

1 E. John Vodonick Ph.D. (SB#063089)
Vodonick Law
2 PO Box 763
Nevada City, California 95959
3 Telephone 530 478 1078

4 Klaus J. Kolb (SB# 146531)
13620 Lincoln Way, Suite 370
5 Auburn, California, 95603
Telephone 530-820-3435
6 Fax: 530-820-3453

7 Attorney for: Plaintiff
Michael Miller

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UNITED STATES DISTRICT COURT

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EASTERN DISTRICT OF CALIFORNIA

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) Case No. 2:23-CV-00376-TLN-DB
12 The Original Sixteen to One)
Mine, Inc. a California) Second Amended Complaint
13 Corporation, Michael Miller,)
Hugh Dan O'Neill III, Robert) JURY DEMANDED
14 Besso, Jonathan Ferrell, Tom)
Woodfin, Keith Robertson,)
15 Plaintiffs,)
)
16 vs.)
)
17 Quartzview, Inc. a California)
Corporation, Roger Haas, Simon)
18 P. Westbrook, Douglas W.)
Charlton, and Charles)
19 Crompton Jr., Does 1 through)
10, inclusive.)
20)
)
21 Defendants.)

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COME now plaintiffs and for claims for relief against defendants

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and each of them alleges as follows:

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GENERAL ALLEGATIONS

Jurisdiction and Venue

1. This Court has Federal Question Jurisdiction of this case pursuant to 29 USC 1330, 15 USC 78aa, 15 USC § 78i(e), 15 USC § 78j(b), and 15 USC, § 78t and 15 USC § 78n.

2. Plaintiffs request that this Court exercise Pendent Jurisdiction over all non-Federal Claims embraced by the operative facts alleged hereinafter.

3. Venue is correct in the Eastern District of California inasmuch as the Mining property that Plaintiff the Original Sixteen to One Mine, Inc. is located in this district and conducts business in this district, much if not all of the acts and omissions alleged hereinafter occurred within this district, and the Defendant Quartzview, Inc. acts and conducts business within this district.

Parties

4. Plaintiff the Original Sixteen to One Mine, Inc. (hereinafter "OSTO") is a California Corporation with a principal place of business and doing business in Alleghany, Sierra County, California and has been in existence for over 100 years. It is the oldest operating gold mine in the United States. OSTO is publicly traded, with holders of its securities resident in over 30 states and several foreign countries. There are fourteen million, eight hundred seventy thousand and six hundred thirty-one

1 shares of OSTO outstanding.

2 5. Plaintiff Michael Miller is a holder of the securities of
3 OSTO, is a director and President of OSTO, and an "elder" within
4 the meaning of Calif. Welf. & Inst. C. § 15610.27.

5 6. Hugh Dan O'Neill, III, is a holder of the securities of OSTO,
6 a director and Secretary of OSTO, and an "elder" within the meaning
7 of Calif. Welf. & Inst. C. § 15610.27.

8 7. Robert Besso is a holder of the securities of OSTO, a
9 director and treasurer of OSTO, and an "elder" within the meaning of
10 Calif. Welf. & Inst. C. § 15610.27.

11 8. Tom Woodfin is a holder of the securities of OSTO and an
12 "elder" within the meaning of Calif. Welf. & Inst. C. § 15610.27.

13 9. Keith Robertson is a holder of the securities of OSTO, and
14 an "elder" within the meaning of Calif. Welf. & Inst. C. §
15 15610.27.109.

16 10. Jonathan Ferrell is a holder of the securities of OSTO.

17 11. Quartzview Corporation ("Quartzview") is a California
18 Corporation with its principal place of business and doing business
19 at Scotts Valley, CA.

20 12. Roger Haas is an individual, resident in Scotts Valley,
21 California He is a holder of the securities of Quartzview and the
22 Original Sixteen to One, Mine Inc., and purports to be
23 President and director of Quartzview Corporation.

24 13. Simon P. Westbrook is an individual resident of Scotts
25 Valley, California, and the agent for service of process of
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1 Quartzview and a director of Quartzview.

2 14. Douglas W. Charlton purports to be a director, Chief
3 Executive Officer and Secretary of OSTO. He is not and
4 has merely wrongfully and fraudulently appropriated those offices
5 and authority. Douglas W. Charlton maintains an address in
6 Alleghany, CA. Douglas W. Charlton authored the "Confidential
7 Report" described in paragraph 26. A. and authored the material in
8 the Report without any factual basis to render the opinions contained
9 in the Report. The Report was, and the misstatements contained in
10 the Report were, intentionally fraudulent or made with deliberate
11 recklessness and intended to convince stockholders in OSTO to sell
12 their stock to Quartzview at an artificially depressed price to
13 enable Quartzview to obtain control of the OSTO.

14 15. Charles Crompton Jr. purports to be a director of OSTO. In
15 fact, he is not and has merely wrongfully and fraudulently
16 appropriated that office and authority. Charles Crompton Jr.
17 maintains an address in Alleghany, CA. Charles Crompton Jr., with
18 knowledge of the scheme alleged in paragraphs 25, 26, and elsewhere
19 in this complaint, conspired, aided and abetted actions of Quartzview
20 in carrying out the scheme by participating in the tender offer
21 alleged in paragraph 31 and thereafter by calling and participating
22 in the illegal, unauthorized and defective special shareholders
23 meeting that voted to take control of the OSTO.

24 16. Plaintiffs are unsure of the true names or capacities of
25 the defendants named herein as Does 1 through 10 inclusive who are

1 controlling individuals within the meaning of 15 USC § 78t, or
2 otherwise caused or contributed to the wrongful acts or omissions
3 alleged hereinafter, and for that reason Plaintiffs sue said
4 defendants by such fictitious names. Plaintiffs will amend this
5 complaint to reflect the true names and capacities when the same
6 have been ascertained.

7 **Background Facts and General Allegations**

8 17. At all times material and mentioned herein OSTO lawfully
9 adopted and maintained its Bylaws and strictly maintained its
10 organizational structure and activities in conformance therewith.

11 18. During 2011 Defendants Haas and all other Defendants
12 represented to Plaintiff Miller and OSTO that Quartzview was
13 developing "Deep Sensing" technologies that would enable it to detect
14 the presence of gold at a range of up to ten feet through solid
15 quartz. These Defendants advised that the so-called "Deep Sensing"
16 technology was in the development stage and would need a test bed
17 for the purposes of creating an investment proposal to raise capital
18 for further development of their existing technology, and proposed
19 that due to its notoriety and proven value, the OSTO would be a
20 suitable location to test the developing technology and enhance the
21 attractiveness of such an investment in the purported proprietary
22 technology of Quartzview. In fact, the vaunted "Deep Sensing"
23 technology did not exist but was actually vaporware and only utilized
24 commonly available mineral detection technology. The only truth in
25 the proposal was the belief of the Defendants in the proven value of

1 OSTO and their desire for it.

2 19. Defendants proposed to OSTO that Quartzview test its
3 technology in the workings of the OSTO. OSTO was agreeable to that
4 proposal so long as rigorous production schedules, confidentiality
5 and scope of project protocols be agreed upon.

6 20. On or about October 30, 2012 Quartzview and OSTO entered
7 into a License and Service Agreement in writing. A true and correct
8 copy of such License and Service Agreement is attached hereto as
9 Exhibit "A". Miller and the Board of Directors of OSTO] insisted
10 upon and OSTO and Quartzview entered into a further Confidentiality
11 Agreement; a true and correct copy of such Confidentiality Agreement
12 is attached hereto as Exhibit "B". As an inducement to enter into
13 the agreements memorialized in Exhibits "A" and "B" Defendants Haas
14 and Westbrook invited Plaintiff Miller and OSTO to repose trust and
15 confidence in Quartzview and its management including Defendants
16 Haas and Westbrook. OSTO reasonably did so and as a result, a
17 special relationship of trust and confidence existed between OSTO
18 and Quartzview.

19 21. Thereafter and pursuant to the terms of exhibits "A" and
20 "B", Quartzview exercised its license to purportedly test the
21 effectiveness of its technology and to justify further funding of
22 Defendants' enterprise by Quartzview's investors. Unbeknownst to
23 Plaintiffs, Defendants' primary purpose in entering into exhibits A
24 and B, and a relationship of trust and confidence with Miller and
25 OSTO, was to obtain confidential and proprietary information

1 concerning the workings and personnel of the OSTO for the purpose of
2 taking over the ownership and operations of OSTO. Defendants entered
3 into the contracts memorialized by Exhibits "A" and "B" with no
4 intent of maintaining the confidentiality of information obtained by
5 being allowed access to the workings and records of OSTA, but instead
6 intended to use whatever information it obtained to manipulate the
7 stock of OSTO and to otherwise obtain control of OSTO.

8 22. The technology and devices used by Quartzview failed to
9 locate any gold targets whatsoever at any time and none of the
10 production schedules contained in exhibit "A" were met.

11 23. During the purported exercise of its license pursuant to
12 exhibit "A" and contrary to the provisions of exhibits "A" and
13 "B", Defendants investigated and gathered information about and
14 concerning the management, ownership, financial condition,
15 strategic planning and personal information concerning employees
16 of and other proprietary and confidential information of and
17 concerning OSTO and divulged and disclosed such confidential
18 information indiscriminately for the purpose and intent of
19 depressing the value of the securities of OSTO, replacing the
20 management of OSTO, gaining control of OSTO and convincing their
21 investors to continue to fund Quartzview.

22 24. At some time presently unknown to Plaintiffs, Defendants,
23 acting individually and not as the agent, servant or employee of
24 any corporate defendant did agree and conspire among themselves to
25 a variety of acts and omissions intended to manipulate through false

1 and misleading statements intended and calculated for the purpose of
2 depressing the value of the securities of OSTO, creating doubt and
3 distrust of the management of OSTO and to gain control of OSTO
4 through such manipulation. Defendants committed the acts,
5 omissions and representations set forth hereinafter pursuant to
6 said agreement. Defendants damaged Plaintiffs and continue to
7 damage Plaintiffs in the manner and to the extent set forth
8 herein. The last act necessary to complete such conspiracy and
9 agreement occurred on the occasion of the embezzlement of the bank
10 account of OSTO as herein alleged.

11 25. Defendants engaged in a calculated series of statements,
12 acts and omissions intended to cast the OSTO and its management
13 in an unfavorable light, to depress the value of its stock and to
14 further their plan to take control of the OSTO. The statements,
15 acts and representations were as follows:

16 A. The Manipulative Report. On 06/16/2016 Defendants Haas,
17 Westbrook, and Quartzview authorized and paid for the
18 preparation and publication of a document authored by
19 defendant Charlton a geologist contractor, entitled
20 "Preliminary Conditions Assessment 16 to 1 Mine" (the
21 "Report"). The Report is conspicuously watermarked as
22 "Strictly Confidential". The stated purpose of the Report
23 is to replace the then existing management and control of
24 the OSTO:

25 "With the inferred low valuation of the company, attracting

1 capital will be difficult. This means that exits for
2 shareholders will be limited, and a future of declining
3 share value is likely as Company assets are liquidated to
4 pay for ongoing operating cost and increasing liabilities.
5 A condition of capitalization should be replacement of
6 current Management with a team of technically and
7 financially competent executives and specialists."

8 The Report purports to be a confidential, unbiased factually
9 based analysis of the OSTO, the Management of OSTO, the development
10 strategy of OSTO, and an honest appraisal of the value of OSTO, for
11 internal use of Quartzview only. It was none of those things. The
12 Report was nothing more than a slanderous hit piece designed and
13 intended to depress the value of OSTO stock and disparage the
14 management of OSTO. The Report contains false, misleading, and
15 manipulative statements intended to deceive and influence
16 shareholders into selling their shares of OSTO to Quartzview at an
17 artificially depressed price. Plaintiffs are informed and believe
18 and thereupon allege that defendants Haas, Westbrook, Charlton, and
19 others whose identities are not currently known to Plaintiffs, as
20 part of the conspiracy alleged in paragraphs 15 and 24 above,
21 collaborated and participated in the preparation of the Report, all
22 with the intent of individually benefitting from the sale of OSTO
23 shares to Quartzview. Although the Report represents that Charlton
24 was the author, substantial evidence supports a reasonable inference
25 that defendants Haas, Westbrook, and Quartzview participated in the
26 preparation of the Report and adopted its representations as their
27 own:

28 (i) Haas is a director and shareholder of Quartzview; Westbrook

1 is the agent for service and a director of Quartzview;
2 Charlton is the son-in-law of Haas is a consultant of
3 Quartzview;

4 (ii) Neither Haas, Westbrook, or Charlton provided a copy of the
5 Report to plaintiff Miller or any other members of the then-
6 existing management of OSTO, even though it was prepared to
7 appear to be a confidential management report;

8 (iii) Despite the "Strictly Confidential" markings on the Report
9 when Charlton signed it, creating the semblance of due
10 diligence for the decision process of Quartzview, Haas,
11 Westbrook, and Charlton conspired to acted to publish the
12 Report to the major existing shareholders of OSTO, including:
13 Mike Clark, M Blair Hull Jr, Charles I Brown, Sandor Holly,
14 Scott K Robertson, Kathleen N Hull, Paul M Finnegan, Fred M
15 Cain, Oro-Cal Mfg. Inc, Joan Lewis Danforth, Harold E Mason,
16 and others and delivered or sent the fraudulent report to
17 those stockholders of OSTO (and in the case of Mike Clark,
18 hand-delivered the report to him and discussed its contents
19 with him for an extended period of time. Management had no
20 notice of this fraudulent and untrue report until being
21 provided with a copy by a stockholder who had received it.
22 In response to this report, management responded by creating
23 a report refuting all of the false statements and delivered
24 it to Quartzview, Haas, Charlton and Westbrook. Although they
25 had delivered the fraudulent report to the stockholders,

1 Quartzview, Haas, Charlton and Westbrook failed to disclose
2 and actively suppressed the existence of the rebuttal report
3 given to them by management which provided actual proof of
4 the falsity of the report. Regardless of the notation of
5 confidentiality purportedly for the internal use of
6 Quartzview (and thereby gaining the semblance of
7 reliability), Defendants and each of them gave the document
8 to stockholders of OSTO for the intent of gaining control of
9 OSTO.

10 (iv) iv Defendants Haas, Westbrook, Charlton, and some number of
11 Doe defendants were able to publish the Report to OSTO
12 shareholders because Haas had previously obtained a court
13 order to obtain a list of the names and addresses of OSTO
14 shareholders, purportedly solely so he could communicate with
15 them as a fellow shareholder. The court order expressly
16 limited Haas's use of the shareholder list to his role as
17 OSTO shareholder communicating with fellow shareholders, for
18 purposes permitted by California Corporations Code §1600(c).
19 Haas violated the court order by using the shareholder list
20 to communicate false and defamatory information about OSTO
21 and its management, derived from confidential OSTO sources
22 covered by the confidentiality agreements executed by
23 Quartzview representatives and OSTO, to OSTO shareholders
24 and the public for the sole purpose of benefitting Quartzview
25 and the individual Defendants, to the detriment of other OSTO

1 shareholders. These actions by Defendants were undertaken
2 for their own benefits and pursuant to the conspiracy
3 described in paragraphs 15 and 24 above;

4 (v) OSTO management, including plaintiff Miller, had no notice
5 of this fraudulent and untrue Report until they were provided
6 with a copy by a stockholder who had received it from
7 Defendants Haas, Westbrook, and upon information and belief,
8 other defendants. In response to this Report, OSTO management
9 responded by preparing a rebuttal Management Report refuting
10 all of the false statements and delivered it to Quartzview,
11 Haas, Charlton and Westbrook. Although they had delivered
12 the fraudulent report to the stockholders, Quartzview, Haas,
13 Charlton and Westbrook failed to disclose and actively
14 suppressed the existence of the rebuttal Management Report
15 which provided actual proof of the falsity of their Report.

16 (vi) The obvious purpose of the Report was to get OSTO
17 shareholders to rely on the Report and thereby lose
18 confidence in Miller and the then-existing management of
19 OSTO, and to undervalue their shares of OSTO, all with the
20 intent of inducing existing shareholders to sell their shares
21 to Haas and/or Quartzview at a depressed price. Shortly
22 after the Report was prepared, defendant Haas informed
23 plaintiff Miller that Haas was purchasing OSTO shares at a
24 depressed price. Upon information and belief, Plaintiffs
25 believe and allege that other defendants were doing likewise;

1 (vii) Shortly after the Report was published, and continuing for
2 months thereafter, existing shareholders contacted plaintiff
3 Miller with questions and complaints about his management of
4 OSTO and the valuation of OSTO shares.

5 (viii) On or about March 2, 2021, Quartzview published to the
6 shareholders of OSTO a tender offer repeating false,
7 misleading, and fraudulent representations concerning OSTO
8 and its then-existing management, and offering to purchase
9 OSTO shares at a price that had been depressed by the false
10 representations and manipulations of all Defendants.

11
12 Plaintiffs did not believe the material in the false report but
13 considered its effect upon the other shareholders in giving
14 management's advice to the other shareholder. The other stockholders
15 relied upon the report and the false representations contained in
16 the report in their decision-making processes of deciding to agree
17 to sell their stock to Quartzview or voting to remove management and
18 giving control of OSTO to Quartzview and its officers, directors,
19 employees, and persons acting with Quartzview.

20 As a direct result Plaintiffs and the major shareholders did
21 agree to sell their stock to Quartzview and vote to give control of
22 OSTO to Quartzview and all Defendants benefited personally by
23 acquiring control of the OSTO and its valuable resources.

24 B. The Fraudulent Pollution Complaint. On or about 11/23/2016 in
25 Sierra County, California Defendants Haas, Westbrook, Charlton and

1 the other Defendants promised Joseph Sauer a former employee of OSTO
2 that Defendants would employ him after they took control of OSTO if
3 he would report to the Sierra County Sheriff alleging that a thousand
4 gallons of waste oil was buried on the property of the OSTO. In fact,
5 no such event occurred, nor did Joseph Sauer have any first-hand
6 knowledge that such occurred. Nonetheless, with the authorization
7 and encouragement of Quartzview, Defendants Haas, Westbrook and
8 Charlton; Joseph Sauer made such a report. The Sheriff of Sierra
9 County investigated the complaint but would not pursue the matter
10 for a lack of evidence. Indeed the contractor hired by OSTO to
11 improve and maintain roads, who actually buried some empty 55 gallon
12 drums and other waste metal reported to the Sheriff of Sierra County,
13 that the containers contained only water and no oil or other
14 hazardous waste. Having learned that the Management of OSTO was
15 seeking merger or other capital infusion, on October 8, 2019,
16 Defendants Haas, Westbrook, and Charlton approached another former
17 employee (and associate of Sauer), Aaron "Chico" Aguirre, who was
18 again, promised compensation when Quartzview gained control of OSTO
19 if he also falsely reported that he had participated in the purported
20 burying of oil on OSTO property. Defendants successfully persuaded
21 Aguirre to make such a false report. Based upon the former employees'
22 testimony the District Attorney of Sierra County did file a criminal
23 complaint, which was ultimately dismissed for a lack of evidence.
24 Nonetheless, Defendants intentionally, for the purpose of gaining
25 control of OSTO, represented to major stockholders of OSTO, including

1 Mike Clark, M. Blair Hull Jr., Charles I. Brown, Sandor Holly, Scott
2 K. Robertson, Kathleen N. Hull, Paul M. Finnegan, Fred M. Cain, Oro-
3 Cal Mfg. Inc, Joan Lewis Danforth, Harold E. Mason, and others that
4 the criminal complaint they had conspired to have filed was pending
5 against OSTO and its management. The fraudulent activity of
6 Defendants Haas, Westbrook, and Charlton, and other Defendants,
7 directly caused an investigation by the Sheriff of Sierra County on
8 the same day that defendants Haas, Westbrook, Charlton, and
9 Quartzview knew that geologists in the employ of a company performing
10 due diligence research for the purpose of consummating a transaction
11 with OSTO that would result in the injection of thirty million
12 dollars (\$30,000,000) of non-debt working capital for OSTO. The
13 investigation prompted by the lies of Defendants Haas, Westbrook,
14 and Charlton and other Defendants caused the due diligence effort to
15 immediately be terminated and caused the failure of the capital
16 infusion or related transaction. Defendants and each of them
17 represented to Plaintiffs and Mike Clark, M. Blair Hull Jr., Charles
18 I. Brown, Sandor Holly, Scott K. Robertson, Kathleen N. Hull, Paul
19 M. Finnegan, Fred M. Cain, Oro-Cal Mfg. Inc, Joan Lewis Danforth,
20 Harold E. Mason and other shareholders that the failure to consummate
21 the capital infusion was a result of the investigation by the law
22 enforcement of criminal activity by OSTO, which was based entirely
23 on the false complaints instigated by defendants Haas, Westbrook,
24 Charlton, and other as yet unidentified DOE defendants..

25 C. The False Terrorist Threat. On or about 08/17/2018 Defendant Haas

1 with the knowledge and approval of Quartzview, Westbrook, Charlton,
2 and the other Defendants, filed a report with the Nevada County
3 Sheriff that explosives had been stolen from the explosive magazine
4 of OSTO when no such theft had occurred. Defendant Haas knew that no
5 such theft had occurred and that the OSTO mine was located in Sierra
6 County, not Nevada County, California. The report made by Haas was
7 done with the approval of Quartzview and the other Defendants. The
8 report constituted a violation of the Penal Code of California and
9 was otherwise unlawful. No action was taken by any law enforcement
10 agency, nonetheless, Defendants published this statement to the
11 general public and Plaintiffs, stockholders of OSTO to again
12 disparage management and in furtherance of the plan to obtain control
13 of OSTO. Plaintiffs and the other stockholders of OSTO relied upon
14 that representation in their decision-making process to sell their
15 stock to Quartzview or to vote to remove management from the
16 operation of the OSTO, which they did. As a direct result Defendants
17 did gain control of OSTO and all defendants benefited personally by
18 acquiring control of the OSTO and its valuable resources.

19 D. The Fraudulent Toxic Waste Report. On August 31, 2016, and
20 September 21, 2016, defendants Quartzview, Haas, Westbrook and
21 Charlton and other Defendants falsely represented to the California
22 Central Valley Regional Water Quality Control Board that the OSTO
23 surface property contained toxic solid waste and was contaminating
24 OSTO owned water rights. This was false and untrue, and after some
25 investigation, the Regional Water Quality Control Board took no action

1 upon this report. Despite knowing of the falsity of their
2 representation and knowing that it would depress the value of OSTO
3 stock, Defendants Haas, Charlton, Westbrook. published this
4 statement to the general public through local radio and by
5 affirmatively representing to Plaintiffs and Mike Clark, M. Blair
6 Hull Jr., Charles I. Brown, Sandor Holly, Scott K. Robertson,
7 Kathleen N. Hull, Paul M. Finnegan, Fred M. Cain, Oro-Cal Mfg. Inc,
8 Joan Lewis Danforth, Harold E. Mason and other shareholders . Once
9 again, Defendants published this false report to cause shareholders
10 to lose confidence in the existing OSTO management (particularly
11 Miller), to depress the value of OSTO shares, and as part of their
12 conspiracy to gain control of OSTO. The actions, statements, and
13 representations of the Defendants caused the stockholders of OSTO to
14 question the honesty, diligence and ability of the OSTO management
15 all for the purpose of gaining control of OSTO. Plaintiffs did not
16 believe the material in the false report but considered its effect
17 upon the other shareholders. The other stockholders of OSTO relied
18 upon that representation in their decision-making process to sell
19 their stock to Quartzview or to vote to remove management from the
20 operation of the OSTO, which they did. As a direct result Defendants
21 did gain control of OSTO all defendants benefited personally by
22 acquiring control of the OSTO and its valuable resources.

23 E. The False Illegal Drugs and Firearms Report. On or about August
24 31, 2016, September 21, 2016, and December 16, 2016 Defendants Haas,
25 Charlton, Westbrook, and other Defendants falsely represented to the

1 United States Dept. of Labor Mine Safety and Health Administration
2 ("MSHA") that OSTO was being operated in a hazardous manner.
3 Specifically, Defendants alleged that some of OSTO employees were
4 using and carried firearms in the workings of the mine. These false
5 representations were made by the Defendants for the purpose of
6 gaining control of OSTO. No citation was issued by the Dept. of Labor
7 Mine Safety and Health Administration, Defendants and each of them
8 used this incident to communicate this false representation and the
9 threat of Federal Investigation to Plaintiffs and to the other
10 stockholders of OSTO and to manipulate the stock and stockholders in
11 OSTO to gain control of OSTO. These representations were intended to
12 affect such manipulation or with conscious recklessness and without
13 any regard for the truth of the statement made. Plaintiffs and the
14 other stockholders of OSTO relied upon that representation in their
15 decision-making process to sell their stock to Quartzview or to vote
16 to remove management from the operation of the OSTO, which they did.
17 As a direct result, Defendants did gain control of OSTO and all
18 defendants benefited personally by acquiring control of the OSTO and
19 its valuable resources.

20 F. The False Insurance Fraud Report. On or about 08/21/2018
21 Defendants Haas, Westbrook, Charlton and the other Defendants with
22 the approval of Quartzview, contacted the State of California
23 Insurance fund and reported that OSTO had misrepresented its employee
24 census and engaged in fraudulent conduct. The California Insurance
25 Fund investigated the charge and found it to be untrue. Nonetheless,

1 Defendants Haas, Westbrook, Charlton and the other Defendants with
2 the approval of Quartzview represented to the general public and to
3 Plaintiffs and other the stockholders of OSTO that it was true as a
4 part of Defendants' effort to manipulate the price of the stock of
5 OSTO, reduce confidence in the management of OSTO, and gain control
6 of OSTO. These representations were intended to affect such
7 manipulation or with conscious recklessness and without any regard
8 for the truth of the statement made. Plaintiffs and the other
9 stockholders of OSTO relied upon that representation in their
10 decision-making process to sell their stock to Quartzview or to vote
11 to remove management from the operation of the OSTO, which they did.
12 As a direct result Defendants did gain control of OSTO and all
13 defendants benefited personally by acquiring control of the OSTO and
14 its valuable resources.

15 G. The Intelligence Gathering Scheme. On or about January 1, 2016 as
16 part of the plan and conspiracy to gain control of OSTO and False
17 Illegal Drugs, and Firearms Report, Defendants Haas, Westbrook, and
18 Charlton and the other Defendants instructed the Quartzview employee
19 William Brasier to secrete surveillance cameras and vehicle location
20 devices in the workings of OSTO and its vehicles in efforts to
21 manufacture proof of unsafe working conditions or practices and the
22 theft of valuable ore. This surveillance was not part of the
23 operations agreed upon between OSTO and Quartzview and was in breach
24 of the Confidentiality Agreement between the OSTO and Quartzview,
25 but was part of the ongoing scheme to obtain control of the mine.

1 The surveillance did not result in the discovery of any weapons or
2 drug use but did disclose the location of Gold by OSTO employees,
3 which was falsely represented to the other OSTO shareholders as theft
4 by OSTO employees for the purpose of degrading the trust and
5 confidence in the management of OSTO and to convince Plaintiffs and
6 the other stockholders of OSTO of the probability of a Federal
7 Investigation. Once again, Defendants published this false report to
8 cause shareholders to lose confidence in the existing OSTO management
9 (particularly Miller), to depress the value of OSTO shares, and as
10 part of their conspiracy to gain control of OSTO. The Plaintiffs
11 and the other Stockholders relied upon the statements and
12 communications made by the Defendants as part of the decision-making
13 process to sell their stock to Quartzview or to vote to remove
14 management, which they did. As a direct result, Defendants did gain
15 control of OSTO and all defendants benefited personally by acquiring
16 control of the OSTO and its valuable resources.

17 H. The Fraudulently Obtained Shareholder List. Defendant Haas
18 demanded a list of the owners of the securities of OSTO and their
19 addresses for the undisclosed purposes of communicating directly
20 with shareholders of OSTO and misrepresenting facts of and concerning
21 the operations of OSTO and purported mismanagement. On February 25,
22 2019, Defendant Haas, Westbrook, Charlton and the other Defendants
23 obtained an order of the Superior Court of Sierra County requiring
24 that the management of OSTO provide that information to Defendant
25 Haas for his personal use and not for the use by Quartzview.

1 Regardless of the order of the Court and the provisions of California
2 Corporations Code § 1600(c) Defendants Haas, Westbrook and Charlton
3 and all other Defendants provided such confidential information to
4 Quartzview and others as part of the intentional plan to manipulate
5 the securities of OSTO to gain control of management.

6 26. Defendants and each of them made such representations to
7 said boards and regulatory agencies, law enforcement, and to owners
8 of the securities of OSCO to manipulate the market for OSTO, suppress
9 the value of the outstanding shares, to cause shareholders to lose
10 confidence in the then-existing management of OSTO - particularly
11 plaintiff Miller, depreciate the ability of management and to
12 influence the decision-making process of the other stockholders of
13 OSTO to sell their stock or to vote to replace management and gain
14 control of OSTO, which they did. As a direct result, Defendants did
15 gain control of OSTO and all defendants benefited personally by
16 acquiring control of the OSTO and its valuable resources.

17 27. Plaintiff Miller knew that Defendants representations
18 summarized in paragraph 25 were false, but because Defendants caused
19 a loss of confidence by shareholders in Miller and existing
20 management, Miller was unable to persuade a substantial number of
21 OSTO shareholders of the true facts. As President of OSTO and a
22 personal friend of many of the major shareholders, Miller ultimately
23 felt obliged to try to honor the wishes of shareholders who were
24 persuaded by Defendants representations, yet still made his best
25 efforts to protect all the shareholders' interests. Miller therefore

1 insisted that any offer made by Defendants to purchase OSTO shares
2 from existing shareholders be made available to all shareholders,
3 including all minority shareholders. Quartzview and Haas expressly
4 agreed to Miller's condition. In reliance on their agreement to his
5 condition, and for the other reasons summarized above, Miller
6 ultimately agreed to sell some of his shares to Quartzview. The
7 shares Haas and Westbrook persuaded Miller to sell to Quartzview
8 were enough for Quartzview to falsely claim control of a voting
9 majority of OSTO shares, improperly call for and notice a shareholder
10 meeting, and improperly purport to vote out then-existing management
11 of OSTO. As further alleged below, the purported shareholder meeting
12 improperly called by Quartzview, Haas, and Westbrook was invalid,
13 and all actions taken at that meeting were void and of no effect,
14 but Quartzview, Haas, Westbrook, and other Doe agents of Quartzview
15 attempted to use the improperly noticed and conducted shareholder
16 meeting to claim control of OSTO and all its valuable resources.

17 28. As a direct result of Plaintiffs' reliance on Defendants'
18 representations as summarized above, Quartzview, Haas, Westbrook,
19 and upon information and belief, other as yet unknown Doe defendant
20 agents of Quartzview gained control of substantial shares of OSTO
21 stock at a value that Defendants manipulated and depressed. All
22 individual Defendants benefited personally by claiming control of
23 the OSTO and its valuable resources. Plaintiffs and other OSTO
24 shareholders were damaged in an amount to be determined at trial,
25 but including diminution in OSTO share value from an anticipated

1 value of \$10 per share to a diminished value of \$1 or less per share,
2 plus additional damages to OSTO caused by Defendants' improper and
3 invalid attempts to gain control of OSTO and impede the core purpose
4 and business of OSTO - mining and marketing its uniquely valuable
5 gold/quartz ore

6 29. Defendant Haas and the other Defendants, their agents, servants
7 and employees, and suborned employees of OSTO have taken and secreted
8 valuable ore from the workings of OSTO for their own purposes and
9 converted the same to the use and benefit of Quartzview and for the
10 intentional purposes of misleading the stockholders of OSTO as part
11 of the scheme to obtain control. Said defendants have committed waste
12 upon the workings and property of the OSTO to the general damage of
13 OSTO of ten million dollars, (\$10,000,000.)

14 30. The false and misleading statements and
15 representations of fact rather than opinion had the intended effect
16 and depressed the value of the securities of OSTO held by Plaintiffs
17 and other stockholders from ten dollars (US) per share to less than
18 one dollar (US) per share on or about March 1, 2022. The false
19 representations of Haas, Westbrook, Sauer, and Aguirre instigated
20 the false pollution complaint alleged in paragraph 25. B. interfered
21 with the economic relationship that would have resulted in the
22 valuation of OSTO at ten dollars (\$10) per share. The acts and
23 omissions of Defendants have caused the stockholders of OSTO to lose
24 confidence in management's skill, ability, and honesty. The false
25 statements and misrepresentations have caused stockholders of OSTO

1 in the purported number of shares to agree to sell their stock to
2 Quartzview in response to the tender offer alleged in paragraph
3 hereinafter and gain control of OSTO.

4 2831. On or about 03/02/2021 Defendants Quartzview, Hass and Does 1
5 through 10 published to the holders of the securities of OSTO a
6 manipulative tender offer containing false, misleading and
7 fraudulent material information of and concerning OSTO and its
8 management. A true and correct copy of the tender offer is attached
9 hereto as Exhibit "C".

10 32. The true facts concerning the false and misleading
11 statements contained in the tender offer were:

12 A. The management of OSTO operated the property in a
13 reasonable and businesslike manner.

14 B. No environmental or minimal issues existed.

15 C. No discharge or minimal of toxic waste occurred under the
16 direction and control of Management.

17 D. No issues or minimal of air quality existed.

18 E. Management operated the Mine Property consistent with
19 the regulations promulgated by the United States Dept. of Labor
20 Mine Safety and Health Administration.

21 F. Management maintained a secure business environment and no
22 theft of explosives had occurred.

23 G. Other false, incomplete and manipulative statements
24 calculated to gain control of OSTO.

25 33. At the time and place said offer was made, Defendants and
~ ~

1 each of them knew that they did not have the funding to pay for
2 the outstanding shares of OSTO, that they would not pay for the
3 shares of OSTO that were subject to acceptance of the tender offer
4 and that the tender offer was manipulative and based upon an
5 ongoing campaign to disparage management and the value of OSTO.

6 34. Plaintiffs other than OSTO and numerous other owners of the
7 securities of OSTO accepted the offer made by Defendants.

8 35. Following the acceptance of the offer Defendants refused to
9 pay for the securities to Plaintiffs and at the same time asserted
10 in filings with the Security and Exchanges Commission of the
11 The United States and to all other shareholders of the OSTO that
12 they owned all of the securities encompassed by the accepted offers
13 even though they had not consummated the transactions and continue
14 to make such representations.

15 36. On or about November 3, 2022, Defendants purported to hold
16 a a special meeting of the Stockholders of OSTO and at that meeting
17 purported to remove Plaintiffs Miller, and O'Neill as officers and
18 directors of the OSTO and to elect Douglas W. Charlton, and
19 Charles Crompton Jr. as officers and directors.

20 37. The said special meeting of the stockholders and all actions
21 taken at said meeting and pursuant to said meeting is and are null,
22 void and of no legal effect and without right or privilege:

23 The meeting was called by misrepresentation of the shares held by
24 those calling it, was called in violation of the rules governing
25 such meetings by the bylaws of OSTO, was called without a valid

1 quorum being present, was based upon misrepresentations of the
2 conduct of management and the productivity of the OSTO and called
3 through improper, unauthorized and wrongful means. In part
4 Defendants made the following specific representations of and
5 concerning OSTO, and its management:

6 A. That OSTO not in compliance with the rules and regulations
7 of MSHA When the truth was that OSTO was in compliance
8 with all pertinent rules and regulations;

9 B. That Michael Miller was under investigation by the
10 United States Securities and Exchange Commission. When the truth
11 was that no such investigation existed.

12 C. That the present Board of Directors had refused to provide
13 information to the stockholders of OSTO. When the truth was that all
14 pertinent information had been provided.

15 D. That OSTO had transferred some of its properties to
16 Michael Miller for no consideration. When the truth is that no
17 such gift had ever occurred.

18 E. That management had stolen gold from OSTO when no gold had
19 been stolen.

20 F. That management was responsible for rising water levels in
21 the workings of OSTO when management had lowered water levels
22 considerably.

23 E. And other and further statements and omissions calculated
24 to obtain control of OSTO.

25 38. Following the improper usurpation of the management of the

1 OSTO, Defendants caused the water pumps required to maintain water
2 levels below production areas to become inoperative and thereby
3 allowing water to rise and impinge upon valuable mining areas and
4 to operate the workings of OSTO to be further degraded and
5 operated in an inefficient, un-miner like, and unprofessional
6 manner to the degradation of the value of the OSTO and its
7 outstanding shares

8 39. Following the improper usurpation of the management of the
9 OSTO Defendants caused a false and fraudulent statement of
10 information to be filed with the Secretary of State of California
11 and thereafter used a copy of that filed statement to close the
12 bank account of the OSTO, withdraw its funds, and convert them to
13 their own use.

14 **FIRST CLAIM FOR RELIEF**

15 **Manipulation of securities to gain control**

16 **15 U.S.C. § 78j., Rule 10b-5(a)(b)(c), 17 CFR § 240.**

17 40. Plaintiff incorporates by reference each and every allegation
18 contained in Paragraphs 17 through and including 39 and in
19 particular:

20 *Paragraph 25 A. (The Manipulative Report)* was false and misleading
21 in numerous material respects, including the representation that
22 the value of the OSTO had dropped significantly during the past
23 twenty years when less than four years previous to the report,
24 Quartzview and the individual Defendants represented to OSTO that
25 the value of the OSTO was so exceptional that the use of the Deep
^^

1 Sensing technology would further advantage the value of the mine
2 when the Deep Sensing Technology added no value whatsoever. The
3 report is concerned with citations issued to OSTO when in fact
4 there were no workers compensation claims made for fifteen years.
5 These representations were intentionally false and misleading and
6 were made in connection with the Defendants' agreement and
7 conspiracy to gain control of OSTO and rather than being
8 "confidential" were distributed to all stockholders in connection
9 with the tender offer made in 2021 with actual knowledge of the
10 red flags evidenced by the refutation of the report, and with
11 actual knowledge that the report itself was inconsistent with the
12 Defendants' own representations to OSTO of the high value of the
13 mine and its workings made only four years prior to the report
14 distributed the report along with the tender offer made in 2021.
15 The false report was physically delivered by Haas, Westbook and
16 Carlton or sent with the knowledge and direction of Does 1 through
17 10 to the major existing shareholders of OSTO, including: Mike
18 Clark, M Blair Hull Jr, Charles I Brown, Sandor Holly, Scott K
19 Robertson, Kathleen N Hull, Paul M Finnegan, Fred M Cain, Oro-Cal
20 Mfg. Inc, Joan Lewis Danforth, Harold E Mason, and others. Those
21 stockholders relied upon the report in making their decision to
22 sell their stock to Quartzview or to vote to remove management and
23 take control of OSTO, which they did. Plaintiffs did not believe
24 the material within the report but relied upon it in making their
25 decisions in the recommendations to the shareholders.

1 Paragraph 25 B. (The Fraudulent Pollution Complaint). Defendants
2 simply bribed a former employee with promises of future employment
3 when Quartzview took over operation of the mine if the former
4 employee would report the alleged dumping of pollutants upon the
5 mine premises. The employee took the offer, reported the purported
6 pollution, and after investigation law enforcement found nothing.
7 Two years later Defendants again attempted to resurrect the
8 Fraudulent Pollution Complaint with the assistance of another
9 bribed employee but again no criminal convictions resulted.
10 Regardless of the fact that no such pollution occurred, Defendant
11 Haas, Westbrook, and other Defendants intentionally misrepresented
12 the investigation to the shareholders of OSTO to obtain control of
13 the Corporation. Defendants The false report was communicated by
14 Haas, Westbook and Carlton with the knowledge and direction of
15 Does 1 through 10 to the major existing shareholders of OSTO,
16 including: Mike Clark, M Blair Hull Jr, Charles I Brown, Sandor
17 Holly, Scott K Robertson, Kathleen N Hull, Paul M Finnegan, Fred M
18 Cain, Oro-Cal Mfg. Inc, Joan Lewis Danforth, Harold E Mason, and
19 others. Those stockholders relied upon the report in making their
20 decision to sell their stock to Quartzview or to vote to remove
21 management and take control of OSTO, which they did. Plaintiffs
22 did not believe the material within the report but relied upon it
23 in making their decisions in the recommendations to the
24 shareholders.

25 Paragraph 25. C) The False Terrorist Threat). Defendant Haas

1 reported to the Nevada County Sheriff's Department that explosives
2 had been stolen from the workings of OSTO, knowing full well that
3 the OSTO mine was located in Sierra County, but that local news in
4 Nevada County, Ca. would disseminate the false report, which
5 occurred on or about that time. Defendants Haas, Westbrook and
6 Charlton made the false report as part of the scheme to
7 intentionally manipulate the stock of OSTO and thereby gain
8 control of the operations. The false report was disseminated
9 widely and was repeated by Defendant Haas in numerous telephone
10 calls to s with the knowledge and direction of Does 1 through 10
11 to the major existing shareholders of OSTO, including: Mike
12 Clark, M Blair Hull Jr, Charles I Brown, Sandor Holly, Scott K
13 Robertson, Kathleen N Hull, Paul M Finnegan, Fred M Cain, Oro-Cal
14 Mfg. Inc, Joan Lewis Danforth, Harold E Mason, and others. Those
15 stockholders relied upon the report in making their decision to
16 sell their stock to Quartzview or to vote to remove management and
17 take control of OSTO, which they did. Plaintiffs did not believe
18 the material within the report but relied upon it in making their
19 decisions in the recommendations to the shareholders.

20 *Paragraph 25. D The Fraudulent Toxic Waste Report.* Defendants
21 Quartzview, Haas, Westbrook and Charlton falsely reported to the
22 California Water Quality Control Board that OSTO had illegally
23 diverted waste into running water. The Board investigated this
24 claim and made no findings in that regard. Nonetheless, Haas and
25 the other Defendants informed the stockholders of OSTO that the

1 Board was contemplating enforcement actions and that monumental
2 fines were about to be assessed against OSTO. These
3 representations were false and intentionally made with the purpose
4 of undermining trust in the management of OSTO manipulating the
5 securities of OSTO and wresting control of the mine from the
6 current management. The false report was communicated by Haas,
7 Westbrook and Carlton or sent with the knowledge and direction of
8 Does 1 through 10 to the major existing shareholders of OSTO,
9 including: Mike Clark, M Blair Hull Jr, Charles I Brown, Sandor
10 Holly, Scott K Robertson, Kathleen N Hull, Paul M Finnegan, Fred M
11 Cain, Oro-Cal Mfg. Inc, Joan Lewis Danforth, Harold E Mason, and
12 others. Those stockholders relied upon the report in making their
13 decision to sell their stock to Quartzview or to vote to remove
14 management and take control of OSTO, which they did. Plaintiffs
15 did not believe the material within the report but relied upon it
16 in making their decisions in the recommendations to the
17 shareholders.

18 *Paragraph 25 E. The False Illegal Drugs and Firearms Report*

19 Defendant Haas, Westbook, Charlton and the employees of
20 Quartzview filed several complaints against OSTO with the Federal
21 Mine Safety and Health Administration falsely accusing the
22 management of OSTO and its employees of using unlawful drugs and
23 carrying firearms underground in an unsafe manner. The agency
24 investigated and found no facts to substantiate such charge.
25 Regardless of the no action position taken by the agency the false

1 complaints were physically delivered by Haas, Westbrook and
2 Carlton or sent with the knowledge and direction of Does 1 through
3 10 to the major existing shareholders of OSTO, including: Mike
4 Clark, M Blair Hull Jr, Charles I Brown, Sandor Holly, Scott K
5 Robertson, Kathleen N Hull, Paul M Finnegan, Fred M Cain, Oro-Cal
6 Mfg. Inc, Joan Lewis Danforth, Harold E Mason, and others. Those
7 stockholders relied upon the report in making their decision to
8 sell their stock to Quartzview or to vote. Plaintiffs did not
9 believe the material within the report but relied upon it in
10 making their decisions in the recommendations to the shareholders.
11 to remove management and take control of OSTO, which they did.

12 *Paragraph 25 F. The False Insurance Fraud Report* As alleged
13 (above) Defendant Haas falsely represented to the California State
14 Insurance Fund that the OSTO and management had understated the
15 employee census. The California State Insurance Fund found no
16 basis for a finding that OSTO had understated its census and took
17 no action on the charge. Regardless of the no-action position
18 taken by the agency Defendants Haas, Westbrook, Charlton and other
19 Defendants continuously recited these charges to the shareholders
20 of OSTO knowing that they were untrue with the intent to
21 manipulate the securities of OSTO and gain control of the
22 corporation. The false were communicated by Haas, Westbook and
23 Carlton with the knowledge and direction of Does 1 through 10 to
24 the major existing shareholders of OSTO, including: Mike Clark,
25 M Blair Hull Jr, Charles I Brown, Sandor Holly, Scott K Robertson,

1 Kathleen N Hull, Paul M Finnegan, Fred M Cain, Oro-Cal Mfg. Inc,
2 Joan Lewis Danforth, Harold E Mason, and others. Those
3 stockholders relied upon the report in making their decision to
4 sell their stock to Quartzview or to vote to remove management and
5 take control of OSTO, which they did. Plaintiffs did not believe
6 the material within the report but relied upon it in making their
7 decisions in the recommendations to the shareholders.

8 *Paragraph 25 G. The Intelligence Gathering Scheme.* At the
9 direction and instruction of Defendants Haas, Westbrook and
10 Charlton and with the knowledge and encouragement of the
11 management and board of Quartzview the Quartzview employee who was
12 originally tasked with the effort of using the Quartzview "Deep
13 Sensing Technology" to locate gold-bearing ore was instructed to
14 place hidden cameras throughout the working of the Mine to gather
15 purported evidence of unsafe mining practices, drug use, and the
16 theft of valuable ore. No such evidence was found and when the
17 employee left his position with Quartzview he asked an employee of
18 OSTO to retrieve the hidden cameras. No inappropriate activity
19 was discovered, but Defendants Haas, Charlton and Westbrook
20 intentionally or recklessly made false and fraudulent statements
21 to MSHA regardless of that fact, for the purpose of manipulating
22 the securities of OSTO and obtaining control of the Corporation.
23 These false statements to the Mine Safety Administration were made
24 with actual knowledge of the falsity of them and were constantly
25 repeated to the stockholders. The false reports was communicated

1 by Haas, Westbook and Carlton with the knowledge and direction of
2 Does 1 through 10 to the major existing shareholders of OSTO,
3 including: Mike Clark, M Blair Hull Jr, Charles I Brown, Sandor
4 Holly, Scott K Robertson, Kathleen N Hull, Paul M Finnegan, Fred M
5 Cain, Oro-Cal Mfg. Inc, Joan Lewis Danforth, Harold E Mason, and
6 others. Those stockholders relied upon the report in making their
7 decision to sell their stock to Quartzview or to vote to remove
8 management and take control of OSTO, which they did. Plaintiffs
9 did not believe the material within the report but relied upon it
10 in making their decisions in the recommendations to the
11 shareholders.

12 *Paragraph 25 H. The Fraudulently Obtained Shareholder List* As part
13 of the scheme to gain control of the OSTO mine, Defendants Haas,
14 Westbrook, Charlton and the other individual Defendants and
15 Quartzview used the Judicial Process of the California State Court
16 for Sierra County to obtain a shareholder list. The Court admonished
17 that the list was personal to Defendant Haas and was not to be
18 provided to Quartzview. Knowing full well providing the list to
19 Quartzview was forbidden by Court Order and to obtain enough of OSTO
20 securities to control the Corporation, Defendant Haas did exactly
21 that and Quartzview then contacted numerous stockholders directly
22 and represented as true facts the misrepresentations specified in
23 the matters alleged in this paragraph 35 intentionally or recklessly
24 for the purpose of manipulating the stock of OSTO and gaining
25 control. The false and manipulative matter as alleged previously was

1 then communicated by Haas, Westbook and Carlton with the knowledge
2 and direction of Does 1 through 10 to the major existing shareholders
3 of OSTO, including: Mike Clark, M Blair Hull Jr, Charles I Brown,
4 Sandor Holly, Scott K Robertson, Kathleen N Hull, Paul M Finnegan,
5 Fred M Cain, Oro-Cal Mfg. Inc, Joan Lewis Danforth, Harold E Mason,
6 and others. Those stockholders relied upon the report in making their
7 decision to sell their stock to Quartzview or to vote to remove
8 management and take control of OSTO, which they did. Plaintiffs did
9 not believe the material within the report but relied upon it in
10 making their decisions in the recommendations to the shareholders.

11 41. The activities, representation of facts known by Defendants
12 to be untrue, suborning of employees and the acts and omissions of
13 the Defendants and each of them constituted a trick or device and
14 manipulative acts to gain control of OSTO

15 42. The misrepresentations and activities of Quartzview, Haas,
16 Westbrook, Charlton, and others manipulated the price of the stock
17 of OSTO and directly and proximately caused Quartzview to purportedly
18 obtain a controlling interest in OSTO and to remove management as
19 alleged.

20 **SECOND CLAIM FOR RELIEF**

21 **(The Court has sustained Defendants' motion to dismiss this Claim**
22 **without leave to Amend, the following Claim is included for the**
23 **purpose of completeness)**

24 **False and Misleading Statements in Connection with a Tender Offer**

25 43. Plaintiffs incorporate by reference each and every
^^

1 allegation contained in Paragraphs 17 through and including 42.

2 44. The tender offer made to the shareholders of OSTO in
3 writing on 03/02/2021 was preceded by the activities of the
4 Defendants as alleged in Paragraphs 25 A, B, C, D, E, F, G, H and
5 35 were made by the Defendants intentionally, recklessly and
6 negligently for the purpose of building a wall of suspicion,
7 mistrust and divisiveness between the stockholders of OSTO and the
8 management of OSTO for the intent of manipulating the stock of
9 OSTO to bring about a change in corporate control and to pre-
10 condition the stockholders for the manipulative Tender Offer Made
11 03/02/2021 (Ex. "C") and prior to the presentation of the Ex. C
12 did not retract, clarify, or make any of the statements made
13 supplemented with any information that would make the
14 representations accurate when the Tender Offer was made. The
15 tender offer and Manipulative Report that accompanied the Tender
16 Offer directly caused Plaintiffs injury, damage, and economic
17 losses as alleged hereinafter.

18 45. The Tender Offer itself was accompanied by the
19 Manipulative Report (Paragraph 25 A). Defendants negligently or
20 willfully recklessly did not disclaim any part of the report or
21 offer any information that would clarify the false and misleading
22 statement contained in the report.

23 46. The Tender Offer itself negligently and willfully
24 recklessly misrepresented that Quartzview had found gold in the
25 mine, but did not disclose that the gold that was found was not

1 found using the Quartzview "Deep Sensing" technology but was found
2 and located by the employees of OSTO utilizing traditional mining
3 practices.

4 47. The Tender Offer itself references "many troubling things
5 about how the mine was operated and the challenges it faces"
6 without explaining that the "troubling things" were the items that
7 were actually created by the Defendants as alleged in paragraph 25
8 and did not in reality exist. Defendants negligently and willfully
9 recklessly failed to clarify or retract those "troubling things"
10 or otherwise make the statement truthful.

11 48. The Tender Offer continues to negligently and willfully
12 recklessly accuse the current Board of Directors on not addressing
13 the issues that Defendants claim to be "troubling things" or
14 "challenges it faces" without specifying the things or challenges
15 and without itemizing the responses the current Board made to the
16 "troubling things" or "challenges". In fact, no such issues
17 existed and all claims of issue were forthrightly discussed and
18 resolved by the Board.

19 49. Quartzview says in its Tender Offer that it cannot
20 continue to operate under the "current management regime". What it
21 negligently and willfully recklessly did not say is that it was in
22 breach of the license and service agreement (Ex A) and the
23 confidentiality agreement (Ex B) and had no right to continue to
24 operate in the mine.

25 50. The Tender offer negligently and willfully recklessly

1 represented as a fact and not an opinion, that OSTO and its
2 management did not have the ability to operate the mine in a
3 profitable manner while negligently and willfully recklessly
4 failing to disclose that a significant part of the effort of
5 management had been reducing the water levels in the mine to areas
6 that had not been prospected or mined; that Defendants Haas,
7 Westbrook and Charlton and Quartzview employee William Brashear
8 and former Director Doug Lockie had been frequent visitors to the
9 mine, its surface, underground workings, and had full access to
10 its books and record and had ample opportunity to know all of the
11 true facts concerning the mine, and its management, and that
12 Defendants Quartzview, Haas and Westbrook and the other Defendants
13 had directly interfered with an economic relationship that would
14 have resulted in a price per share at the time of the tender offer
15 of ten dollars.

16 51. The Tender offer negligently and willfully recklessly
17 represented as a fact by Defendants Haas, Westbrook, and Charlton
18 and Quartzview employee William Brashear and former Director Doug
19 Lockie who had been frequent visitors to the mine, its surface,
20 underground workings, and had full access to its books and record
21 and had ample opportunity to know all of the true facts concerning
22 the mine, and its management, with full knowledge of the
23 dewatering program of the mine and the discharge of mine water,
24 that no pollution of surface water had occurred; that a
25 significant penalty could be assessed by the California Water

1 Quality Control Board, without explaining that the proceeding was
2 instigated by Defendants (see, Paragraph 25 D) and that the matter
3 had been resolved without any fine whatsoever.

4 52. Finally the Tender offer negligently and willfully
5 recklessly represented as a fact that Quartzview would pay the
6 shareholders \$.20 per share. This is a material fact of the
7 transaction. But the Tender Offer negligently and willfully
8 recklessly did not state when (if ever) that payment would be
9 made. Defendants Haas, Westbrook, and Charlton knew that there
10 were insufficient funds from Quartzview that would be available to
11 pay the stockholders of OSTO for the purchase of their stock. In
12 fact, for most of the shareholders who accepted the offer, payment
13 was never made. Essentially Defendants represented that \$.20 per
14 share was a reasonable valuation for the sale when in fact by not
15 agreeing to actually pay the \$.20 per share, Defendants had really
16 offered nothing per share.

17 53. As part of the negotiation with shareholders Quartzview
18 promises to pay all selling shareholders in the same manner and at
19 the same time, this statement and promise was negligent and
20 careless in that most of the selling shareholders would not be
21 paid. This was a material misrepresentation to all the
22 shareholders.

23 54. The statements and omission to disclose alleged were in
24 violation of the Security and Exchange act of 1934, § 14(e).

25 55. The representations and omissions alleged were made with

1 knowledge of the materiality of the representations and omissions
2 or negligently and carelessly.

3 56. Plaintiffs and other shareholders have been damaged in the
4 amount of the difference between the fair market value of the shares
5 at ten dollars per share and twenty cents per share or nothing per
6 share through the false and misleading statements and manipulative
7 actions of Defendants and prejudgment interest from ten dollars per
8 share to twenty cents per share.

9 **THIRD CLAIM FOR RELIEF**

10 **Declaratory Relief**

11 57. An actual and existing dispute now exists between Plaintiffs
12 and Defendants in that Plaintiffs contend that:

13 A. Defendants manipulated the market for the securities of
14 OSTO to gain control of OSTO.

15 B. Defendants activity in manipulating the stock of OSTO
16 caused the value of its stock to be depreciated over time.

17 C. But for Defendants manipulative activity the Stock of
18 OSTO would have traded at or about ten dollars (US) (\$10) per
19 share as of May 1, 2019.

20 D. Defendants did not fully compensate the individual
21 Plaintiffs for the stock in OSTO that they purportedly purchased
22 from the individual Plaintiffs.

23 E. The stock transactions recited between Defendants and
24 holders of the securities in OSTO as recited in all Amended
25 Schedules 13D filed by Defendant Quartzview with the Security and

1 Exchange Commission on or about January and February 2022 fail to
2 disclose that the transferee(s) were not fully compensated or not
3 compensated at all for the stock reported as beneficially owned or
4 controlled.

5 F. Defendants do not hold or control sufficient shares of
6 the stock of OSTO to call for a special meeting of the share-
7 holders and have never held or controlled a sufficient number of
8 shares to do so.

9 G. All activities undertaken by Defendants and each of them
10 purporting exercise corporate governance or control of OSTO are
11 null, void and of no effect.

12 H. The removal of Plaintiffs as officers and directors of
13 OSTO and the replacement with Defendants as officers and directors
14 was null, void and of no effect and that Plaintiffs continue to
15 constitute the only lawful board, officers and governance of OSTO.

16 58. Plaintiffs are informed and believe that Defendants and
17 each of them dispute such contentions.

18 59. It is appropriate for the Court to make its declaratory
19 judgment of the rights and obligations of the parties in the
20 premises to avoid a multiplicity of litigation.

21 60. Plaintiffs desire such a declaration.

22 **FOURTH CLAIM FOR RELIEF**

23 **Violation of California Corporations Code §§ 25400-25304**

24 61. Defendants Haas and Quartzview made the representation
25 knowing that they were false and with the intention of depressing
^^

1 the price that shares of OSTO were traded. As a direct and
2 proximate result of those representations some of the holders of
3 the stock of OSTO was convinced that the price would be depressed
4 and fall lower in reaction to the representations and acts
5 alleged. They then agreed to sell their shares for the offered
6 price of one dollar (US) per share.

7 62. The individual defendants have been damaged in the amount
8 of nine dollars (US) per share owned or as according to proof.

9
10 **FIFTH CLAIM FOR RELIEF**

11 **Breach of Contract by OSTO against Quartzview**

12 63. On a date unknown to Plaintiff at present but continuing to
13 the present Quartzview, Inc. breached its contract with OSTO in
14 the following respects:

15 A. By disclosing to third persons proprietary information
16 belonging to OSTO;

17 B. By disparaging the business operations of OSTO;

18 C. By falsely reportion violations of law and administrative
19 regulations to various governmental agencies and
20 subdivisions;

21 D. By suborning employees of OSTO to act against the
22 interests of OSTO and to secrete and operate surveillance cameras;

23 E. And disrupting the business operations of OSTO by
24 constantly and falsely publishing false and damaging statements of
25 and concerning the management of OSTO and by otherwise mismanaging

1 the affairs of OSOT.

2 64. OSTO has been damaged in the minimum sum of one hundred
3 twenty-five million dollars.

4 **SIXTH CLAIM FOR RELIEF**

5 **(The Court has sustained Defendants' motion to dismiss this Claim**
6 **without leave to Amend, the following Claim is included for the**
7 **purpose of completeness)**

8 **Breach of Contract**

9 65. By failing and refusing to pay for the stock of
10 Plaintiffs in OSTO Defendants have breached the accepted tender
11 offers damaging Plaintiffs and other stock-holders in the amount
12 agreed upon. Plaintiffs have been damaged according to proof
13 Recission of Sale

14 66. There has been a complete failure of consideration for the
15 sale of the Stock of Plaintiffs and other stock-holders and
16 accordingly, Plaintiffs are entitled to rescind the sale of stock
17 and offers to tender any fund actually paid, less the damage
18 Defendants have caused to said Plaintiffs and otherwise do equity.

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20 **SEVENTH CLAIM FOR RELIEF**

21 **(The Court has sustained Defendants' motion to dismiss this Claim**
22 **without leave to Amend, the following Claim is included for the**
23 **purpose of completeness)**

24 **Breach of Covenant of Good Faith and Fair Dealing**

25 **Against Quartzview and Haas**

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67. A Covenant of Good Faith and Fair Dealing was implied by and between Quartzview and OSTO pursuant to Exhibits "A" and "B".

68. The acts and omissions alleged in Paragraphs 16 through 43 constituted a breach of the Covenant of Good Faith and Fair Dealing and a Breach of the Fiduciary Duties owed to OSTO by Quartzview that arose through the special relationship that existed between the two.

69. Plaintiff OSTO has been generally damaged in the amount of one hundred million dollars (\$100,000,000.)

EIGHTH CLAIM FOR RELIEF

Inducing Breach of Contract

70. Defendants Haas, Westbrook, Charlton, and Does 1 through 10 had actual knowledge of the contractual relationship between Quartzview and OSTO.

71. Defendants Haas, Westbrook, Charlton and Does 1 through 10 intentionally induced Quartzview to perform the acts and omissions alleged herein and to breach its obligations to OSTO.

72. Defendants Haas, Westbrook, Charlton and Does 1 though 10 were without any right or privilege to induce Quartzview to breach its contractual obligations to OSTO but did so in pursuit of the conspiracy and scheme to talk control of OSTO.

73. Defendants Haas, Westbrook, Charlton, and Does 1 through 10 aided and abetted each other in the act of inducing Quartzview to breach its contractual obligations to OSTO by performing the

1 acts and omissions of the individuals alleged herein.

2 74. OSTO has been generally damaged in the amount of one
3 hundred and twenty-five million dollars (\$125,000,000.)

4 75. OSTO has been otherwise specially damaged according to
5 proof.

6 76. The acts and omissions of the Defendants Haas, Westbrook,
7 Charlton, and Does 1 through 10 were intentional and committed with
8 actual or implied malice and accordingly Plaintiff is entitled to
9 additional damages by way of example.

10 **NINTH CLAIM FOR RELIEF**

11 **Elder Financial Abuse**

12 77. In perpetrating the acts and omissions alleged herein
13 Defendants engaged in Elder Financial Abuse as defined by Calif.
14 Welf. & Inst. Code. § 15610.30(a), Defendants and each of them
15 knew or should have known that the afore-alleged conduct that
16 their conduct would be harmful to the individual Plaintiff who are
17 Elders as alleged and other stock-holders.

18 78. The individual Plaintiffs and other stock-holders who are
19 Elders within the meaning of Calif. Welf. & Inst. C. § 15610.27
20 has been damaged as alleged.

21

22 **TENTH CLAIM FOR RELIEF**

23 **Theft (Calif. Pen Code § 484)**

24 79. The actions of Defendants in purposing to gain control of
25 OSTO, in removing and keeping valuable ore and embezzling the

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1 funds of OSTO amount to theft as is defined by Calif. Pen Code §
2 67. Plaintiffs are entitled to their damages trebled and THEIR
3 attorney fees.

4 **ELEVENTH CLAIM FOR RELIEF**

5 **Unfair Competition (Calif. Bus. & Prof Code. §17200)**

6 80. The acts and omissions of Defendants and each of them
7 constitute economic damage to all Plaintiffs.

8 81. The acts and omissions of Defendants and each of them are
9 in violation of Calif. Bus. & Prof. Code. § 17200 in that they are
10 false, deceptive and unfair and in violation of Calif. Bus. & Prof.
11 Code. § 17500.

12 82. It is appropriate for the Court to enjoin and restrain
13 Defendants and each of them from exercising any corporate
14 authority or power relating to OSTO, to engage in any further
15 market manipulation of the securities of OSTO, to remove any ore
16 from the premises or works of OSTO, from making any further
17 disparaging remarks of or concerning the management of OSTO or
18 from taking any further action damaging, or depreciating the value
19 of the OSTO.

20 83. It is further appropriate for the Court to order Defendants
21 and each of them to account for all rents, issues and profits of
22 the OSTO in their possession or transferred to any other person
23 including any stockholder of Quartzview.

24 84. It is further appropriate for the Court to assess a Civil
25 Penalty against Defendants and each of them.

1 85. It is further appropriate that the Court assess Plaintiffs'
2 attorney fees as damages and costs from Defendants.

3 **PRAYER FOR RELIEF**

4 WHEREFORE Plaintiffs pray Judgment against Defendants and
5 Each of them as follows:

6 1. For General Damages to Plaintiff the Original Sixteen to One
7 Mine, Inc. in the amount of one hundred twenty-five million
8 dollars (\$125,000,000.)

9 2. For general damages for the domination of the value of the
10 stock of the individual Plaintiffs in the amount of not less than
11 nine dollars (\$9,00) per share.

12 3. For a declaration of this Court that:

13 A. Defendants manipulated the market for the securities of OSTO
14 to gain control of OSTO.

15 B. Defendants activity in manipulating the stock of OSTO
16 caused the value of its stock to be depreciated over time.

17 C. But for Defendants manipulative activity the Stock of
18 OSTO would have traded at or about ten dollars (US) (\$10) per
19 share as of May 1, 2019.

20 D. Defendants did not fully compensate the individual
21 Plaintiffs for the stock in OSTO that they purportedly purchased
22 from the individual Plaintiffs.

23 E. The stock transactions recited between Defendants and
24 holders of the securities in OSTO as recited in all Amended
25 Schedules 13D filed by Defendant Quartzview with the Securities

1 and Exchange Commission fail to disclose that the transferee(s)
2 were not fully compensated for the stock reported.

3 F. Defendants do not hold or control sufficient share of
4 the stock of OSTO to call for a special meeting of the share-
5 holders and have never held or controlled a sufficient number of
6 shares to do so.

7 G. All activities undertaken by Defendants and each of them
8 purporting exercise corporate governance or control of OSTO are
9 null, void and of no effect.

10 H. The removal of Plaintiffs as officers and directors of OSTO
11 and the replacement with Defendants as officers and directors was
12 null, void and of no effect and that Plaintiffs continue to
13 constitute the only lawful board, officers and governance of OSTO.

14 4. That the Court enjoin and restrain Defendants and each of
15 them, their agents, servants and all persons acting in concert
16 with them from performing or engaging in all of the following:
17 From exercising any corporate authority or power relating to
18 OSTO, to engage in any further market manipulation of the
19 securities of OSTO, to remove any ore from the premises or works
20 of OSTO, from making any further disparaging remarks of or
21 concerning the management of OSTO or from taking any further
22 action damaging, or depreciating the value of the OSTO.

23 5. For the Court to order Defendants and each of them to account
24 for all rents, issues and profits of the OSTO in their possession
25 or transferred to any other person including any stock-holder of
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1 Quartzview.

2 6. That Plaintiffs' damages be trebled.

3 7. For the Court to assess a Civil Penalty against Defendants and
4 each of them.

5 8. For reasonable Attorney fees.

6 9. For Costs of Suit; and,

7 10. For such other and further relief as the Court deems just and
8 proper.

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DATED:2/25/2025

/s/ John Vodonick, Ph.D.
John Vodonick, Ph.D.
Attorney for Plaintiffs
Sixteen to One, Mine, Inc,
Hugh Dan O'Neill, Robert
Besso, Jonathan Ferrell,
Tom Woodfin, Keith
Robertson

DATED 2/25/2025

/s/ Klaus J. Kolb
Klaus J. Kolb
Attorney for Plaintiff
Michael Miller

EXHIBIT A

License and Service Agreement

This License and Service Agreement ("Agreement") is made and entered into as of September 24th 2012 ("Effective Date"), by and between *Quartzview Corporation*. ("Quartzview"), a California corporation with its principal office at 10 Timber Ridge Lane, Scotts Valley, CA 95066 and *Original Sixteen to One Mine, Inc.* ("Company"), a California corporation with its principal office at Post Office Box 909, Alleghany, California, 95910 and gold mine at Alleghany, California, including all access to the patented and unpatented mineral rights (the "Mine") defined in Exhibit 3, and collectively (the "Parties").

WHEREAS, Quartzview is a developer of deep sensing technology ("Quartzscan") and believes it can develop and demonstrate its ability to detect the presence of gold at a range of up to ten feet through solid quartz; and

WHEREAS, Quartzview has expertise in developing software algorithms, capable of reading from the Quartzscan that could be applied to a three dimensional digital map of the Mine to evaluate likely gold content, estimate potential gold reserves, and target most likely locations and drilling patterns within the Mine to find gold and other precious metals ("Gold"); and

WHEREAS, the Company has been mining the Mine using various methods and believes that modern technology may be able to increase Gold detection and output and is interested in securing the advantages of Quartzscan to locate and mine gold more effectively;

NOW THEREFORE, the Parties, for consideration, the receipt and adequacy of which is hereby acknowledged, agree to enter this Agreement according to the following terms and conditions

1. Appointment

Contingent upon Quartzview closing a round of investment finance ("Investment"), and providing the working capital loan described in Section 14 of this Agreement, Company hereby appoints Quartzview as its exclusive provider of gold location services (Locational Services") at the Mine for a period of ten (10) years from the Effective Date (the "Term") which Agreement shall be recorded and run with the land.

2. License

Quartzview grants the Company a license ("License") to use and have used Quartzscan in the Mine during the initial term and any subsequent terms of this Agreement, (the "Terms").

3. Compensation

The Company shall pay Quartzview the compensation described in Exhibit 2 as consideration for the License and Locational Services.

4. Verification of output

Since the compensation payable to Quartzview is related to the output and value of native Gold found, extracted, and sold from the Mine, Company shall grant Quartzview the right, within 14 days of the end of every month to a copy of all output and sales records, and a right to have an independent auditor of its choice, conduct an annual audit of all the records of the Mine up to the point of receipt of proceeds. The Company shall have the right to approve the selected auditor, subject to reasonable criteria, and shall receive at least 30 day's written notice of the intended audit to allow time for preparation. Quartzview shall be responsible for the cost of such audit,

however in the event that the audit reveals an under-reporting of more than 5% of the reported quantity or amount, then Company shall pay for the entire cost of the audit, together with payment for the under-reported amount, and interest and penalty of 10% of the under-reported amount. If the audit reveals an overpayment by the Company, the amount of overpayment shall be paid back to the company within 30 days.

5. Relationship

The relationship of the Parties established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to (i) give either party the power to direct and control the day-to-day activities of the other, (ii) constitute the Parties as partners, joint ventures, co-owners or otherwise as participants in a joint or common undertaking. All financial obligations associated with any party's business are the sole responsibility of the respective party.

6. Warranty

Quartzview hereby warrants that

- (i) Quartzscan, and Locational Services using Quartzscan shall perform in accordance with the published specification and be free of defects in materials and workmanship.
- (ii) Quartzscan shall be operated in a miner-like manner at all times in accordance with the health and safety codes laid down from time to time by the Company, MSHA, CALOSHA or OSHA, whichever is the more rigorous.
- (iii) The warranty does not include any assertions as to whether Gold, or any other materials will be found in the Mine, in economic quantities, if at all.
- (iv) The warranty set forth herein is offered in lieu of all other warranties expressed or implied.

7. Limitation of Liability by Quartzview

Quartzview's liability set forth in this agreement will be limited to

- (i) the lower of one million dollars (\$1,000,000) or the accumulated value of the compensation actually received from Company under this Agreement during the twelve months period preceding any claim.
- (ii) claims arising from the drilling of test bores as a result of the negligence of its employees, managers, agents, directors, and officers.
- (iii) Quartzview shall be required to carry liability and workers comp insurance of one million dollars (\$1,000,000) with an A graded carrier, and to provide Company with a named certificate of coverage.

In no event will Quartzview be liable for special, indirect or consequential damages, or any damages whatsoever resulting from loss of use, data or profits arising out of, or in connection with this Agreement or the use or performance of Quartzscan whether in an action of contract or tort including negligence.

8. Limitation of Liability by Company

Company's liability shall be limited to claims arising from all activities and operations in the mine other than test bores.

In no event will Company be liable for special, indirect or consequential damages or any damages whatsoever resulting from loss of use, data or profits arising out of, or in connection

with this Agreement or the process of mining any locations in the Mine selected as a result of Quartzscan recommendations, whether in an action of contract or tort including negligence.

9. Obligations of Company

- (i) The Company is an expert in operating mines, and mine safety, and shall be required to offer Quartzview employees and contractors instruction in mine access and safety before they can enter the Mine. The Company shall have the right to test and certify Quartzview employees and contractors for safety proficiency, including the influence of drug and drink usage, and to deny access to the Mine to any person not so certified.
- (ii) The Company shall have the right to observe Quartzview's employees, management and independent contractors within the Mine and shall at all times have the right to terminate operations and evacuate the Mine, if, in Company management's opinion, there is a safety risk or breach of Mine rules and regulations as far as they relate to the provision of Locational Services under the terms of this Agreement.

The Company shall be responsible, at Company's expense, for all ongoing operational and infrastructure cost including utilities, air and electricity, required for the operation of the Mine, while Quartzview shall be responsible for the incremental expense arising from test bores conducted by Quartzview. The Company shall have the right to decline or delay the start of any mining proposal or recommendation of a Location submitted by Quartzview resulting from their test bores and data analytics if they believe that the cost is not justified by the risk. The Company is under no obligation to increase underground access to areas that are inaccessible at the time of signing the agreement. Inaccessible means they are not safe for a working heading, unsafe and do not meet State or Federal regulations. The Company retains its rights to detect, explore and develop its mine, including those areas designated in Exhibit 3.

- (iii) As a result of any such declination or delay, Quartzview shall, for a period of five years from the date of declination, have the right but not the obligation to mine the Location, at their expense, and to receive 85% of the proceeds from the spot sale of the Gold extracted instead of the fee described in Exhibit 2. Any mining activities carried out pursuant to such exercise shall be performed in a miner-like manner either by labor provided by the Company subject to contract, or by third party labor supplied by Quartzview, provided however that the conditions set forth in Sections 6 to 9 of this Agreement are at all times observed to the satisfaction of the Company.
- (iv) The Company shall be responsible for publishing a written security policy identifying security measures as they relate to the storage and protection of Quartzview equipment and samples left in the Mine, and Gold, ore and extracts mined from the Mine, up to the point of sale. The policies shall be reviewed from time to time and no less frequently than every six months to ensure that security is commensurate with the then level of risk. The current security policy is attached as Exhibit 5
- (v) *Intentionally left blank*
- (vi) The Company warrants that there is no litigation, EPA, health and safety, or other claims against the Company or the Mine and that they indemnify Quartzview against any such claims that may arise during the term of this Agreement.

with this Agreement or the process of mining any locations in the Mine selected as a result of Quartzscan recommendations, whether in an action of contract or tort including negligence.

9. Obligations of Company

- (i) The Company is an expert in operating mines, and mine safety, and shall be required to offer Quartzview employees and contractors instruction in mine access and safety before they can enter the Mine. The Company shall have the right to test and certify Quartzview employees and contractors for safety proficiency, including the influence of drug and drink usage, and to deny access to the Mine to any person not so certified.
- (ii) The Company shall have the right to observe Quartzview's employees, management and independent contractors within the Mine and shall at all times have the right to terminate operations and evacuate the Mine, if, in Company management's opinion, there is a safety risk or breach of Mine rules and regulations as far as they relate to the provision of Locational Services under the terms of this Agreement.

The Company shall be responsible, at Company's expense, for all ongoing operational and infrastructure cost including utilities, air and electricity, required for the operation of the Mine, while Quartzview shall be responsible for the incremental expense arising from test bores conducted by Quartzview. The Company shall have the right to decline or delay the start of any mining proposal or recommendation of a Location submitted by Quartzview resulting from their test bores and data analytics if they believe that the cost is not justified by the risk. The Company is under no obligation to increase underground access to areas that are inaccessible at the time of signing the agreement. Inaccessible means they are not safe for a working heading, unsafe and do not meet State or Federal regulations. The Company retains its rights to detect, explore and develop its mine, including those areas designated in Exhibit 3.

- (iii) As a result of any such declination or delay, Quartzview shall, for a period of five years from the date of declination, have the right but not the obligation to mine the Location, at their expense, and to receive 85% of the proceeds from the spot sale of the Gold extracted instead of the fee described in Exhibit 2. Any mining activities carried out pursuant to such exercise shall be performed in a miner-like manner either by labor provided by the Company subject to contract, or by third party labor supplied by Quartzview, provided however that the conditions set forth in Sections 6 to 9 of this Agreement are at all times observed to the satisfaction of the Company.
- (iv) The Company shall be responsible for publishing a written security policy identifying security measures as they relate to the storage and protection of Quartzview equipment and samples left in the Mine, and Gold, ore and extracts mined from the Mine, up to the point of sale. The policies shall be reviewed from time to time and no less frequently than every six months to ensure that security is commensurate with the then level of risk. The current security policy is attached as Exhibit 6.
- (v) The Company warrants that there is no litigation, EPA, health and safety, or other claims against the Company or the Mine other than ~~as disclosed in Exhibit 5 to this Agreement~~ mmm and that they indemnify Quartzview against any such claims that may arise during the term of this Agreement.

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10. Term and Termination

a) Term

The Agreement shall commence on the Effective Date and automatically expire on December 31 of the 10th year following the Effective Date. The Agreement shall thereafter automatically be renewed for additional 12 month periods unless either party gives notice of termination to the other no later than November 30 of the then current year. If the Agreement terminates or is terminated other than for cause, Quartzview shall have the right to continue to receive its agreed share of all Gold mined by the Company from all Locations identified by Quartzview at the date of Termination. Further, to the extent that the Company has, for any or no reason, not commenced mining of any Locations as at the date of Termination, Quartzview shall have the right to mine such Locations under the terms and conditions described in Section 9 (iii) to this Agreement.

b) Termination for Cause (Breach)

If one party defaults in the performance of any provision of this Agreement; then the non-defaulting party may give written notice to the defaulting party to remedy the fault within thirty (30) days. If the non-defaulting party gives such notice and the default is not remedied during the thirty (30) day period, then this Agreement may be terminated for cause by the non-defaulting party.

c) Termination for Cause (Insolvency)

This Agreement shall terminate for cause, without notice upon (i) the institution by or against any party of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of any party's debts, (ii) any party's making an assignment for the benefit of creditors, or (iii) any party's dissolution or ceasing to do business. The right to terminate for insolvency shall not be applicable in the event of proceedings contested in good faith so long as the dispute remains unresolved.

11. Property Rights, Confidentiality, Non-Solicitation & Non-Circumvention

a) Intellectual Property Rights

Company agrees that Quartzview owns all rights, title, and interest in the Quartzscan technology and all techniques, processes and know-how deployed during the operation of Locational Services, together with exclusive right to all improvements, developments and derivative products, technologies and techniques that may now or hereafter be developed during the provision of Locational Services under the terms of this Agreement, whether at the Mine, or elsewhere. The use by Company of any of these rights is authorized only for the purposes herein set forth, and upon termination of this Agreement for any reason such authorization shall cease.

b) Confidentiality

The Parties acknowledge that they will have access to certain information and materials concerning the other parties' business, plans, customers, technology, and products that are confidential and of substantial value, which value would be impaired if such information were disclosed to third parties. The Parties agree respectively that they will not use in any way for its own account or the account of any third party, nor disclose to any third party, any such confidential information revealed to it as confidential. In the event that the Parties agree that disclosure of any confidential information to a third party, such as a mining contractor, is required, then the agreement for such disclosure shall be documented and signed by both parties, and the third party shall sign a non-disclosure agreement provided by Quartzview prior to such disclosure. The Parties take every reasonable precaution to protect the confidentiality of such

information. The obligations herein will not apply to any information which: i) at the time of disclosure is in public domain; or ii) after disclosure becomes part of the public domain without breach of the receiving party ; or iii) is already in the possession of the receiving party at the time of disclosure ; or iv) is obtained by the receiving party from a third party without obligations of confidentiality; v) has developed independently of the confidential information.

c) Non Solicitation, non Circumvention

In recognition of the investment made by Quartzview in developing its intellectual property rights, and the close working environment between Quartzview employees and Mine employees, Company hereby agrees not to solicit, nor to actually hire any employees of Quartzview, directly or indirectly to the maximum extent permitted by law. The Company further agrees not to reverse engineer or otherwise replicate the Quartzscan devices, nor the related analytic software, nor to participate in any development programs internally, or with third parties for the purpose of developing alternate solutions for displacing Quartzscan.

In recognition of the investment made by Company in developing its Mine and mining operations, and the close working environment between Quartzview employees and Mine employees, Quartzview hereby agrees not to solicit, nor to actually hire any employees of the Company, directly or indirectly to the maximum extent permitted by law. Quartzview further agrees not to replicate the Company's mining policies, procedures and techniques, nor to participate in any mining activities on its own account for the duration of this Agreement, except as provided in Clause 9 to the Agreement.

12. Third-Party Infringement

Quartzview agrees to indemnify and hold Company harmless from all damages and costs, including legal fees, which may be assessed on Company in any action by third parties alleging infringement of its Quartzview trademark or patent, provided that, Company shall give Quartzview a written notice promptly after Company becomes aware of all actions, or claims or threats of any patent or trademark infringement or other suits instituted against it, and shall give Quartzview an opportunity to elect to take over, settle or defend the same through counsel of its own choice and under its sole discretion and at its own expense , and will make available to Quartzview in the event of such election, all defenses against such actions, claims or proceedings, known or available to Company.

Quartzview shall have no liability for any settlement of any such action which is entered into without its express written approval. Quartzview shall not have any liability for any claim of patent infringement resulting from (i) the use of Quartzscan in a manner other than its intended use, or (ii) the use of Quartzscan with any other products which caused the patent infringement, or (iii) the use of Quartzscan modified by any parties other than Quartzview without prior written consent of Quartzview.

The Company warrants that it has free and clear interest to all Gold extracted from the Mine without payment of royalty or extraction fees, that it will be responsible for the entire cost of defending and substantiating any claims or litigation arising from such claims, and that any royalty payments or extraction dues that may at any time become due and payable as a result of such claims shall be deducted in full from the Company's share of the sale proceeds.

13. General Provisions

a) Governing Law and Arbitration

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10/30/12*

This Agreement shall be governed by and construed under the laws of the State of California.

b) Entire Agreement

With respect to the subject matter of this Agreement, this Agreement: (i) sets forth the entire agreement between the Parties hereto and any persons who were in the past or who are now representing either of the Parties hereto, (ii) supersedes all prior understandings and communications between the Parties hereto or any of them, oral or written, and (iii) constitutes the entire agreement between the Parties hereto. Each party hereto acknowledges and represents that this Agreement is entered into after full investigation and that no party is relying upon any statement or representation made by any other that is not embodied in this Agreement. Each party hereto acknowledges that he or it shall have no right to rely upon any amendment, promise, modification, statement, or representation made or occurring subsequent to the execution of this Agreement unless the same is in writing and executed by each of the Parties hereto.

c) Notices

All communications which may be or are required to be given by either party to the other herein shall (in the absence of any specific provision to the contrary) be in writing and delivered or sent by prepaid registered mail facsimile transmission, or receipted email (provided the sender obtains evidence or verification of transmission receipt) to the Parties at their following respective addresses:

Quartzview Corporaation:
10 Timber Ridge Lane,
Scotts Valley,
CA 95066 USA
Attention: Legal department
Fax: (913)-273-0064

Original Sixteen to One Mine Inc.
Alleghany, CA 95910

Attention: Michael Miller
Fax: (530)-287-3455

and if such communication is sent by prepaid registered mail, it shall be conclusively deemed to have been received at the time of delivery or transmission. Either party may from time to time change its address or facsimile number herein before set forth by notice to the other of them in accordance with this section.

d) Force Majeure

Non-performance by any party shall be excused to the extent that performance is rendered impossible by strike, fire, flood, governmental acts or orders or restrictions, failure of suppliers, or any other reason where failure to perform is beyond the reasonable control of and is not caused by the negligence of the non-performing party.

e) Authority

The signatories to this Agreement warrant that they have all necessary authority from their respective boards to commit and bind the respective parties in this Agreement.

f) Assignment

(i) The rights and obligations of Company pursuant to this agreement may not be assigned in whole or in part without the prior written consent of Quartzview. Company may not subcontract, in whole or in part, its obligations pursuant to this agreement to any other party without prior written consent of Quartzview. While Quartzview agrees to consider in good

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faith any suggestions by Company for assignment or subcontracting, Quartzview reserves the right to withhold its consent to any proposed assignment or subcontracting in its sole discretion in the event that it has sound reason to believe the assignee has a competitive interest in analyzing and reverse engineering the Quartzscan technology for competitive purposes.

(ii) The rights and obligations of Quartzview pursuant to this agreement may not be assigned in whole or in part without the prior written consent of The Company. Quartzview may not subcontract, in whole or in part, its obligations pursuant to this agreement to any other party without prior written consent of the Company. While Company agrees to consider in good faith any suggestions by Quartzview for assignment or subcontracting, the Company reserves the right to withhold its consent to any proposed assignment or subcontracting in its sole discretion in the event that it has sound reason to believe the assignee undermines the security of the Mine and its gold reserves.

14. Working Capital Facility

Contingent on raising the Investment and being appointed as exclusive provider of Locational Services as described in Section 1 of this Agreement, Quartzview shall deposit the sum of \$500,000 into the Company's bank account, which facility (Facility") shall be drawn at any time at the absolute discretion of the Company. The Facility shall not be used to pay or reduce its debt to Michael Miller, President of the Company. The Facility shall be repaid in full within six months of the earlier of the Term or Termination as defined in Section 10 of this Agreement. The Facility shall be secured by means of a hypothecated note on the Mine recorded in the name of Michael Miller. The Company shall, at its sole discretion, be permitted to repay the Loan at any time, without penalty, provided that Quartzview has received cumulative proceeds in service fees equal to the Investment under the terms of this Agreement. Quartzview shall have the right to convert the Facility into shares of common stock of the Company at the conversion price of \$1.00 per share at any time during the Term of the Facility.

15. Counterparts

This Agreement may be signed in two counterparts each of which shall be deemed to be an original, but which together will form a single Agreement as if both parties had executed the same document.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by duly authorized representatives as of the Effective Date.

Original Sixteen to One Mine, Inc.

Quartzview Corporation

By Michael M. Miller

By Roger Haas

Name: Michael M Miller

Name: Roger Haas

Title: President

Title: CEO

Date

Date 10/30/12

Exhibit 1

Description of Locational Services

Quartzview will provide a turnkey service, identifying the co-ordinates and directions of recommended mining locations within the Mine. Locations shall be selected by mutual agreement of the parties taking into account Gold prospects, ease of current access, facilities, cost and safety, and shall be selected from the map shown on Exhibit 3, hereto.

Services to be provided at the expense of Quartzview will include the following, which may be amended from time to time, at the sole discretion of Quartzview, to reflect the experience gained, and best use of analytic data accumulated over the Term of the Agreement. Quartzview will at all times provide directions to Company management regarding their Locational Services activities and locations, and require Company management to provide clear and safe access and working conditions at all times.

1. Produce a digital 3 dimensional map of the mine including all existing tunnels, rises, footwall and hanging wall elevations, bores based on mine plans, and historic data provided by the Company
2. Build analytic model to measure output and findings, and create forecasts
3. Produce a prioritizing list of exploratory bores and recommended bore patterns and depths
4. Bring in proprietary Quartzscan equipment and calibrate and acclimatize to the Mine
5. Conduct at least 100 test bores or five thousand feet a year
6. Insert Quartzscan and gather Gold readings
7. Gather all drill fines, name and number for reference and remove from Mine for expert analysis
8. Update analytic models
9. Make proposals to Company management for areas to open up to mining.
10. Assist management where necessary

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Exhibit 2

Revenue Process and Compensation

In consideration for the Locational services, Company will pay Quartzview a service fee as follows during the Term of the Agreement:

1. Basis of Service Fee

Once a Location has been identified and reported to Company prior to start of mining, and agreed as a viable target ("Target") by the Parties, a Target will be defined as:

- (i) The area between the hanging wall and footwall; and
- (ii) The area between the current work face/ access point to the furthest extent of the contiguous gold bearing quartz; and
- (iii) Targets that blend into other targets defined by Quartzview will be treated as one for purposes of measuring Yield and fees as described below; and
- (iv) The Target Yield will be determined after all the economically recoverable gold bearing ore has been removed and processed and the Parties have mutually agreed that the target has been exhaustively mined;

2. Allocation of Proceeds between the Parties

- (i) Starting from Jan 1, 2013, the first 1,000 oz of gold mined every calendar year, regardless of Target, shall be Allocated to the Company; then
- (ii) 30% of the Proceeds from sale of Yield regardless of Target up to the lesser of the Investment or \$2.5 million shall be allocated to Quartzview, then
- (iii) thereafter Proceeds shall be allocated to Quartzview, based on the final Yield from each completed Target, as described in the following table with the remainder to the Company;

If total Yield from target pocket is	Quartzview Service Fee as % of Total Yield from Pocket
0 to 10 ozs. of gold	0
11 - 300 ozs. of gold	5%
301-1,000 ozs. of gold	10%
1001-3,000 ozs. of gold	15%
3001-5,000 ozs of gold	20%
5,001 ozs plus	25%

(Note: these bands are total yield NOT incremental yield)

As an example, if a Target yields a total of 3,020 ounces of gold and is the only pocket mined in a calendar year, the Company would take 1,000 ounces, Quartzview would take 20% of 3,020 ounces and the Company would take the balance. This assumes that Quartzview had fully recovered the value of the Investment prior to this target.

- (iv) Quartzview shall have a right, at its expense, to have an independent auditor of its choice conduct an annual audit of all the financial records of the Mine to verify output, reported sales proceeds and the service fees payable to Quartzview

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and to support any resulting corrections in service fees payable. The Company shall have the right to approve the selected auditor, subject to reasonable criteria, and shall receive at least 30 day's written notice of the intended audit to allow time for preparation. Quartzview shall be responsible for the cost of such audit, however in the event that the audit reveals an under-reporting of more than 5% of the reported quantity or amount, then Company shall pay for the entire cost of the audit, together with payment for the under-reported amount, and interest and penalty of 10% of the under-reported amount.

- (v) Payments will be made by the Company to Quartzview within 7 days of receipt of Proceeds by the company.
- (vi) The target recovery rate of gold from ore is 94%. The scrap ore containing residual currently unrecoverable gold will be identified, tracked, and stored and if the economics of recovery change, Quartzview shall be entitled to benefit from the recovery of any subsequent incremental gold at the 20% rate.
- (v) In the event that this Agreement is not renewed at the end of the Term, Quartzview shall be entitled to receive the Service Fee arising from its share of Proceeds of any then identified Targets that have not been fully mined at the end of the Term, as and when they are mined, in accordance with (iii) above.

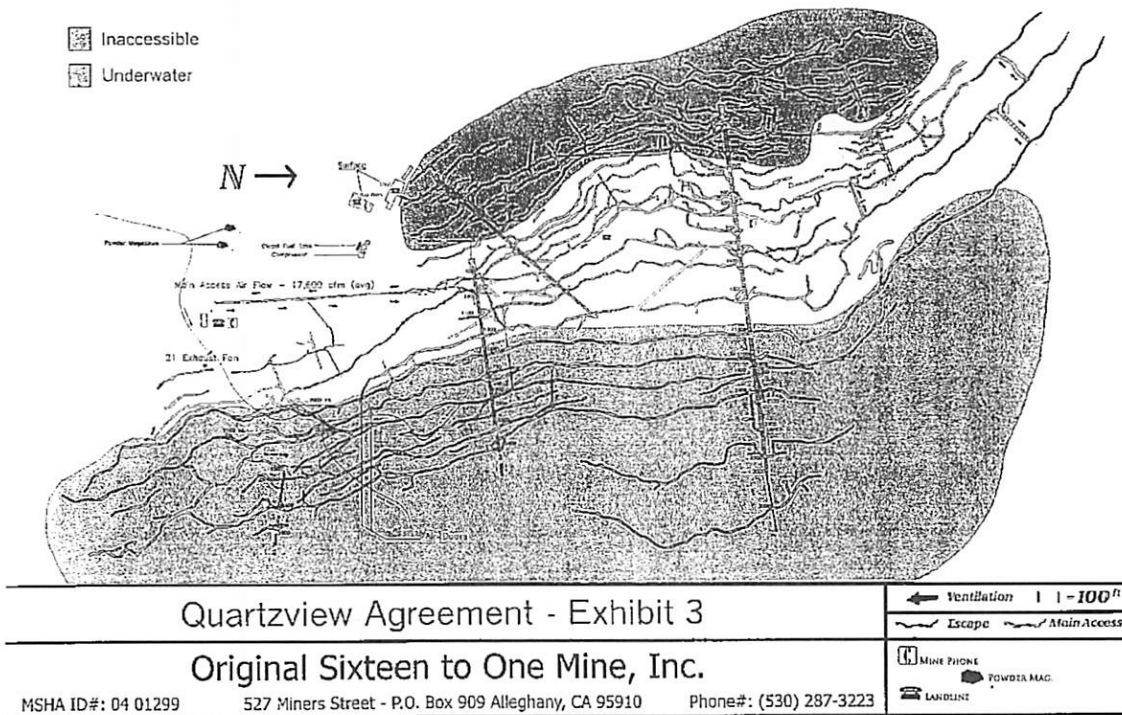
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Exhibit 3

Mine area subject to Locational Services

Beginning at the 800 portal the levels and ground in between known as 250 foot level, 400 foot level, 800 foot level, 21 tunnel, 1000 foot level, 1300 foot level to their existing accessible end lines as at the date of this Agreement. All shafts, winzes or stopes, including the 49 winze, Sixteen to One shaft, Tightner shaft, North Shaft, 1064 winze. Quartzview may, from time to time request approval for mining in other areas of the mine. The Company shall have the right to reject such requests if (i) the proposal presents a safety risk, or (ii) the cost of such proposal is in excess of the likely benefits.



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Exhibit 4

Performance milestones

Unless otherwise agreed in writing by the parties, Quartzview shall use its best efforts to meet or exceed the following performance milestones:

<u>Number</u>	<u>Date</u>	<u>Description</u>
1	90 days from funding	Present functional 3D model with accurate elevations tied into benchmark data
2	Dec 31, 2012	Drill test patterns underground in three locations and place detectors
3	June 30, 2013	Demonstrate ability to identify and distinguish gold at a range of 8 feet in solid quartz
4 thru 10	Dec, 31, 2014 thru 2022	Drill at least 50 test bores with an aggregate depth of five thousand feet per calendar year

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Exhibit 6

Security Procedures

This procedure is required to be followed by ALL employees at this mine site. There are no exceptions.

1. When arriving at the mine site leave the keys to your vehicle in the ignition. In case of an emergency your vehicle can be moved.
2. Put your lunch on the bench.
3. Change into your underground clothes, grab lunch, go to work.

Before taking underground clothes home to wash, they must be checked by an assigned employee before they leave the office building.

If you need to leave work in the middle of the day, contact your supervisor. Plan ahead. Your lunch box must be checked when leaving in the middle of the day.

When you find gold in your heading:

1. Contact the Specimen Boss or the Mine Manager.
2. You must pull out of your heading and not return until the Specimen Boss or Mine Manager arrives. **NO ONE IS ALLOWED IN A HEADING ALONE WHERE ANY GOLD IS SHOWING.** There are NO exceptions. Violation is grounds for immediate dismissal.
3. **ALL** gold put into high-grade sacks will be sealed by the Specimen Boss and the Miner at the face.
4. The Specimen Boss or designee will take the sealed high-grade sacks to the vault.
5. All high-grade sacks must be logged on the daily high-grade production sheet, providing total weight, est. gold content, ore sack number and date. All entries must be initialed.

Ore bag seals:

1. The Specimen Boss or designated person will have pre-numbered seals.
2. All ore sacks will be sealed at the location the gold is found.
3. If for any reason a seal must be broken, the broken seal is to be placed in the ore sack, and resealed. There must always be two people present in the presence of gold.

Miners responsibilities:

1. When gold is found in your heading you must leave until the Specimen Boss or Mine Manager arrives. No one is allowed in the heading until the Specimen boss or Mine Manager arrives. There are no exceptions. You are the one in control and will be held responsible.
2. If you are working in a heading when gold is found elsewhere in the mine, you are required to stay in your designated work area unless you are authorized to leave.

Mill Procedures

During the processing of gold, two people are required except when:

1. Gold is in the retort and the fire is lit.
2. Gold is in the furnace and the fire is lit.
3. Gold is in a company approved lock-up and it is locked.
4. Gold is in the High Grade Ball Mill.

Gold Bar Routing Reports

1. Entries to this report must have two signatures or initials next to the entry.
2. Gold bars poured must be numbered and entered onto the Gold Bar Routing Report.
3. The routing Report must always accompany the gold that it is tracking.
4. When transferring the report to another person you must have them sign the report acknowledging they received the gold. You do not have to do this if you are putting the gold into the vault.

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EXHIBIT B

MUTUAL NONDISCLOSURE AGREEMENT

THIS MUTUAL NONDISCLOSURE AGREEMENT is made and entered into as of August 10, 2012, between Quartzview Corporation., a California corporation, having a place of business at 10 Timber Ridge Lane, Scotts Valley, CA 95056 and Original Sixteen to One Mine Inc, having a place of business at Alleghany, California)

1. Purpose. The parties wish to enter into a business opportunity of mutual interest and in connection with this opportunity, each party may disclose or has already disclosed to the other certain confidential technical and business information which the disclosing party desires the receiving party to treat as confidential. Quartzview may disclose intellectual properties confidential processes and secret algorithms for modeling and detecting gold locations while Original Sixteen to One Mine may disclose information on security procedures, mine maps and locations, mining techniques, etc.

2. "Confidential Information" means any information disclosed previously or in the future by either party to the other party, either directly or indirectly, in writing, orally or by inspection of tangible objects (including without limitation documents, prototypes, samples, plant and equipment), which is designated as "Confidential," "Proprietary" or some similar designation. Confidential Information shall include, without limitation, the items set forth in the Appendix attached hereto, whether or not so designated upon disclosure. Information communicated orally shall be considered Confidential Information if such information is confirmed in writing as being Confidential Information within a reasonable time after the initial disclosure. Confidential Information may also include information disclosed to a disclosing party by third parties. Confidential Information shall not, however, include any information which (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party as shown by the receiving party's files and records immediately prior to the time of disclosure; (iv) is obtained by the receiving party from a third party without a breach of such third party's obligations of confidentiality; (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party's possession; or (vi) is required by law to be disclosed by the receiving party, provided that the receiving party gives the disclosing party prompt written notice of such requirement prior to such disclosure and assistance in obtaining an order protecting the information from public disclosure.

3. Non-use and Non-disclosure. Each party agrees not to use any Confidential Information of the other party for any purpose except to evaluate and engage in discussions concerning a potential business relationship between the parties. Each party agrees not to disclose

any Confidential Information of the other party to third parties or to such party's employees, except to those employees of the receiving party who are required to have the information in order to evaluate or engage in discussions concerning the contemplated business relationship. Neither party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other party's Confidential Information and which are provided to the party hereunder.

4. **Maintenance of Confidentiality.** Each party agrees that it shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information of the other party. Without limiting the foregoing, each party shall take at least those measures that it takes to protect its own most highly confidential information and shall ensure that its employees who have access to Confidential Information of the other party have signed a non-use and non-disclosure agreement in content similar to the provisions hereof, prior to any disclosure of Confidential Information to such employees. Neither party shall make any copies of the Confidential Information of the other party unless the same are previously approved in writing by the other party. Each party shall reproduce the other party's proprietary rights notices on any such approved copies, in the same manner in which such notices were set forth in or on the original.

5. **No Obligation.** Nothing herein shall obligate either party to proceed with any transaction between them, and each party reserves the right, in its sole discretion, to terminate the discussions contemplated by this Agreement concerning the business opportunity.

6. **No Warranty.** ALL CONFIDENTIAL INFORMATION IS PROVIDED "AS IS". EACH PARTY MAKES NO WARRANTIES, EXPRESS, IMPLIED OR OTHERWISE, REGARDING ITS ACCURACY, COMPLETENESS OR PERFORMANCE.

7. **Return of Materials.** All documents and other tangible objects containing or representing Confidential Information which have been disclosed by either party to the other party, and all copies thereof which are in the possession of the other party, shall be and remain the property of the disclosing party and shall be promptly returned to the disclosing party upon the disclosing party's written request.

8. **No License.** Nothing in this Agreement is intended to grant any rights to either party under any patent, mask work right or copyright of the other party, nor shall this Agreement grant any party any rights in or to the Confidential Information of the other party except as expressly set forth herein.

9. **Term.** The obligations of each receiving party hereunder shall survive until such time as all Confidential Information of the other party disclosed hereunder becomes publicly known and made generally available through no action or inaction of the receiving party.

10. Remedies. Each party agrees that any violation or threatened violation of this Agreement may cause irreparable injury to the other party, entitling the other party to seek injunctive relief in addition to all legal remedies.

11. Miscellaneous. This Agreement shall bind and inure to the benefit of the parties hereto and their successors and assigns. This Agreement shall be governed by the laws of the State of California, without reference to conflict of laws principles. This document contains the entire agreement between the parties with respect to the subject matter hereof, and neither party shall have any obligation, express or implied by law, with respect to trade secret or proprietary information of the other party except as set forth herein. Any failure to enforce any provision of this Agreement shall not constitute a waiver thereof or of any other provision. This Agreement may not be amended, nor any obligation waived, except by a writing signed by both parties hereto. This Agreement may be signed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument.

QUARTZVIEW CORPORATION.

(RECEIPIENT)

By: T. Roger HARRIS

By: Michael M. Miller

Name: Simon Westbrook

Name: Michael Miller

Title: T. Roger HARRIS
CEO CEO

Title: President

Date: August 10, 2012

Date: August 14, 2012

CONFIDENTIAL INFORMATION

EXHIBIT C

Dear Shareholder of the Original Sixteen to One Mine.

5/17/2019

My name is Roger Haas. I am a fellow shareholder and also the CEO of Quartz View Inc. We founded Quartz View to use Silicon Valley technology to help locate gold in the Sixteen to One Mine. We have spent many hours working underground alongside the Sixteen to One mining crews. We had people on site 3 or 4 days a week for over 3 years. We found gold, but also learned many troubling things about how the mine was operated and the challenges it faces.

The current Board of Directors has not been responsive to Quartz View's many requests to address these serious issues, and Quartz View cannot continue to operate under the current management regime. In an effort to improve operations, address regulatory problems and ensure the future viability of this historic mining operation, Quartz View is now prepared to make a "tender offer" to purchase a controlling interest in the Company's shares. **This presents a unique opportunity for you to be able sell your shares at a price that is twice the 52-week high reported by Bloomberg, or \$.20 per share!**

If you have been paying attention to the Mine's financial reports, you will see that it has reported a loss in all but three of the last twenty-three years. In addition, shareholders equity fell from \$2.2 million in 2000 to negative \$1.3 in 2017. According to the Mine's filing with the SEC dated December 31, 2018, the company appears to be insolvent, with \$2,152,912 accounts payable and assets of \$862,814. That filing can be located at:

<https://www.sec.gov/Archives/edgar/data/74925/000007492519000001/tenkeighteen.txt>

In addition, there is a pending civil complaint against the Mine by the California Water Quality Control Board that could result in very serious fines. The links below shows the time frame to bring the mine into compliance as required by the board.

https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/sierra/r5-2018-0019.pdf

https://www.waterboards.ca.gov/centralvalley//board_decisions/tentative_orders/sixteentooner/r5-2019-0506_aclc.pdf

Despite all of these challenges, Quartz View is prepared to invest in change for the future. Accordingly, if we can secure commitments from shareholders representing at least 50.1% of the shares outstanding, we are prepared to purchase your shares for 20 cents a share. If you would like to take advantage of this limited time opportunity to sell your shares at a generous premium, please fill out the form below and send it by mail or email to Quartz View's attorney, Carlos Leet.

If you have any questions, please don't hesitate to contact me, Roger Haas at 408-672-5610 or by email at rogerhaas@cruzio.com.

Roger Haas



Yes! Please include my shares of the Original Sixteen to One Mine in the proposed Tender Offer by Quartz View to purchase these shares at \$.20 per share if at least 51% of the outstanding shareholders accept the offer. The form below shows the number of shares I own and want to sell. ***I understand this is not a current offer to purchase shares, but a "Tender Offer" that will only be effective if 51% of shareholders agree to participate.***

Shares owned and want to sell _____

Name on the shares _____

Address _____

Email address _____

Phone number _____

Cell Number _____

Send this form to Carlos Leet or email it to him at the address below.

Carlos Leet

(408) 753-5486 Work
wcl@leetlaw.com

210 N 4th street ste 201
San Jose, Ca. 95112