oxidizing atmosphere. In the assay context, it is employed to convert metal sulfides to oxides, and to remove volatile impurities. The temperature is increased, gradually, to a maximum of 650<sup>o</sup> C.

If the temperature is raised too rapidly, gold may be lost, by partial volatilization, during the initial stages. The presence of chloride also increases the probability of loss by volatilization. Samples of sulfide concentration greater than about eight percent are roasted, as a common practice in many laboratories, prior to fusion.

### **Scorification.**

Scorification is an oxidizing fusion, conducted in a scorifier: a shallow dish made of fireclay. The dish is designed to offer a large area for oxidation. The ore is mixed with granulated lead, together with a little borax, and heated in a scorifier in a muffle furnace. Borax is used to minimize corrosion of the scorifier and to ensure a fluid slag.

The technique is used most commonly for reducing the size of the lead button and decreasing the impurity level. Some of the molten lead is oxidized and, together with the borax, forms a slag with the oxidized base metal contaminants.

## **Atomic Absorption Spectrometry. Procedure**

One of the major landmarks in noble metal analytical chemistry was the development of analytical atomic absorption spectroscopy by A. Walsh in 1955. At present atomic absorption spectroscopy is the most widely determinative tool for these metals.

Atomic absorption spectrometry is an analytical technique for the determination of elements based on the absorption of radiant energy by free atoms in their ground state. Atoms of different elements will absorb energy at wavelengths which are characteristic of the elements.

Atomic absorption spectrometry is well established as an important analytical technique in the precious metal industry. Classical wet chemical procedures for the determination of the precious metals and platinum group elements are time consuming, and require considerable analytical skills and knowledge, because of the complex separation involved. The major advantage of the atomic absorption technique is the possibility of measuring all the PM and PGM in the same solution, thus obviating the necessity for separations.

In common with most instrumental procedures, however, the application of atomic absorption spectrometry to PM/PGM analysis presents some problems: the technique is fraught with serious interferences. The interferences may be due to mutual PM/PGM effects or to the presence of other metals or non-metals.

Fortunately, there has been developed many different techniques to overcome and reduce the negative effects from the interferences. For example, the use of flames of higher temperature has been shown to reduce, or even eliminate, many interferences. Various releasing agents, for the determination of the PM/PGM, have been proposed. As well as suppressing interferences, releasing agents such as lanthanum or uranium usually exhibit the additional properties of enhancing sensitivity and improving the precision of measurement.

Burner height and flame stoichiometry (oxidant/acetylene flow) are also critical parameters for precise determination, and should be optimized carefully. The settings which give maximum absorbance are not necessarily the optimum. For example, a burner height of five to six millimeter below the optical path will give maximum absorbance, using lanthanum as a releasing agent. However, at this setting serious interference can be observed, even in presence of lanthanum. At the same settings, which are also optimum when uranium is used as releasing agent, interference is minimal.

## DATA VERIFICATION

Northern Minerals Development Inc./M Quest, Burwash Creek has had extensive assays and chemical-instrumentation analyses performed over the last 10 years to verify the presence of and the correct amount of PM and PGM in a very significant placer deposit on its lands. Within its claim boundaries, NMDI/M Quest has approximately 30 million tons of readily mineable material. The ore materials have a total metal content averaging 3 to 5 percent of the entire mass. Beside the free native gold, silver, and platinum in the deposit, the ore metals include some quantities of gold, silver, and platinum group elements that are alloyed or chemically bonded together with other base metals in the deposit. The NMDI/M Quest specialists have proven that their complex ores can also be accurately assayed, concentrated, and the noble metals recovered into marketable forms.

There have been four major types of metallurgical validation on Burwash Creek materials: these include 1) fire assay, using standard fluxes and firing in assay kilns; 2) spectrometric analyses, including atomic adsorption (AA); 3) wet chemical analysis, using leaching and precipitating agents; and 4) pilot production refining.

The fourth way to set a value on an ore concentrate is to simply refine it in large volumes. This approach is currently in progress.

This way allows for eliminating the problem of small representative samples that relate to all of the three previous methods.

## **MINERAL PROCESSING AND METALLURGICAL TESTING**

Northern Minerals Development Inc. has been subject to about 15 years of active mining (bulk sampling), processing, and metallurgical testing with positive and profitable results. The results of this work allowed NMDI to create and implement the very important programs for property development. Such activities became especially aggressive during recent years when many stages of research and development programs were implemented.

In the fifteen years of operations at the mine, the Burwash Creek placer ore body has undergone numerous studies, assays, and estimations of values.

During the 2001-2003 mining seasons NMDI performed a bulk sampling program which extracted over 20,000 tons of head feed material from the ore body. The pilot production metallurgical plant was constructed and configured to extract various gravity mineral fractions from the head feed. The company had produced approximately 40 tons of gravity concentrate material for further evaluation. At the same period the metallurgical laboratory was constructed and equipped with high quality atomic-absorption spectrophotometer and the extensive laboratory testing and pilot scale refining studies were performed using the concentrated material.

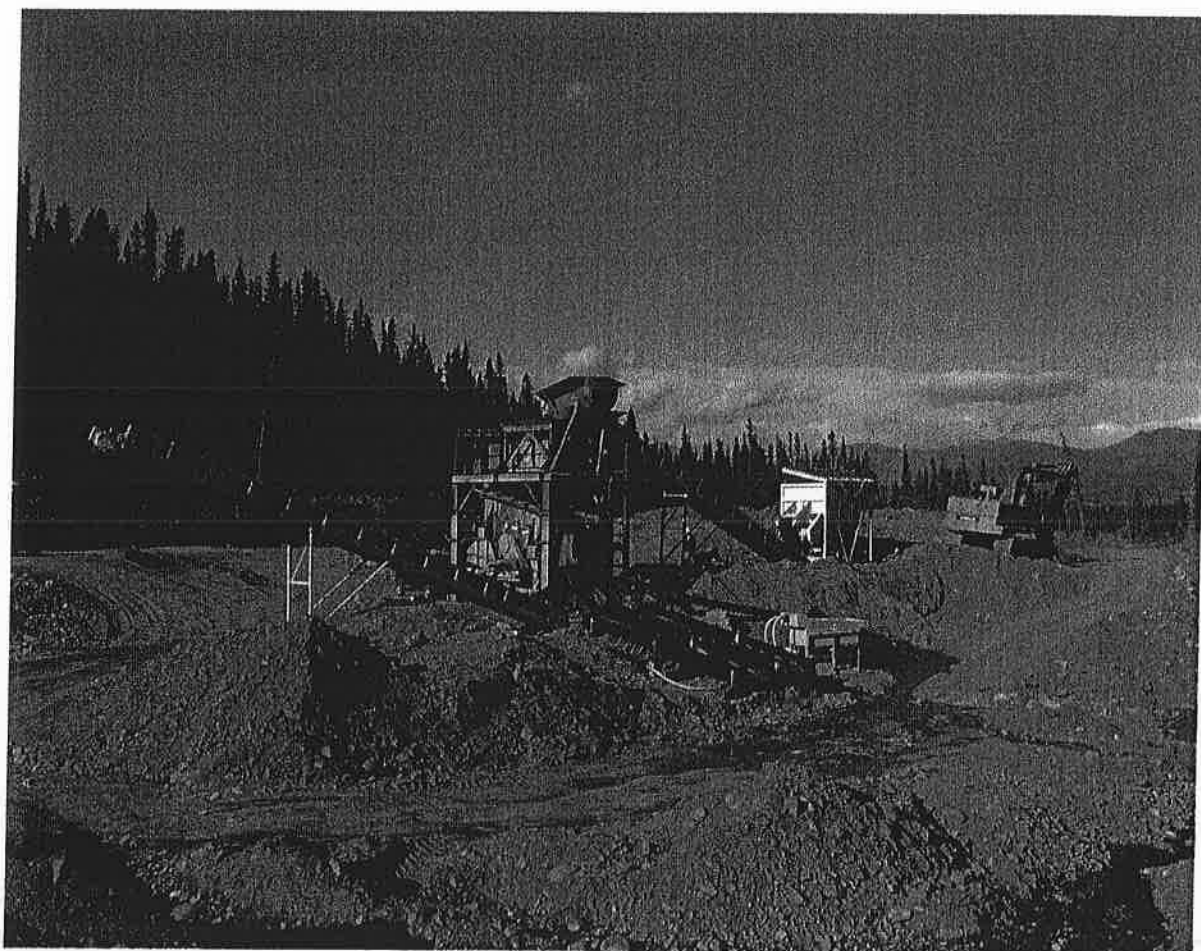
In 2006 a special pilot program for sampling the bulk samples from the ore body on a very large scale was implemented for analysis and study of the deposit. Another important program is related to the development of the most effective techniques for excavating, concentrating, and recovering the precious metals from this deposit. Only with verified data of recoverable values in hand could the resources and costs be estimated with sufficient clarity to proceed to full development. This effort has been the central activity of Northern Minerals Development Inc. for the last several years.

In **Figure 18** and **19** are shown the old wash plant from 2006 which was changed for new upgraded gravity recovery technology to increase effectiveness for the recovery of fine gold.

In 2007 NMDI ran its head feed ore from the pit into its new wash plant and pilot recovery circuit located at the NMDI, Burwash Creek property that are shown in **Figure 20**. This technology proved it was not effective for the recovery of fine and ultrafine gold.

In 2005 to 2008 NMDI/M Quest pilot refining plant was constructed and equipped in Burnaby, BC. That plant had a lot of possibilities for research and development of extraction technology. This facility included a number of pilot plants for concentration, fusion, and leaching processes. This facility was also equipped with fire assay and chemical/metallurgical laboratory which is shown in **Figure 21, 22, 23, and 24**.

Now utilizing all previous obtained knowledge and experience NMDI has moved from the principal concept of gravity concentration to a more sophisticated operation scheme which is to wash with minimal water, classify, and concentrate the fine material (less than 2 mm). Then to treat that fine concentrate with grinding and leaching technology.



**Figure 18.**

Burwash Creek, Wash Plant and Pilot Recovery Circuit, 2006.



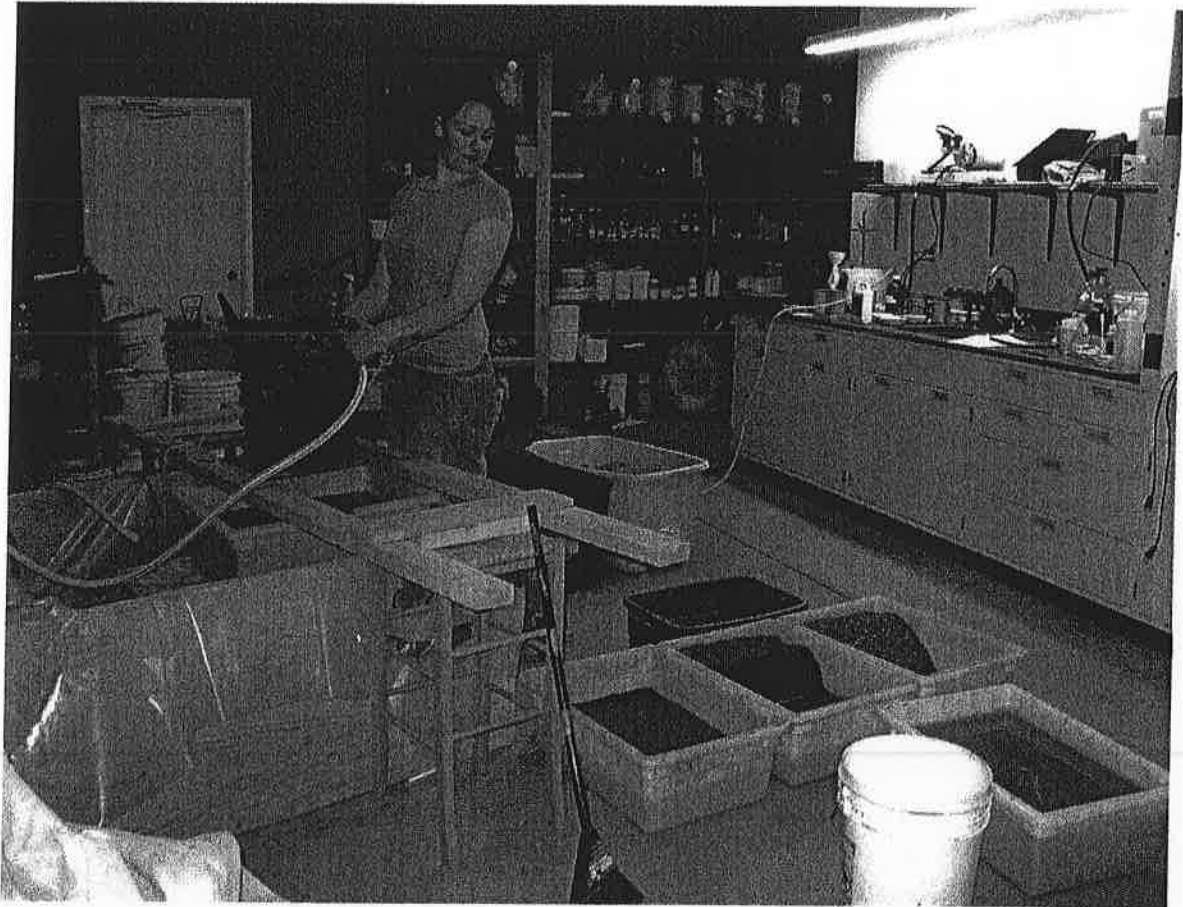
**Figure 19.**

Processing Wash Plant, 2006



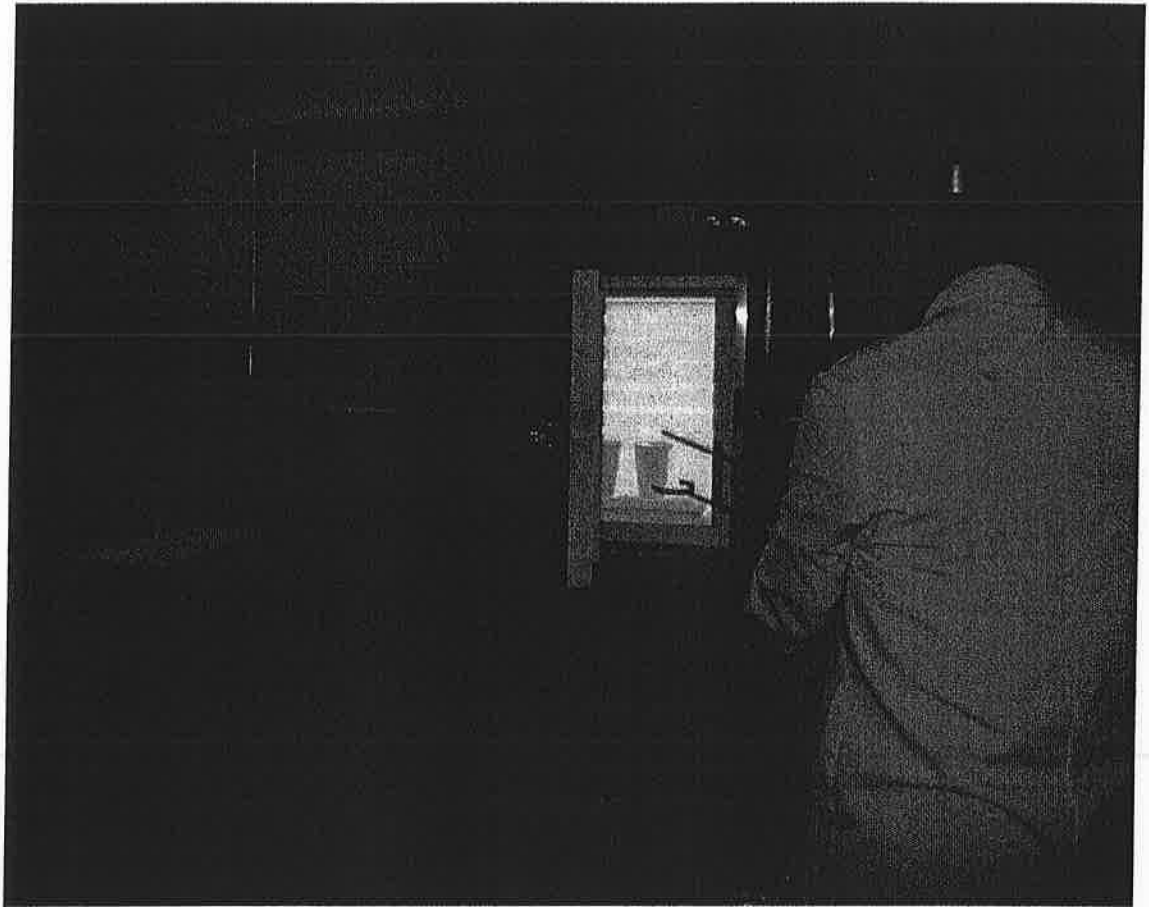
**Figure 20**

Wash Plant and Pilot Recovery Circuit, 2007-2008.



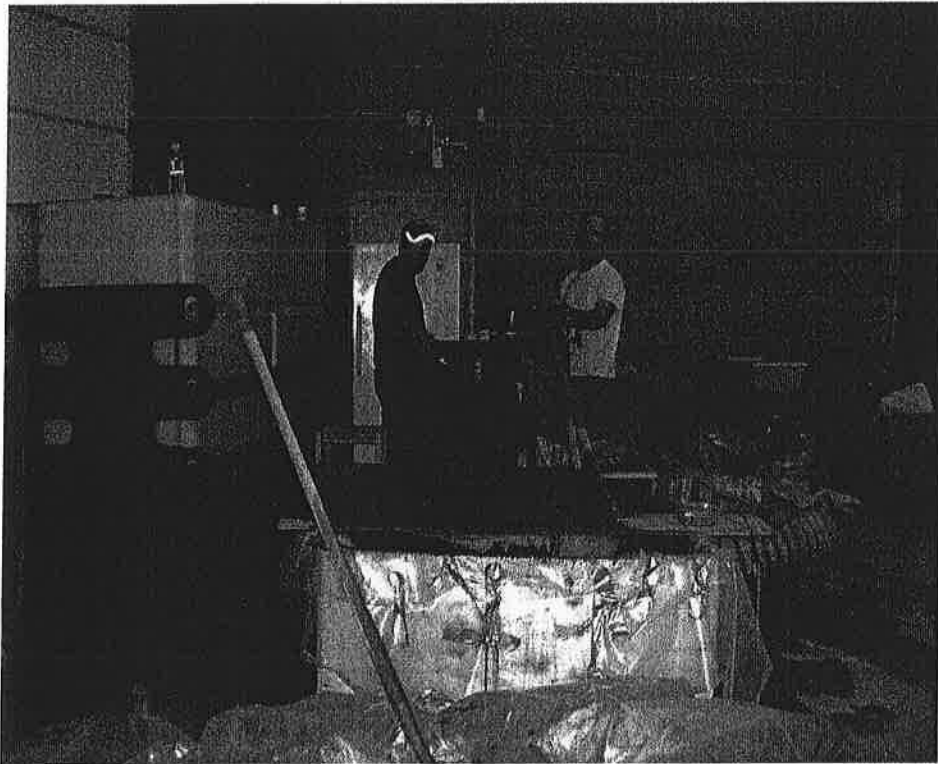
**Figure 21.**

Pilot Refining Plant.



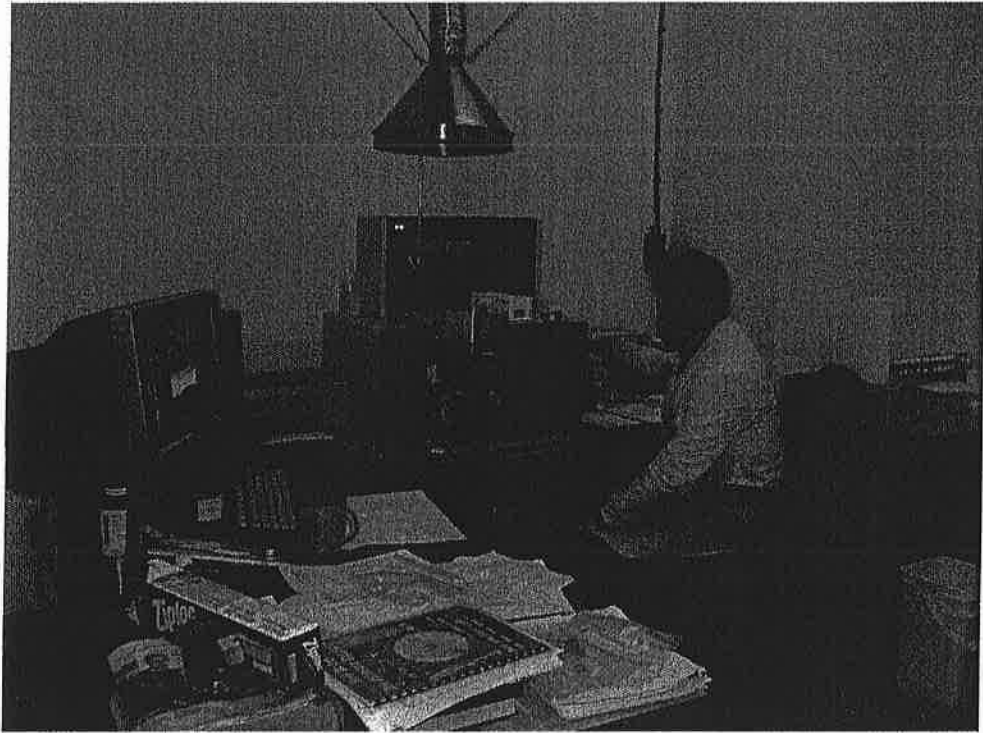
**Figure 22.**

**Smelting Pilot Plant.**



**Figure 23.**

Gravity Concentration Pilot Plant.



**Figure 24.**

**Metallurgical Laboratory**

# MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

What follows are the definitions according to, Definitions and Guidelines, CIM Standards on Mineral Resources and Reserves, of what reserves and resources are.

**A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resources are known, estimated or interpreted from specific geological evidence and knowledge.**

**A Mineral Reserve is the economically mineable part of a Measured or Indicated mineral Resources demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.**

Based on the above definitions, the values such as Gold, Silver, Platinum, Palladium, Rhodium, Ruthenium, Iridium, and Osmium in the Burwash Creek placer mining deposit, Yukon may be classified as solid inorganic material on and/or in the Earth's crust. The necessary data for the evaluation and estimation of the quantity and the grade or the quality, is such that it is ready for economic extraction.

The Burwash Creek Deposit has proven to be more consistent in its nature than the majority of other placer mines. The reason for this is due to the constant (approximately every 20 year flooding) that takes place on this watershed. The property being situated at

the mouth of the furthest downstream canyon on Burwash Creek enriches the property yearly, in the channel that the creek runs in that particular year with the minor flooding that occurs yearly. However the Creek channel changes sometimes yearly with these floods and often moves across the whole valley when the 20 year flood hits, depositing the gold and other metals in the form of fines that it has washed out of the deposits higher up Burwash Creek. This property is the first chance for the flow to spread out and begin to settle thus depositing its rich load of heavy metals including noble metals that it has accumulated thru its charge down the length of Burwash Creek and its main tributary Tatamagouche Creek. Burwash and Tatamagouche Creeks have independent sources of gold a fact born out from the historic mining of each creek, which once the waters each carrying a load of heavy metals hit the lower canyons they are blended and this blended mix of heavy metals is deposited on this property. This ever changing deposition across the property is the reason for the very even distribution of gold values on the property. From surface to at least the 70 feet tested depth of the property it is still open to depth and bedrock has not been encountered in any of the testing or bulk mining to date. This even distribution of noble metals is a major difference between this Burwash property and most placer deposits.

Burwash Creek reserves calculations were prepared by Research Consulting Center, Richmond, British Columbia. Historical production and sampling reports have been combined with recent sampling efforts to produce a composite grade that fairly represents the potential for this property. The scope of this work includes mapping, drill, and bulk sampling data analysis, and reserve calculation. A map is drawn to scale showing mining workings and the outlines of the reserve blocks as well as the sample assay information. All suitable drill and bulk sample data and other sample-assay data was included in the evaluation of the reserves.

Moreover, some important assumptions, accomplished processing cost estimations, and applied specific grade calculations were done. Based on that the mining reserves calculation was implemented in March, 2013. That calculation was done for gold content only because for this value the data was most complete. The results of the calculations of

the block volumes are shown in **Table 1**. The results of gold reserve calculation are shown in **Table 2** and in **Appendix B**. The location of the reserve blocks may be seen in **Figures 2 and 3**.

**Table 1. Calculation of the Volume of Reserve Block (Claim)**

	Length		Width		Depth		Volume	
	Meter	Feet	Meter	Feet	Meter	Feet	Cubic meter	Cubic yard
<b>Block (Claim)</b>	610	2,000	152	500	21.5	70	1,993,480	2,592,593

Total volume of ten ore blocks or claims is:

$$1,993,480 \text{ m}^3 \times 10 = 19,934,800 \text{ m}^3$$

$$2,592,593 \text{ cubic yard} \times 10 = 25,925,930 \text{ cubic yard}$$

**Table 2. Burwash Creek Gold Reserve Calculations**

	Status	Grade Ounce per cubic yard	Gold Reserve		Volume, %
			Ounces	Kilograms	
<b>Ore Block One Claim</b>	Proven	0.2596	673,040	20,931.54	10.0
<b>Ten Blocks Ten Claims</b>	Proven	0.2596	6,730,400	209,315.40	100.0

## INTERPRETATION AND CONCLUSION

It can be stated that Burwash Creek property has been tested in great details with very good results. It is also can be stated that property has enough pay-gravels in the first 70 feet to justify the ability to mining of this deposit for many years and it is still open to depth.

It must be stated that the property has a high water table and a conventional placer gravity plant will not have the ability to recover the fine and ultra-fine gold that is in this deposit. Therefore, the correct equipment must be used to excavate and then to recover the gold. The skyline excavator with its extremely low operating cost and ability to dig in dry or wet (under water) conditions is ideally suited for this deposit, then the conveying to the washing and classifying plant, with its nugget traps on each classification level, and then the containing and treating the remaining heavy concentrate small size fraction in a grinding and leaching circuit to liberate and recover the fine and ultra-fine gold.

Previous exploration efforts on the Burwash Creek property have concentrated on a series of surface samples that covered a significant part of the total surface of the ore material. It is the fact that all ten claims of the property were tested in detail from the surface to 70 feet and it is still open to depth because the bedrock was not reached.

The obtained results of analyses of the head ore, concentrates, and tailings material for precious metals as well as for platinum group elements varied slightly with sample location, methods of sample preparation, and type of analysis. That proves the deposit is fairly homogeneous in its gold and other metal distribution.

## RECOMMENDATIONS

On the basis of the obtained data it can be recommended to continue mining the property with the most effective technology and equipment using the systematic technological and quality control for optimization the technological regimes.

In parallel with industrial process to continue the exploration works below 70 feet to bedrock for completing the exploration program and to complete the total reserve estimation of the Burwash Creek property.

Special attention should be paid for permanent quality control of all waste water and all mining wastes to prevent any contamination of natural water and soil. During the proposed mining, exploration, and evaluation of the valuable metals special attention should be paid to the grade and amount of possible dangerous elements such as arsenic, selenium, lead, mercury, and so on.

Any test results that could be used for quality control or industrial process should be repeated, checked, and statistically proved.

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## SIGNATURE PAGE

This report titled PROPERTY GOLD RESERVES REPORT FOR THE JBSCH 1 – 10 PLACER CLAIMS, BURWASH CREEK, YUKON and dated November 30, 2013 was prepared for Northern Minerals Development Inc. and signed by the following author:

Dated at Richmond, British Columbia  
November 30, 2013

  
Valery J. Zhuravlev, Ph.D., P.Eng.  
Independent Consultant



The seal is circular with a serrated border. The text inside the seal reads: 'PROFESSIONAL' at the top, 'PROVINCE OF' in a semi-circle, 'V. ZHURAVLEV' and '24871' in the center, 'C. BRITISH COLUMBIA' in a semi-circle, and 'ENGINEER' at the bottom.

## CERTIFICATE OF QUALIFICATIONS

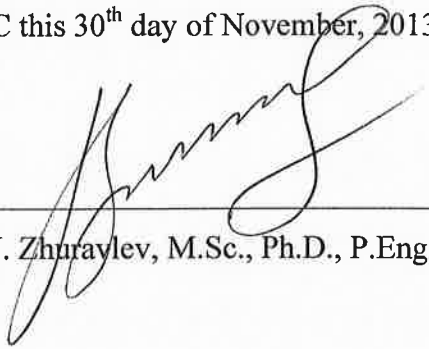
I, Valery J. Zhuravlev, do hereby certify:

1. That I maintain an engineering consulting practice at Research Consulting Centre, 3986 Broadway Street, Richmond, British Columbia, Canada, V7E 2Y2 and I am scientist and a professional engineer, providing consulting services to the mining industry.
2. That I am a graduate of chemical engineering program of Industrial University, Dneprodzerzhinsk, Ukraine and hold a Master's Degree in Chemical Engineering, granted in 1972.
3. That I have a degree of Doctor of Philosophy and hold a Ph.D. in Mineral Processing granted in 1982 at the same Industrial University.
4. That I have a title of Professional Engineer and I am a member of the Association of Professional Engineers and Geoscientist of British Columbia, APEGBC from 2000.
5. That I am a member of the American Institute of Chemical Engineers from 1991.
6. That I am a member of the American Chemical Society from 2005.
7. That I am an author of three patents and 24 scientific publications.
8. That I have practiced my profession applied to mining industry continuously for over 30 years and have examined and reported on numerous natural mineral deposits and artificial waste deposits throughout the world.

9. That I have read the definition of “Qualified Persons” set out in NI 43-101 and as a result of my experience, education, and registration, I am a Qualified Person as defined in NI 43-101.
10. That I am responsible for the preparation of the technical report PROPERTY GOLD RESERVES REPORT FOR THE JBSCH 1 – 10 PLACER CLAIMS BURWASH CREEK, YUKON and dated November 30, 2013. The information contained in this report was obtained from reports provided by Northern Minerals Development Inc., various public documents, and a visit to the placer mine property at Burwash Creek, Yukon. This information is to the best of my knowledge and experience correct.
11. That I am not aware of material fact or material change with respect to the subject matter of the technical report that is not reflected in the report, the omission to disclose which would make the report misleading.
12. That I am an independent Person as defined by NI 43-101.
13. That I have read National Instrument 43-101 and form 43-101F1 and this report has been prepared in compliance with NI 43-101 and Form 43-101F1.

Dated at Richmond, BC this 30<sup>th</sup> day of November, 2013



  
Valery J. Zhuravlev, M.Sc., Ph.D., P.Eng.

# **EXHIBIT B**

**ASSET DIGITIZATION SERVICE AGREEMENT 1**

## ASSET DIGITIZATION SERVICE AGREEMENT

THIS ASSET DIGITIZATION SERVICE AGREEMENT No. 0001  
(this "Agreement") is entered into and made effective as of the 7 day of March, 2017 (the "Effective Date"), by and between **Orebits Pool LLC**, a Delaware limited liability company with its principal offices at 25 Broadway, N.Y., NY \_\_\_\_\_ (the "Company"), and **130 INTERNATIONAL INC.**, an incorporated Company under the Alberta Business Corporation Act with its principal offices located at 255-16 Midlake Blvd. SE. Calgary, Alberta T2X1J2 CANADA ("Claim Owner"). Claim Owner and the Company are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

### BACKGROUND

The Company licenses certain rights with respect to an immutable distributed ledger (the "Ledger"), which utilizes a secure database technology commonly known as blockchain for the digitization of Smart Certificates, called "Orebits," to digitally represent and record certain Proven Gold Reserves on the Ledger. Claim Owner desires to engage the Company, and the Company desires to accept such engagement, for the purpose of facilitating the fractional representation and digitization of the Claim Reserves on the Ledger in the form of Orebits pursuant to the terms of this Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

**Section 1. Definitions.** The following terms have the meanings specified or referred to in this Section 1.

"**Account Holder**" any person registered with and having an account on the Ledger.

"**Action**" has the meaning set forth in Section 11(g).

"**Act of Insolvency**" means the occurrence of any of the following with respect to any Party hereto:

a. making a general assignment for the benefit of, entering into a reorganization, arrangement, or composition with creditors;

b. admitting in writing that such Party is unable to pay its debts as they become due;

c. seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of such Party or any material part of such Party's property;

d. the presentation or filing of a petition in respect of such Party (other than by the other Party to this Agreement in respect of any obligation under this Agreement) in any court or before any agency alleging or for the bankruptcy, winding-up or



insolvency of such party (or any analogous proceeding) or seeking any reorganization, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition not having been stayed or dismissed within thirty (30) days of its filing (except in the case of a petition for winding-up or any analogous proceeding, in respect of which no such 30 day period shall apply); or

e. the appointment of a receiver, administrator, liquidator or trustee or analogous officer of such Party or over all or any material part of such Party's property.

"**BLM**" means the U.S. Department of the Interior Bureau of Land Management.

"**Claim**" means that certain **Claim No. JBSCH#2, as more particularly** described on Exhibit A attached hereto.

"**Claim Owner**" has the meaning set forth in the preamble hereto.

"**Claim Reserves**" means those certain Proven Gold Reserves further described in the Claim.

"**Code**" means the Uniform Commercial Code as in effect in the Province of ALBERTA on the date hereof and as amended from time to time, except to the extent that the conflict of law rules of such Uniform Commercial Code shall apply the Uniform Commercial Code as in effect from time to time in any other state to specific property or other matters.

"**Collateral**" has the meaning set forth in Section 6.

"**Company**" has the meaning set forth in the preamble hereto.

"**Default Notice**" means notice delivered to a Party pursuant to this Agreement that an Event of Default under Section 12 has occurred.

"**Digitization Fee**" has the meaning set forth in Section 4(a).

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, deed of trust, easement, encroachment, encumbrance, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Event of Default**" has the meaning set forth in Section 12.

"**Governmental Authority**" has the meaning set forth in Section 10(d).

"**Initial Term**" has the meaning set forth in Section 5.



“**Law**” has the meaning set forth in Section 10(d).

“**LBMA**” means the London Bullion Market Association.

“**Ledger**” has the meaning set forth in the preamble hereto.

“**Material Adverse Change**” means a material adverse change in the business, operations or condition (financial or otherwise) of Claim Owner, or with respect to the Claim, including, without limitation, the Claim Reserves and the Collateral.

“**Nominee**” means Orebits Corp., a Delaware corporation and affiliate of the Company, which acts as the management company for the Company.

“**Orebits**” has the meaning set forth in the preamble hereto.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances, plans and similar rights obtained, or required to be obtained, from Governmental Authorities.

“**Proven Gold Reserves**” means the amount of gold of any Claim that is verified and evidenced by appropriate, written independent geological, engineering reports or certifications as required by the Company in its reasonable discretion, as being unrefined Gold at the site of and subject to such Claim.

“**Removed Gold**” has the meaning set forth in Section 10(k).

“**Renewal Fee**” has the meaning set forth in Section 4(d).

“**Renewal Period**” has the meaning set forth in Section 5 hereof.

“**Required Documentation**” means all documentation required to validate Claim Owner’s title to the Claim and the Claim Reserves, including, without limitation, the chain of custody with respect thereto, and support any requested Know Your Customer/Anti-Money Laundering purposes, including, without limitation:

a. Corporate documentation, including: Certificate of Incorporation and Bylaws (or other applicable organizational documentation), with all amendments thereto, corporate resolutions authorizing the purchase of the Claim and entry into this Agreement, tax returns, financial statements (balance sheet, income statement, etc.), relevant credit information, and any other relevant corporate documentation;

b. Proof of title/chain of custody documentation, including: proof of claim ownership, title opinion from local counsel, recorded location notice and non-recourse sales agreement (if applicable)



c. Geological reports from acceptable third party Geologists licensed by the appropriate Governmental Authority.

d. Documentation related to updates and verifications, including: updates and re-certifications with respect to any Required Documentation and reaffirmations and renewals of the representations and warranties set forth in Section 11 hereof, in each case as requested from time to time by the Company;

e. To the extent required by Law or any Governmental Authority, or otherwise to the extent available, title and other insurance policies and other documentation relating to the Claim; and

f. Proof of payment of the required BLM maintenance fee and any additional fees since submission of the location notice. NOT APPLICABLE

All Required Documentation furnished to the Company shall be accompanied by a notarized certificate executed by an authorized officer of Claim Owner, certifying, to such officer's knowledge, as to the authenticity and accuracy of the Required Documentation.

“**Services**” means the Company's services with respect to providing access to the Ledger for the digitization and recordation of Orebits pursuant to Section 2 hereof, substitution pursuant to Section 8 hereof, and transfer pursuant to Section 9 hereof.

“**Smart Certificate**” means a digital representation of a fractional ownership of Proven Gold Reserves. A Smart Certificate includes all data used to create such Smart Certificate, which data is immutable and cannot be changed once it is posted to the ledger.

“**Solvent**” means with respect to any person on any date of determination, that on such date (a) the fair value of the property of such person is greater than the total amount of liabilities, including contingent liabilities, of such person, (b) the present fair salable value of the assets of such person is not less than the amount that will be required to pay the probable liability of such person on its debts as they become absolute and matured, (c) such person does not intend to, and does not believe that it will, incur debts or liabilities beyond such person's ability to pay such debts and liabilities as they mature, (d) such person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such person's property would constitute an unreasonably small capital and (e) such person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“**Substitution Fee**” has the meaning set forth in Section 4(b).

“**Substituted Gold**” means gold bullion (with a minimum fineness of 995.0 parts per thousand, fine gold (i.e. .995) substituted for Proven Gold Reserves pursuant to Section 8



“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Event**” means (i) any action taken by a government taxing authority or brought in a court of competent jurisdiction (regardless of whether such action is taken or brought with respect to a Party to this Agreement), or (ii) a change in the fiscal or regulatory regime (including, but not limited to, a change in law or in the general interpretation of law but excluding any change in any rate of tax).

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Term**” means the Initial Term and all subsequent Renewal Periods.

“**Termination**” has the meaning set forth in Section 7(b).

“**Transfer Fee**” has the meaning set forth in Section 4(c).

“**Troy Ounce**” means the measure commonly used with respect to gold and other precious metals. One Avoirdupois ounce (oz) is equal to approximately 0.911458 Troy Ounces (oz t).

**Section 2. Engagement; Scope of Services.** Subject to the terms of this Agreement, Claim Owner hereby engages the Company to facilitate the fractional representation, digitization and recordation of the Claim Reserves on the Ledger in the form of Orebits and the transfer of such Orebits to other Account Holders from time to time (collectively, the “Services”). One (1) Orebit shall be recorded on the Ledger for every five (5) Troy Ounces of Claim Reserves provided as Collateral by Claim Owner. Claim Owner understands and acknowledges that the foregoing ratio of 5:1 is applied to adjust for the risk of error in the geological or engineering reports with respect to the Claim Reserves and other risk undertaken by the Company in connection with this Agreement and the transactions contemplated hereby.

**Section 3. Contributed Claim Reserves; Required Documentation.** The Claim Reserves provided as Collateral by Claim Owner shall constitute one hundred percent (100%) of the Proven Gold Reserves included in the Claim. Claim Owner shall furnish to the Company the Required Documentation on or prior to the Effective Date and from time to time during the Term, as requested by the Company.

**Section 4. Fees.** As consideration for the Services, Claim Owner shall pay to the Nominee, the following fees (collectively, the “Fees”):

a. A digitization fee in the amount of four percent (4%) of the value of the Claim Reserves (the "Digitization Fee"), which value shall be the number of Troy Ounces comprising the Claim Reserves, multiplied by the value per Troy Ounce according to LBMA AM gold price in effect on the Effective Date.

b. upon substitution pursuant to Section 8, a substitution fee in the amount of two tenths of a percent (0.2%) of the value of the Substituted Gold (the "Substitution Fee"), which value shall be the number of Troy Ounces of Substituted Gold, multiplied by the value per Troy Ounce according to the LBMA AM gold price in effect on the date of substitution.

c. upon transfer pursuant to Section 9, a transfer fee in the amount of two one hundredths of a percent (0.02%) of the value of the Claim Reserves represented by the Orebits which have been transferred pursuant to Section 9 (the "Transfer Fee").

d. Upon renewal of this Agreement pursuant to Section 5, a renewal fee in the amount of four percent (4%) of the value of the Claim Reserves (the "Renewal Fee"), which value shall be the number of Troy Ounces comprising the Claim Reserves, multiplied by the value per Troy Ounce according to LBMA AM gold price in effect on the Effective Date.

All Fees due hereunder shall be paid when due in cash by wire transfer of immediately available funds; provided, however, that the Company may, in its sole discretion, accept payment in any other manner or form, including, without limitation, in Orebits.

**Section 5. Term.** The term of this Agreement shall commence on the Effective Date, and shall continue for an initial term ending on the tenth (10<sup>th</sup>) anniversary thereof (the "Initial Term"), unless sooner terminated pursuant to the terms of this Agreement. Claim Owner shall have the option, upon written notice to and subsequent approval from the Company, at any time prior to the expiration of the Initial Term, and of each Renewal Period thereafter, to extend the term of this Agreement for an additional ten (10) year period (a "Renewal Period"), beginning on the last day of the Initial Term or prior Renewal Period, as the case may be; provided, however, that this Agreement may be earlier terminated pursuant to Section 7.

**Section 6. Collateral.** As security for the obligations of Claim Owner under this Agreement, including, without limitation, under Section 7(b), Claim Owner hereby grants to the Company a security interest (the "Security Interest") of not less than first priority in all right, title and interest of the Claim Owner pursuant to the Claim and with respect to (i) any gold severed or extracted therefrom (whether "as extracted," as inventory or held as Retained Gold hereunder, including any proceeds, products, accessions, rents and profits of or received by Claim Owner in respect thereof, and including as-extracted mineral interests from Claim Owner's present and future operations and all Accounts, General Intangibles and products and Proceeds thereof (as such terms are defined in the Code) or related thereto, regardless of whether any such minerals are in raw form or processed for sale and regardless whether or not Claim Owner had an interest in the minerals before extraction or severance; (ii) to the extent, if any, not included in clause (i)



above, each and every other item of personal property, whether now existing or hereafter arising or acquired, including, without limitation, all licenses, contracts and agreements, and all collateral for the payment or performance of any contract or agreement, together with all products and Proceeds (including all insurance policies and proceeds) of any Accessions (as such term is defined in the Code) to any of the foregoing; and (iii) all present and future business records and information, including computer tapes and other storage media containing the same and computer programs and software (including, without limitation, source code, object code and related manuals and documentation and all licenses to use such software) for accessing and manipulating such information (collectively, the “Collateral”). The foregoing may be evidenced by and subject to the terms of such security agreements, financing statements, deeds or mortgages (including, without limitation, a deed of trust), and other documents as the Company shall reasonably require, all in recordable form (as applicable) and substance satisfactory to the Company. Claim Owner shall be responsible for and shall pay to the Company immediately upon demand the full amount of all charges, costs and expenses (to include fees paid to third parties), expended or incurred by the Company in connection with creating, perfecting or otherwise involving the Security Interest, including without limitation, filing and recording fees, recording taxes, attorneys fees and costs of appraisals, audits and title opinions or title insurance. Claim Owner acknowledges that the foregoing charges, costs and expenses are separate and apart from the Digitization Fee and all other Fees described in Section 4.

**Section 7. Termination.**

a. This Agreement shall automatically terminate upon expiration of the Initial Term, unless renewed pursuant to Section 5, and if renewed, upon expiration of each Renewal Period, unless further renewed pursuant to Section 5. Notwithstanding the foregoing, this Agreement shall terminate pursuant to the following:

i. Termination without Default or Breach. The Company may terminate this Agreement for any reason upon thirty (30) calendar days’ prior written notice to Claim Owner.

ii. Automatic Termination upon Default. The Company shall have the right to terminate this Agreement automatically upon the occurrence of any Event of Default. Unless otherwise provided herein, termination pursuant to this Section 7(a)(ii) may be effected without notice to Claim Owner.

b. Effect of Termination. Upon termination of this Agreement pursuant to this Section 7 (“Termination”):

i. Claim Owner shall, on the date of Termination, return, relinquish, transfer, convey and assign to the Company either: (A) for cancellation, all Orebits representing the Claim Reserves, or (B) for cancellation, all Orebits then held by Claim Owner at the time of Termination, if any, plus one (1) Troy Ounce of Substituted Gold for each Orebit which is not then held by Claim Owner (and thus cannot be returned) at the time of Termination, plus the Substitution Fee for such Substituted Gold pursuant to Section 8; and

ii. provided Claim Owner has satisfied its obligations pursuant to Section 7(b)(i), the Company shall terminate the Security Interest with respect to the Collateral, and the Collateral shall be released.

Except as otherwise provided in this Agreement, following the effective date of Termination, the provisions of this Agreement shall be of no further force or effect. Notwithstanding anything herein to the contrary, the provisions contained in Sections 13 and 14 shall survive termination of this Agreement.

**Section 8. Substitution.** Claim Owner may, at Company's sole discretion and upon Termination pursuant to Section 7(b)(i) and upon payment of the Substitution Fee, exchange Substituted Gold for any Orebits which are not returned upon such Termination. Claim Owner shall be responsible for and shall pay to the Company immediately upon demand the full amount of all charges, costs and expenses (to include fees paid to third parties), expended or incurred by the Company in connection with any substitution of Substituted Gold pursuant to this Section 8, including without limitation, costs for storage, transportation and insurance, as well as attorney's fees. Claim Owner acknowledges that the foregoing charges, costs and expenses are separate and apart from the Substitution Fee and all other Fees described in Section 4.

**Section 9. Transfer.** At any time during the Term, Claim Owner may, at Claim Owner's election and upon payment of the Transfer Fee, transfer any number of Orebits, or a fraction thereof, to any other Account Holder, provided such transfer is recorded on the Ledger.

**Section 10. Covenants.** Claim Owner agrees that, at all times during the Term:

a. Required Documentation. Claim Owner shall furnish the Company with (i) copies of the annual financial statements (balance sheet, income statement, etc.) within sixty (60) days of the end of each fiscal year, (ii) copies of the Claim Owner's Tax Returns within thirty (30) days of the filing of such returns with the applicable taxing authority, (iii) and such other Required Documentation from time to time upon the request of the Company or within five (5) business days of any change in such documentation, it being understood that the Company shall require certain of the Required Documentation to be provided no less frequently than annually.

b. Existence. Claim Owner shall preserve Claim Owner's [corporate] existence and all Permits necessary for the conduct of its business; Claim Owner will not change its state of incorporation, formation or organization, as applicable, without providing thirty (30) days prior written notice to the Company, and Claim Owner will not change its name without providing thirty (30) days prior written notice to the Company;

c. Collateral. Claim Owner shall not sell, assign, or otherwise dispose of any portion of the Collateral except as explicitly permitted by this Agreement or otherwise consented to in writing by the Company. Claim Owner shall faithfully preserve and protect the Security Interest as a prior perfected security interest under the Code, superior and prior to the rights of all third parties, and will do all such other acts and things and

will, upon reasonable request therefor by the Company, execute, deliver, file and record, and Claim Owner hereby authorizes the Company to so file, all such other documents and instruments, including, without limitation, financing statements, security agreements, assignments and documents and powers of attorney with respect to the Collateral, and pay all filing fees and taxes related thereto, as Claim Owner in its reasonable discretion may deem necessary or advisable from time to time in order to attach, continue, preserve, perfect, and protect the Security Interest (including the filing at any time or times after the date hereof of financing statements under, and in the locations advisable pursuant to, the Code) and Claim Owner acknowledges that any such costs or fees associated with such actions will be reimbursed by Claim Owner pursuant to the provisions of Section 14 of this Agreement; and, Claim Owner hereby irrevocably appoints the Company, its officers, employees and agents, or any of them, as attorneys-in-fact for Claim Owner to execute, deliver, file and record such items for Claim Owner and in such Claim Owner's name, place and stead to preserve, continue, perfect and protect the Security Interest. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement.

d. Compliance with Laws. Claim Owner shall fully comply with all statutes, laws, ordinances, regulations, rules, codes, orders, constitutions, treaties, common laws, judgments, decrees, and other requirements or rules of law (collectively, "Laws," and each, a "Law") of any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction (collectively, "Governmental Authorities"), which are applicable to Claim Owner's business and the Collateral.

e. Permits. Claim Owner shall preserve and maintain valid and in full force and effect all Permits necessary for Claim Owner to hold, maintain and transact in the Claim, the Collateral, and the Claim Reserves, including, without limitation all annual and other fees due to the BLM and other Governmental Authorities to maintain the Claim in good standing.

f. Taxes and Other Liabilities. Claim Owner shall pay and discharge when due any and all indebtedness, obligations, assessments and taxes, both real or personal, including without limitation federal and state income taxes and state and local property taxes and assessments.

g. Notice of Default. As soon as possible and in any event within ten (10) days after the occurrence of each Event of Default and each event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, continuing on the date of such statement, Claim Owner shall deliver to the Company a Default Notice.

h. Notice of Material Adverse Effect. Claim Owner shall promptly notify the Company of any event, circumstance or condition that had or could be expected to have a Material Adverse Change.

i. Litigation. Claim Owner shall promptly give notice in writing to the Company of any litigation pending or threatened affecting the Claim.

j. Brokers. Claim Owner shall pay all fees, commissions and other amounts owed to any brokers, finders or investment bankers engaged by Claim Owner in connection with the transactions contemplated by this Agreement.

k. Removed Gold. If all or any portion of the Claim Reserves are mined, excavated, extracted, produced or otherwise removed from the ground ("Removed Gold"), Claim Owner shall provide notice to the Company of such mining, excavation, extraction, production or removal within ten (10) days of the initiation thereof.

l. Liens. Claim Owner shall not, nor permit any of its subsidiaries to, create or permit to exist any mortgage, charge, lien or other Encumbrance with respect to the Collateral.

**Section 11. Representations and Warranties of Claim Owner.** Claim Owner represents and warrants to the Company that the statements contained in this Section 10 are true and correct as of the date hereof. For purposes of this Section, "knowledge of Claim Owner" and any similar phrases shall mean the actual or constructive knowledge of any director or officer of Claim Owner, after due inquiry.

a. Organization and Authority of Claim Owner; Enforceability. Claim Owner is a Company duly organized, validly existing and in good standing under the laws of the Province of Alberta. The exact legal name of Claim Owner is as set forth on the signature page hereto. The address (including county and state) of the Claim of Claim Owner is set forth on Exhibit A hereto. Claim Owner has full [**corporate**] power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Claim Owner of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Claim Owner. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Claim Owner, and (assuming due authorization, execution and delivery by the Company) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Claim Owner, enforceable against Claim Owner in accordance with their respective terms. Claim Owner also represents and warrants that it has provided the Company with a real estate description sufficient to enable the Company to record a financing statement in the county records sufficient to perfect a security interest in the Claim. Further, Claim Owner represents and warrants that (i) this Agreement creates a valid security interest in favor of the Company, except as may be limited by applicable bankruptcy, insolvency,



reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity and (ii) the Security Interest granted hereunder in favor of the Company, will constitute a first priority security interest and will be perfected, (A) with respect to the Collateral (other than as-extracted Collateral) of Claim Owner, upon the proper filing of financing statements in the jurisdiction of the state of formation of Claim Owner, to the extent a security interest in such Collateral can be perfected under the Code by the filing of financing statements, and (B) with respect to the as-extracted Collateral of Claim Owner, upon the proper filing of financing statements in the county real estate records in each county identified on Exhibit A hereto as a "Location of Claim" with respect to Claim Owner.

b. No Conflicts; Consents. The execution, delivery and performance by Claim Owner of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the **[certificate of incorporation, by-laws]** or other organizational documents of Claim Owner; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Claim Owner, the Claim or the Claim Reserves; (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under any contract or other instrument to which Claim Owner is a party or to which the Claim or any of the Claim Reserves are subject; or (d) result in the creation or imposition of any Encumbrance on the Claim Reserves. No consent, approval, waiver or authorization is required to be obtained by Claim Owner from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Claim Owner of this Agreement and the consummation of the transactions contemplated hereby.

c. Claim Reserves. **[Except as set forth on Schedule 10(c),]** Claim Owner owns and has good title to the Claim, free and clear of Encumbrances. The Claim Reserves constitute one hundred percent (100%) of the Proven Gold Reserves included in the Claim. Claim Owner has paid, and shall continue to pay all fees required to maintain the Claim pursuant to requirements of the BLM and any other applicable Government Authority.

d. Permits. Claim Owner holds all Permits, and shall continue to hold all Permits, which are required by any Governmental Authority to hold, maintain, mine, excavate, extract, produce, remove and transact in the Collateral or otherwise to enter into this Agreement and the Transactions contemplated hereby, and all such Permits are valid and in full force and effect. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permits.

e. Compliance With Laws. Claim Owner has complied, and is now complying, and shall continue to comply, with all applicable federal, state and local laws and regulations applicable to ownership and use of the Claim and the Claim Reserves,

including, without limitation mining, excavation, extraction, production and removal of the Claim Reserves.

f. Taxes. All Tax Returns required to be filed by Claim Owner in respect of the Claim and the Claim Reserves and the transactions contemplated by this Agreement have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete and correct in all respects. All Taxes due and owing by Claim Owner (whether or not shown on any Tax Return) have been, or will be, timely paid. Claim Owner is not a party to any Action by any taxing authority. There are no pending or threatened Actions by any taxing authority. There are no Encumbrances for Taxes upon any portion of the Claim or the Claim Reserves, nor is any taxing authority in the process of imposing any Encumbrances for Taxes on any portion of the Claim or the Claim Reserves (other than for current Taxes not yet due and payable).

g. Legal Proceedings. There is no claim, action, suit, proceeding or governmental investigation (“Action”) of any nature pending or, to the knowledge of Claim Owner, threatened against or by Claim Owner (a) relating to or affecting the Claim or the Claim Reserves; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

h. Non-reliance. Claim Owner has consulted its own counsel and advisors and conducted its own review and due diligence with respect to this Agreement and the transactions contemplated hereby and is not relying on any statement, advice or representation, whether written or oral, of the Company, its affiliates, or any officer, manager, member, employee, agent or representative thereof, with respect to this Agreement or Claim Owner’s decision to enter into this Agreement or the transactions contemplated hereby. It is understood that no information provided to Claim Owner regarding the Company, Orebits, the Ledger or otherwise relating to the transactions contemplated hereby shall be considered as any form of advice or recommendation to enter into this Agreement, and that neither the Company nor any of its affiliates is acting or has acted as an advisor to the Claim Owner in deciding to enter into this Agreement.

i. Risk. Claim Owner understands and accepts that entering into this Agreement and the transactions contemplated hereby involves certain risks (financial or otherwise), and Claim Owner is willing and able to undertake such risks. Claim Owner represents that it is able to bear any loss associated with this Agreement or the transactions contemplated hereby.

j. Brokers. No broker, finder or investment banker [**other than N/A**] is entitled to any brokerage, finder’s or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Claim Owner. Claim Owner acknowledges and agrees that the Company shall in no way be responsible for any such brokerage, finder’s or other fee or commission.



k. Solvency. Claim Owner is, individually and together with its subsidiaries, if any, on a consolidated basis, Solvent.

l. Full Disclosure. No representation or warranty by Claim Owner in this Agreement or any certificate or other document furnished or to be furnished to the Company pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact, necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

**Section 12. Events of Default.** Each of the following events or conditions shall constitute an “Event of Default” (whether it shall be voluntary or involuntary or come about or be effected by any applicable Law or otherwise):

a. Claim Owner fails to pay any Fee, or portion thereof, or any other amount payable hereunder when due;

b. Upon Termination, Claim Owner fails to return the Orebits and any Substituted Gold required pursuant to Section 7(b).

c. Claim Owner fails to notify Company if it mines, excavates, extracts, produces or otherwise removes all or any portion of the Claim Reserves from the ground as required pursuant to Section 10(k).

d. Claim Owner fails to pay the fee due to maintain the Claim with the BLM or otherwise fails to maintain the Claim in good standing.

e. there occurs any material adverse change in the geological reporting, surveying or certifications with respect to the Claim Reserves.

f. any representation, warranty, certification or other statement of fact made or deemed made by or on behalf of Claim Owner herein, or any amendment or modification hereof or waiver hereunder, or in any certificate, document, report, financial statement or other document furnished by or on behalf of Claim Owner under or in connection with this Agreement, including, without limitation, any Required Document, proves to have been false or misleading in any material respect on or as of the date made or deemed made;

g. a Tax Event occurs with respect to Claim Owner and, if requested by the Company, an opinion of counsel or other adviser who is qualified (in the sole discretion of the Company) to render such opinion stating that such Tax Event does not have any material adverse effect on the Claim Reserves or the Company’s rights to the Collateral or otherwise under this Agreement cannot or is not provided within **[thirty (30)]** days of such Tax Event.

h. Claim Owner fails to perform or observe any covenant, term, condition, obligation or agreement contained herein, including, without limitation, the affirmative

covenants set forth in Section 10, and fails to remedy such failure within thirty (30) days of delivery of a Default Notice by the Company;

i. Claim Owner admits to the Company that it is unable to or intends not to perform or observe any covenant, term, condition, obligation or agreement contained herein;

j. any Event of Insolvency occurs with respect to Claim Owner;

k. any Required Document ceases for any reason to be valid, binding and in full force and effect or the Security Interest ceases to be enforceable and of the same effect and priority purported to be created thereby, other than as a result of the acts or omissions of the Company;

l. (i) any material provision of this Agreement or any Required Document ceases for any reason to be valid, binding and in full force and effect, other than as expressly permitted hereunder or thereunder or as a result of the acts or omissions of the Company; (ii) Claim Owner contests in any manner the validity or enforceability of any provision of this Agreement; or (iii) Claim Owner denies that it has any or further liability or obligation under any provision of this Agreement (other than as a result of Termination) or purports to revoke, terminate or rescind any provision of this Agreement.

m. there occurs, in the judgment of the Company, a Material Adverse Change.

Claim Owner shall notify the Company within **[ten (10)]** days of the occurrence of any Event of Default. Upon any Event of Default, Claim Owner shall be responsible for and indemnify the Company pursuant to Section 14 for the amount of all reasonable legal and other professional expenses incurred by the Company in connection with or as a consequence of such Event of Default, together with interest thereon at the current USD Prime Rate on the Date of Default.

**Section 13. Remedies.** If any Event of Default occurs then the Company may exercise one or more of the following remedies in its sole discretion upon notice to Claim Owner:

a. terminate this Agreement, in such instance Claim Owner shall immediately return the Orebts and any necessary Substituted Gold to the Company pursuant to Section 7(b) **[and pay a termination fee in the amount of \_\_\_\_\_]**;

b. manage and maintain the Claim, through Nominee, on behalf of Claim Owner at the sole cost and expense of Claim Owner; provided, however, that the foregoing election shall be solely for the purpose of preserving the Collateral and the Company's rights therein and shall in no way be deemed to create a fiduciary duty of the Company with respect to Claim Owner or the Collateral;

c. foreclose on the Collateral; and



d. exercise any and all other rights and remedies available to the Company under this Agreement, whether at law or in equity.

Neither the Company nor Claim Owner shall be entitled to payment of any consequential losses or damages in the event of any Event of Default or a failure by the other Party to perform any obligation of such other Party under this Agreement.

**Section 14. Indemnification.** Claim Owner shall indemnify, defend and hold harmless the Company, the Nominee, and each of their officers, directors, members, managers, employees, contractors, agents, representatives, successors and assigns, from and against any and all liability, loss, damage, claim, causes of action, and expenses (including reasonable attorneys' fees), arising from or relating to (i) the Collateral, including, without limitation, securing, perfecting and exercising the Company's rights therein, (ii) any inaccuracy in or breach of any of the representations or warranties of Claim Owner contained in this Agreement, (iii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Claim Owner pursuant to this Agreement; (iv) any action or omission of Claim Owner; or (v) claims against the Company from Claim Owner or any of its directors, officers, shareholders, employees, contractors, agents, representatives, successors and assigns arising out of the Company's relationship with Claim Owner, including, without limitation, claims alleging the existence of any employment relationship. Claim Owner agrees that liability of Claim owner shall be joint and several liability with other affiliates of Claim wners and shall include other property owned by Claim Owner. Indemnification pursuant to this Section 14 shall extend to and include all expenses, fees and costs, including attorneys' fees, incurred by the Company in defending any action or claim against Claim Owner and pursuant to which this Section 14 is applicable.

**Section 15. Notice.**

a. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of receipt) or the electronic messaging system available to Account Holders if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses first set forth above (or at such other address for a party as shall be specified in a notice given in accordance with this Section 15).

b. If (x) there occurs in relation to either Party an event which, upon the service of a Default Notice, would be an Event of Default, and (ii) the Party which is not in Default (the "Non-Defaulting Party), having made all practicable efforts to do so, including having attempted to use at least two of the methods specified in clause (a) of this Section 16, has been unable to serve a Default Notice by one of the methods specified in such clause (a) (or such of those methods as are normally used by the Non-



Defaulting Party when communicating with the other Party (the “Defaulting Party”), the Non-Defaulting Party may sign a written notice (a “Special Default Notice”) which:

- i. specifies the Event of Default which has occurred in relation to the Defaulting Party;
- ii. states that the Non-Defaulting Party, having made all practicable efforts as first set forth in this clause (b), has been unable to serve a Default Notice by one of the methods specified therein on the Defaulting Party;
- iii. specifies the date on which, and the time at which, the Special Default Notice is signed by the Non-Defaulting Party; and
- iv. states that the particular Event of Default shall be treated as an Event of Default as defined under this Agreement with effect from the date and time so specified;

Upon execution of a Special Default Notice, the particular Event of Default shall be treated with effect from the date and time so specified as an Event of Default in relation to the Defaulting Party, and accordingly any applicable requirements under Section 10(f) or Section 12 to serve a Default Notice shall be deemed satisfied by the execution of such Special Default Notice. A Special Default Notice shall be given to the Defaulting Party as soon as practicable after it is executed.

**Section 16. Miscellaneous.**

a. Relationship of the Parties. The Company is engaged by Claim Owner merely to provide a service as set forth herein. Nothing in this Agreement shall be deemed to constitute either Party as an employee, agent, or representative of the other Party. Neither Party shall have any right to enter into any contract or other binding obligation, or otherwise incur any charge or expense, in the name of the other Party, other than as expressly provided herein.

b. Successors. All the provisions herein contained shall be binding upon and inure to the benefit of the respective successors and permitted assigns of Claim Owner and of the Company; provided, however, that nothing contained in this paragraph shall be construed as a consent by the Company to an assignment of this Agreement or of any interest herein by Claim Owner except as provided in Section 17(k).

c. Counterparts. This Agreement may be executed in any number of counterparts and may be exchanged electronically and subsequently compiled, each compiled version of which shall be an original, but all of which shall constitute one and the same agreement.



d. Time. It is understood and agreed between the Parties that time is of the essence as to this Agreement and to all terms and conditions contained herein, including as to the provision of the Services.

e. Severability. Should any part or provision of this Agreement, for any reason, be declared invalid or illegal, such invalidity or illegality shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid or illegal portions thereof eliminated.

f. Nonbinding Arbitration. In the event of any controversy or claim arising out of or relating to this Agreement, or a breach thereof, the Parties shall first attempt to settle such dispute by non-binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. If settlement is not reached within ninety (90) days after service of a written demand for arbitration, any unresolved controversy or claim shall be settled in a court of competent jurisdiction pursuant to Section 16(g).

g. Applicable Law; Jurisdiction and Venue; Jury Trial Waiver; Rights Cumulative. This Agreement shall be construed, governed and interpreted, and the rights of the Parties hereto shall be determined in accordance with the laws of the State of Delaware without regard to the conflicts of laws provisions thereof. Any and all actions or proceedings, in law or equity, arising out of, relating to or based upon this Agreement shall be instituted exclusively in the federal courts of the United States located in the city of [\_\_\_\_], county of [\_\_\_\_], state of Delaware, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The Parties expressly, irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or proceeding in such courts and irrevocably waive and expressly agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient or improper forum. EACH PARTY WAIVES ANY RIGHT TO JURY TRIAL. All rights of the Parties hereunder shall be cumulative with all rights which the Parties hereto may have at law or in equity.

h. Amendments. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof. The obligations, rights and remedies of the Parties under this Agreement supersede all previous oral or written communications, memoranda of understanding, letters of intent, term sheets, representations, understandings or agreements between the Parties relating to the subject matter hereof. Any amendments to this Agreement shall be in writing and signed by both the Company and Claim Owner.

i. Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.



j. No Waiver. No waiver of any provision of this Agreement shall be effective against either Party hereto unless it is in writing and signed by the Party granting the waiver. No waiver of any provision hereof shall be deemed a continuing waiver or a waiver of any other provision hereof.

k. Survival. All obligations of the Parties which have accrued as of the Termination of this Agreement shall survive any such Termination. In addition, the provisions of Sections 13 and 14 shall survive any termination or expiration of this Agreement.

l. Assignment. Claim Owner may not assign, sell, transfer, convey, pledge or encumber Claim Owner's rights or obligations under this Agreement in whole or in part to any other person or entity, by operation of law or otherwise, without the prior written consent of the Company. Any attempted assignment by Claim Owner without the Company's prior written consent shall be null and void.

m. Waiver of Immunity. Each Party hereto hereby waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, attachment (both before and after judgment) and execution to which it might otherwise be entitled in any action or proceeding in the State of Delaware or of any other country or jurisdiction, relating in any way to this Agreement or any transaction contemplated hereby, and agrees that it will not raise, claim or cause to be plead any such immunity at or in respect of any such action or proceeding.

n. Attorneys' Fees. In the event of any litigation to enforce the provisions of this Agreement, the prevailing Party in such litigation shall be entitled to such reasonable attorney fees as may be fixed by the court.

o. Further Assurances. Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

[SIGNATURES NEXT PAGE]

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

"Claim Owner":

130 INTERNATIONAL INC.

By: [Signature]  
Name: John F. COMEALIS  
Title: President/CEO

"The Company":

OREBITS POOL, LLC

By: [Signature] 3/1/17  
Name: Scott Mehlman  
Title: CEO

[Signature]

## EXHIBIT A

### Claim

#### Location of Claim:

The Burwash Creek claim group consists of ten contiguous placer claims located in the Whitehorse Mining District, Yukon. These claims are registered as the JBSCH 1-10 claims with Grant Numbers P 038915 to P 03924 and 100% owned by THE OWNER. They are located on the N.T.S. Map Sheet 115/006 P; Latitude: 61 \_ 25' O" N; Longitude: 139 \_ 13'5" W. Burwash Creek is a tributary of the Kluane River, which is located approximately 7 miles (11.2 km) northwest along the Alaska Highway from Burwash Landing, Yukon. A gravel road off the Alaska Highway is approximately one mile long, running through a Government gravel pit, accesses the Claims. The Alaska Highway is a Government maintained year around highway, which connects Alaska and Yukon to southern Canada and the mainland USA through the Province of British Columbia. The total Burwash Creek property assets are shown in Figure 2.

For additional details of Location refer to NI 43 101F1 included with this Agreement,



# EXHIBIT C

ASSET DIGITIZATION SERVICE AGREEMENT 2

## ASSET DIGITIZATION SERVICE AGREEMENT

**THIS ASSET DIGITIZATION SERVICE AGREEMENT No. 0002** (this "Agreement") is entered into and made effective as of the 3rd day of April, 2017 (the "Effective Date"), by and between **Orebits Pool LLC**, a Delaware limited liability company with its principal offices at 25 Broadway, New York, NY 10004 (the "Company"), and **130 INTERNATIONAL INC.**, an incorporated Company under the Alberta Business Corporation Act with its principal offices located at 255-16 Midlake Blvd. SE, Calgary, Alberta T2X1J2 CANADA ("Claim Owner"). Claim Owner and the Company are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

### BACKGROUND

The Company licenses certain rights with respect to an immutable distributed ledger (the "Ledger"), which utilizes a secure database technology commonly known as blockchain for the digitization of Smart Certificates, called "Orebits," to digitally represent and record certain Proven Gold Reserves on the Ledger. Claim Owner desires to engage the Company, and the Company desires to accept such engagement, for the purpose of facilitating the fractional representation and digitization of the Claim Reserves on the Ledger in the form of Orebits pursuant to the terms of this Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

**Section 1. Definitions.** The following terms have the meanings specified or referred to in this Section 1.

"**Account Holder**" any person registered with and having an account on the Ledger.

"**Action**" has the meaning set forth in Section 11(g).

"**Act of Insolvency**" means the occurrence of any of the following with respect to any Party hereto:

a. making a general assignment for the benefit of, entering into a reorganization, arrangement, or composition with creditors;

b. admitting in writing that such Party is unable to pay its debts as they become due;

c. seeking, consenting to or acquiescing in the appointment of any trustee, administrator, receiver or liquidator or analogous officer of such Party or any material part of such Party's property;

d. the presentation or filing of a petition in respect of such Party (other than by the other Party to this Agreement in respect of any obligation under this Agreement) in any court or before any agency alleging or for the bankruptcy, winding-up or

insolvency of such party (or any analogous proceeding) or seeking any reorganization, arrangement, composition, re-adjustment, administration, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such petition not having been stayed or dismissed within thirty (30) days of its filing (except in the case of a petition for winding-up or any analogous proceeding, in respect of which no such 30 day period shall apply); or

e. the appointment of a receiver, administrator, liquidator or trustee or analogous officer of such Party or over all or any material part of such Party's property.

“**BLM**” means the U.S. Department of the Interior Bureau of Land Management.

“**Claim**” means that certain **Claim No. JBSCH#3, as more particularly** described on Exhibit A attached hereto.

“**Claim Owner**” has the meaning set forth in the preamble hereto.

“**Claim Reserves**” means those certain Proven Gold Reserves further described in the Claim.

“**Code**” means the Uniform Commercial Code as in effect in the Province of ALBERTA on the date hereof and as amended from time to time, except to the extent that the conflict of law rules of such Uniform Commercial Code shall apply the Uniform Commercial Code as in effect from time to time in any other state to specific property or other matters.

“**Collateral**” has the meaning set forth in Section 6.

“**Company**” has the meaning set forth in the preamble hereto.

“**Default Notice**” means notice delivered to a Party pursuant to this Agreement that an Event of Default under Section 12 has occurred.

“**Digitization Fee**” has the meaning set forth in Section 4(a).

“**Encumbrance**” means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, deed of trust, easement, encroachment, encumbrance, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

“**Event of Default**” has the meaning set forth in Section 12.

“**Governmental Authority**” has the meaning set forth in Section 10(d).

“**Initial Term**” has the meaning set forth in Section 5.

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“**Law**” has the meaning set forth in Section 10(d).

“**LBMA**” means the London Bullion Market Association.

“**Ledger**” has the meaning set forth in the preamble hereto.

“**Material Adverse Change**” means a material adverse change in the business, operations or condition (financial or otherwise) of Claim Owner, or with respect to the Claim, including, without limitation, the Claim Reserves and the Collateral.

“**Nominee**” means Orebits Corp., a Delaware corporation and affiliate of the Company, which acts as the management company for the Company.

“**Orebits**” has the meaning set forth in the preamble hereto.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances, plans and similar rights obtained, or required to be obtained, from Governmental Authorities.

“**Proven Gold Reserves**” means the amount of gold of any Claim that is verified and evidenced by appropriate, written independent geological, engineering reports or certifications as required by the Company in its reasonable discretion, as being unrefined Gold at the site of and subject to such Claim.

“**Removed Gold**” has the meaning set forth in Section 10(k).

“**Renewal Fee**” has the meaning set forth in Section 4(d).

“**Renewal Period**” has the meaning set forth in Section 5 hereof.

“**Required Documentation**” means all documentation required to validate Claim Owner’s title to the Claim and the Claim Reserves, including, without limitation, the chain of custody with respect thereto, and support any requested Know Your Customer/Anti-Money Laundering purposes, including, without limitation:

a. Corporate documentation, including: Certificate of Incorporation and Bylaws (or other applicable organizational documentation), with all amendments thereto, corporate resolutions authorizing the purchase of the Claim and entry into this Agreement, tax returns, financial statements (balance sheet, income statement, etc.), relevant credit information, and any other relevant corporate documentation;

b. Proof of title/chain of custody documentation, including: proof of claim ownership, title opinion from local counsel, recorded location notice and non-recourse sales agreement (if applicable)



c. Geological reports from acceptable third party Geologists licensed by the appropriate Governmental Authority.

d. Documentation related to updates and verifications, including: updates and recertifications with respect to any Required Documentation and reaffirmations and renewals of the representations and warranties set forth in Section 11 hereof, in each case as requested from time to time by the Company;

e. To the extent required by Law or any Governmental Authority, or otherwise to the extent available, title and other insurance policies and other documentation relating to the Claim; and

f. Proof of payment of the required BLM maintenance fee and any additional fees since submission of the location notice. NOT APPLICABLE

All Required Documentation furnished to the Company shall be accompanied by a notarized certificate executed by an authorized officer of Claim Owner, certifying, to such officer's knowledge, as to the authenticity and accuracy of the Required Documentation.

“**Services**” means the Company's services with respect to providing access to the Ledger for the digitization and recordation of Orebits pursuant to Section 2 hereof, substitution pursuant to Section 8 hereof, and transfer pursuant to Section 9 hereof.

“**Smart Certificate**” means a digital representation of a fractional ownership of Proven Gold Reserves. A Smart Certificate includes all data used to create such Smart Certificate, which data is immutable and cannot be changed once it is posted to the ledger.

“**Solvent**” means with respect to any person on any date of determination, that on such date (a) the fair value of the property of such person is greater than the total amount of liabilities, including contingent liabilities, of such person, (b) the present fair salable value of the assets of such person is not less than the amount that will be required to pay the probable liability of such person on its debts as they become absolute and matured, (c) such person does not intend to, and does not believe that it will, incur debts or liabilities beyond such person's ability to pay such debts and liabilities as they mature, (d) such person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such person's property would constitute an unreasonably small capital and (e) such person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“**Substitution Fee**” has the meaning set forth in Section 4(b).

“**Substituted Gold**” means gold bullion (with a minimum fineness of 995.0 parts per thousand, fine gold (i.e. .995) substituted for Proven Gold Reserves pursuant to Section 8



“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, documentary, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Event**” means (i) any action taken by a government taxing authority or brought in a court of competent jurisdiction (regardless of whether such action is taken or brought with respect to a Party to this Agreement), or (ii) a change in the fiscal or regulatory regime (including, but not limited to, a change in law or in the general interpretation of law but excluding any change in any rate of tax).

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement or other document relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Term**” means the Initial Term and all subsequent Renewal Periods.

“**Termination**” has the meaning set forth in Section 7(b).

“**Transfer Fee**” has the meaning set forth in Section 4(c).

“**Troy Ounce**” means the measure commonly used with respect to gold and other precious metals. One Avoirdupois ounce (oz) is equal to approximately 0.911458 Troy Ounces (oz t).

**Section 2. Engagement; Scope of Services.** Subject to the terms of this Agreement, Claim Owner hereby engages the Company to facilitate the fractional representation, digitization and recordation of the Claim Reserves on the Ledger in the form of Orebits and the transfer of such Orebits to other Account Holders from time to time (collectively, the “Services”). One (1) Orebit shall be recorded on the Ledger for every five (5) Troy Ounces of Claim Reserves provided as Collateral by Claim Owner. Claim Owner understands and acknowledges that the foregoing ratio of 5:1 is applied to adjust for the risk of error in the geological or engineering reports with respect to the Claim Reserves and other risk undertaken by the Company in connection with this Agreement and the transactions contemplated hereby.

**Section 3. Contributed Claim Reserves; Required Documentation.** The Claim Reserves provided as Collateral by Claim Owner shall constitute one hundred percent (100%) of the Proven Gold Reserves included in the Claim. Claim Owner shall furnish to the Company the Required Documentation on or prior to the Effective Date and from time to time during the Term, as requested by the Company.

**Section 4. Fees.** As consideration for the Services, Claim Owner shall pay to the Nominee, the following fees (collectively, the “Fees”):



a. A digitization fee in the amount of four percent (4%) of the value of the Claim Reserves (the "Digitization Fee"), which value shall be the number of Troy Ounces comprising the Claim Reserves, multiplied by the value per Troy Ounce according to LBMA AM gold price in effect on the Effective Date.

b. upon substitution pursuant to Section 8, a substitution fee in the amount of two tenths of a percent (0.2%) of the value of the Substituted Gold (the "Substitution Fee"), which value shall be the number of Troy Ounces of Substituted Gold, multiplied by the value per Troy Ounce according to the LBMA AM gold price in effect on the date of substitution.

c. upon transfer pursuant to Section 9, a transfer fee in the amount of two one hundredths of a percent (0.02%) of the value of the Claim Reserves represented by the Orebits which have been transferred pursuant to Section 9 (the "Transfer Fee").

d. Upon renewal of this Agreement pursuant to Section 5, a renewal fee in the amount of four percent (4%) of the value of the Claim Reserves (the "Renewal Fee"), which value shall be the number of Troy Ounces comprising the Claim Reserves, multiplied by the value per Troy Ounce according to LBMA AM gold price in effect on the Effective Date.

All Fees due hereunder shall be paid when due in cash by wire transfer of immediately available funds; provided, however, that the Company may, in its sole discretion, accept payment in any other manner or form, including, without limitation, in Orebits.

**Section 5. Term.** The term of this Agreement shall commence on the Effective Date, and shall continue for an initial term ending on the tenth (10<sup>th</sup>) anniversary thereof (the "Initial Term"), unless sooner terminated pursuant to the terms of this Agreement. Claim Owner shall have the option, upon written notice to and subsequent approval from the Company, at any time prior to the expiration of the Initial Term, and of each Renewal Period thereafter, to extend the term of this Agreement for an additional ten (10) year period (a "Renewal Period"), beginning on the last day of the Initial Term or prior Renewal Period, as the case may be; provided, however, that this Agreement may be earlier terminated pursuant to Section 7.

**Section 6. Collateral.** As security for the obligations of Claim Owner under this Agreement, including, without limitation, under Section 7(b), Claim Owner hereby grants to the Company a security interest (the "Security Interest") of not less than first priority in all right, title and interest of the Claim Owner pursuant to the Claim and with respect to (i) any gold severed or extracted therefrom (whether "as extracted," as inventory or held as Retained Gold hereunder, including any proceeds, products, accessions, rents and profits of or received by Claim Owner in respect thereof, and including as-extracted mineral interests from Claim Owner's present and future operations and all Accounts, General Intangibles and products and Proceeds thereof (as such terms are defined in the Code) or related thereto, regardless of whether any such minerals are in raw form or processed for sale and regardless whether or not Claim Owner had an interest in the minerals before extraction or severance; (ii) to the extent, if any, not included in clause (i)

above, each and every other item of personal property, whether now existing or hereafter arising or acquired, including, without limitation, all licenses, contracts and agreements, and all collateral for the payment or performance of any contract or agreement, together with all products and Proceeds (including all insurance policies and proceeds) of any Accessions (as such term is defined in the Code) to any of the foregoing; and (iii) all present and future business records and information, including computer tapes and other storage media containing the same and computer programs and software (including, without limitation, source code, object code and related manuals and documentation and all licenses to use such software) for accessing and manipulating such information (collectively, the “Collateral”). The foregoing may be evidenced by and subject to the terms of such security agreements, financing statements, deeds or mortgages (including, without limitation, a deed of trust), and other documents as the Company shall reasonably require, all in recordable form (as applicable) and substance satisfactory to the Company. Claim Owner shall be responsible for and shall pay to the Company immediately upon demand the full amount of all charges, costs and expenses (to include fees paid to third parties), expended or incurred by the Company in connection with creating, perfecting or otherwise involving the Security Interest, including without limitation, filing and recording fees, recording taxes, attorneys fees and costs of appraisals, audits and title opinions or title insurance. Claim Owner acknowledges that the foregoing charges, costs and expenses are separate and apart from the Digitization Fee and all other Fees described in Section 4.

#### **Section 7. Termination.**

a. This Agreement shall automatically terminate upon expiration of the Initial Term, unless renewed pursuant to Section 5, and if renewed, upon expiration of each Renewal Period, unless further renewed pursuant to Section 5. Notwithstanding the foregoing, this Agreement shall terminate pursuant to the following:

i. Termination without Default or Breach. The Company may terminate this Agreement for any reason upon thirty (30) calendar days’ prior written notice to Claim Owner.

ii. Automatic Termination upon Default. The Company shall have the right to terminate this Agreement automatically upon the occurrence of any Event of Default. Unless otherwise provided herein, termination pursuant to this Section 7(a)(ii) may be effected without notice to Claim Owner.

b. Effect of Termination. Upon termination of this Agreement pursuant to this Section 7 (“Termination”):

i. Claim Owner shall, on the date of Termination, return, relinquish, transfer, convey and assign to the Company either: (A) for cancellation, all Orebits representing the Claim Reserves, or (B) for cancellation, all Orebits then held by Claim Owner at the time of Termination, if any, plus one (1) Troy Ounce of Substituted Gold for each Orebit which is not then held by Claim Owner (and thus cannot be returned) at the time of Termination, plus the Substitution Fee for such Substituted Gold pursuant to Section 8; and



ii. provided Claim Owner has satisfied its obligations pursuant to Section 7(b)(i), the Company shall terminate the Security Interest with respect to the Collateral, and the Collateral shall be released.

Except as otherwise provided in this Agreement, following the effective date of Termination, the provisions of this Agreement shall be of no further force or effect. Notwithstanding anything herein to the contrary, the provisions contained in Sections 13 and 14 shall survive termination of this Agreement.

**Section 8. Substitution.** Claim Owner may, at Company's sole discretion and upon Termination pursuant to Section 7(b)(i) and upon payment of the Substitution Fee, exchange Substituted Gold for any Orebits which are not returned upon such Termination. Claim Owner shall be responsible for and shall pay to the Company immediately upon demand the full amount of all charges, costs and expenses (to include fees paid to third parties), expended or incurred by the Company in connection with any substitution of Substituted Gold pursuant to this Section 8, including without limitation, costs for storage, transportation and insurance, as well as attorney's fees. Claim Owner acknowledges that the foregoing charges, costs and expenses are separate and apart from the Substitution Fee and all other Fees described in Section 4.

**Section 9. Transfer.** At any time during the Term, Claim Owner may, at Claim Owner's election and upon payment of the Transfer Fee, transfer any number of Orebits, or a fraction thereof, to any other Account Holder, provided such transfer is recorded on the Ledger.

**Section 10. Covenants.** Claim Owner agrees that, at all times during the Term:

a. Required Documentation. Claim Owner shall furnish the Company with (i) copies of the annual financial statements (balance sheet, income statement, etc.) within sixty (60) days of the end of each fiscal year, (ii) copies of the Claim Owner's Tax Returns within thirty (30) days of the filing of such returns with the applicable taxing authority, (iii) and such other Required Documentation from time to time upon the request of the Company or within five (5) business days of any change in such documentation, it being understood that the Company shall require certain of the Required Documentation to be provided no less frequently than annually.

b. Existence. Claim Owner shall preserve Claim Owner's [corporate] existence and all Permits necessary for the conduct of its business; Claim Owner will not change its state of incorporation, formation or organization, as applicable, without providing thirty (30) days prior written notice to the Company, and Claim Owner will not change its name without providing thirty (30) days prior written notice to the Company;

c. Collateral. Claim Owner shall not sell, assign, or otherwise dispose of any portion of the Collateral except as explicitly permitted by this Agreement or otherwise consented to in writing by the Company. Claim Owner shall faithfully preserve and protect the Security Interest as a prior perfected security interest under the Code, superior and prior to the rights of all third parties, and will do all such other acts and things and

will, upon reasonable request therefor by the Company, execute, deliver, file and record, and Claim Owner hereby authorizes the Company to so file, all such other documents and instruments, including, without limitation, financing statements, security agreements, assignments and documents and powers of attorney with respect to the Collateral, and pay all filing fees and taxes related thereto, as Claim Owner in its reasonable discretion may deem necessary or advisable from time to time in order to attach, continue, preserve, perfect, and protect the Security Interest (including the filing at any time or times after the date hereof of financing statements under, and in the locations advisable pursuant to, the Code) and Claim Owner acknowledges that any such costs or fees associated with such actions will be reimbursed by Claim Owner pursuant to the provisions of Section 14 of this Agreement; and, Claim Owner hereby irrevocably appoints the Company, its officers, employees and agents, or any of them, as attorneys-in-fact for Claim Owner to execute, deliver, file and record such items for Claim Owner and in such Claim Owner's name, place and stead to preserve, continue, perfect and protect the Security Interest. This power of attorney, being coupled with an interest, shall be irrevocable for the life of this Agreement.

d. Compliance with Laws. Claim Owner shall fully comply with all statutes, laws, ordinances, regulations, rules, codes, orders, constitutions, treaties, common laws, judgments, decrees, and other requirements or rules of law (collectively, "Laws," and each, a "Law") of any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction (collectively, "Governmental Authorities"), which are applicable to Claim Owner's business and the Collateral.

e. Permits. Claim Owner shall preserve and maintain valid and in full force and effect all Permits necessary for Claim Owner to hold, maintain and transact in the Claim, the Collateral, and the Claim Reserves, including, without limitation all annual and other fees due to the BLM and other Governmental Authorities to maintain the Claim in good standing.

f. Taxes and Other Liabilities. Claim Owner shall pay and discharge when due any and all indebtedness, obligations, assessments and taxes, both real or personal, including without limitation federal and state income taxes and state and local property taxes and assessments.

g. Notice of Default. As soon as possible and in any event within ten (10) days after the occurrence of each Event of Default and each event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, continuing on the date of such statement, Claim Owner shall deliver to the Company a Default Notice.

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h. Notice of Material Adverse Effect. Claim Owner shall promptly notify the Company of any event, circumstance or condition that had or could be expected to have a Material Adverse Change.

i. Litigation. Claim Owner shall promptly give notice in writing to the Company of any litigation pending or threatened affecting the Claim.

j. Brokers. Claim Owner shall pay all fees, commissions and other amounts owed to any brokers, finders or investment bankers engaged by Claim Owner in connection with the transactions contemplated by this Agreement.

k. Removed Gold. If all or any portion of the Claim Reserves are mined, excavated, extracted, produced or otherwise removed from the ground (“Removed Gold”), Claim Owner shall provide notice to the Company of such mining, excavation, extraction, production or removal within ten (10) days of the initiation thereof.

l. Liens. Claim Owner shall not, nor permit any of its subsidiaries to, create or permit to exist any mortgage, charge, lien or other Encumbrance with respect to the Collateral.

**Section 11. Representations and Warranties of Claim Owner.** Claim Owner represents and warrants to the Company that the statements contained in this Section 10 are true and correct as of the date hereof. For purposes of this Section, “knowledge of Claim Owner” and any similar phrases shall mean the actual or constructive knowledge of any director or officer of Claim Owner, after due inquiry.

a. Organization and Authority of Claim Owner; Enforceability. Claim Owner is a Company duly organized, validly existing and in good standing under the laws of the Province of Alberta. The exact legal name of Claim Owner is as set forth on the signature page hereto. The address (including county and state) of the Claim of Claim Owner is set forth on Exhibit A hereto. Claim Owner has full [corporate] power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Claim Owner of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Claim Owner. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Claim Owner, and (assuming due authorization, execution and delivery by the Company) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Claim Owner, enforceable against Claim Owner in accordance with their respective terms. Claim Owner also represents and warrants that it has provided the Company with a real estate description sufficient to enable the Company to record a financing statement in the county records sufficient to perfect a security interest in the Claim. Further, Claim Owner represents and warrants that (i) this Agreement creates a valid security interest in favor of the Company, except as may be limited by applicable bankruptcy, insolvency,



reorganization, moratorium or similar laws affecting the rights of creditors generally and by general principles of equity and (ii) the Security Interest granted hereunder in favor of the Company, will constitute a first priority security interest and will be perfected, (A) with respect to the Collateral (other than as-extracted Collateral) of Claim Owner, upon the proper filing of financing statements in the jurisdiction of the state of formation of Claim Owner, to the extent a security interest in such Collateral can be perfected under the Code by the filing of financing statements, and (B) with respect to the as-extracted Collateral of Claim Owner, upon the proper filing of financing statements in the county real estate records in each county identified on Exhibit A hereto as a "Location of Claim" with respect to Claim Owner.

b. No Conflicts; Consents. The execution, delivery and performance by Claim Owner of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the **[certificate of incorporation, by-laws]** or other organizational documents of Claim Owner; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Claim Owner, the Claim or the Claim Reserves; (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under any contract or other instrument to which Claim Owner is a party or to which the Claim or any of the Claim Reserves are subject; or (d) result in the creation or imposition of any Encumbrance on the Claim Reserves. No consent, approval, waiver or authorization is required to be obtained by Claim Owner from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Claim Owner of this Agreement and the consummation of the transactions contemplated hereby.

c. Claim Reserves. **[Except as set forth on Schedule 10(c),]** Claim Owner owns and has good title to the Claim, free and clear of Encumbrances. The Claim Reserves constitute one hundred percent (100%) of the Proven Gold Reserves included in the Claim. Claim Owner has paid, and shall continue to pay all fees required to maintain the Claim pursuant to requirements of the BLM and any other applicable Government Authority.

d. Permits. Claim Owner holds all Permits, and shall continue to hold all Permits, which are required by any Governmental Authority to hold, maintain, mine, excavate, extract, produce, remove and transact in the Collateral or otherwise to enter into this Agreement and the Transactions contemplated hereby, and all such Permits are valid and in full force and effect. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permits.

e. Compliance With Laws. Claim Owner has complied, and is now complying, and shall continue to comply, with all applicable federal, state and local laws and regulations applicable to ownership and use of the Claim and the Claim Reserves,



including, without limitation mining, excavation, extraction, production and removal of the Claim Reserves.

f. Taxes. All Tax Returns required to be filed by Claim Owner in respect of the Claim and the Claim Reserves and the transactions contemplated by this Agreement have been, or will be, timely filed. Such Tax Returns are, or will be, true, complete and correct in all respects. All Taxes due and owing by Claim Owner (whether or not shown on any Tax Return) have been, or will be, timely paid. Claim Owner is not a party to any Action by any taxing authority. There are no pending or threatened Actions by any taxing authority. There are no Encumbrances for Taxes upon any portion of the Claim or the Claim Reserves, nor is any taxing authority in the process of imposing any Encumbrances for Taxes on any portion of the Claim or the Claim Reserves (other than for current Taxes not yet due and payable).

g. Legal Proceedings. There is no claim, action, suit, proceeding or governmental investigation ("Action") of any nature pending or, to the knowledge of Claim Owner, threatened against or by Claim Owner (a) relating to or affecting the Claim or the Claim Reserves; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

h. Non-reliance. Claim Owner has consulted its own counsel and advisors and conducted its own review and due diligence with respect to this Agreement and the transactions contemplated hereby and is not relying on any statement, advice or representation, whether written or oral, of the Company, its affiliates, or any officer, manager, member, employee, agent or representative thereof, with respect to this Agreement or Claim Owner's decision to enter into this Agreement or the transactions contemplated hereby. It is understood that no information provided to Claim Owner regarding the Company, Orebits, the Ledger or otherwise relating to the transactions contemplated hereby shall be considered as any form of advice or recommendation to enter into this Agreement, and that neither the Company nor any of its affiliates is acting or has acted as an advisor to the Claim Owner in deciding to enter into this Agreement.

i. Risk. Claim Owner understands and accepts that entering into this Agreement and the transactions contemplated hereby involves certain risks (financial or otherwise), and Claim Owner is willing and able to undertake such risks. Claim Owner represents that it is able to bear any loss associated with this Agreement or the transactions contemplated hereby.

j. Brokers. No broker, finder or investment banker [**other than N/A**] is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Claim Owner. Claim Owner acknowledges and agrees that the Company shall in no way be responsible for any such brokerage, finder's or other fee or commission.



k. Solvency. Claim Owner is, individually and together with its subsidiaries, if any, on a consolidated basis, Solvent.

l. Full Disclosure. No representation or warranty by Claim Owner in this Agreement or any certificate or other document furnished or to be furnished to the Company pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact, necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

**Section 12. Events of Default.** Each of the following events or conditions shall constitute an “Event of Default” (whether it shall be voluntary or involuntary or come about or be effected by any applicable Law or otherwise):

a. Claim Owner fails to pay any Fee, or portion thereof, or any other amount payable hereunder when due;

b. Upon Termination, Claim Owner fails to return the Orebits and any Substituted Gold required pursuant to Section 7(b).

c. Claim Owner fails to notify Company if it mines, excavates, extracts, produces or otherwise removes all or any portion of the Claim Reserves from the ground as required pursuant to Section 10(k).

d. Claim Owner fails to pay the fee due to maintain the Claim with the BLM or otherwise fails to maintain the Claim in good standing.

e. there occurs any material adverse change in the geological reporting, surveying or certifications with respect to the Claim Reserves.

f. any representation, warranty, certification or other statement of fact made or deemed made by or on behalf of Claim Owner herein, or any amendment or modification hereof or waiver hereunder, or in any certificate, document, report, financial statement or other document furnished by or on behalf of Claim Owner under or in connection with this Agreement, including, without limitation, any Required Document, proves to have been false or misleading in any material respect on or as of the date made or deemed made;

g. a Tax Event occurs with respect to Claim Owner and, if requested by the Company, an opinion of counsel or other adviser who is qualified (in the sole discretion of the Company) to render such opinion stating that such Tax Event does not have any material adverse effect on the Claim Reserves or the Company’s rights to the Collateral or otherwise under this Agreement cannot or is not provided within [thirty (30)] days of such Tax Event.

h. Claim Owner fails to perform or observe any covenant, term, condition, obligation or agreement contained herein, including, without limitation, the affirmative



covenants set forth in Section 10, and fails to remedy such failure within thirty (30) days of delivery of a Default Notice by the Company;

i. Claim Owner admits to the Company that it is unable to or intends not to perform or observe any covenant, term, condition, obligation or agreement contained herein;

j. any Event of Insolvency occurs with respect to Claim Owner;

k. any Required Document ceases for any reason to be valid, binding and in full force and effect or the Security Interest ceases to be enforceable and of the same effect and priority purported to be created thereby, other than as a result of the acts or omissions of the Company;

l. (i) any material provision of this Agreement or any Required Document ceases for any reason to be valid, binding and in full force and effect, other than as expressly permitted hereunder or thereunder or as a result of the acts or omissions of the Company; (ii) Claim Owner contests in any manner the validity or enforceability of any provision of this Agreement; or (iii) Claim Owner denies that it has any or further liability or obligation under any provision of this Agreement (other than as a result of Termination) or purports to revoke, terminate or rescind any provision of this Agreement.

m. there occurs, in the judgment of the Company, a Material Adverse Change.

Claim Owner shall notify the Company within **[ten (10)]** days of the occurrence of any Event of Default. Upon any Event of Default, Claim Owner shall be responsible for and indemnify the Company pursuant to Section 14 for the amount of all reasonable legal and other professional expenses incurred by the Company in connection with or as a consequence of such Event of Default, together with interest thereon at the current USD Prime Rate on the Date of Default.

**Section 13. Remedies.** If any Event of Default occurs then the Company may exercise one or more of the following remedies in its sole discretion upon notice to Claim Owner:

a. terminate this Agreement, in such instance Claim Owner shall immediately return the Orebits and any necessary Substituted Gold to the Company pursuant to Section 7(b) **[and pay a termination fee in the amount of   N/A  ]**;

b. manage and maintain the Claim, through Nominee, on behalf of Claim Owner at the sole cost and expense of Claim Owner; provided, however, that the foregoing election shall be solely for the purpose of preserving the Collateral and the Company's rights therein and shall in no way be deemed to create a fiduciary duty of the Company with respect to Claim Owner or the Collateral;

c. foreclose on the Collateral; and

d. exercise any and all other rights and remedies available to the Company under this Agreement, whether at law or in equity.

Neither the Company nor Claim Owner shall be entitled to payment of any consequential losses or damages in the event of any Event of Default or a failure by the other Party to perform any obligation of such other Party under this Agreement.

**Section 14. Indemnification.** Claim Owner shall indemnify, defend and hold harmless the Company, the Nominee, and each of their officers, directors, members, managers, employees, contractors, agents, representatives, successors and assigns, from and against any and all liability, loss, damage, claim, causes of action, and expenses (including reasonable attorneys' fees), arising from or relating to (i) the Collateral, including, without limitation, securing, perfecting and exercising the Company's rights therein, (ii) any inaccuracy in or breach of any of the representations or warranties of Claim Owner contained in this Agreement, (iii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Claim Owner pursuant to this Agreement; (iv) any action or omission of Claim Owner; or (v) claims against the Company from Claim Owner or any of its directors, officers, shareholders, employees, contractors, agents, representatives, successors and assigns arising out of the Company's relationship with Claim Owner, including, without limitation, claims alleging the existence of any employment relationship. Claim Owner agrees that liability of Claim owner shall be joint and several liability with other affiliates of Claim wners and shall include other property owned by Claim Owner. Indemnification pursuant to this Section 14 shall extend to and include all expenses, fees and costs, including attorneys' fees, incurred by the Company in defending any action or claim against Claim Owner and pursuant to which this Section 14 is applicable.

**Section 15. Notice.**

a. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of receipt) or the electronic messaging system available to Account Holders if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses first set forth above (or at such other address for a party as shall be specified in a notice given in accordance with this Section 15).

b. If (x) there occurs in relation to either Party an event which, upon the service of a Default Notice, would be an Event of Default, and (ii) the Party which is not in Default (the "Non-Defaulting Party), having made all practicable efforts to do so, including having attempted to use at least two of the methods specified in clause (a) of this Section 16, has been unable to serve a Default Notice by one of the methods specified in such clause (a) (or such of those methods as are normally used by the Non-



Defaulting Party when communicating with the other Party (the “Defaulting Party”), the Non-Defaulting Party may sign a written notice (a “Special Default Notice”) which:

- i. specifies the Event of Default which has occurred in relation to the Defaulting Party;
- ii. states that the Non-Defaulting Party, having made all practicable efforts as first set forth in this clause (b), has been unable to serve a Default Notice by one of the methods specified therein on the Defaulting Party;
- iii. specifies the date on which, and the time at which, the Special Default Notice is signed by the Non-Defaulting Party; and
- iv. states that the particular Event of Default shall be treated as an Event of Default as defined under this Agreement with effect from the date and time so specified;

Upon execution of a Special Default Notice, the particular Event of Default shall be treated with effect from the date and time so specified as an Event of Default in relation to the Defaulting Party, and accordingly any applicable requirements under Section 10(f) or Section 12 to serve a Default Notice shall be deemed satisfied by the execution of such Special Default Notice. A Special Default Notice shall be given to the Defaulting Party as soon as practicable after it is executed.

**Section 16. Miscellaneous.**

a. Relationship of the Parties. The Company is engaged by Claim Owner merely to provide a service as set forth herein. Nothing in this Agreement shall be deemed to constitute either Party as an employee, agent, or representative of the other Party. Neither Party shall have any right to enter into any contract or other binding obligation, or otherwise incur any charge or expense, in the name of the other Party, other than as expressly provided herein.

b. Successors. All the provisions herein contained shall be binding upon and inure to the benefit of the respective successors and permitted assigns of Claim Owner and of the Company; provided, however, that nothing contained in this paragraph shall be construed as a consent by the Company to an assignment of this Agreement or of any interest herein by Claim Owner except as provided in Section 17(k).

c. Counterparts. This Agreement may be executed in any number of counterparts and may be exchanged electronically and subsequently compiled, each compiled version of which shall be an original, but all of which shall constitute one and the same agreement.



d. Time. It is understood and agreed between the Parties that time is of the essence as to this Agreement and to all terms and conditions contained herein, including as to the provision of the Services.

e. Severability. Should any part or provision of this Agreement, for any reason, be declared invalid or illegal, such invalidity or illegality shall not affect the validity of any remaining portion, which remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid or illegal portions thereof eliminated.

f. Nonbinding Arbitration. In the event of any controversy or claim arising out of or relating to this Agreement, or a breach thereof, the Parties shall first attempt to settle such dispute by non-binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. If settlement is not reached within ninety (90) days after service of a written demand for arbitration, any unresolved controversy or claim shall be settled in a court of competent jurisdiction pursuant to Section 16(g).

g. Applicable Law; Jurisdiction and Venue; Jury Trial Waiver; Rights Cumulative. This Agreement shall be construed, governed and interpreted, and the rights of the Parties hereto shall be determined in accordance with the laws of the State of Delaware without regard to the conflicts of laws provisions thereof. Any and all actions or proceedings, in law or equity, arising out of, relating to or based upon this Agreement shall be instituted exclusively in the federal courts of the United States located in the city of [\_\_\_\_], county of [\_\_\_\_], state of Delaware, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The Parties expressly, irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or proceeding in such courts and irrevocably waive and expressly agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient or improper forum. EACH PARTY WAIVES ANY RIGHT TO JURY TRIAL. All rights of the Parties hereunder shall be cumulative with all rights which the Parties hereto may have at law or in equity.

h. Amendments. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof. The obligations, rights and remedies of the Parties under this Agreement supersede all previous oral or written communications, memoranda of understanding, letters of intent, term sheets, representations, understandings or agreements between the Parties relating to the subject matter hereof. Any amendments to this Agreement shall be in writing and signed by both the Company and Claim Owner.

i. Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.



j. No Waiver. No waiver of any provision of this Agreement shall be effective against either Party hereto unless it is in writing and signed by the Party granting the waiver. No waiver of any provision hereof shall be deemed a continuing waiver or a waiver of any other provision hereof.

k. Survival. All obligations of the Parties which have accrued as of the Termination of this Agreement shall survive any such Termination. In addition, the provisions of Sections 13 and 14 shall survive any termination or expiration of this Agreement.

l. Assignment. Claim Owner may not assign, sell, transfer, convey, pledge or encumber Claim Owner's rights or obligations under this Agreement in whole or in part to any other person or entity, by operation of law or otherwise, without the prior written consent of the Company. Any attempted assignment by Claim Owner without the Company's prior written consent shall be null and void.

m. Waiver of Immunity. Each Party hereto hereby waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, attachment (both before and after judgment) and execution to which it might otherwise be entitled in any action or proceeding in the State of Delaware or of any other country or jurisdiction, relating in any way to this Agreement or any transaction contemplated hereby, and agrees that it will not raise, claim or cause to be plead any such immunity at or in respect of any such action or proceeding.

n. Attorneys' Fees. In the event of any litigation to enforce the provisions of this Agreement, the prevailing Party in such litigation shall be entitled to such reasonable attorney fees as may be fixed by the court.

o. Further Assurances. Each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

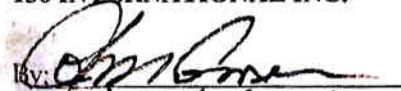
[SIGNATURES NEXT PAGE]

A handwritten signature in black ink, appearing to be a stylized letter 'L' or similar, located in the bottom right corner of the page.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

**"Claim Owner":**

130 INTERNATIONAL INC.

By:   
Name: JOHN COMEAU  
Title: PRESIDENT

**"The Company":**

OREBITS POOL, LLC

By:   
Name: SCOTT MEHLMAN  
Title: CEO

## EXHIBIT A

### Claim

#### Location of Claim:

The Burwash Creek claim group consists of ten contiguous placer claims located in the Whitehorse Mining District, Yukon. These claims are registered as the JBSCH 1-10 claims with, Grant Numbers P 038915 to P 03924 and 100% owned by THE OWNER. They are located on the N.T.S. Map Sheet 115/006 P; Latitude: 61 \_ 25' O" N; Longitude: 139 \_ 13'5" W. Burwash Creek is a tributary of the Kluane River, which is located approximately 7 miles (11.2 km) northwest along the Alaska Highway from Burwash Landing, Yukon. A gravel road off the Alaska Highway is approximately one mile long, running through a Government gravel pit, accesses the Claims. The Alaska Highway is a Government maintained year around highway, which connects Alaska and Yukon to southern Canada and the mainland USA through the Province of British Columbia. The total Burwash Creek property assets are shown in Figure 2.

For additional details of Location refer to NI 43 101F1 included with this Agreement,



# EXHIBIT D

SECURED PARTY

**AUSTRING, FENDRICK & FAIRMAN**  
BARRISTERS & SOLICITORS

LORNE N. AUSTRING      DEBRA L. FENDRICK  
H. SHAYNE FAIRMAN    GREGORY A. FEKETE  
MIKE A. REYNOLDS      MARK E. WALLACE  
ANNA C. STARKS-JACOB

3081 Third Avenue  
Whitehorse, Yukon  
Y1A 4Z7

PHONE: (867) 668-4405  
FAX: (867) 668-3710  
E-MAIL: [gf@lawyukon.com](mailto:gf@lawyukon.com)

OUR FILE NO:    035768-31

March 14, 2017

**CONFIDENTIAL**

130 International Inc.  
255 – 16 Midlake Boulevard SE  
CALGARY AB T2X 1J2

**Attention:    John Comeau**

Dear Sir:

**Re:    130 International Inc. as Debtor and Orebits Pool, LLT as Secured Party  
Yukon Personal Property Security Registry (Yukon)**

Please be advised that we have completed registration of the financing basic statement at the Personal Property Security Registry (Yukon) for the Asset Digitization Service Agreement.

Particulars of the registration are as follows:

Registration #:	9042387
<b>Expiry Date:</b>	<b>2027-03-10 (March 10, 2027)</b>
Secured Party:	Orebits Pool, LLC 16192 Coastal Highway Sussex County Lewes Delaware USA 199589776
Debtor:	130 International Inc. 255 – 16 Midlake Boulevard SE Calgary AB T2X 1J2
General Collateral Description:	Placer Claim JBSCH 2, Grant Number P 03916, and (i) all gold severed or extracted therefrom or related thereto, (ii) all present and future business records and information, including computer tapes and other storage media containing the same, and (iii) all present and after acquired property and all proceeds.

## Renewal

Our office maintains no record of the dates of registration of Financing Statements or Notices of Acquisition of Purchase Money Security Interest and we do not maintain any reminder system with respect thereto. Accordingly, we take no responsibility for the registration of renewals or extensions for Financing Statements or re-service of Notices of Acquisition of Purchase Money Security Interest under the *Personal Property Security Act* of the Yukon (the "PPSA").

Renewal is required notwithstanding seizure, repossession, or commencement of litigation.

## Financing Change Statements and other matters

The following is a list of some of the more common post filing circumstances and the time within which a financing change statement A or B must be filed.

	<b>Circumstances</b>	<b>Time Period</b>
1.	Transfer of collateral or proceeds with consent of Secured Party	Prior to transfer. PPSA Section 45(1).
2.	Transfer of collateral or proceeds without notice to Secured Party	Within 14 days of Secured Party receiving notice. PPSA Section 45(2).
3.	Secured Party has notice Debtor is about to transfer collateral or proceeds	Prior to later of (1) date of transfer, or (2) the 15th day after Secured Party receiving notice. PPSA Section 45(4).
4.	Change of Debtor's name without prior notice to Secured Party	Within 14 days of Secured Party receiving notice. PPSA Section 45(3).
5.	Secured Party has notice Debtor is about to change name	Prior to later of (1) date of transfer, or (2) the 15th day after Secured Party receiving notice. PPSA Section 45(5).
6.	Amalgamation with consent of Secured Party	Prior to amalgamation
7.	Amalgamation without notice to Secured Party	Within 14 days of Secured Party receiving notice
8.	Secured Party has prior notice of amalgamation	Prior to later of (1) date of amalgamation, or (2) the 15th day after Secured Party receiving notice

9. Secured Party's name or address for service changes Prior to change. PPSA Section 65 and Regulation 13(1)(g) and 20(1)
10. Secured Party assigns its security interest Forthwith after the assignment. PPSA Section 44.
11. To the extent that the collateral relates to inventory which is personal property and to the extent that the secured party is claiming a purchase money security interest as defined under the provisions of the PPSA, notice prescribed by section 33(3) of the PPSA must be served on those parties who have previously registered a Financing Statement disclosing their security interest in the same type of collateral and this notice must be served every two years. We confirm that we have not caused the section 33(3) notice to be sent in this case. Please provide further instructions if you require assistance in this regard.

Each debtor must receive a copy of the security document within 21 days. We assume that you have already delivered a copy of the security document to each Debtor or will do so as required.

We have conducted post registration searches with respect to the foregoing registrations, results of which are attached.

Enclosed please find the Personal Property Security Registry Verifications for the above-noted registration. If you have any questions or comments, please contact the writer.

We enclose our statement of account for services rendered in this matter.

Yours truly,

**AUSTRING, FENDRICK & FAIRMAN**



Gregory A. Fekete

/dtd

Enclosures

**AUSTRING, FENDRICK & FAIRMAN**  
BARRISTERS & SOLICITORS

LORNE N. AUSTRING      DEBRA L. FENDRICK  
H. SHAYNE FAIRMAN      GREGORY A. FEKETE  
MIKE A. REYNOLDS      MARK E. WALLACE  
ANNA C. STARKS-JACOB

3081 Third Avenue  
Whitehorse, Yukon  
Y1A 4Z7

PHONE: (867) 668-4405  
FAX: (867) 668-3710  
E-MAIL: gf@lawyukon.com

OUR FILE NO:    035768-31

May 16, 2017

**CONFIDENTIAL**

130 International Inc.  
255 – 16 Midlake Boulevard SE  
CALGARY AB T2X 1J2

**Attention:    John Comeau**

Dear Sir:

**Re:    130 International Inc. as Debtor and Orebits Pool, LLC as Secured Party  
Yukon Personal Property Security Registry (Yukon)**

Please be advised that we have completed registration of the financing basic statement at the Personal Property Security Registry (Yukon) for the Asset Digitization Service Agreement.

Particulars of the registration are as follows:

Registration #:	9053276
<b>Expiry Date:</b>	<b>2027-05-16 (May 16, 2027)</b>
Secured Party:	Orebits Pool, LLC 16192 Coastal Highway Sussex County Lewes Delaware USA 199589776
Debtor:	130 International Inc. 255 – 16 Midlake Boulevard SE Calgary AB T2X 1J2
General Collateral Description:	Placer Claim JBSCH 3, Grant Number P 03917, and (i) all gold severed or extracted therefrom or related thereto, (ii) all present and future business records and information, including computer tapes and other storage media containing the same, and (iii) all present and after acquired property and all proceeds.

## Renewal

Our office maintains no record of the dates of registration of Financing Statements or Notices of Acquisition of Purchase Money Security Interest and we do not maintain any reminder system with respect thereto. Accordingly, we take no responsibility for the registration of renewals or extensions for Financing Statements or re-service of Notices of Acquisition of Purchase Money Security Interest under the *Personal Property Security Act* of the Yukon (the "PPSA").

Renewal is required notwithstanding seizure, repossession, or commencement of litigation.

## Financing Change Statements and other matters

The following is a list of some of the more common post filing circumstances and the time within which a financing change statement A or B must be filed.

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2. Transfer of collateral or proceeds without notice to Secured Party	Within 14 days of Secured Party receiving notice. PPSA Section 45(2).
3. Secured Party has notice Debtor is about to transfer collateral or proceeds	Prior to later of (1) date of transfer, or (2) the 15th day after Secured Party receiving notice. PPSA Section 45(4).
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5. Secured Party has notice Debtor is about to change name	Prior to later of (1) date of transfer, or (2) the 15th day after Secured Party receiving notice. PPSA Section 45(5).
6. Amalgamation with consent of Secured Party	Prior to amalgamation
7. Amalgamation without notice to Secured Party	Within 14 days of Secured Party receiving notice
8. Secured Party has prior notice of amalgamation	Prior to later of (1) date of amalgamation, or (2) the 15th day after Secured Party receiving notice

9. Secured Party's name, or address for service changes Prior to change. PPSA Section 65 and Regulation 13(1)(g) and 20(1)
10. Secured Party assigns its security interest Forthwith after the assignment. PPSA Section 44.
11. To the extent that the collateral relates to inventory which is personal property and to the extent that the secured party is claiming a purchase money security interest as defined under the provisions of the PPSA, notice prescribed by section 33(3) of the PPSA must be served on those parties who have previously registered a Financing Statement disclosing their security interest in the same type of collateral and this notice must be served every two years. We confirm that we have not caused the section 33(3) notice to be sent in this case. Please provide further instructions if you require assistance in this regard.

Each debtor must receive a copy of the security document within 21 days. We assume that you have already delivered a copy of the security document to each Debtor or will do so as required.


We have conducted post registration searches with respect to the foregoing registrations, results of which are attached.

Enclosed please find the Personal Property Security Registry Verifications for the above-noted registration. If you have any questions or comments, please contact the writer.

We enclose our statement of account for services rendered in this matter.

Yours truly,

**AUSTRING, FENDRICK & FAIRMAN**



Gregory A. Fekete

/dtd

Enclosures

**AUSTRING FENDRICK & FAIRMAN  
BARRISTERS & SOLICITORS**

3081 THIRD AVENUE  
WHITEHORSE, YUKON  
Y1A 4Z7  
PHONE: (867) 668-4405  
FAX: (867) 668-3710

130 International Inc.  
255 - 16 Midlake Boulevard SE  
CALGARY AB T2X 1J2

GST No.: 11268 9732 RT0001  
Date: May. 16, 2017  
File No.: 035768-31  
Invoice No.: 33703

**Attention: John Comeau**

**Re: 130 International Inc. as Debtor and Orebits Pool, LLC as Secured Party - PPSA Registration**

FOR ALL PROFESSIONAL SERVICES RENDERED HEREIN, INCLUDING:

- To receive instructions from John Comeau of 130 International Inc.;
- To prepare and file PPSA Financing Basic Statement;
- To conducting PPSA post-registration searches;
- To review PPSR verification statements;
- To e-mail and mail correspondence to John Comeau with respect to PPSR registration; and
- To all other matters related hereto.

Our Fee 350.00

TAXABLE DISBURSEMENTS

PPSR – Post-registration searches	10.00
Postage	1.76
Total Taxable Disbursements	11.76

NON-TAXABLE DISBURSEMENTS

PPSR – Financing Basic Statement Registration	80.00
Total Non-Taxable Disbursements	80.00

Total Disbursements 91.76

G.S.T. on Fees: 17.50

G.S.T. on Disbursements .59

Total G.S.T. 18.09

**TOTAL 459.85**

E & OE

This is our account.

**AUSTRING FENDRICK & FAIRMAN**

Per: \_\_\_\_\_

Gregory A. Fekete

/dtd

TERMS: 18% per annum compounded monthly will be charged on accounts overdue after 30 days.

Registration Number (New): 9053276  
Registration Date/Time (Atlantic): 2017-05-16 14:55  
Expiry Date: 2027-05-16  
File Number: 035768-31

**Registrant Name and Address**

Registrant User ID: T191795  
Astring, Fendrick & Fairman  
Whitehorse YT  
Canada

All registration date/time values are stated in Atlantic Time.

---

**Registration Details for Registration Number: 9053276**

Province or Territory: Yukon  
Registration Type: PPSA Financing Statement

**Registration History**

Registration Activity	Registration Number	Date/Time (Atlantic)	Expiry Date	File Number
Original	9053276	2017-05-16 14:55	2027-05-16	035768-31

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

**Debtors**

Type: Enterprise  
130 International Inc.  
Comeau, John F.  
255 - 16 Midlake Boulevard SE  
Calgary AB T2X 1J2  
Canada

**Secured Parties**

Type: Enterprise  
Orebits Pool, LLC  
Zimits, Mike  
President  
16192 Coastal Highway  
Sussex County  
Lewes DE 199589776  
USA  
Phone #: 516-582-3689

**General Collateral**

Placer Claim JBSCH 3, Grant Number P 03917, and (i) all gold severed or extracted therefrom or related

thereto, (ii) all present and future business records and information, including computer tapes and other storage media containing the same, and (iii) all present and after acquired property and all proceeds.

**\*\*\* End of Report \*\*\***

This report lists registrations in the Personal Property Registry that match the following search criteria:

**Province or Territory Searched:** Yukon  
**Type of Search:** Debtors (Enterprise)  
**Search Criteria:** 130 International Inc.  
**Date and Time of Search:** 2017-05-16 14:59 (Atlantic)  
**Transaction Number:** 15036942  
**Searched By:** T191795

The following table lists records that match the Debtors (Enterprise) you specified.

Exact	Included	Original Registration Number	Enterprise Name	Place
*	*	9042387	130 International Inc.	Calgary
*	*	9053276	130 International Inc.	Calgary

An '\*' in the 'Exact' column indicates that the Debtor (Enterprise) exactly matches the search criteria.

#### Included Column Legend

- An asterisk (\*) in the 'Included' column indicates that the registration's details are included within the Search Result Report.

#### Registration Counts

- 2 registration(s) contained information that **exactly** matched the search criteria you specified.

- 0 registration(s) contained information that **closely** matched the search criteria you specified.

When reviewing the registrations below, note that a registration which has expired or been discharged within the last 30 days can still be re-registered by the secured party.

All registration date/time values are stated in Atlantic Time.

For more information concerning the Personal Property Registry, go to [www.acol.ca](http://www.acol.ca)

### Registration Details for Registration Number: 9042387

**Province or Territory:** Yukon  
**Registration Type:** PPSA Financing Statement

#### Registration History

Registration Activity	Registration Number	Date/Time (Atlantic)	Expiry Date	File Number
Original	9042387	2017-03-10 20:36	2027-03-10	035768-31

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

#### Debtors

Type: Enterprise  
 130 International Inc.  
 Comeau, John F.

255 - 16 Midlake Boulevard SE  
 Calgary AB T2X 1J2  
 Canada

### Secured Parties

Type: Enterprise  
 Orebits Pool, LLC  
 Zimits, Mike  
 President  
 16192 Coastal Highway  
 Sussex County  
 Lewes DE 199589776  
 USA  
 Phone #: 516-582-3689

### General Collateral

Placer Claim JBSCH 2, Grant Number P 03916, and (i) all gold severed or extracted therefrom or related thereto, (ii) all present and future business records and information, including computer tapes and other storage media containing the same, and (iii) all present and after acquired property and all proceeds.

---

## Registration Details for Registration Number: 9053276

Province or Territory: Yukon  
 Registration Type: PPSA Financing Statement

### Registration History

Registration Activity	Registration Number	Date/Time (Atlantic)	Expiry Date	File Number
Original	9053276	2017-05-16 14:55	2027-05-16	035768-31

This registration has **not** been the subject of an Amendment or Global Change. The following registration information was added by the original registration and has not been deleted.

### Debtors

Type: Enterprise  
 130 International Inc.  
 Comeau, John F.  
 255 - 16 Midlake Boulevard SE  
 Calgary AB T2X 1J2  
 Canada

### Secured Parties

Type: Enterprise  
 Orebits Pool, LLC  
 Zimits, Mike  
 President  
 16192 Coastal Highway  
 Sussex County

Lewes DE 199589776  
USA  
Phone #: 516-582-3689

**General Collateral**

Placer Claim JBSCH 3, Grant Number P 03917, and (i) all gold severed or extracted therefrom or related thereto, (ii) all present and future business records and information, including computer tapes and other storage media containing the same, and (iii) all present and after acquired property and all proceeds.

***END OF REPORT***

# **EXHIBIT E**

**TOTAL NUMBER OF OREBITS DIGITIZED  
OREBITS PAID TO OREBITS POOL LLC**



## Orebits Statement of Digitization

<b>Account Name</b>	130 International Inc.
<b>Address</b>	Suite 255 16 Midlake Blvd. SE Calgary, Alberta T2X 2X7
<b>Contact</b>	John Comeau
<b>Account Number</b>	ACCT-0002-1000-4
<b>Commodity</b>	Gold
<b>Reserve</b>	JBSCCH #2
<b>Reserve ID</b>	RSRV-Burwash-002-2017-03-10
<b>Reserve Quantity</b>	673,040 ounces
<b>ADSA ID</b>	ADSA- Burwash-002-2017-03-10
<b>Digitization Date</b>	March 10, 2017
<b>Maturity Date</b>	March 10, 2027
<b>Digitization Ratio</b>	5:1 (oz/orebit)
<b>Orebits Created</b>	134,608.00
<b>On-ledger Fees</b>	4,038.24
<b>Distribution Fee</b>	8,076.48
<b>Management Fee</b>	14,806.88
<b>Orebits after Fees</b>	107,686.40



## Orebits Statement of Digitization

<b>Account Name</b>	130 International Inc.
<b>Address</b>	Suite 255 16 Midlake Blvd. SE Calgary, Alberta T2X 2X7
<b>Contact</b>	John Comeau
<b>Account Number</b>	ACCT-0002-1000-4
<b>Commodity</b>	Gold
<b>Reserve</b>	JBSCCH #3
<b>Reserve ID</b>	RSRV-Burwash-003-2017-04-05
<b>Reserve Quantity</b>	673,040 ounces
<b>ADSA ID</b>	ADSA- Burwash-003-2017-04-05
<b>Digitization Date</b>	April 05, 2017
<b>Maturity Date</b>	April 05, 2027
<b>Digitization Ratio</b>	5:1 (oz/orebit)
<b>LBMA A.M. Fixing</b>	\$ 1,252.50 / oz
<b>Orebits Created</b>	134,608.00
<b>USD Orebits Value</b>	\$ 168,596,520
<b>Orebits On-ledger Fees</b>	4,038.24
<b>Orebits Distribution Fee</b>	8,076.48
<b>Orebits Management Fee</b>	14,806.88
<b>USD On-ledger Fees</b>	\$ 5,057,895.60
<b>USD Distribution Fee</b>	\$ 10,115,791.20
<b>USD Management Fee</b>	\$ 18,545,617.20
<b>Orebits after Fees</b>	107,686.40
<b>USD Orebits after Fees</b>	\$ 134,876,715.00

# **EXHIBIT F**

**OWNERSHIP OF OREBITS POOL LLC**

# Orebits pool info for ppsa

Received:  March 7, 2017 2:13 PM

From: **Mike Z michael.zimits@orebits.io**

To: **John Comeau 130i@protonmail.com**

John

Here is the address:

Registered office of the corporation in the state of Delaware shall be  
16192 Coastal Highway, in the city of Lewes, County of Sussex. 19958-9776

Phone number: [\(302\) 645-1280](tel:(302)645-1280)

The owner of Orebits Pool is Orebits Corp

Mike Zimits  
Orebits Corp.  
President & COO  
(516) 582-3689

*Sent from my iPhone - Please excuse typos*

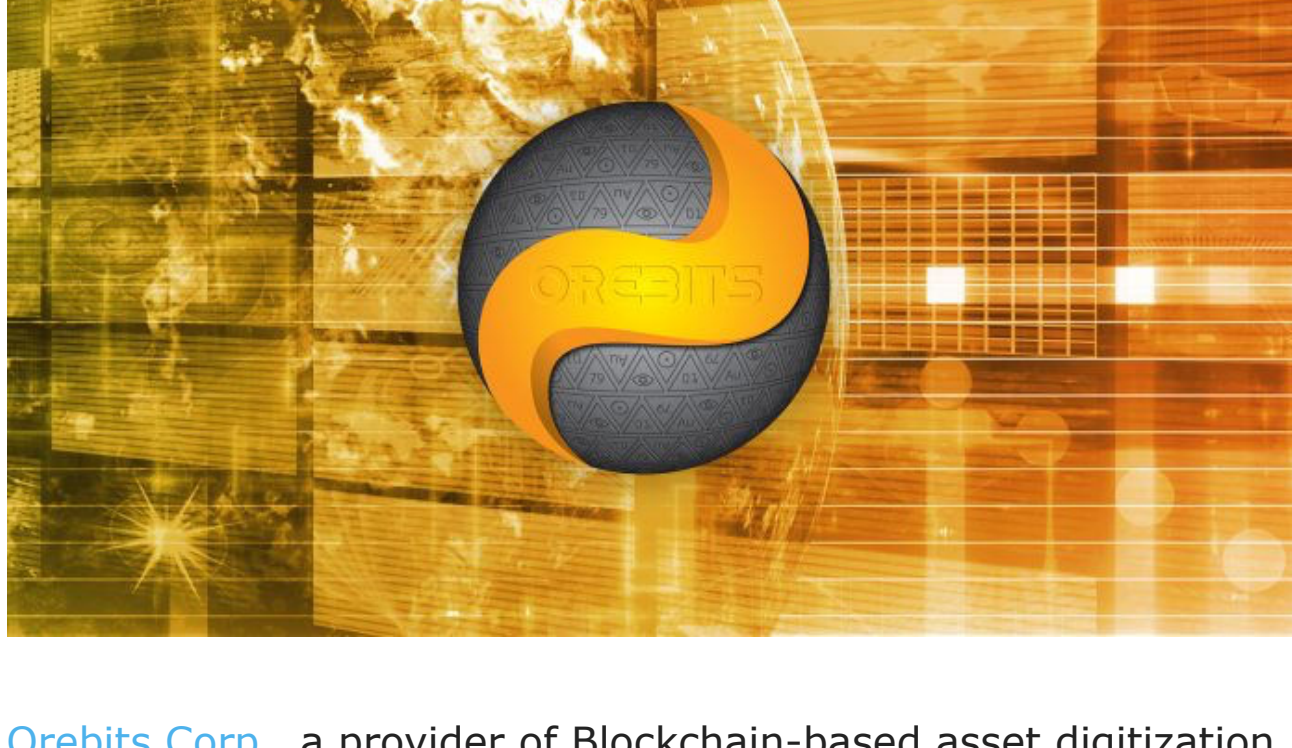
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News

# Orebits Corporation, Inc. Announces Orebits Pool, LLC and Orebits.AU Eco-System

By **Richard Kastelein** - 19 October 2017

1511



**Orebits Corp.**, a provider of Blockchain-based asset digitization services for unrefined minerals, metals, and un-extrapolated commodities, announces the creation of an entirely new asset class, referred to as "Orebits.AU," that allows for the inherent value found in unrefined gold reserves to be released and positioned for investment, financial leverage, liquidity and balance sheet enhancement.

Given the volatility of the current crypto-currency marketplace, inclusive of both real and perceived market constraints surrounding the growing number of initial coin offerings (ICOs), Orebits Corp. has co-developed a fully-compatible product "ecosystem" that will allow for balance sheet capture, accounting for, pledge, hypothecation, re-hypothecation, internal-external audit and management reporting on Orebits.AU as an entirely new asset class. This ecosystem incorporates a number of highly respected entities and concerns in the crypto-technology, cyber-security, distributed ledger, financial audit, compliance, and treasury management sectors.

*"OUR PRIMARY GOAL WAS TO NOT ONLY CREATE AND FULLY SUPPORT A NEW AND EFFICIENT WAY TO MONETIZE RESERVES," EXPLAINS OREBITS CORP. EXECUTIVE DIRECTOR AND SPOKESPERSON, CARLOS MONTOYA, "BUT TO DEVELOP A TOP-TIER, INSTITUTIONAL-GRADE, ASSET CLASS, INCLUSIVE OF THE UNDERLYING PRODUCT INFRASTRUCTURE TO SUPPORT IT."*

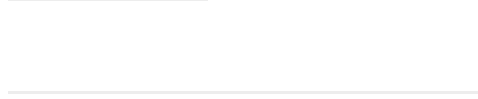
Each Orebits.AU derives its value from in-situ and all other unrefined gold reserves that have been deposited as collateral into Orebits Pool, LLC a special purpose vehicle (SPV). Reserve owners seeking the issuance of Orebits.AU for their reserves, work with the Company to evaluate and document their reserves. Requisite Security Agreements, recorded UCC filings, collateral custody and maintenance agreements support the SPV pool. The underlying gold reserves serve to collateralize each Orebits.AU in circulation at a 5 to 1 ratio. The appraised value of the unrefined gold reserves in the SPV pool sets forth a benchmark valuation of the collateral underpinning Orebits.AU, the latter of which may be further employed by reserve owners in order to secure various types of financing structures, institutional loan agreements, and/or individual or corporate balance sheet enhancements.

The use of Orebits.AU, with its exclusively licensed distributed ledger technology for the gold vertical, allows reserve owners to capture and utilize the inherent value in their reserves, subject to their ability to monetize the Orebits.AU units issued to them upon digitization of their claims.

*"GIVEN THE EXTREME VOLATILITY CURRENTLY BEING EXPERIENCED IN THE CRYPTOCURRENCY MARKETPLACE, WE FELT IT PRUDENT TO TAKE THE EXTRA LEGAL STEPS AND VIGOROUSLY FOLLOW A DISCIPLINED COURSE OF PRODUCT DEVELOPMENT TO MAKE OREBITS.AU ONE OF THE WORLD'S FIRST FULLY-TRANSPARENT, RESERVE-BACKED, CRYPTO ASSETS," SAID OREBITS CEO SCOTT MEHLMAN. "DOING SO ALLOWS OREBITS.AU, AMONG OTHER INVESTMENT, BALANCE SHEET, OR ESTATE PLANNING PURPOSES, TO BE CONSIDERED AS AN 'ACCEPTABLE COLLATERAL' ASSET CLASS FOR BANK PLATFORM LENDING AND FINANCIAL PLANNING PROGRAMS."*

While the current focus of Orebits Corp. remains centered on gold, its patent-pending technology covers a broad range of in-situ or un-extrapolated reserves including, but not limited to, platinum, titanium, lithium, copper and/or liquid assets such as oil and gas reserves.

TAGS: [ICO](#) [Initial Coin Offering](#) [Orebits](#) [TGE](#) [Token Generation Event](#) [Token Sale](#)



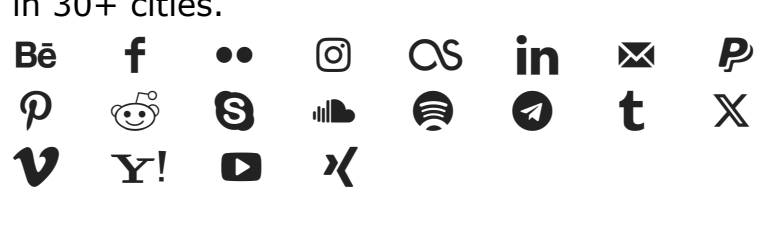
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Next article: [DECENT Launches Beta Release of DECENT GO, The First Decentralized Marketplace for Digital Content](#)

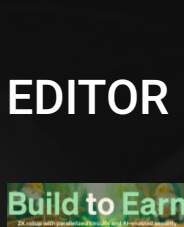
### Richard Kastelein

<https://the-blockchain.com>

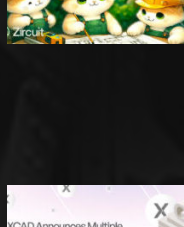
In his 20s, he sailed around the world on small yachts and wrote a series of travel articles called, "The Hitchhiker's Guide to the Seas" travelling by hitching rides on yachts (1989) in major travel and yachting publications. He currently lives in Groningen, the Netherlands where he has set down his anchor to raise a family and write. Founder and publisher of industry publication Blockchain News (EST 2015) and director of education company [Blockchain Partners](#) (Oracle Partner) – Vancouver native Richard Kastelein is an award-winning publisher, innovation executive and entrepreneur. He has written over 2500 articles on Blockchain technology and startups at Blockchain News and has also published in Harvard Business Review, Venturebeat, Wired, The Guardian and a number of other publications. [Kastelein has an Honorary Ph.D. and is Chair Professor of Blockchain](#) at China's first blockchain University in Nanchang at the Jiangxi Ahead Institute software and Technology. He has over a half a decade experience judging and rewarding some 1000+ innovation projects as an EU expert for the European Commission's SME Instrument programme as a startup assessor and as a startup judge for the UK government's Innovate UK division. Kastelein has spoken (keynotes & panels) on Blockchain technology at over 50 events in 30+ cities.



### EDITOR PICKS



**Zircuit Launches Build to Earn Program to Reward Ecosystem Contributors**  
27 March 2024

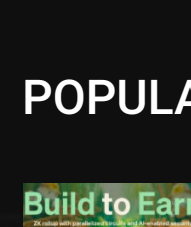


**XCAD Announces Multiple Governments' Backing for New Initiative to Expand Web3 Education**  
27 March 2024

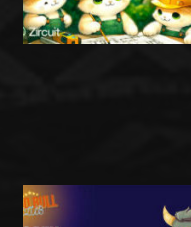


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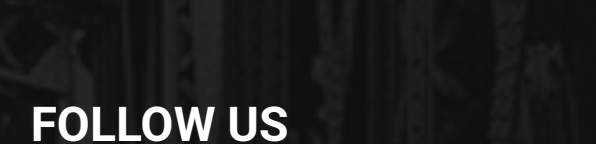
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Contact info: [wbeenen@gmail.com](mailto:wbeenen@gmail.com), [advertising@the-blockchain.com](mailto:advertising@the-blockchain.com) and [editorial@the-blockchain.com](mailto:editorial@the-blockchain.com)

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# **EXHIBIT G**

**GOLD PRICE MARCH 2024**

**GOLD PRICE Q3 2023**

GOLD \$2,204.70 ▲ \$12.90 0.58%

SILVER \$24.79 ▲ \$0.08 0.32%

PLATINUM \$914.50 ▼ (\$11.20) -1.21%

PALLADIUM \$1,023.00 ▼ (\$9.10) -0.91%

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APMEX > Charts > Gold Spot Price

# Gold Spot Price

Gold Silver Platinum Palladium

USD

## \$2,204.70 USD \$5.30 USD 0.24% 1W

Ask: \$2,204.70 USD Bid: \$2,194.70 USD Change: + \$12.90 USD +0.58%

US Dollar  Dow Jones  S&P 500  Crude Oil  Bitcoin

24H 3D 1W 1M 3M YTD 1Y 5Y All

● Gold

Mar 20, 2024 → Mar 27, 2024



Historical Chart

10 Year Daily Chart

By Year

By President

By Fed Chair

By Recession

Show Recessions  Log Scale  Inflation-Adjusted

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# **EXHIBIT H**

**LEGAL VERIFICATION OF CERTIFICATES**

January 24, 2018

Orebits Ledger, LLC  
Attn. Orebits Corporation, Manager  
2349 Central Avenue  
St. Petersburg, FL 33712

**Re: Orebits Ledger, LLC**

Dear Sirs:

We have acted as counsel to Orebits Ledger, LLC, a Delaware limited liability company formerly known as Orebits Pool, LLC ("Orebits Ledger") in connection with its various asset digitization activities. Orebits Pool has developed a form of Asset Digitization Service Agreement ("ADSA") to be used in connection with the digitization of proven reserves of gold owned by claim owners backed by a recognized valuation of in situ gold reserves.

In the United States, gold claim reserves are frequently assessed by members of the American Geological Association ("AGA"). A "proven" reserve is an assessment of the in situ (in the ground or stock pile) estimated gold reserves by a qualified member of the AGA, based upon known methodologies for extraction of such reserves. In Canada, a similar methodology known as a 43-101 report, prepared from a "qualified person" (a geologist or geoscientist with at least 5 years of mineral exploration experience) is used as the standard form of disclosure for mineral projects and a 43-101 report is required for public listings on the Toronto Securities Exchange for gold claim owners. While the in situ gold reserves are referred to as "proven reserves," we are not rendering any opinion as to the existence of any such reserves, as this is tied to a third party professional opinion, however for purposes of this letter we are assuming that there do exist gold reserves with respect to properly issued 43-101 reports (or other valuation assessments) issued by duly qualified experts.

Orebits Ledger has been established as a digitized repository for participating holders' gold reserves tied to their gold claims (each a "Claim," with the owner being a "Claim Owner"). The form of ADSA presently being used by Orebits Ledger provides that each Claim Owners pay Orebits Corporation (an affiliate of Orebits Pool) a fee equal to 4% of the "proven" reserves of their Claims in exchange for the issuances of an Orebits digital certificate representing a fractional ownership of proven gold reserves ("Certificate"), in denominations of ounces of gold, with each Claim entitled to a Certificate for twenty percent 20% of the Claim's proven reserves (basically an 80% discount to proven reserves of the Claim). The Claim Owner, upon receipt of its Certificate, can then take steps to seek to monetize it in various ways, including: (i) sell to third-parties; (ii) hold for investment; (iii) pledge it to secure borrowings; or (iv) hold it as an asset on their balance sheet (with the expectation that a market will develop for Certificates over time).

The following description of the ADSA is based upon our review of the form of ADSA #0002 dated April 17, 2017 between Orebits Ledger (formerly known as Orebits Pool, LLC) and 130 International, Inc., a Canadian corporation formed under the Alberta Business Corporation Act ("Certificate 002"), and this description assumes each ADSA will be substantially identical to the foregoing (save for the different referenced parties, Claims and amount of proven reserves allocable to the Claims). The ADSA is a contract between the Claim Owner and Orebits Ledger whereby the Claim

Owner agrees and authorizes Orebits Ledger to digitize its proven reserves and to fractionalize them on a distributed ledger whereby fractional ownership of the Certificates can be transferred to the Certificates based upon who is the registered holder of the fractionalized Certificates. The Claim Owner agrees to furnish to Orebits Ledger the required documentation to validate its ownership of the claim. The Claim Owner under the ADSA has an obligation to Orebits Ledger at the end of a specified period of time (ten years in current form) to either return all of the Certificates issued in connection with the digitization of the Claim (in cancellation of the Certificates) or to replace each Certificate that is not returned with one Troy Ounce of substituted gold. In addition, Orebits Ledger in its discretion can extend this termination date.

The ADSA requires the Claim Owner to pledge a first priority security interest in certain assets, including all gold severed or extracted from the Claim, all personal property, licenses contracts and agreements with respect to the foregoing and certain associated general intangibles and records, to Orebits Ledger as collateral security for the covenants and obligations of the Claim Owner under the ADSA. The covenants, representations and warranties of the Claim Owner in the ADSA include obligations to furnish required documentation, the obligation to maintain the collateral, the obligation to deliver periodic reports associated with mining of the gold, the maintenance of requisite permits and other obligations. At the end of the term (if not extended) the Claim Owner has the obligation to either: (i) return all of the Certificates to Orebits Ledger (for cancellation), or (ii) if the Claim Owner owns less than all of the Certificates, then to return those Certificates held by the Claim Owner plus one Troy Ounce of Gold for each missing Certificate. In the event of a default, Orebits Ledger has a variety of rights as a secured creditor as set forth in the ADSA, including but not limited to foreclose on the collateral.

This letter will confirm that we believe that the construction of the Certificates as a digitization of a Claim Owner's in situ gold constitutes a "security" as construed under the Securities Act of 1933, and that since it corresponds to the in situ gold referenced by the applicable 43-101 report or applicable AGA study (assuming the accuracy of the study and that in fact in situ gold exists), that the Certificate is supported by identifiable tangible assets due to it corresponding to a fractionalized interest in the proven reserves. Note that no opinion is being rendered as to the value of any Certificates, the perfection of the lien in the pledged collateral, the existing of liens against the proven reserves, the ability of the holders of Certificates to monetize the underlying proven reserves, the value of the pledged collateral or the ability to recover any of the pledged collateral (or to monetize it if ownership is obtained).

For purposes of our conclusions, we have assumed: (i) the conformity of the final version of each document reviewed by us to the actual document reviewed by us; (ii) the genuineness of all signatures on all documents provided to us by Orebits Ledger; (iii) the authenticity of all documents submitted to us as originals; (iv) the conformity to original documents of all documents submitted to us as certified, conformed, telefacsimile, electronic or photostatic copies and the authenticity of the originals of such documents; and (v) the legal capacity of all natural persons.

We express no opinions herein with regard to any laws other than the federal laws of the United States of America, and we assume that the laws of Canada as relates to pledged collateral will create a valid perfected security interest in the assets in question.

The foregoing conclusions assume:

(i) the accuracy of, and compliance with, the undertakings, representations, warranties and covenants of Orebits Ledger made to us orally or in writing.

(ii) the accuracy of all documents provided to us.

The foregoing conclusions are rendered as of the date hereof, and we make no undertaking and expressly disclaim any duty to supplement or update any such conclusions.

This letter is provided to you solely for purposes of setting forth your internal diligence files as to our examination of the Orebits Pool construct. This letter may not be relied upon any other person without our prior written consent.

Very truly yours,

TAFT STETTINIUS & HOLLISTER LLP

By:   
A Partner

MDG/pam/21925004.1

# EXHIBIT I

## COMMENTS TO CONTENT OF ION DIGITAL CORPORATION FIREBLOCKS WALLET

Note that ION Digital Corp. Wallet also reflects 22.54 in AVAX Coins worth roughly \$1,234.90 in value. The AVAX Coin is required as a "fees payable" reserve held on account to offset future buy/sell transactions fees.

As much as the Company does not currently buy or sell, the subject reserve amount may fluctuate based on the relative price of AVAX. Separately, until such time as the Company authorizes the marketplace release of the ION.au Gold Backed Digital Asset, Fireblocks does not set or publish a daily price relative to ION.au.