

Bisamberg, April 10th, 2017

Karsten Arend, HansJörg Wagner
c/o BitRush Corporation
56th Floor, 100 King St. West
CA-ON M5X Toronto, Ontario
Email: hjwagner@outlook.com, karsten.arend@bitrush.co

Crawley Mackewn Brush LLP
Barristers & Solicitors
attn. Alistair Crawley
Suite 800, 179 John Street
Toronto ON M5T 1X4
Email: acrawley@cdblaw.ca

Cc: Ontario Superior Court of Justice Commercial List
Re: Court file No. CV-16-11653-00CL
Email: toronto.commercialist@jus.gov.on.ca

Dear Sirs,

I write referring to your letter dated January 17th, 2017 and your notice of application dated as of March 28, 2017 (Court File No. CV-16-11653-00CL), requesting an interim order that I have to deliver corporate assets and property purportedly belonging to BitRush and its subsidiaries to Karsten AREND and HansJörg WAGNER. I am concerned about that application for a number of reasons and would like to give you the following information to avoid future misunderstandings:

Upfront I apologize for my English, it is not my native language. For that reason especially, but not limited to it, I would like to **reserve my right to alter and/or amend this letter at any time.**

This statement shall under no circumstance be construed as an agreement to submit the matter under the jurisdiction of Canada or the Canadian courts, nor as a waiver of any procedural defence argument in that respect. Nothing I write hereinafter should be construed as an acknowledgement of any kind whatsoever, whether of forum or court competence. I am convinced that we have a purely **Austrian matter**, and that the courts of Vienna have exclusive jurisdiction regarding the subject matter (see below).

Professional Background

I am an Austrian Certified Public Accountant, registered with the Austrian Chamber for Chartered Public Accountancy and Tax Consultancy Professionals (WT-Code 203300). I have been working in this profession for 25 years, thereof 14 years with EY Vienna and New York (I passed the US CPA exam in 1994).

I have been working as an expert for international accounting (IFRS), and one of my core areas of expertise are startups in the FinTech business since many years.

Furthermore, I am also author of widely recognized books on FinTech and a lecturer at different events and courses at the University of Vienna.

I am one of the co-founders of FinTech Academy (www.fintech.academy), a not for profit organization and Austrian Think Tank focused on regulatory issues around the fast growing European FinTech industry.

Starting in January 2015, I have rendered accounting and advisory services for BitRush Corp and its subsidiaries (BitRush GmbH, AdBit Efficient Marketing Ltd, ANOON Ltd, Start-it Ltd; whereas it should be emphasized that out of the companies in the BitRush group, the Austrian limited liability BitRush GmbH played, and still plays a vital role). From my above qualifications, I do believe I had, and still have all requirements to assume these tasks.

Services provided to BitRush Corp and Subsidiaries in Detail

Work done for BitRush Corp:

Based on my experience and professional knowledge, I provided the following services for BitRush Corp from January 2015 up to December 13, 2016.

- Supported the founders Alfred DOBIAS and Werner BOEHM with the Reverse Takeover (RTO) that was done between Austrian “MezzaCap GmbH” and the Canadian “The Streetwear Corp” in 2015;
- Supported the board of “The Streetwear Corp” to prepare the necessary documents for CSE and OSC;
- established the quarterly consolidated IFRS financial statements for BitRush Corp and subsidiaries
- supported the establishing of the MDAs of BitRush Corp and subsidiaries on a quarterly basis on behalf of the CEOs.
- provided controlling services to the former CEO Peter LUKESCH as well as to the board of directors of BitRush Corp.
- provided financial due diligence services for potential business partners on behalf of the CEO of BitRush Corp in specific: Uwe Lenhoff/Veltyco and Alex Bures.
- assisted the board of management in establishing the MICs 2015 and 2016 for the shareholder meetings.
- supported the CEO as well as the board of directors during the audit process as of Dec. 31, 2015 of BitRush Corporation and subsidiaries.

Work done for BitRush GmbH and other subsidiaries:

Until today, I provide the following services for BitRush GmbH which is the core operating company within the entire BitRush Corp group:

- Accounting according to Austrian accounting standards (UGB) as well as IFRS
- Establishing the financial statements
- tax compliance services
- advised the management of BitRush GmbH on any accounting effects of digital currency issues
- provided Due diligence activities on potential projects and partners

Until today, I provide the following services for ANOON Ltd, AdBit Efficient Marketing Ltd, Start-it Ltd.

- Accounting according to IFRS (IFRS)
- Establishing and filing of the annual financial statements

Contractual situation for the services rendered

- All work I provided to BitRush Corp and subsidiaries were done **in line with the applicable laws**, rules and regulations I have to adhere to as an Austrian Certified Public Accountant, registered with the Austrian Chamber of Chartered Public Accountancy and Tax Consultancy Professionals.
- All my activities are based on **written and signed agreements** reflecting the current terms, issued and recommended by the Austrian Chamber of Chartered Public Accountants and Tax Consultants.
- These terms stipulate the application of the General Terms of Business for Chartered Public Accountancy and Tax Consultancy Professionals (Allgemeine Auftragsbedingungen für Wirtschaftstreuhandberufe (**AAB**), recommended by the Executive Board for the Kammer der Wirtschaftstreuhandler (Austrian Chamber of Chartered Public Accountants and Tax Consultants) **for any services provided**.
- Except for my due diligence work that I did on the potential business partners Alex BURES (see below), Uwe LENHOFF and his UK-based company VELTYCO, **all work was performed in Austria**.

Determined place of jurisdiction:

Please be aware that all my signed contracts (see enclosed Appendix 2 and 3 – agencies for BitRush GmbH and BitRush Corp) provide for an **express Austrian place of jurisdiction Clause**, in case of any legal disputes. In particular, the General Terms of Business for Chartered Public Accountancy include the following section:

Section I: Paragraph 15: Applicable Law, Place of Performance, Jurisdiction

1. The contract, its execution and the claims resulting from it shall be exclusively governed by Austrian law
2. The place of performance shall be the place of business of the person entitled to exercise the profession
3. In case of disputes, the court of the **place of performance shall be the competent court**.

Please be aware that the General Terms of Business for Chartered Public Accountancy applies for all engagements of Austrian CPA's if not explicit denied upfront.

Result: Toronto is evidently not the applicable jurisdiction for disputing my services, neither for raising any claims in connection with them, nor for requesting any documents that I may, or may not, have in my possession and/or ownership in connection with my services..

Request to deliver BitRush assets and BitRush property

Again, the below statement must not be construed as an acknowledgement of Canadian jurisdiction. I write only for the purpose of clarifying things, and in order to enable the Plaintiffs to consider more sensible ways to deal with their wishes. Karsten AREND and Hans-Jörg WAGNER will very soon be removed from BitRush Corp's Board Of Directors anyway, as the vast majority of shareholder urgently seeks for their removal (and for BitRush Corp preparing damage compensation claims against them).

I do not have any BitRush Corp assets in my possession neither do I control BitRush Corp assets. Please let me give you some more details.

BitRush Corp:

The accounting for the single legal entity BitRush Corp (as I pointed out above, merely a holding vehicle for the operative companies) was done by the Toronto-based CPA Rebecca Hudson without my involvement. **So all vouchers are with Rebecca Hudson.**

Group accounts for BitRush Corp and subsidiaries – the working papers on the group accounts were established by my company and belong to my company. Unless BitRush Corp pays my outstanding invoices dated December 11 and December 30, 2016, I am rightfully entitled to retain my internal work products, drafts and data that I have not handed over yet.

Both invoices above were issued in line with the applicable Austrian AAB providing for a reasonable fee. The Austrian AAB provides an extensive retention right for working papers established by my company. By rightfully refusing to handing over my work products to a client that (obviously lead by directors whose understanding of business and negotiation skills could be doubted) chose to litigate rather than simply pay my fees, I make use of the above retention right.

Please be aware that I already filed a law suit Austria against BitRush Corp requesting immediate payment of my invoices (Court File Number: 4 C 176/17m District Court of Korneuburg/Austria), plus interest and costs.

BitRush GmbH, ANOON Ltd, Start-it Ltd., AdBit Efficient Marketing Ltd.:

According to my contractual obligations and the statutory confidentiality obligation of Austrian Public Accountants and Tax Advisors, I am definitely **not allowed** to hand over any documents and/or working papers **to third parties**. My contractual parties are only those legal entities named in the contracts (pls compare the legal opinion received – Appendix 1). There is no “direct transparency” in a group of companies, and this is especially valid in a situation where the minority co-shareholder of BitRush Corp (controlled, *inter alia*, by Mr AREND and Mr WAGNER) seeks to exploit customer data and business secrets not only from BitRush Corp, but from its subsidiaries as well.

In addition, I am bound by formal **instructions and orders** from the legal department of the Austrian Chamber of Chartered Public Accountants and Tax Consultants (after discussing in detail the situation): I **have to** deny the delivery of any data to BitRush Corp as long as the legitimacy of the board of BitRush is questionable (evidently the so-called “special

committee” empowering Karsten AREND and HansJörg WAGNER was formed by violating 4.08 of the Bylaws of BitRush Corp and by their failure to include the third board member’s proxy when voting).

Any failure to above described obligations and binding instructions would expose me to claims from BitRush GmbH, ANOON Ltd, AdBit Ltd, and Start-it Ltd, and would be accompanied by a loss of my statutory liability insurance coverage. I might even risk losing my professional admission. To sum it up, even if I had the desire to hand over my property and data to a client that did not pay (which, to be honest, I clearly have not), I **must not** do so, or face severe consequences.

Unsubstantiated allegations raised in the affidavits as provided to by MezzaCap Ltd.¹

The allegations raised in the Affidavits sworn by Karsten AREND (dated March 21, 2017), HansJörg WAGNER (dated March ?, 2017), Peter Lukesch (dated March ? 2017) and relating to services provided by my company are without any substance and can be easily contested by knowledgeable persons:

In fact, I never controlled any bank accounts that would somehow be attributable to the BitRush group at any corporate level. Very remarkably, the above gentlemen failed to provide any evidence for their allegations regarding my purported bank account control. **I reserve all rights to seek remedy against their slanderous allegations. They are not in compliance with the actual facts. and they are suitable to have a severely adverse effect on my business and my professional reputation.**

Unsubstantiated allegations raised in the affidavits of Karsten AREND and HansJörg WAGNER

I am deeply concerned about the evident lack of legal and accounting knowledge of the board members Karsten AREND and HansJoerg WAGNER. Both evidently have no knowledge about basic business administration like bank authorization rights, group accounting principles, how to read cash flow statements, the meaning of a clean audit opinion (as issued by McGovern, Hurley, Cunningham, LLP as of April 29, 2016 on the financial statements of BitRush group and subsidiaries as of Dec. 31, 2015) and audit procedures required by auditors. No other explanation for slanderous allegations like “missing accounting for cash transfers from BitRush Corp to BitRush GmbH in late 2015 and beginning 2016” is possible. This evident lack of any basic knowledge speaks for itself and explains to me why neither one raised any questions regarding reporting and accounting during my engagement. Frankly speaking, I can understand better now why virtually all shareholders in BitRush Corp (except those controlled by the two gentlemen themselves) wish to have them removed from their positions with immediate effect.

Unsubstantiated Allegations raised in the affidavit from Peter Lukesch

During late 2015, months after the Share Exchange Agreement has been signed between “The Streetwear Corp” and MezzaCap Ltd, Werner Boehm, director of the major shareholder

¹ Due to the legal claims made by BitRush Corp against me I am not longer bound by my statutory confidentiality obligation as I have to defend myself (agreed with the legal department of the Austrian Camber of Chartered Public Accountants and Tax Consultants).

Mag. Elfriede SIXT
Wirtschaftsprüfer und Steuerberater, CPA
Eichenstrasse 28 – A-2102 Bisamberg
Phone: 06644251363 E-Mail: e.sixt@ebit4u.com

MezzaCap Ltd, learned only by coincidence that BitRush Corp shareholders have filed criminal proceeding against the board members Peter LUKESCH and Franz KOZICH purporting **severe fraudulent activities** in 2012 and 2015. These criminal proceeding are still pending with the Austrian Public Prosecutor's office (Record Numbers at the Staatsanwaltschaft Wien (Austria): 38 St 216/12b, 9 St 27/15 z.)

This material event should have been disclosed to MezzaCap Investments Ltd in the course of the due diligence and, additionally, it should have been disclosed to the BitRush Corp shareholders and the general public.

In combination with other severe inconsistencies I discovered during 2015 and 2016 these resulted in the request of MezzaCap Ltd (majority shareholder of BitRush Corp) for the resignation of Peter LUKESCH and Franz KOZICH as board members.

As I had been the one who permanently challenged Peter LUKESCH with his history and with the severe inconsistencies I discovered during my engagement, and as it was mainly me who strongly advised MezzaCap Ltd to take appropriate steps, I am not surprised about the level of unsubstantiated allegations that Mr LUKESCH now raises against me. Kindly request a copy of the Staatsanwaltschaft's records, and feel invited to make yourself an own impression of the actual facts. I trust you will soon discover Mr LUKESCH's representation as what it very obviously is: An act of revenge and slander.

Indications identified for planned money laundering activities:

As an Austrian CPA, I am **legally obliged** to report any possible money laundering indications I encounter during the course of my work (due to EU Anti-Money Laundering Directives). Any failure to do so would result in severe consequences for me, both under professional rules and under statutory law/criminal laws.

My due diligence activities on the potential business partners Alex BURES (Slovakian resident), Uwe LENHOFF and UK-based VELTYCO in summer 2015 identified substantial risks in this respect, as both might be engaged in kind of money laundering activities. With BitRush Corp being not only a public listed company but also a cryptographic payment company (about to apply for an e-money license in UK) any suspicious money laundering activities were specifically critical.

Accordingly, I issued the necessary warning to the BitRush people and advised not to do business with Mr LENHOFF and his associates. Appropriate steps were taken: any business activity with both parties were stopped and potential crime suspense warning with the National Crime Agency of Great Britain and Austria were filed.

Werner BOEHM's refusal to enter into business with the above contacts rose anger with some shareholders and management members. I personally experienced in a meeting taking place as of September 23, in Bratislava, Slovakia that Igor WOLLNER, the main investor of HSRC (the minority shareholder of BitRush Corp mentioned above several times), urged CEO Werner Boehm to throw his reservations aboard and to make business with those people. I was present at that meeting, and for the benefit of BitRush, I insisted on a proper compliance routine to avoid BitRush's possible involvement in money laundering activities. Igor WOLLNER ignored my warnings and repeated several times that from his point of view, not dealing with these people would mean missing **great business opportunities**. I told him again

that I do not understand his position, as the management must not risk a potentially severe compliance breach and criminal investigations that may contaminate the entire group. Igor WOLLNER informed Werner BOEHM and Alfred DOBIAS that he would personally approach Uwe LENDHOFF as well as Alex BURES to discuss a further cooperation, and that maybe another CEO could do a better job.

In addition, I have seen an email request in October 2016 from Joachim KALCHER/software engineer/CTO sent to Werner BOEHM to finally establish contracts with those people. I learned in November 2016 when I was advised by a another client of mine (and I having done some background researches, I have sufficient reasons to believe) that Joachim KALCHER was in former years (probably 2011 – 2012) involved in some **serious criminal proceedings** with the Austrian fiscal authorities in a payment system software project for gasoline stations. It was pretended that the software developed was not in line with Austrian financial accounting requirements.

Allowing for all incidences described above and allowing for all the incidences happened during the past months with BitRush Corp:

- HRSC taking over the power by installing a legally questionable “special committee” dominated by HANSJÖRG WAGNER.
- Igor WOLLNER providing money to file unsubstantiated claims against MezzaCap Ltd (major shareholder) and Werner Böhm (founder of BitRush) to get the control over BitRush Corp and subsidiaries and to cover up any possible compliance issues with his business partners .

I am more than convinced that my advice as of November 30, 2016 to include the following proposed wording in the notes to the financial statements as of Sept 30, 2016 – was and still is appropriate, necessary, correct and true:

*These conditions indicate the existence of material uncertainty that may cast significant doubt upon the ability of the company as a going concern. This doubts are substantially increased by a failed private placement effort announced as of 6th September 2016 and due to the fact the Corporation has been experiencing a blackmailing effort since end of October 2016 by its former CTO Joachim Kalcher. **There are severe indications that HSRC Investment Inc. – a minor shareholder of the Corporation – are in close contact with Joachim Kalcher and that the purpose of this blackmailing effort is to use ANOON for money laundering activities.** These incidents have induced BitRush’s major shareholder, MezzaCap Investments Ltd, to terminate its shareholder agreement with HSRC Investment Inc. and to take the necessary legal actions against them. Appropriate legal steps have already been taken.*

Summary

Confronted with the substantial loss I anyway expect to realize from my outstanding invoices with BitRush Corp, considering the bad economic situation of BitRush Corp as well as BitRush GmbH, I simply cannot afford to get legal representation or to fly in from Vienna to represent myself in front of the Court of Toronto thereby avoiding any additional non-recoverable expenses. It goes without saying of course, that Toronto is not the correct jurisdiction, there is no court competence or international competence in Canada for this case.

Mag. Elfriede SIXT
Wirtschaftsprüfer und Steuerberater, CPA
Eichenstrasse 28 – A-2102 Bisamberg
Phone: 06644251363 E-Mail: e.sixt@ebit4u.com

Please be aware that in case you should even be granted an interim order, I will not be in the position to hand over you any documents for legal reasons as explained above (pls also compare the legal letter enclosed). Even if you should succeed in your litigation (which I doubt, as the judges will not let you outwit them), local *ordre public* will prevent you from having such court decision enforced.

Any attempt to further exert undue pressure on me, my family, my firm etc will trigger legal consequences.

Feel invited to come to Austria though, to simply pay my open invoices, and to enter into talks on how we can achieve a friendly settlement and jointly take care of all your compliance problems. I may be able to make recommendations regarding a professional advisor for a voluntary disclosure with the tax authorities, for example.

Best Regards,

gez. Mag. Elfriede Sixt

Cc: Jonathan Blackwell
Senior Accountant, Corporate Finance
Ontario Securities Commission

Melanie Sokalsky
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission

Cc: Chris Milios, Partner, McGovern, Hurley, Cunningham, LLP (BitRush Corp. Auditors)