

# MYMETICS CORP

## FORM SC 13D/A (Amended Statement of Beneficial Ownership)

Filed 3/16/1998

Address	EUROPEAN EXECUTIVE OFFICE 14, RUE DE LA COLOMBIERE NYON, CH-1260
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CIK	0000927761
Industry	Biotechnology & Drugs
Sector	Healthcare
Fiscal Year	12/31

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 13D/A  
Amendment No. 1**

**Under the Securities Exchange Act of 1934**

**ICHOR CORPORATION**

---

(Name of Issuer)

**Common Stock, \$0.01 Par Value**

---

(Title and Class of Securities)

693286 10 6

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(CUSIP Number)

Michael J. Smith, 6 Rue Charles-Bonnet, 1206 Geneva, Switzerland  
Telephone (41 22) 818 2999

---

(Name, Address and Telephone Number of Person Authorized to Receive Notices  
and Communications)

March 6, 1998

---

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [ ].

CUSIP No. 693286 10 6  
-----

1) Names of Reporting Persons/I.R.S. Identification Nos. of Above Persons

MFC Bancorp Ltd.  
-----

2) Check the Appropriate Box if a Member of a Group

(a) [ ]  
(b) [ X ]

3) SEC Use Only  
-----

4) Source of Funds AF  
-----

5) Check if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)  
-----

6) Citizenship or Place of Organization Yukon Territory, Canada  
-----

Number of Shares Bene- ficially Owned by Each Reporting Person With	(7) Sole Voting Power	0
	(8) Shared Voting Power	6,866,003*
	(9) Sole Dispositive Power	0
	(10) Shared Dispositive Power	6,866,003*

11) Aggregate Amount Beneficially Owned by Each Reporting Person 6,866,003\*  
-----

12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares  
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13) Percent of Class Represented by Amount in Row (11) 88.0%\*  
-----

14) Type of Reporting Person CO  
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-----  
\* Including the assumed conversion of 402,500 preferred shares of ICHOR Corporation indirectly acquired on March 6, 1998, based on a conversion price of \$1.39.

CUSIP No. 693286 10 6  
-----

1) Names of Reporting Persons/I.R.S. Identification Nos. of Above Persons

Logan International Corp.  
-----

2) Check the Appropriate Box if a Member of a Group

(a) [ ]  
(b) [ X ]

3) SEC Use Only  
-----

4) Source of Funds WC  
-----

5) Check if Disclosure of Legal Proceedings is Required Pursuant to Item 2(d) or 2(e)  
-----

6) Citizenship or Place of Organization Washington  
-----

Number of Shares Bene- ficially Owned by Each Reporting Person With	(7) Sole Voting Power	0
	(8) Shared Voting Power	3,525,180*
	(9) Sole Dispositive Power	0
	(10) Shared Dispositive Power	3,525,180*

11) Aggregate Amount Beneficially Owned by Each Reporting Person 3,525,180\*  
-----

12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares  
-----

13) Percent of Class Represented by Amount in Row (11) 59.4%\*  
-----

14) Type of Reporting Person CO  
-----

\* Including the assumed conversion of 142,500 preferred shares of ICHOR Corporation acquired on March 6, 1998, based on a conversion price of \$1.39.

CUSIP No. 693286 10 6  
-----

1) Names of Reporting Persons/I.R.S. Identification Nos. of Above Persons

Sutton Park International Ltd.  
-----

2) Check the Appropriate Box if a Member of a Group

(a) [ ]  
(b) [ X ]

3) SEC Use Only  
-----

4) Source of Funds WC  
-----

5) Check if Disclosure of Legal Proceedings is Required Pursuant to Item  
2(d) or 2(e)  
-----

6) Citizenship or Place of Organization Tortola, British Virgin Islands  
-----

Number of	(7) Sole Voting Power	0
Shares Bene-	(8) Shared Voting Power	1,258,992*
ficially	(9) Sole Dispositive Power	0
Owned by	(10) Shared Dispositive Power	1,258,992*
Each Reporting		
Person		
With		

11) Aggregate Amount Beneficially Owned by Each Reporting Person 1,258,992\*  
-----

12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares  
-----

13) Percent of Class Represented by Amount in Row (11) 20.4%\*  
-----

14) Type of Reporting Person CO  
-----

-----  
\* Assuming the conversion of 175,000 preferred shares of ICHOR Corporation  
acquired on March 6, 1998, based on a conversion price of \$1.39.

CUSIP No. 693286 10 6  
-----

1) Names of Reporting Persons/I.R.S. Identification Nos. of Above Persons

Constable Investments Ltd.  
-----

2) Check the Appropriate Box if a Member of a Group

(a) [ ]  
(b) [ X ]

3) SEC Use Only  
-----

4) Source of Funds WC  
-----

5) Check if Disclosure of Legal Proceedings is Required Pursuant to Item  
2(d) or 2(e)  
-----

6) Citizenship or Place of Organization Tortola, British Virgin Islands  
-----

Number of	(7) Sole Voting Power	0
Shares Bene-	(8) Shared Voting Power	611,511*
ficially	(9) Sole Dispositive Power	0
Owned by	(10) Shared Dispositive Power	611,511*
Each Reporting		
Person		
With		

11) Aggregate Amount Beneficially Owned by Each Reporting Person 611,511\*  
-----

12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares  
-----

13) Percent of Class Represented by Amount in Row (11) 11.1%\*  
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14) Type of Reporting Person CO  
-----

-----  
\* Assuming the conversion of 85,000 preferred shares of ICHOR Corporation  
acquired on March 6, 1998, based on a conversion price of \$1.39.

**ITEM 1. SECURITY AND ISSUER.**

This statement relates to the shares of common stock with a \$0.01 par value each of ICHOR Corporation ("ICHOR"), a Delaware corporation, having a principal executive office at Suite 1250, 400 Burrard Street, Vancouver, British Columbia, Canada, V6C 3A6.

**ITEM 2. IDENTITY AND BACKGROUND.**

This statement is filed on behalf of MFC Bancorp Ltd. ("MFC"), Logan International Corp. ("Logan"), Sutton Park International Ltd. ("Sutton") and Constable Investments Ltd. ("Constable"). MFC operates in the financial services segment and has a principal business and office address at 6 Rue Charles-Bonnet, 1206 Geneva, Switzerland. Sutton and Constable are wholly-owned operating companies of MFC. Sutton's principal business and office address is 6 Rue Charles-Bonnet, 1206 Geneva, Switzerland. Constable's principal business and office address is 8 Queensway House, Queen Street, St. Helier, Jersey, Channel Islands, JF2 4WD. Logan is a 69% owned subsidiary of MFC which engages in real estate activities and has a principal business and office address at #108 - 1201 SW 7th Street, P.O. Box 860, Renton, Washington, U.S.A. 98055-0860. See Item 6 on pages 2 to 5 of this Schedule 13D/A for the jurisdiction of organization of MFC, Logan, Sutton and Constable.

The following table lists the names, citizenship, principal business addresses and principal occupations of the executive officers and directors of MFC, Logan, Sutton and Constable. Sanne Trust Company Limited ("Sanne") is the corporate secretary of Sutton and Constable and is a corporation organized pursuant to the laws of the Channel Islands. Sanne operates as a corporate secretary and nominee and has a principal business and office address at 8 Queensway House, Queen Street, St. Helier, Jersey, Channel Islands, JE2 4WD.

NAME	RESIDENCE OR BUSINESS ADDRESS	PRINCIPAL OCCUPATION	CITIZENSHIP
Michael J. Smith	6 Rue Charles-Bonnet, 1206 Geneva, Switzerland	Director, President and Chief Executive Officer of MFC	British
Roy Zanatta	2 Stratford Place London, England United Kingdom, W1N 9AE	Director and Secretary of MFC	Canadian
Sok Chu Kim	1071 - 59 Namhyun-Dong, Gwanak-Kn, Seoul, Korea	Director of Korea Liberalization Fund Ltd.	Korean
Julius Mallin	256 Jarvis Street, Apt. 8D, Toronto, Ontario, Canada, M5B 2J4	Retired Businessman	Canadian
Oq-Hyun Chin	3,4 Floor, Kyung Am Bldg., 831028 Yeoksam-Dong, Kangnam-Ku, Seoul, Korea	Business Advisor, The Art Group Architects & Engineers Ltd.	Korean
Leonard Petersen	Suite 1270, 609 Granville Street, Vancouver, B.C. Canada V7Y 1G6	Director and Senior Officer of Pemcorp Management, Inc.	Canadian
Roland Waldvogel	Baarestrasse 10, Zurich, Switzerland, CH-6301	Independent Trust Officer	Swiss
Diana Beaumont	La Seigneurie, Sark, Channel Islands	Corporate Director	British
Jonathan Charles Brannam	La Jaspellerie, Sark, Channel Islands	Hotelier	British

During the last five years, neither MFC, Logan, Sutton, Constable nor, to the knowledge of MFC, Logan, Sutton or Constable, any of their officers or directors, have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), nor have they been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violation with respect to such laws.

Each of MFC, Logan, Sutton and Constable have executed a joint filing agreement consenting to the joint filing of this Schedule 13D/A. Such agreement is filed as Exhibit 1 to this Schedule 13D/A and is incorporated herein by reference.

**ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.**

Logan acquired 142,500 shares of 5% Cumulative Redeemable Convertible Preferred Stock, Series 1 (the "Preferred Stock") of ICHOR in consideration of debt forgiveness in the amount of \$1,425,000. Sutton acquired 175,000 shares of Preferred Stock in consideration of \$750,000 in debt forgiveness and \$1,000,000 from Sutton's cash reserves. Constable has paid an aggregate of \$850,000 or \$10.00 per share for 85,000 shares of Preferred Stock. The purchase price was paid from Constable's cash reserves.

**ITEM 4. PURPOSE OF TRANSACTION.**

Logan, Sutton and Constable have acquired their respective shares of Preferred Stock for investment purposes. At this time, neither MFC, Logan, Sutton or Constable nor, to the knowledge of MFC, Logan, Sutton or Constable, any of their directors or executive officers, have the intention of acquiring additional shares of ICHOR, although MFC, Logan, Sutton and Constable reserve the right to make additional purchases on the open market, in private transactions and from treasury. Neither MFC, Logan, Sutton or Constable nor, to the knowledge of MFC, Logan, Sutton or Constable, any of their directors or executive officers, have any present intention, arrangements or understandings to effect any of the transactions listed in Item 4(a)-(j) of Schedule 13D.

**ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.**

As disclosed in the Schedule 13D dated December 17, 1996 filed by MFC and Logan, MFC was the beneficial holder of 3,970,320 shares of common stock of ICHOR, and Logan was the beneficial holder of 2,500,000 shares of common stock of ICHOR. On March 6, 1998, Logan completed the acquisition of 142,500 shares of Preferred Stock (the "Logan Preferred Stock") from treasury in consideration of \$1,425,000 in debt forgiveness. The Preferred Stock have a conversion price equal to 90% of the 20 day average closing trading price of the shares of common stock of ICHOR on the stock exchange or quotation system through with the largest number of shares of common stock traded during the period immediately preceding the date that notice of conversion is delivered to



ICHOR. For the purposes of this Schedule 13D/A, the conversion price and the amount of underlying common stock have been calculated using the 20 day average closing trading price on March 6, 1998, which was approximately \$1.54. As a result of these transactions, Logan has the shared power to direct the vote and disposition of a total of 3,525,180 shares of common stock of ICHOR, which represents approximately 59.4% of the issued and outstanding common stock of ICHOR, assuming the conversion of the Logan Preferred Stock at a conversion price of \$1.39 per share into 1,025,180 common shares of ICHOR.

On March 6, 1998, Sutton completed the acquisition of 175,000 shares of Preferred Stock (the "Sutton Preferred Stock") from treasury in consideration of \$750,000 in debt forgiveness and a private placement in the amount of \$1.0 million. As a result, Sutton has the shared power to direct the vote and disposition of 1,258,992 shares of common stock of ICHOR, which represents approximately 20.4% of ICHOR's issued and outstanding common shares, assuming the conversion of the Sutton Preferred Stock at a conversion price of \$1.39 per share.

On March 6, 1998, Constable completed the acquisition of 85,000 shares of Preferred Stock (the "Constable Preferred Stock") from treasury for \$10.00 per share or an aggregate purchase price of \$850,000. As a result, Constable has the shared power to direct the vote and disposition of 611,511 shares of common stock of ICHOR, which represents approximately 11.1% of ICHOR's issued and outstanding common shares, assuming the conversion of the Constable Preferred Stock at a conversion price of \$1.39 per share.

As a result of the above-mentioned transactions, MFC has the shared power to direct the vote and disposition of 6,866,003 shares of common stock of ICHOR, which represents approximately 88% of ICHOR's issued and outstanding common shares, assuming the conversion of the Logan, Sutton and Constable Preferred Stock at a conversion price of \$1.39 per share into an aggregate of 2,895,683 common shares of ICHOR.

Michael J. Smith, Roy Zanatta and Leonard Petersen are each deemed to be beneficial owners of approximately 10,000 shares (less than 1%) of common stock of ICHOR, pursuant to unexercised stock options.

To the knowledge of MFC, Logan, Sutton and Constable, none of its directors or executive officers have any power to vote or dispose of any shares of common stock of ICHOR, nor did they, MFC, Logan, Sutton or Constable effect any transactions in such shares during the past 60 days, except as disclosed herein.

**ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.**

The description of the transactions described in Item 5 above is qualified in its entirety by reference to Exhibits 2, 3, 4, 5 and 6 which contain the debt settlement and subscription agreements and are incorporated herein by reference.

As disclosed in Item 5 above, Mr. Smith, Mr. Zanatta and Mr. Petersen currently hold stock options entitling them to purchase shares of common stock of ICHOR. Set forth as Exhibit 7 is ICHOR's Amended 1994 Stock Option Plan, which is incorporated herein by reference.

**ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.**

Exhibit Number -----	Description -----
1	Joint Filing Agreement among MFC Bancorp Ltd., Logan International Corp., Sutton Park International Ltd. and Constable Investments Ltd. dated March 13, 1998.
2	Debt Settlement Agreement between Logan International Corp. and ICHOR Corporation dated September 30, 1997.
3	Debt Settlement Agreement between Logan International Corp. and ICHOR Corporation dated February 20, 1998.
4	Debt Settlement Agreement between Sutton Park International Ltd. and ICHOR Corporation dated February 20, 1998.
5	Subscription Agreement between Constable Investments Ltd. and ICHOR Corporation dated February 26, 1998.
6	Subscription Agreement between Sutton Park International Ltd. and ICHOR Corporation dated February 26, 1998.
7	Amended 1994 Stock Option Plan of ICHOR Corporation. Incorporated by reference to the Definitive Schedule 14A of ICHOR Corporation filed July 9, 1996.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

March 13, 1998  
(Date)

**MFC BANCORP LTD.**

By: /s/ Michael J. Smith

-----  
(Signature)

**Michael J. Smith, President**  
(Name and Title)

March 13, 1998  
(Date)

**LOGAN INTERNATIONAL CORP.**

By: /s/ Michael J. Smith

-----  
(Signature)

**Michael J. Smith, President**  
(Name and Title)

March 13, 1998  
(Date)

**SUTTON PARK INTERNATIONAL LTD.**

By: /s/ Michael J. Smith

-----  
(Signature)

**Michael J. Smith, Director**  
(Name and Title)

March 13, 1998  
(Date)

**CONSTABLE INVESTMENTS LTD.**

By: /s/ Michael J. Smith

-----  
(Signature)

**Michael J. Smith, Director**  
(Name and Title)

## EXHIBIT INDEX

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- 6 Subscription Agreement between Sutton Park International Ltd. and ICHOR Corporation dated February 26, 1998.
- 7 Amended 1994 Stock Option Plan of ICHOR Corporation. Incorporated by reference to the Definitive Schedule 14A of ICHOR Corporation filed July 9, 1996.

**JOINT FILING AGREEMENT**

**THIS AGREEMENT dated the 13th day of March, 1998.**

**WHEREAS:**

A. Logan International Corp. ("Logan") is the beneficial owner of 142,500 shares of 5% Cumulative Redeemable Convertible Preferred Stock, Series 1 (the "Preferred Stock") of ICHOR Corporation ("ICHOR") and a further 2,500,000 shares of common stock of ICHOR, Sutton Park International Ltd. ("Sutton") is the beneficial owner of 175,000 shares of Preferred Stock, Constable Investments Ltd. ("Constable") is the beneficial owner of 85,000 shares of Preferred Stock, and MFC Bancorp Ltd. ("MFC") is the indirect beneficial owner of the Preferred Stock held by Logan, Sutton and Constable and a further 3,970,320 shares of common stock of ICHOR (including the shares of common stock held by Logan); and

B. Each of MFC, Logan, Sutton and Constable (each a "Filer" and collectively, the "Filers") are responsible for filing a Schedule 13D or Schedule 13 D/A (the "Schedule 13D/A") relating to the acquisition of the Preferred Stock, pursuant to U.S. securities laws;

**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

1. Each Filer covenants and agrees that it is individually eligible to use the Schedule 13D/A which is to be filed;
2. Each Filer is individually responsible for the timely filing of any amendments to the Schedule 13D/A, and for the completeness and accuracy of the information concerning themselves, but is not responsible for the completeness and accuracy of any of the information contained in the Schedule 13D/A as to any other Filer, unless such Filer knows or has reason to believe that the information is inaccurate;
3. This Schedule 13D/A contains the required information with regard to each Filer and indicates that it is filed on behalf of all Filers; and
4. Each Filer agrees that the Schedule 13D/A to which this Joint Filing Agreement is attached as Exhibit 1 is filed on its behalf.

IN WITNESS WHEREOF the parties have duly executed this Joint Filing Agreement.

*MFC BANCORP LTD.*

By: */s/ Michael J. Smith*  
-----  
*Michael J. Smith, President*

*SUTTON PARK INTERNATIONAL LTD.*

By: */s/ Michael J. Smith*  
-----  
*Michael J. Smith, Director*

*LOGAN INTERNATIONAL CORP.*

By: */s/ Michael J. Smith*  
-----  
*Michael J. Smith, President*

*CONSTABLE INVESTMENTS LTD.*

By: */s/ Michel J. Smith*  
-----  
*Michael J. Smith, Director*

**DEBT SETTLEMENT AGREEMENT**

THIS AGREEMENT is dated for reference the 30th day of September, 1997,

**BETWEEN:**

**LOGAN INTERNATIONAL CORP., of**  
Suite 101 - 923 Powell Avenue, Renton, WA 98055

(hereinafter referred to as the "Creditor")

**OF THE FIRST PART**

**AND:**

ICHOR CORPORATION, of 300 Oxford Drive,  
Suite 200, Monroeville, PA 15146-2343

(hereinafter referred to as the "Corporation")

**OF THE SECOND PART**

**WHEREAS:**

A. The Corporation is indebted to the Creditor and the Creditor has agreed to accept payment of the said indebtedness in the amount of \$600,000 (the "Indebtedness") by delivery of 5% Cumulative Convertible Redeemable Preferred Shares, Series 1 of the Corporation having rights, privileges, restrictions and conditions which substantially conform to those contemplated by Schedule "A" hereto (the "Preferred Shares") as hereinafter set forth;

B. The Creditor has agreed to accept the issuance of Preferred Shares in the capital of the Corporation at a deemed price of \$10.00 per Preferred Share in full discharge and complete satisfaction of the Indebtedness and to grant the Corporation a release on receipt of the Preferred Shares;

NOW THEREFORE this agreement witnesseth that in consideration of the premises and the mutual covenants and agreements hereinafter contained and the sum of \$10.00 paid by each party to the other (the receipt of which is hereby acknowledged) and other good and valuable consideration the parties hereto COVENANT AND AGREE AS FOLLOWS:

1. Upon creation of the Preferred Shares, the Corporation shall forthwith issue and deliver a certificate representing the Preferred Shares to the Creditor in full settlement and satisfaction of the Indebtedness to the Creditor at the address first above written.

2. The Creditor hereby covenants with the Corporation that he will accept the issuance and delivery of a certificate representing the Preferred Shares from the Corporation at any time up to 5:00 p.m. on or before the 31st day of March, 1998 in full settlement and satisfaction of the Indebtedness, and hereby absolutely releases and fully discharges the Corporation from the Indebtedness. In the event that the Preferred Shares have not been delivered to the Creditor by March 31, 1998, the Creditor may, at its option, rescind this agreement, whereupon this agreement shall be terminated with effect from the date hereof.

3. The Creditor represents and warrants to the Corporation and covenants with the Corporation that:

(a) it is a company duly incorporated and existing under the laws of its incorporating jurisdiction and at the closing date will have the power and capacity to own the Preferred Shares and to enter into this agreement and to carry out its terms and conditions to the full extent;

(b) the acceptance of the Preferred Shares in lieu of payment has been validly authorized by all necessary corporate acts;

(c) the Creditor is purchasing the Preferred Shares as principal and is not a partnership, syndicate, trust, or unincorporated organization;

(d) the Creditor is, by virtue of its net worth and investment experience, or by virtue of consultation with or advice from a person who is not a promoter of the Corporation and is a registered adviser or registered dealer, able to evaluate the merits of the investment in the Preferred Shares based upon information requested of or presented by the Corporation;

(e) the Creditor is not purchasing the Preferred Shares on the basis of any information respecting the Corporation not generally known save knowledge of this transaction;

(f) due to the nature and stage of the Corporation's business and properties the Creditor acknowledges that an investment in the Preferred Shares must be considered speculative; and

(g) the Creditor understands that the Preferred Shares have not been registered by the Corporation under the United States Securities Act of 1933 (the "1933 Act") and that the Corporation does not plan, and is under no obligation to provide for registration of the Preferred Shares in the future. Offer or sale of the Preferred Shares in the United States or to a U.S. person would constitute a violation of United States law unless made in compliance with the registration requirements of the 1933 Act or pursuant to an exemption therefrom. The term "United States" means the United States of America and includes its territories, possessions and all



areas subject to its jurisdiction; and the term "U.S. person" has the meaning as defined in Regulation S made under the 1933 Act.

4. The Corporation represents and covenants, as the case may be, that:

- (a) it is duly incorporated and validly existing under the laws of the State of Delaware;
- (b) it has all necessary corporate authority to enter into this agreement and to effect the issuance of the Preferred Shares agreed to hereby; and
- (c) its shares trade through the National Association of Securities Dealers Automated Quotation System SmallCap market.

5. In exchange for the Preferred Shares, the Creditor hereby agrees not to commence any action or proceeding whatsoever against the Corporation including the filing of any charge, lien or encumbrance against the Corporation, its properties, or assets, existing or future during the term of this agreement and this agreement may be pleaded as a defence to any such action or proceeding commenced and shall deliver to the Corporation a release of any and all claims related to the subject matter hereof in a form reasonably satisfactory to the Corporation upon receipt of the Preferred Shares.

6. Time is of the essence of this agreement.

7. This Agreement shall be governed and enforced in accordance with the laws of Switzerland, without regard to its conflict of laws and principles, and the parties hereto agree to submit any dispute hereunder to the jurisdiction of the courts of the Canton of Geneva.

8. All references to sums of money shall be deemed to refer to the legal tender of the United States unless otherwise specified.

9. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

10. The parties hereto agree to execute such further and other agreements as may be necessary to give effect to the meaning and intent of this agreement.

11. This agreement may be executed in several parts in the same form and by facsimile and such parts as so executed shall together constitute one original document, and such parts, if more than one, shall be read together and construed as if all the signing parties had executed one copy of the said agreement.

IN WITNESS WHEREOF the parties hereto have hereunto executed this agreement as of the day and year first above written.

**LOGAN INTERNATIONAL CORP.**

*By:*        */s/ Michael J. Smith*  
-----

*Name:* -----

*Title:* -----

**ICHOR CORPORATION**

*By:*        */s/ Michael J. Smith*  
-----

*Name:* -----

*Title:* -----

**SCHEDULE "A"**

**ICHOR CORPORATION**

**SUMMARY OF TERMS AND PROVISIONS TO BE ATTACHED TO  
THE PREFERRED SHARES**

I. Securities: 5% Cumulative Redeemable Convertible Preferred Shares,  
----- Series 1 ("Series 1 Preferred Shares")

II. Dividends: The Holders of the Series 1 Preferred Shares shall be  
----- entitled to receive and the Corporation shall pay  
thereon, as and when declared by the Board of  
Directors of the Corporation, out of the monies of  
the Corporation properly applicable to the payment of  
dividends, preferential cumulative cash dividends  
payable quarterly on the last day of each of March,  
June, September and December in each year commencing  
March 31, 1998. in an amount per share of \$0.125  
(subject to appropriate pro rata adjustment for the  
initial dividend).

III. Conversion Rights: Each Holder of Series 1 Preferred Shares will have ----- the right to convert such shares into common shares

(the "Common Shares") of the Corporation. Such  
conversion shall occur with respect to each Common  
Share at a conversion price equal to 90% of the fair  
market value thereof (the "Conversion Price")  
calculated as at the date of conversion based upon  
the Corporation's 20 day average closing trading  
price on the stock exchange or quotation system  
through which the largest number of Common Shares  
traded during such period immediately preceding the  
date that notice of conversion is delivered to the  
Corporation (the "Conversion Date"). The number of  
Common Shares to be delivered upon conversion of each  
Series 1 Preferred Share shall be equal to the issue  
price thereof plus all accrued but unpaid dividends  
outstanding as at the Conversion Date divided by the  
Conversion Price. The right to convert the Series 1  
Preferred Shares shall be exercisable from the date  
of issue thereof and shall terminate if notice of  
exercise is not received by the Corporation on or  
before the day that is five years following the date  
of issue.

IV. Voting Rights: The Holders of the Series 1 Preferred Shares will not  
----- be entitled as such to receive notice of or to attend  
at or vote at any meetings of the shareholders of the  
Corporation.

V. Redemption:                   The Corporation may redeem at any time all of the  
-----                   outstanding Series 1 Preferred Shares, or from time to  
                                  time, any part thereof on payment, for each such share  
                                  to be redeemed of \$10.00 together with accrued and  
                                  unpaid dividends to the date fixed for redemption, the  
                                  whole constituting the "Redemption Price". Notice of  
                                  any redemption shall be given by the Corporation at  
                                  least 30 days prior to the date fixed for redemption.  
                                  If less than all of the outstanding Series 1 Preferred  
                                  Shares are at any time to be redeemed, the shares to  
                                  be redeemed shall be selected by lot or in such other  
                                  manner as the Corporation may determine.

VI. Priority as to Capital:

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of its assets among its shareholders for the purpose of winding up its affairs, the holders of the Series 1 Preferred Shares will be entitled to receive an amount equal to \$10.00 per share together with all accrued and unpaid dividends thereon before any amounts are paid or any assets of the Corporation are distributed to the holders of any common shares or other shares ranking junior to the Series 1 Preferred Shares. Upon payment to the holders of the Series 1 Preferred Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

VII. Restrictions on Dividends and Retirement of Shares:

So long as any of the Series 1 Preferred Shares are outstanding, the Corporation will not, without the prior approval of the holders of the Series 1 Preferred Shares voting at a meeting of such holders:

- (a) declare or pay any dividend on any shares of the Corporation ranking junior to the Series 1 Preferred Shares (other than stock dividends in any shares ranking junior to the Series 1 Preferred Shares); or
- (b) redeem, purchase or make any capital distribution in respect of any shares of the Corporation ranking junior to the Series 1 Preferred Shares;
- (c) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision, redeem, purchase or make any capital distribution in respect of any other shares ranking on a parity with the Series 1 Preferred Shares,

unless in each such case all dividends on the Series 1 Preferred Shares and on all other shares of the Corporation ranking in parity with the Series 1 Preferred Shares accrued up to and including the immediately preceding dividend payment date shall have been declared and paid or set apart for payment.

**DEBT SETTLEMENT AGREEMENT**

THIS AGREEMENT is dated for reference the 20th day of February, 1998,

**BETWEEN:**

**LOGAN INTERNATIONAL CORP., of**  
Suite 101 - 923 Powell Avenue, Renton, WA 98055

(hereinafter referred to as the "Creditor")

**OF THE FIRST PART**

**AND:**

ICHOR CORPORATION, of 300 Oxford Drive,  
Suite 200, Monroeville, PA 15146-2343

(hereinafter referred to as the "Corporation")

**OF THE SECOND PART**

**WHEREAS:**

A. The Corporation is indebted to the Creditor and the Creditor has agreed to accept payment of the said indebtedness in the amount of \$825,000 (the "Indebtedness") by delivery of 5% Cumulative Convertible Redeemable Preferred Shares, Series 1 of the Corporation having rights, privileges, restrictions and conditions which substantially conform to those contemplated by Schedule "A" hereto (the "Preferred Shares") as hereinafter set forth;

B. The Creditor has agreed to accept the issuance of Preferred Shares in the capital of the Corporation at a deemed price of \$10.00 per Preferred Share in full discharge and complete satisfaction of the Indebtedness and to grant the Corporation a release on receipt of the Preferred Shares;

NOW THEREFORE this agreement witnesseth that in consideration of the premises and the mutual covenants and agreements hereinafter contained and the sum of \$10.00 paid by each party to the other (the receipt of which is hereby acknowledged) and other good and valuable consideration the parties hereto COVENANT AND AGREE AS FOLLOWS:

1. Upon creation of the Preferred Shares, the Corporation shall forthwith issue and deliver a certificate representing the Preferred Shares to the Creditor in full settlement and satisfaction of the Indebtedness to the Creditor at the address first above written.

2. The Creditor hereby covenants with the Corporation that he will accept the issuance and delivery of a certificate representing the Preferred Shares from the Corporation at any time up to 5:00 p.m. on or before the 31st day of March, 1998 in full settlement and satisfaction of the Indebtedness, and hereby absolutely releases and fully discharges the Corporation from the Indebtedness. In the event that the Preferred Shares have not been delivered to the Creditor by March 31, 1998, the Creditor may, at its option, rescind this agreement, whereupon this agreement shall be terminated with effect from the date hereof.

3. The Creditor represents and warrants to the Corporation and covenants with the Corporation that:

(a) it is a company duly incorporated and existing under the laws of its incorporating jurisdiction and at the closing date will have the power and capacity to own the Preferred Shares and to enter into this agreement and to carry out its terms and conditions to the full extent;

(b) the acceptance of the Preferred Shares in lieu of payment has been validly authorized by all necessary corporate acts;

(c) the Creditor is purchasing the Preferred Shares as principal and is not a partnership, syndicate, trust, or unincorporated organization;

(d) the Creditor is, by virtue of its net worth and investment experience, or by virtue of consultation with or advice from a person who is not a promoter of the Corporation and is a registered adviser or registered dealer, able to evaluate the merits of the investment in the Preferred Shares based upon information requested of or presented by the Corporation;

(e) the Creditor is not purchasing the Preferred Shares on the basis of any information respecting the Corporation not generally known save knowledge of this transaction;

(f) due to the nature and stage of the Corporation's business and properties the Creditor acknowledges that an investment in the Preferred Shares must be considered speculative; and

(g) the Creditor understands that the Preferred Shares have not been registered by the Corporation under the United States Securities Act of 1933 (the "1933 Act") and that the Corporation does not plan, and is under no obligation to provide for registration of the Preferred Shares in the future. Offer or sale of the Preferred Shares in the United States or to a U.S. person would constitute a violation of United States law unless made in compliance with the registration requirements of the 1933 Act or pursuant to an exemption therefrom. The term "United States" means the United States of America and includes its territories, possessions and all

areas subject to its jurisdiction; and the term "U.S. person" has the meaning as defined in Regulation S made under the 1933 Act.

4. The Corporation represents and covenants, as the case may be, that:

- (a) it is duly incorporated and validly existing under the laws of the State of Delaware;
- (b) it has all necessary corporate authority to enter into this agreement and to effect the issuance of the Preferred Shares agreed to hereby; and
- (c) its shares trade through the National Association of Securities Dealers Automated Quotation System SmallCap market.

5. In exchange for the Preferred Shares, the Creditor hereby agrees not to commence any action or proceeding whatsoever against the Corporation including the filing of any charge, lien or encumbrance against the Corporation, its properties, or assets, existing or future during the term of this agreement and this agreement may be pleaded as a defence to any such action or proceeding commenced and shall deliver to the Corporation a release of any and all claims related to the subject matter hereof in a form reasonably satisfactory to the Corporation upon receipt of the Preferred Shares.

6. Time is of the essence of this agreement.

7. This Agreement shall be governed and enforced in accordance with the laws of Switzerland, without regard to its conflict of laws and principles, and the parties hereto agree to submit any dispute hereunder to the jurisdiction of the courts of the Canton of Geneva.

8. All references to sums of money shall be deemed to refer to the legal tender of the United States unless otherwise specified.

9. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and shall have economic effect retroactive to December 31, 1997.

10. The parties hereto agree to execute such further and other agreements as may be necessary to give effect to the meaning and intent of this agreement.



11. This agreement may be executed in several parts in the same form and by facsimile and such parts as so executed shall together constitute one original document, and such parts, if more than one, shall be read together and construed as if all the signing parties had executed one copy of the said agreement.

IN WITNESS WHEREOF the parties hereto have hereunto executed this agreement as of the day and year first above written.

**LOGAN INTERNATIONAL CORP.**

*By:*        */s/ Michael J. Smith*  
-----

*Name:* -----

*Title:* -----

**ICHOR CORPORATION**

*By:*        */s/ Michael J. Smith*  
-----

*Name:* -----

*Title:* -----

# SCHEDULE "A"

## ICHOR CORPORATION

### SUMMARY OF TERMS AND PROVISIONS TO BE ATTACHED TO THE PREFERRED SHARES

- I. Securities: 5% Cumulative Redeemable Convertible Preferred  
----- Shares, Series 1 ("Series 1 Preferred Shares")
- II. Dividends: The Holders of the Series 1 Preferred Shares  
----- shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the Board of Directors of the Corporation, out of the monies of the Corporation properly applicable to the payment of dividends, preferential cumulative cash dividends payable quarterly on the last day of each of March, June, September and December in each year commencing March 31, 1998. in an amount per share of \$0.125 (subject to appropriate pro rata adjustment for the initial dividend).
- III. Conversion Rights: Each Holder of Series 1 Preferred Shares will  
----- have the right to convert such shares into common shares (the "Common Shares") of the Corporation. Such conversion shall occur with respect to each Common Share at a conversion price equal to 90% of the fair market value thereof (the "Conversion Price") calculated as at the date of conversion based upon the Corporation's 20 day average closing trading price on the stock exchange or quotation system through which the largest number of Common Shares traded during such period immediately preceding the date that notice of conversion is delivered to the Corporation (the "Conversion Date"). The number of Common Shares to be delivered upon conversion of each Series 1 Preferred Share shall be equal to the issue price thereof plus all accrued but unpaid dividends outstanding as at the Conversion Date divided by the Conversion Price. The right to convert the Series 1 Preferred Shares shall be exercisable from the date of issue thereof and shall terminate if notice of exercise is not received by the Corporation on or before the day that is five years following the date of issue.
- IV. Voting Rights: The Holders of the Series 1 Preferred Shares will  
----- not be entitled as such to receive notice of or to attend at or vote at any meetings of the shareholders of the Corporation.

V. Redemption:  
-----

The Corporation may redeem at any time all of the outstanding Series 1 Preferred Shares, or from time to time, any part thereof on payment, for each such share to be redeemed of \$10.00 together with accrued and unpaid dividends to the date fixed for redemption, the whole constituting the "Redemption Price". Notice of any redemption shall be given by the Corporation at least 30 days prior to the date fixed for redemption. If less than all of the outstanding Series 1 Preferred Shares are at any time to be redeemed, the shares to be redeemed shall be selected by lot or in such other manner as the Corporation may determine.

VI. Priority as to Capital:

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of its assets among its shareholders for the purpose of winding up its affairs, the holders of the Series 1 Preferred Shares will be entitled to receive an amount equal to \$10.00 per share together with all accrued and unpaid dividends thereon before any amounts are paid or any assets of the Corporation are distributed to the holders of any common shares or other shares ranking junior to the Series 1 Preferred Shares. Upon payment to the holders of the Series 1 Preferred Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

VII. Restrictions on Dividends and Retirement of Shares:

So long as any of the Series 1 Preferred Shares are outstanding, the Corporation will not, without the prior approval of the holders of the Series 1 Preferred Shares voting at a meeting of such holders:

- (a) declare or pay any dividend on any shares of the Corporation ranking junior to the Series 1 Preferred Shares (other than stock dividends in any shares ranking junior to the Series 1 Preferred Shares); or
- (b) redeem, purchase or make any capital distribution in respect of any shares of the Corporation ranking junior to the Series 1 Preferred Shares;
- (c) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision, redeem, purchase or make any capital distribution in

respect of any other shares ranking on a  
parity with the Series 1 Preferred Shares,

unless in each such case all dividends on the Series 1 Preferred Shares and on all other shares of the Corporation ranking in parity with the Series 1 Preferred Shares accrued up to and including the immediately preceding dividend payment date shall have been declared and paid or set apart for payment.

**DEBT SETTLEMENT AGREEMENT**

THIS AGREEMENT is dated for reference the 20th day of February, 1998,

**BETWEEN:**

SUTTON PARK INTERNATIONAL LTD., of  
8 Queensway House, Queens Street, St. Helier, Jersey JE2 4WD Channel Islands

(hereinafter referred to as the "Creditor")

**OF THE FIRST PART**

**AND:**

ICHOR CORPORATION, of 300 Oxford Drive,  
Suite 200, Monroeville, PA 15146-2343

(hereinafter referred to as the "Corporation")

**OF THE SECOND PART**

**WHEREAS:**

A. The Corporation is indebted to the Creditor and the Creditor has agreed to accept payment of the said indebtedness in the amount of \$750,000 (the "Indebtedness") by delivery of 5% Cumulative Convertible Redeemable Preferred Shares, Series 1 of the Corporation having rights, privileges, restrictions and conditions which substantially conform to those contemplated by Schedule "A" hereto (the "Preferred Shares") as hereinafter set forth;

B. The Creditor has agreed to accept the issuance of Preferred Shares in the capital of the Corporation at a deemed price of \$10.00 per Preferred Share in full discharge and complete satisfaction of the Indebtedness and to grant the Corporation a release on receipt of the Preferred Shares;

NOW THEREFORE this agreement witnesseth that in consideration of the premises and the mutual covenants and agreements hereinafter contained and the sum of \$10.00 paid by each party to the other (the receipt of which is hereby acknowledged) and other good and valuable consideration the parties hereto COVENANT AND AGREE AS FOLLOWS:

1. Upon creation of the Preferred Shares, the Corporation shall forthwith issue and deliver a certificate representing the Preferred Shares to the Creditor in full settlement and satisfaction of the Indebtedness to the Creditor at the address first above written.
2. The Creditor hereby covenants with the Corporation that he will accept the issuance and delivery of a certificate representing the Preferred Shares from the Corporation at any time up to 5:00 p.m. on or before the 31st day of March, 1998 in full settlement and satisfaction of the Indebtedness, and hereby absolutely releases and fully discharges the Corporation from the Indebtedness. In the event that the Preferred Shares have not been delivered to the Creditor by March 31, 1998, the Creditor may, at its option, rescind this agreement, whereupon this agreement shall be terminated with effect from the date hereof.
3. The Creditor represents and warrants to the Corporation and covenants with the Corporation that:
  - (a) it is a company duly incorporated and existing under the laws of its incorporating jurisdiction and at the closing date will have the power and capacity to own the Preferred Shares and to enter into this agreement and to carry out its terms and conditions to the full extent;
  - (b) the acceptance of the Preferred Shares in lieu of payment has been validly authorized by all necessary corporate acts;
  - (c) the Creditor is purchasing the Preferred Shares as principal and is not a partnership, syndicate, trust, or unincorporated organization;
  - (d) the Creditor is, by virtue of its net worth and investment experience, or by virtue of consultation with or advice from a person who is not a promoter of the Corporation and is a registered adviser or registered dealer, able to evaluate the merits of the investment in the Preferred Shares based upon information requested of or presented by the Corporation;
  - (e) the Creditor is not purchasing the Preferred Shares on the basis of any information respecting the Corporation not generally known save knowledge of this transaction;
  - (f) due to the nature and stage of the Corporation's business and properties the Creditor acknowledges that an investment in the Preferred Shares must be considered speculative; and
  - (g) the Creditor understands that the Preferred Shares have not been registered by the Corporation under the United States Securities Act of 1933 (the "1933 Act") and that the Corporation does not plan, and is under no obligation to provide for registration of the Preferred Shares in the future. Offer or sale of the Preferred Shares in the United States or to a U.S. person would constitute a violation of

United States law unless made in compliance with the registration requirements of the 1933 Act or pursuant to an exemption therefrom. The term "United States" means the United States of America and includes its territories, possessions and all areas subject to its jurisdiction; and the term "U.S. person" has the meaning as defined in Regulation S made under the 1933 Act.

4. The Corporation represents and covenants, as the case may be, that:

- (a) it is duly incorporated and validly existing under the laws of the State of Delaware;
- (b) it has all necessary corporate authority to enter into this agreement and to effect the issuance of the Preferred Shares agreed to hereby; and
- (c) its shares trade through the National Association of Securities Dealers Automated Quotation System SmallCap market.

5. In exchange for the Preferred Shares, the Creditor hereby agrees not to commence any action or proceeding whatsoever against the Corporation including the filing of any charge, lien or encumbrance against the Corporation, its properties, or assets, existing or future during the term of this agreement and this agreement may be pleaded as a defence to any such action or proceeding commenced and shall deliver to the Corporation a release of any and all claims related to the subject matter hereof in a form reasonably satisfactory to the Corporation upon receipt of the Preferred Shares.

6. Time is of the essence of this agreement.

7. This Agreement shall be governed and enforced in accordance with the laws of Switzerland, without regard to its conflict of laws and principles, and the parties hereto agree to submit any dispute hereunder to the jurisdiction of the courts of the Canton of Geneva.

8. All references to sums of money shall be deemed to refer to the legal tender of the United States unless otherwise specified.

9. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns and shall have economic effect retroactive to December 31, 1997.

10. The parties hereto agree to execute such further and other agreements as may be necessary to give effect to the meaning and intent of this agreement.

11. This agreement may be executed in several parts in the same form and by facsimile and such parts as so executed shall together constitute one original document, and such parts, if more than one, shall be read together and construed as if all the signing parties had executed one copy of the said agreement.

IN WITNESS WHEREOF the parties hereto have hereunto executed this agreement as of the day and year first above written.

**SUTTON PARK INTERNATIONAL LTD.**

*By:* /s/ Michael J. Smith  
-----

*Name:* -----

*Title:* -----

**ICHOR CORPORATION**

*By:* /s/ Michael J. Smith  
-----

*Name:* -----

*Title:* -----



# SCHEDULE "A"

## ICHOR CORPORATION

### SUMMARY OF TERMS AND PROVISIONS TO BE ATTACHED TO THE PREFERRED SHARES

- I. Securities: 5% Cumulative Redeemable Convertible Preferred  
----- Shares, Series 1 ("Series 1 Preferred Shares")
- II. Dividends: The Holders of the Series 1 Preferred Shares  
----- shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the Board of Directors of the Corporation, out of the monies of the Corporation properly applicable to the payment of dividends, preferential cumulative cash dividends payable quarterly on the last day of each of March, June, September and December in each year commencing March 31, 1998. in an amount per share of \$0.125 (subject to appropriate pro rata adjustment for the initial dividend).
- III. Conversion Rights: Each Holder of Series 1 Preferred Shares will  
----- have the right to convert such shares into common shares (the "Common Shares") of the Corporation. Such conversion shall occur with respect to each Common Share at a conversion price equal to 90% of the fair market value thereof (the "Conversion Price") calculated as at the date of conversion based upon the Corporation's 20 day average closing trading price on the stock exchange or quotation system through which the largest number of Common Shares traded during such period immediately preceding the date that notice of conversion is delivered to the Corporation (the "Conversion Date"). The number of Common Shares to be delivered upon conversion of each Series 1 Preferred Share shall be equal to the issue price thereof plus all accrued but unpaid dividends outstanding as at the Conversion Date divided by the Conversion Price. The right to convert the Series 1 Preferred Shares shall be exercisable from the date of issue thereof and shall terminate if notice of exercise is not received by the Corporation on or before the day that is five years following the date of issue.
- IV. Voting Rights: The Holders of the Series 1 Preferred Shares will  
----- not be entitled as such to receive notice of or to attend at or vote at any meetings of the shareholders of the Corporation.

V. Redemption:  
-----

The Corporation may redeem at any time all of the outstanding Series 1 Preferred Shares, or from time to time, any part thereof on payment, for each such share to be redeemed of \$10.00 together with accrued and unpaid dividends to the date fixed for redemption, the whole constituting the "Redemption Price". Notice of any redemption shall be given by the Corporation at least 30 days prior to the date fixed for redemption. If less than all of the outstanding Series 1 Preferred Shares are at any time to be redeemed, the shares to be redeemed shall be selected by lot or in such other manner as the Corporation may determine.

VI. Priority as to Capital:

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of its assets among its shareholders for the purpose of winding up its affairs, the holders of the Series 1 Preferred Shares will be entitled to receive an amount equal to \$10.00 per share together with all accrued and unpaid dividends thereon before any amounts are paid or any assets of the Corporation are distributed to the holders of any common shares or other shares ranking junior to the Series 1 Preferred Shares. Upon payment to the holders of the Series 1 Preferred Shares of the amounts so payable to them, such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

VII. Restrictions on Dividends and Retirement of Shares:

So long as any of the Series 1 Preferred Shares are outstanding, the Corporation will not, without the prior approval of the holders of the Series 1 Preferred Shares voting at a meeting of such holders:

- (a) declare or pay any dividend on any shares of the Corporation ranking junior to the Series 1 Preferred Shares (other than stock dividends in any shares ranking junior to the Series 1 Preferred Shares); or
- (b) redeem, purchase or make any capital distribution in respect of any shares of the Corporation ranking junior to the Series 1 Preferred Shares;
- (c) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision, redeem, purchase or make any capital distribution in

respect of any other shares ranking on a  
parity with the Series 1 Preferred Shares,

unless in each such case all dividends on the Series 1 Preferred Shares and on all other shares of the Corporation ranking in parity with the Series 1 Preferred Shares accrued up to and including the immediately preceding dividend payment date shall have been declared and paid or set apart for payment.

## **SUBSCRIPTION AGREEMENT**

February 26, 1998

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### **TO: PURCHASERS OF 5% CUMULATIVE REDEEMABLE CONVERTIBLE PREFERRED SHARES, SERIES 1 OF ICHOR CORPORATION**

MFC Merchant Bank S.A. (the "Dealer") and Ichor Corporation. (the "Corporation") entered into a purchase agreement dated for reference February 20, 1998 (the "Purchase Agreement") providing for the purchase from the Corporation of 250,000 5% Cumulative Redeemable Convertible Preferred Shares, Series 1 for an aggregate purchase price of \$2,500,000 (the "Purchased Shares"). A copy of the term sheet (the "Term Sheet") outlining the features of the private placement is attached as Schedule "A" hereto.

The Purchase Agreement provides that the Dealer may arrange for substituted purchasers of the Purchased Shares on a "private placement" basis, and that each substituted purchaser will enter into a subscription agreement (the "Subscription Agreement") in substantially the form of this agreement. Your acceptance of this letter, as evidenced by your signature below, will constitute your offer to the Corporation to subscribe for the Purchased Shares set forth below under the heading "Details of Subscription" on the terms and conditions contained herein. The Corporation's acceptance of your offer, as evidenced by the signature of its officer below, will constitute an agreement between you and the Corporation for you to purchase from the Corporation and for the Corporation to issue and sell to you such Purchased Shares on such terms and conditions.

References below to "this Agreement" are to be read as references to the agreement resulting from the Corporation's acceptance of your offer. You are referred to below as the "Purchaser".

#### **A. SUBSCRIPTION**

The Purchaser subscribes for and agrees to purchase from the Corporation the Purchased Shares set forth below under the heading "Details of Subscription". The Purchaser understands that the Purchased Shares subscribed for form part of the offering made pursuant to the Purchase Agreement.

#### **B. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION**

By accepting this offer, the Corporation represents, warrants, covenants and agrees as follows:

1. The Corporation is a corporation duly organized and is validly subsisting under the laws of Delaware.
2. The Corporation has all necessary corporate power to own or lease its property and to carry on its business as presently carried on by it and to execute and deliver this Agreement and the Purchased Shares.

3. This Agreement has been duly authorized by all necessary corporate action by the Corporation and constitutes legal, valid and binding obligations of the Corporation.
4. The Corporation's common shares are quoted through the National Association of Securities Dealers Authorized Distribution System SmallCap market and the Corporation will maintain such status, without default, until the Closing Date.
5. The Corporation's annual audited financial statements for the period ended December 31, 1996 and its unaudited interim financial statements for the period ended September 30, 1997 were, at the respective dates of issue or publication, true and correct in all material respects and were prepared in accordance with and complied in all material respects with the laws, regulations, policy statements and rules applicable to such documents.
6. There has been no material or adverse change in the affairs of the Corporation since December 31, 1996, and no material or adverse fact exists in relation to the proposed issue of the Purchased Shares, which in either case is not generally disclosed.

### C. CONDITIONS

The Purchaser's obligation to complete the purchase of the Purchased Shares contemplated hereby shall be conditional upon the fulfillment either on or before the Closing Date of the following conditions:

- (a) the Purchased Shares will be validly and duly authorized, created and issued by the Corporation;
- (b) the representations and the warranties contained herein are true and correct and all covenants relating to the Corporation herein contained and required to be performed and complied with have been performed and complied with by the Corporation; and
- (c) no action or proceeding in the United States shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency to cease trade, enjoin or prohibit:
  - (i) the sale of the Purchased Shares to the Purchaser as contemplated hereby; or
  - (ii) the right of the Corporation to issue shares on the exercise by the Purchaser of its right of conversion contained in the Purchased Shares.

#### D. DELIVERY AND PAYMENT

Subject to acceptance by the Corporation of this Agreement, delivery and payment for the Purchased Shares shall be completed at the offices of the Dealer at 1:00 p.m. (local time) on or before February 27, 1998 or such other date, time and place as may be agreed upon in writing by the Corporation and the Dealer (the "Closing Date"). The Purchaser hereby appoints the Dealer as its agent to represent it at the closing for the purposes of all closing matters including, without limitation, to execute receipts and documents as its agent and to accept delivery of documents and the Purchased Shares and hereby irrevocably authorizes the Dealer to extend such period and modify or waive such terms and conditions as may be contemplated herein or in the Purchase Agreement as the Dealer deems appropriate in its absolute discretion. The Purchased Shares subscribed for by the Purchaser will be available for delivery on the Closing Date to the Dealer by way of a certificate representing the Purchased Shares registered in the name of the Purchaser, against delivery to the Corporation of the Purchase Price for the Purchased Shares by certified cheque or bank draft in U.S. funds or other electronic form of payment satisfactory to the Corporation, provided that, in the event that the certificates representing the Purchased Shares are not available for physical delivery on the Closing Date, the Purchase Price shall be paid to the Corporation pending delivery of the Purchased Shares. If the certificates representing the Purchased Shares are not delivered by March 31, 1998, the Dealer may agree to one or more extensions of time for delivery of the certificates and may modify or waive such terms relating thereto as the Dealer deems appropriate in its absolute discretion, or may, at its option, elect to terminate this agreement whereupon the Purchase Price paid by the Purchaser shall be returned and the Purchaser shall have no further obligations hereunder.

#### E. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PURCHASER

The Purchaser represents, warrants, covenants and agrees as follows:

1. The Purchased Shares are not being purchased as a result of any material information about the Corporation's affairs which has not been publicly disclosed
2. The Purchaser has not received any general solicitation or advertisement, article, notice or other communication nor has it become aware of any advertisement in printed media of general and regular paid circulation, radio and television with respect to the distribution of the Purchased Shares.
3. The Purchaser acknowledges that the Corporation and its officers and directors are relying upon the representations and warranties made by the Purchaser.
4. The Purchased Shares being subscribed for and any rights the Purchaser may acquire as a Purchased Shares holder of the Corporation will be acquired for investment purposes and not with a view to a subsequent offering, sale or distribution thereof and the Purchaser may not participate, directly or indirectly, in any plan or scheme involving the resale or distribution of the Purchased Shares or any interest therein.
5. The Purchaser has not received or been provided with an offering memorandum or similar document, its decision to enter into this Agreement and to purchase the Purchased Shares has

not been made upon any verbal or written representation as to fact or otherwise by or on behalf of the Dealer or any other person and its decision to enter into this Agreement and purchase the Purchased Shares set forth herein is based entirely upon information concerning the Corporation which is publicly available and the Term Sheet.

6. The Purchaser has knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment and is able to bear the economic risk of loss of the investment.

7. The Purchaser has been independently advised as to and is aware of the applicable restrictions on the resale of the Purchased Shares and any securities issuable upon the conversion thereof under the securities legislation in the jurisdiction in which the Purchaser may subsequently trade such securities, and is aware of the risks and other characteristics of the Purchased Shares and of the fact that the Purchaser may not be able to resell such securities except in accordance with applicable securities legislation and regulatory policies and that the certificates representing such securities will contain a legend to that effect and the Purchaser agrees to comply with, and not in any manner violate, any applicable securities laws, rules or regulations in connection with the purchase, sale, transfer or other disposition of any of such securities.

8. The Purchaser will execute and deliver all documentation as may be required by applicable securities legislation to permit the purchase of the Purchased Shares on the terms and conditions as set forth herein and will comply with all applicable hold periods and other resale restrictions as are prescribed by applicable securities legislation.

9. Any questionnaire, statement, certificate, instrument or other documents delivered by the Purchaser in connection herewith will be considered to form part of and be incorporated into this Agreement with the same effect as if each constituted a representation and warranty or covenant of the Purchaser to the Corporation.

10. The Corporation has not provided the Purchaser with investment, legal or financial advice or acted as an advisor with respect to the purchase of the Purchased Shares and the Purchaser is relying solely on its own professional advisors, if any, for any such advice.

#### F. RESTRICTIONS UPON TRANSFER

1. The Purchaser understands that the Purchased Shares have not been registered by the Corporation under the United States Securities Act of 1933 (the "1933 Act") and that the Corporation does not plan, and is under no obligation to provide for registration of the Purchased Shares in the future. Offer or sale of the Purchased Shares in the United States or to a U.S. person would constitute a violation of United States law unless made in compliance with the registration requirements of the 1933 Act or pursuant to an exemption therefrom. The term "United States" means the United States of America and includes its territories, possessions and all areas subject to its jurisdiction; and the term "U.S. person" has the meaning as defined in Regulation S made under the 1933 Act.

G. GENERAL PROVISIONS

- 1. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The Purchaser may, with the consent of the Corporation, acting reasonably, assign this Agreement to a subsidiary or an affiliate, but any such assignment shall not relieve the Purchaser from responsibility for performance of its obligations hereunder.
- 2. Each of the parties agrees to take all such actions as may be within its powers as may be necessary or desirable to implement and give effect to the provisions of this Agreement.
- 3. Time shall be of the essence.
- 4. This Agreement shall be governed and enforced in accordance with the laws of Switzerland, without regard to its conflict of laws and principles, and the parties hereto agree to submit any dispute hereunder to the jurisdiction of the courts of the Canton of Geneva.
- 5. The provisions herein contained constitute the entire agreement between the parties and supersede all previous communications, representations, understandings and agreements between the parties with respect to the subject matter hereof, whether verbal or written.
- 6. This Agreement may be executed by facsimile in any number of counterparts, each of which when delivered shall be deemed to be an original, all of which together shall constitute one and the same document.

If the foregoing is in accordance with your understanding, please complete the relevant portions below under the heading "Details of Subscription" and sign and return the enclosed copy of this letter as soon as possible. The Purchaser, by such signature, authorizes the Dealer to deliver a copy of this letter, as the Purchaser's offer, on its behalf to the Corporation.

**CONSTABLE INVESTMENTS LTD.**

(Name of Purchaser)

*/s/ G.A. Witts*  
-----  
(Signature)

**G.A. Witts**

(Name)

**Secretary**

(Title)



**DETAILS OF SUBSCRIPTION**

**TO: ICHOR CORPORATION**

(the "Corporation")

**AND TO: MFC MERCHANT BANK S.A.**

The undersigned accepts the foregoing and offers to purchase the Purchased Shares set forth below, on the terms and conditions of the foregoing, from the Corporation. All references to dollar amounts herein are in United States dollars.

(a) Number and Aggregate Purchase Price of Purchased Shares:

**85,000 Purchased Shares at an Aggregate Purchase Price of \$850,000**

(b) Name and address of Purchaser: Constable Investments Ltd.

8 Queensway House, Queen Street  
St. Helier, Jersey JF2 4WD  
Channel Islands

Signed by: /s/ G.A. Witts  
-----  
Secretary  
-----  
Office or Title

(c) *Registration Instructions:*

If there are no instructions below, the certificate for the Purchased Shares delivered to the Purchaser will be registered in the name of the Purchaser as set forth immediately above. If registration differs from the name and address shown above, please so specify:

\_\_\_\_\_  
\_\_\_\_\_

(d) Delivery and Payment Instructions (include contact name and telephone number):

Pay by direction letter from the Purchaser's account with Yorkton Securities Inc.

(e) Delivery against Payment at:

\_\_\_\_\_  
\_\_\_\_\_

**Attn: Telephone:**

\_\_\_\_\_

The foregoing offer is confirmed and accepted by Ichor Corporation this

day of February, 1998.

By: /s/ Roy Zanatta  
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(Authorized Signatory)

## **SUBSCRIPTION AGREEMENT**

February 26, 1998

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### **TO: PURCHASERS OF 5% CUMULATIVE REDEEMABLE CONVERTIBLE PREFERRED SHARES, SERIES 1 OF ICHOR CORPORATION**

MFC Merchant Bank S.A. (the "Dealer") and Ichor Corporation. (the "Corporation") entered into a purchase agreement dated for reference February 20, 1998 (the "Purchase Agreement") providing for the purchase from the Corporation of 250,000 5% Cumulative Redeemable Convertible Preferred Shares, Series 1 for an aggregate purchase price of \$2,500,000 (the "Purchased Shares"). A copy of the term sheet (the "Term Sheet") outlining the features of the private placement is attached as Schedule "A" hereto.

The Purchase Agreement provides that the Dealer may arrange for substituted purchasers of the Purchased Shares on a "private placement" basis, and that each substituted purchaser will enter into a subscription agreement (the "Subscription Agreement") in substantially the form of this agreement. Your acceptance of this letter, as evidenced by your signature below, will constitute your offer to the Corporation to subscribe for the Purchased Shares set forth below under the heading "Details of Subscription" on the terms and conditions contained herein. The Corporation's acceptance of your offer, as evidenced by the signature of its officer below, will constitute an agreement between you and the Corporation for you to purchase from the Corporation and for the Corporation to issue and sell to you such Purchased Shares on such terms and conditions.

References below to "this Agreement" are to be read as references to the agreement resulting from the Corporation's acceptance of your offer. You are referred to below as the "Purchaser".

#### **A. SUBSCRIPTION**

The Purchaser subscribes for and agrees to purchase from the Corporation the Purchased Shares set forth below under the heading "Details of Subscription". The Purchaser understands that the Purchased Shares subscribed for form part of the offering made pursuant to the Purchase Agreement.

#### **B. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION**

By accepting this offer, the Corporation represents, warrants, covenants and agrees as follows:

1. The Corporation is a corporation duly organized and is validly subsisting under the laws of Delaware.
2. The Corporation has all necessary corporate power to own or lease its property and to carry on its business as presently carried on by it and to execute and deliver this Agreement and the Purchased Shares.

3. This Agreement has been duly authorized by all necessary corporate action by the Corporation and constitutes legal, valid and binding obligations of the Corporation.
4. The Corporation's common shares are quoted through the National Association of Securities Dealers Authorized Distribution System SmallCap market and the Corporation will maintain such status, without default, until the Closing Date.
5. The Corporation's annual audited financial statements for the period ended December 31, 1996 and its unaudited interim financial statements for the period ended September 30, 1997 were, at the respective dates of issue or publication, true and correct in all material respects and were prepared in accordance with and complied in all material respects with the laws, regulations, policy statements and rules applicable to such documents.
6. There has been no material or adverse change in the affairs of the Corporation since December 31, 1996, and no material or adverse fact exists in relation to the proposed issue of the Purchased Shares, which in either case is not generally disclosed.

### C. CONDITIONS

The Purchaser's obligation to complete the purchase of the Purchased Shares contemplated hereby shall be conditional upon the fulfillment either on or before the Closing Date of the following conditions:

- (a) the Purchased Shares will be validly and duly authorized, created and issued by the Corporation;
- (b) the representations and the warranties contained herein are true and correct and all covenants relating to the Corporation herein contained and required to be performed and complied with have been performed and complied with by the Corporation; and
- (c) no action or proceeding in the United States shall be pending or threatened by any person, company, firm, governmental authority, regulatory body or agency to cease trade, enjoin or prohibit:
  - (i) the sale of the Purchased Shares to the Purchaser as contemplated hereby; or
  - (ii) the right of the Corporation to issue shares on the exercise by the Purchaser of its right of conversion contained in the Purchased Shares.

#### D. DELIVERY AND PAYMENT

Subject to acceptance by the Corporation of this Agreement, delivery and payment for the Purchased Shares shall be completed at the offices of the Dealer at 1:00 p.m. (local time) on or before February 27, 1998 or such other date, time and place as may be agreed upon in writing by the Corporation and the Dealer (the "Closing Date"). The Purchaser hereby appoints the Dealer as its agent to represent it at the closing for the purposes of all closing matters including, without limitation, to execute receipts and documents as its agent and to accept delivery of documents and the Purchased Shares and hereby irrevocably authorizes the Dealer to extend such period and modify or waive such terms and conditions as may be contemplated herein or in the Purchase Agreement as the Dealer deems appropriate in its absolute discretion. The Purchased Shares subscribed for by the Purchaser will be available for delivery on the Closing Date to the Dealer by way of a certificate representing the Purchased Shares registered in the name of the Purchaser, against delivery to the Corporation of the Purchase Price for the Purchased Shares by certified cheque or bank draft in U.S. funds or other electronic form of payment satisfactory to the Corporation, provided that, in the event that the certificates representing the Purchased Shares are not available for physical delivery on the Closing Date, the Purchase Price shall be paid to the Corporation pending delivery of the Purchased Shares. If the certificates representing the Purchased Shares are not delivered by March 31, 1998, the Dealer may agree to one or more extensions of time for delivery of the certificates and may modify or waive such terms relating thereto as the Dealer deems appropriate in its absolute discretion, or may, at its option, elect to terminate this agreement whereupon the Purchase Price paid by the Purchaser shall be returned and the Purchaser shall have no further obligations hereunder.

#### E. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PURCHASER

The Purchaser represents, warrants, covenants and agrees as follows:

1. The Purchased Shares are not being purchased as a result of any material information about the Corporation's affairs which has not been publicly disclosed
2. The Purchaser has not received any general solicitation or advertisement, article, notice or other communication nor has it become aware of any advertisement in printed media of general and regular paid circulation, radio and television with respect to the distribution of the Purchased Shares.
3. The Purchaser acknowledges that the Corporation and its officers and directors are relying upon the representations and warranties made by the Purchaser.
4. The Purchased Shares being subscribed for and any rights the Purchaser may acquire as a Purchased Shares holder of the Corporation will be acquired for investment purposes and not with a view to a subsequent offering, sale or distribution thereof and the Purchaser may not participate, directly or indirectly, in any plan or scheme involving the resale or distribution of the Purchased Shares or any interest therein.
5. The Purchaser has not received or been provided with an offering memorandum or similar document, its decision to enter into this Agreement and to purchase the Purchased Shares has

not been made upon any verbal or written representation as to fact or otherwise by or on behalf of the Dealer or any other person and its decision to enter into this Agreement and purchase the Purchased Shares set forth herein is based entirely upon information concerning the Corporation which is publicly available and the Term Sheet.

6. The Purchaser has knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment and is able to bear the economic risk of loss of the investment.

7. The Purchaser has been independently advised as to and is aware of the applicable restrictions on the resale of the Purchased Shares and any securities issuable upon the conversion thereof under the securities legislation in the jurisdiction in which the Purchaser may subsequently trade such securities, and is aware of the risks and other characteristics of the Purchased Shares and of the fact that the Purchaser may not be able to resell such securities except in accordance with applicable securities legislation and regulatory policies and that the certificates representing such securities will contain a legend to that effect and the Purchaser agrees to comply with, and not in any manner violate, any applicable securities laws, rules or regulations in connection with the purchase, sale, transfer or other disposition of any of such securities.

8. The Purchaser will execute and deliver all documentation as may be required by applicable securities legislation to permit the purchase of the Purchased Shares on the terms and conditions as set forth herein and will comply with all applicable hold periods and other resale restrictions as are prescribed by applicable securities legislation.

9. Any questionnaire, statement, certificate, instrument or other documents delivered by the Purchaser in connection herewith will be considered to form part of and be incorporated into this Agreement with the same effect as if each constituted a representation and warranty or covenant of the Purchaser to the Corporation.

10. The Corporation has not provided the Purchaser with investment, legal or financial advice or acted as an advisor with respect to the purchase of the Purchased Shares and the Purchaser is relying solely on its own professional advisors, if any, for any such advice.

#### F. RESTRICTIONS UPON TRANSFER

1. The Purchaser understands that the Purchased Shares have not been registered by the Corporation under the United States Securities Act of 1933 (the "1933 Act") and that the Corporation does not plan, and is under no obligation to provide for registration of the Purchased Shares in the future. Offer or sale of the Purchased Shares in the United States or to a U.S. person would constitute a violation of United States law unless made in compliance with the registration requirements of the 1933 Act or pursuant to an exemption therefrom. The term "United States" means the United States of America and includes its territories, possessions and all areas subject to its jurisdiction; and the term "U.S. person" has the meaning as defined in Regulation S made under the 1933 Act.

G. GENERAL PROVISIONS

- 1. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. The Purchaser may, with the consent of the Corporation, acting reasonably, assign this Agreement to a subsidiary or an affiliate, but any such assignment shall not relieve the Purchaser from responsibility for performance of its obligations hereunder.
- 2. Each of the parties agrees to take all such actions as may be within its powers as may be necessary or desirable to implement and give effect to the provisions of this Agreement.
- 3. Time shall be of the essence.
- 4. This Agreement shall be governed and enforced in accordance with the laws of Switzerland, without regard to its conflict of laws and principles, and the parties hereto agree to submit any dispute hereunder to the jurisdiction of the courts of the Canton of Geneva.
- 5. The provisions herein contained constitute the entire agreement between the parties and supersede all previous communications, representations, understandings and agreements between the parties with respect to the subject matter hereof, whether verbal or written.
- 6. This Agreement may be executed by facsimile in any number of counterparts, each of which when delivered shall be deemed to be an original, all of which together shall constitute one and the same document.

If the foregoing is in accordance with your understanding, please complete the relevant portions below under the heading "Details of Subscription" and sign and return the enclosed copy of this letter as soon as possible. The Purchaser, by such signature, authorizes the Dealer to deliver a copy of this letter, as the Purchaser's offer, on its behalf to the Corporation.

**SUTTON PARK INTERNATIONAL LTD.**

(Name of Purchaser)

*/s/ Michael J. Smith*

-----  
*(Signature)*

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

**DETAILS OF SUBSCRIPTION**

**TO: ICHOR CORPORATION**

(the "Corporation")

**AND TO: MFC MERCHANT BANK S.A.**

The undersigned accepts the foregoing and offers to purchase the Purchased Shares set forth below, on the terms and conditions of the foregoing, from the Corporation. All references to dollar amounts herein are in United States dollars.

(a) Number and Aggregate Purchase Price of Purchased Shares:

**100,000 Purchased Shares at an Aggregate Purchase Price of \$1,000,000**

(b) Name and address of Purchaser: Sutton Park International Ltd.

6 Rue Charles-Bonnet  
1206 Geneva, Switzerland

Signed by: /s/ Michael J. Smith

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Office or Title

(c) Registration Instructions:

If there are no instructions below, the certificate for the Purchased Shares delivered to the Purchaser will be registered in the name of the Purchaser as set forth immediately above. If registration differs from the name and address shown above, please so specify:

\_\_\_\_\_  
\_\_\_\_\_

(d) Delivery and Payment Instructions (include contact name and telephone number):

Pay by direction letter from the Purchaser's account with Yorkton Securities Inc.

(e) Delivery against Payment at:

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\_\_\_\_\_

**Attn: Telephone:**

The foregoing offer is confirmed and accepted by Ichor Corporation this

day of February, 1998.

By: /s/ Roy Zanatta

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(Authorized Signatory)

**End of Filing**

