UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended **May 31, 2015**

[ ] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to_____
Commission File Number: **333-179028**

Avalanche International, Corp.
(Exact name of registrant as specified in its charter)

Nevada	**38-3841757**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

5940 S. Rainbow Blvd, Las Vegas, NV 89118
(Address of principal executive offices)

(888) 863-9490
(Registrant's telephone number)

_____
(Former name, former address and former fiscal year, if changed since last report)

Indicated by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days [X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

[ ] Large accelerated filer	[ ] Accelerated filer
[ ] Non-accelerated filer	[X] Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). [ ] Yes [X] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 5,557,490 common shares as of July 15, 2015.

TABLE OF CONTENTS

AVALANCHE INTERNATIONAL CORPORATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our consolidated financial statements included in this Form 10-Q are as follows:

GILLESPIE & ASSOCIATES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
10544 ALTON AVE NE
SEATTLE, WA 98125
206.353.5736

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Avalanche International Corporation and Subsidiary

We have reviewed the consolidated balance sheets of Avalanche International Corporation and Subsidiary as of May 31, 2015 and November 30, 2014 and the related consolidated and condensed statements of income and cash flows for the three and six month periods ended May 31, 2015 and 2014. These financial statements are the responsibility of the company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, with the exception of the matters described in the preceding paragraphs, we are not aware of any material modifications that should be made to the accompanying interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note #2 to the financial statements, although the Company has limited operations it has yet to attain profitability. This raises substantial doubt about its ability to continue as a going concern. Management's plan in regard to these matters is also described in Note #2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/S/ GILLESPIE & ASSOCIATES, PLLC

Seattle, Washington
July 14, 2015

Avalanche International, Corp. and Subsidiary
Consolidated Balance Sheets
(unaudited)

ASSETS	May 31, 2015	November 30, 2014
Current Assets:		
Cash	$ 1,547	$ 2,247
Accounts receivable	16,919	—
Prepaid original issued discount on convertible notes	6,395	9,040
Prepaid stock for services	188,417	—
Loan receivable, related party	150,000	—
Inventory	—	25,900
Total current assets	363,278	37,187
Other assets	705	526
Product license	54,000	29,250
Total assets	$ 417,983	$ 66,963
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable and accrued expenses	$ 84,268	$ 76,917
Accounts payable, related party	37,901	88,572
Accrued interest	6,998	388
Accrued compensation	3,647	9,912
Due to related parties	4,892	6,927
Derivative liability	444,783	—
Convertible notes payable, net of discount of $342,072	84,178	63,250
Loans payable	27,500	18,300
Total current liabilities	694,167	264,266
Total liabilities	694,167	264,266
Stockholders' Equity (Deficit):		
Common stock, $0.001 par value; 75,000,000 shares authorized; 5,552,490 and 5,144,400 shares issued and outstanding, respectively	5,553	5,144
Class A Preferred stock, $0.001 par value; 50,000 shares authorized, 29,380 and 14,000 shares issued and outstanding, respectively	29	14
Preferred stock, $0.001 par value; 9,950,000 shares authorized, no shares issued and outstanding	—	—
Additional paid-in capital	872,435	203,445
Accumulated deficit	(1,154,201)	(405,906)
Total stockholders' equity (deficit)	(276,184)	(197,303)
Total liabilities and stockholders' equity	$ 417,983	$ 66,963

The accompanying notes are an integral part of these consolidated financial statements.

Avalanche International, Corp. and Subsidiary
Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended May 31,		For the Six Months Ended May 31,	
	2015	2014	2015	2014
Revenue	$ 23,667	$ 3,741	$ 38,662	$ 3,741
Cost of revenue	20,758	2,181	29,292	2,181
Gross margin	2,909	1,560	9,370	1,560
Operating Expenses:				
Advertising and marketing	—	—	6,364	—
Salary expense	13,815	—	36,735	—
Professional fees	51,043	8,375	56,493	12,193
Stock for services	195,125	—	251,833	—
General and administrative	103,786	23,931	192,674	24,689
Total operating expense	363,769	32,306	544,099	36,882
Net loss from operations	(360,860)	(30,746)	(534,729)	(35,322)
Other income (expense):				
Interest expense	(6,655)	—	(10,855)	—
Interest expense – debt discount	(84,178)	—	(84,178)	—
Derivative expense	(301,309)	—	(301,309)	—
Gain on derivative	182,776	—	182,776	—
Total other expense	(209,366)	—	(213,566)	—
Loss before income tax	(570,226)	(30,746)	(748,295)	(35,322)
Provision for income taxes	—	—	—	—
Net Loss	$ (570,226)	$ (30,746)	$ (748,295)	$ (35,322)
Loss per common share				
Basic and diluted	$ (0.11)	$ (0.01)	$ (0.14)	$ (0.01)
Weighted average common shares				
Basic and diluted	5,451,384	5,070,000	5,336,296	5,070,000

The accompanying notes are an integral part of these consolidated financial statements.

Avalanche International, Corp. and Subsidiary
Consolidated Statements of Cash Flows
(unaudited)

	For the Six Months Ended May 31, 2015	2014
Cash flows from operating activities:		
Net loss for the period	$ (748,295)	$ (35,322)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock for services	251,833	—
Stock issued for financing fees	50,263	—
Financing fees	41,000	—
Debt discount amortization	84,178	—
Derivative expense	301,309	—
Gain on derivative liability	(182,776)	—
Changes in operating assets and liabilities:		
Increase in accounts receivable	(16,919)	—
Decrease in prepaid expenses	2,645	—
(Increase) / decrease in inventory	25,900	(11,569)
Increase in loan receivable	(150,000)	—
(Increase) in other assets	(24,928)	—
Increase in accounts payable and accrued expense	7,351	42,953
Decrease in accounts payable – related party	(50,671)	—
Increase in accrued interest	6,610	—
Decrease in accrued compensation	(6,265)	—
Net cash used in operating activities	(408,765)	(3,938)
Cash flows from investing activities:	—	—
Cash flows from financing activities:		
Proceeds from convertible loans	331,250	—
Proceeds from other loans	10,750	2,086
Payments of note payable	(10,800)	—
Advances from an officer	—	4,960
Advances from related parties	39,808	—
Repayment of related party advances	(41,843)	—
Proceeds from issuance of common stock	2,000	—
Proceeds from issuance of preferred stock	76,900	—
Net cash provided by financing activities	408,065	7,046
Increase (decrease) in cash	(700)	3,108
Cash, beginning of period	2,247	—
Cash, end of period	$ 1,547	$ 3,108
Supplemental Disclosures:		
Cash paid for interest	$ —	$ —
Cash paid for income tax	$ —	$ —

The accompanying notes are an integral part of these consolidated financial statements.

Avalanche International, Corp. and subsidiary
Notes to the Consolidated Financial Statements
May 31, 2015
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and business operations

Avalanche International, Corp. ("the Company") was incorporated under the laws of the State of Nevada, U.S. on April 14, 2011. The company had plans to distribute crystallized glass tile in the North American markets to wholesale customers. On May 14, 2014, the Company entered into an Agreement of Conveyance, Transfer and Assignment of Assets and Assumption of Obligations (the "Agreement") with our sole officer and director, John Pulos. Pursuant to the Agreement, the Company transferred all assets to Mr. Pulos. In exchange for this assignment of assets, Mr. Pulos agreed to assume and cancel all liabilities due to him. In conjunction with the change in management, it was decided to abandon this line of business and become a holding company with operations at the subsidiary levels only. The Company formed its first wholly owned subsidiary, Smith and Ramsay Brands, LLC ("SRB"), on May 19, 2014. The Company acquired certain intellectual property, know how, product, name license and other capabilities from Smith and Ramsay, LLC, a Nevada company. Smith and Ramsay Brands, LLC is a manufacturer and distributor of flavored liquids for electronic vaporizers and eCigarettes and distributor of vape accessories. SRB manufactures its premium signature brand of eLiquid, Smith and Ramsay, a line that features all natural flavors produced in the United States. SRB rolled out its flagship product to targeted areas in the fall of 2014, following its pre-launch phase. The Smith and Ramsay line was manufactured, packaged and strategically distributed on a limited basis to generate revenue in test markets. The Company's goal is to maintain a high standard of quality and to insure the production and warehouse environments, processes and procedures continue to meet or exceed guidelines of the FDA, and are in line with International Organization for Standardization ("ISO") and Current Good Manufacturing Practices ("cGMP") standards.

Basis of Presentation
The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC") for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments necessary in order for the financial statements to not be misleading have been reflected herein. Operating results for the interim period ended May 31, 2015 are not necessarily indicative of the results that can be expected for the full year. The Company has adopted a November 30 year end.

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In management's opinion, all adjustments necessary for a fair statement of the results for the interim period have been made, and all adjustments are of a normal recurring nature.

Principles of Consolidation
The consolidated financial statements include the accounts of Avalanche International, Corp. and its wholly-owned subsidiary Smith and Ramsay Brands, LLC. All significant intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents
The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. There were no cash equivalents as of May 31, 2015 and November 30, 2014.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method; market value is based upon estimated replacement costs. As of May 31, 2015 inventory consists of $0 of product and accessories.

Fair Value of Financial instruments

For certain of the Company's non-derivative financial instruments, including cash and cash equivalents, receivables, prepaids, inventory, accounts payable, accrued liabilities, and notes payable, the carrying amount approximates fair value due to the short-term maturities of these instruments. The estimated fair value of long-term debt is based primarily on borrowing rates currently available to the Company for similar debt issues. The fair value approximates the carrying value of long-term debt.

FASB ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. FASB ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1. Observable inputs such as quoted prices in active markets;
- Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly;
- Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following table presents assets and liabilities that are measured and recognized at fair value as of May 31, 2015 on a recurring basis:

May 31, 2015

Description	Level 1	Level 2	Level 3	Total Gains and (Losses)
Derivative	—	—	(444,783)	182,776
Total	$ —	$ —	$ (444,783)	$ 182,776

Revenue Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

During the six months ended May 31, 2015, the Company sold $33,783 in products to Vape Nation, generating 87.3% of its revenue.

Income Taxes

The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the fiscal years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Income and Comprehensive Income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25") with regards to uncertainty income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Basic and diluted net loss per share

The Company computes net loss per share of common stock in accordance with FASB ASC 260, Earnings per Share ("FASB ASC 260"). Under the provisions of FASB ASC 260, basic net income (loss) per share is computed using the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed using the weighted average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and warrants and the conversion of convertible promissory notes. Potentially dilutive shares were excluded from the computation as of May 31, 2015 and 2014 since they would have been anti-dilutive.

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued, that might have a material impact on its financial position or results of operations.

NOTE 2 – GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has an accumulated deficit of $1,154,201 as of May 31, 2015 and a net loss of $748,295 for the six months ended May 31, 2015, raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management intends to finance operating costs over the next twelve months with loans and/or private placement of common stock.

NOTE 3 – PRODUCT LICENSE

Effective May 23, 2014, the Company licenses certain intellectual property, know how, product and capability from Smith and Ramsay, LLC, a Nevada company. Currently the Company is paying a minimum per bottle licensing fee of $4,500 per month for the perpetual licensing rights, recipes, industry advice, brand and company names, etc., against a royalty stream for twelve months with a 4% royalty fee of gross revenue thereafter in perpetuity. The required per month licensing fee of $4,500 expired in May 2015. This license also provides in perpetuity the first right of refusal of any new products or flavors developed by Smith and Ramsay, LLC.

NOTE 4 - RELATED PARTY TRANSACTIONS

As of May 31, 2015, the Company owed a member of the Board of Directors $2,072 for expense reimbursement. The amount due for expense reimbursement is non-interest bearing, due upon demand and unsecured.

As of May 31, 2015, the Company owed MCKEA Holdings, LLC $2,820. Amount is due for both expense reimbursement and short term loans that were made to cover certain operating expenses. The amount due is non-interest bearing, due upon demand and unsecured.

During the six months ended May 31, 2015, the Company sold $33,783 in products to Vape Nation, generating 87.3% of its revenue. Vape Nation, is 50% owned by MCKEA Holdings, LLC. MCKEA Holdings, LLC is the majority member of Philou Ventures, LLC, which is our controlling shareholder. Kristine L. Ault is the Manager of MCKEA Holdings, LLC and the wife to the Chairman of Avalanche International, Corp.

Cross Click Media, Inc. performs sales, marketing, and investor relation services for the Company. As of May 31, 2015, we have paid approximately $196,000 for these services. As of May 31, 2015 and November 30, 2014, we had accounts payable due to CrossClick Media of $37,901 and $88,572, respectively. MCKEA Holdings, LLC is the controlling shareholder of Cross Click Media, Inc. MCKEA Holdings, LLC is also the majority member of Philou Ventures, LLC, which is our controlling shareholder.

During the six months ended May 31, 2015, the Company loaned Cross Click Media, Inc. $150,000. Although the final details are still being negotiated, that the basic terms of the loan consists of a two-year term and interest at 10% per annum to increase after the first six months. The loan was made as an investment into certain business opportunities that CrossClick Media, Inc. has with its new ad-wheel product/technology.

NOTE 5 – LOAN PAYABLE

On November 26, 2014, the Company executed a Promissory Note with Argent Offset, LLC for $12,500. The note included a $500 loan fee, accrued interest at 10%, compounded monthly, and was due December 5, 2014. A late payment fee of $500 per day was to be incurred from December 6, 2014 through December 7, 2014 and then increases to $1,000 per day. On February 1, 2015, we entered into a Temporary Forbearance Agreement with Argent. Under the forbearance agreement, we agreed to pay a forbearance fee of $7,500. The new loan will bear interest at an annual rate of 10% until due on August 1, 2015. Further, we have agreed to pay 12.5% of any new funds invested in the company until the amount due is paid in full. As of May 31, 2015, $5,000 has been repaid on this loan leaving a balance of $15,000 and accrued interest of $727.

On March 17, 2015, the Company executed a Convertible Promissory Note for $10,750 with Strategic IR, Inc. The note bears interest at 10% per annum and is due on or before April 16, 2015. The note includes a one-time loan fee of $1,750 for a total due of $12,500. Accrued interest as of May 31, 2015, is $367. This note is currently pas due.

NOTE 6 – CONVERTIBLE NOTE PAYABLE

On November 3, 2014, the Company executed a Convertible Promissory Note for $63,250 with LG Capital Funding, LLC. The note bears interest at 8% per annum and is due on or before November 3, 2015. The note includes a 15% original issue discount and is convertible at a 40% discount of the lowest trading price prior to the conversion date, any time during the period beginning 180 days following the date of the note. As a result of the conversion feature the Company recorded a debt discount in the amount of $63,250 to be amortized utilizing the effective interest method of accretion over the term of the note. Further, the Company recognized a derivative liability of $109,773 based on the Black Scholes Merton pricing model. As of May 31, 2015, $36,217 of the debt discount has been amortized to interest expense and the Company fair valued the derivative at $73,987 resulting in a gain on the change in fair value of the derivative. This note is presented net of debt discount of $27,033 and has accrued interest of $1,969.

On March 27, 2015, the Company executed an unsecured Convertible Promissory Note for $100,000 with Dr. Gary Gelbfish. The note bears interest at 10% per annum and is due on or before September 23, 2015. If not paid by the due date the note and any accrued interest is convertible at the lesser of $0.50 per share or a 50% discount of the average closing price for the twenty days preceding the conversion. In addition, the loan requires a one-time loan fee of $10,000 and the issuance of 50,000 shares of common stock. The fair value of the common stock issued was determined to be $41,349 based its fair value relative to the fair value of the debt issued. This amount has been recorded as a debt discount and will be amortized utilizing the interest method of accretion over the term of the note. As a result of the conversion feature the Company has recorded additional debt discount of $58,651, $34,857 of which has been amortized to interest expense. The discount was determined by calculating the intrinsic value of the loan based on the stock price on the date of the loan of $1.41 and the conversion price of $0.50. The intrinsic value was $182,000; however the total discount is limited to the amount of the loan. This note is presented net of debt discount of $65,143 and has accrued interest of $1,671.

On April 29, 2015, we entered into a $300,000 Convertible Promissory Note (the “Note”) with JMJ Financial (“JMJ”). The face amount of the Note includes an original issue discount of $30,000. The initial advance to be made under the Note by JMJ is $30,000. JMJ may, after making this initial advance, lend us additional sums under the terms of the Note in such amounts and at such dates as it chooses. Individual loans mature two years from the effective date of each payment. If repaid within ninety (90) days from the date of issue, the loan will not bear interest. Upon ninety (90) days after the date of issue, a one-time interest charge of twelve percent (12%) of the principal amount will be applied. JMJ may convert all or part of the Note, at its discretion, into shares of our common stock. The conversion price is the lesser of $1.06 or sixty percent (60%) of the lowest trading price for our common stock in the twenty-five trading days immediately preceding the conversion date. For the initial advance the Company recorded a debt discount in the amount of $33,000 (payment plus 10% original discount) in connection with the initial valuation of the beneficial conversion feature of the note to be amortized utilizing the effective interest method of accretion over the term of the note. Further, the Company recognized a derivative liability of $120,888 based on the Black Scholes Merton pricing model. As of May 31, 2015, $1,447 of the debt discount has been amortized to interest expense and the Company fair valued the derivative at $45,388 resulting in a gain on the change in fair value of the derivative. This note is presented net of debt discount of $31,553.

On May 11, 2015, the Company issued a Convertible Promissory Note to Union Capital, LLC in the amount of $115,000. The note bears interest at a rate of 8% per annum, is unsecured and matures on May 12, 2016. The Note is convertible into common stock in whole or in part at a variable conversion price equal to a 40% discount to the lowest trading price in the 20-day trading days prior to the conversion date. As a result of the conversion feature the Company recorded a debt discount in the amount of $115,000 to be amortized utilizing the effective interest method of accretion over the term of the note. Further, the Company recognized a derivative liability of $193,664 based on the Black Scholes Merton pricing model. As of May 31, 2015, $5,986 of the debt discount has been amortized to interest expense and the Company fair valued the derivative at $162,704 resulting in a gain on the change in fair value of the derivative. This note is presented net of debt discount of $109,014 and has accrued interest of $681.

On May 12, 2015, the Company issued a Convertible Promissory Note to Adar Bays, LLC in the amount of $115,000. The note bears interest at a rate of 8% per annum, is unsecured and matures on May 12, 2016. The Note is convertible into common stock in whole or in part at a variable conversion price equal to a 40% discount to the lowest trading price in the 20-day trading days prior to the conversion date. As a result of the conversion feature the Company recorded a debt discount in the amount of $115,000 to be amortized utilizing the effective interest method of accretion over the term of the note. Further, the Company recognized a derivative liability of $203,234 based on the Black Scholes Merton pricing model. As of May 31, 2015, $5,671 of the debt discount has been amortized to interest expense and the Company fair valued the derivative at $162,704 resulting in a gain on the change in fair value of the derivative. This note is presented net of debt discount of $109,329 and has accrued interest of $655.

A summary of the status of the Company's debt discounts including original issue discounts, and derivative liabilities, and changes during the periods is presented below:

Debt Discount	November 30, 2014	Additions	Amortization	May 30, 2015
LG Capital Funding, LLC – November 4, 2014	$ —	$ 63,250	$ (36,217)	$ 27,033
Dr. Gary Gelbfish – March 27, 2015	—	100,000	(34,857)	65,143
JMJ Financial – April 29, 2015	—	33,000	(1,447)	31,553
Union Capital, LLC – May 11, 2015	—	115,000	(5,986)	109,014
Adar Bays, LLC – May 12, 2015	—	115,000	(5,671)	109,329
	$ —	$ 426,250	$ (84,178)	$ 342,072

Derivative Liabilities	November 30, 2014	Initial valuation	Revaluation on 5/31/2015	Gain of fair value of derivative
LG Capital Funding, LLC – November 4, 2014	$ —	$ 109,773	$ 73,987	$ (35,786)
JMJ Financial – April 29, 2015	—	120,888	45,388	(75,500)
Union Capital, LLC – May 11, 2015	—	193,664	162,704	(30,960)
Adar Bays, LLC – May 12, 2015	—	203,234	162,704	(40,530)
	$ —	$ 627,559	$ 444,783	$ (182,776)

NOTE 7 - COMMON STOCK

The Company is authorized to issue 75,000,000 common shares with a par value of $0.001 per share.

On August 22, 2014, the Company approved a two for one stock split. All shares have been retroactively adjusted to reflect the split.

On December 15, 2014, the Company issued 1,600 shares of common stock at a price of $1.25 per share for total cash proceeds of $2,000.

On January 28, 2015, the Company issued 200,000 shares of common stock to Hallmark Investments, Inc. for consulting services. The stock was issued at the closing price on the date of grant of $1.60 for total non-cash expense of $320,000. The expense is being recognized over the six month term of the agreement. As of May 31, 2015, $213,333 has been expensed with the balance debited to prepaid stock for services.

On January 30, 2015, the Company issued 12,500 shares of common stock to Scott Messier for consulting services. The stock was issued at the closing price on the date of grant of $1.62 for total non-cash expense of $20,250. The expense is being recognized over the six month term of the agreement. As of May 31, 2015, $13,500 has been expensed with the balance debited to prepaid stock for services.

On March 27, 2015, the Company issued 50,000 shares of common stock to Dr. Gary Gelbfish in connection with the issuance of a convertible promissory note. The fair value of the common stock issued was determined to be $41,349 based its fair value relative to the fair value of the debt issued.

On April 14, 2015, the Company issued 100,000 shares of common stock to Hallmark Investments, Inc. for consulting services. The stock was issued at the closing price on the date of grant of $1.00 for total non-cash expense of $100,000. The expense is being recognized over the six month term of the agreement. As of May 31, 2015, $25,000 has been expensed with the balance debited to prepaid stock for services.

On May 11, 2015, the Company issued 14,495 shares of common stock to Union Capital, LLC in connection with the issuance of a convertible promissory note. The stock was issued at the closing price on the date of grant of $1.25 for total non-cash expense of $18,119. The expense has been recognized as a loan fee.

On May 12, 2015, the Company issued 14,495 shares of common stock to Adar Bays, LLC in connection with the issuance of a convertible promissory note. The stock was issued at the closing price on the date of grant of $1.10 for total non-cash expense of $15,930. The expense has been recognized as a loan fee.

On May 29, 2015, the Company issued 15,000 shares of common stock to Typenex Co-Investment, LLC in connection with the issuance of a convertible promissory note. The stock was issued at the closing price on the date of grant of $1.08 for total non-cash expense of $16,185. The expense has been recognized as a loan fee.

NOTE 8 - PREFERRED STOCK

The Company is authorized to issue 10,000,000 preferred shares with a par value of $0.001 per share.

On July 31, 2014, the Board of Directors designated a series of preferred stock titled Class A Convertible Preferred Stock consisting of 50,000 shares. Each share of Class A Convertible Preferred Stock (“preferred stock”) has a stated value of $5.00 per share. The holders of preferred stock have no voting rights. The holders are entitled to receive cumulative dividends at a rate of 10% of the stated value per annum, payable twice a year, subject to the availability of funds and approval by the Board of Directors. In the discretion of the Board of Directors dividends may be paid with common stock. In the event of liquidation or dissolution of the Company each holder of preferred stock shall be entitled to be paid in cash $5 per share,

At any time after August 31, 2015, a holder of preferred stock may, at their option, convert all or a portion of their outstanding shares into common stock on a one for one basis. On February 1, 2016, all issued and outstanding preferred stock shall be automatically converted into shares of common stock.

On January 30, 2015, the Company issued 15,380 shares of preferred stock at a price of $5.00 per share for total cash proceeds of $76,900 to Finiks Capital, LLC.

NOTE 9 – CONSOLIDATION

The consolidated financial statements include the accounts of Avalanche International, Corp. and its wholly-owned subsidiary Smith and Ramsay Brands, LLC. A separate presentation of each Company as of May 31, 2015 and for the six months ended May 31, 2015 is as follows.

	Avalanche International, Corp.	Smith and Ramsay Brands, LLC	Elimination	Consolidated
Current Assets:				
Cash	$ 546	$ 1,001	$ —	$ 1,547
Accounts receivable	—	16,919	—	16,919
Prepaids	6,395	—	—	6,395
Prepaid stock for services	188,417	—	—	188,417
Loan receivable	150,000	—	—	150,000
Intercompany	284,728	—	284,728	—
Total current assets	630,086	17,920	284,728	363,278
Other assets	—	705	—	705
Product license	—	54,000	—	54,000
Total assets	$ 630,086	$ 72,625	$ 284,728	$ 417,983
Current Liabilities				
Accounts payable and accrued expenses	$ 75,420	$ 8,848	$ —	$ 84,268
Accounts payable, related party	—	37,901	—	37,901
Accrued interest	6,271	727	—	6,998
Accrued compensation	1,000	2,647	—	3,647
Due to related parties	3,532	1,360	—	4,892
Derivative liability	444,783	—	—	444,783
Convertible note payable, net of discount	84,178	—	—	84,178
Loans payable	12,500	15,000	—	27,500
Intercompany	—	284,728	284,728	—
Total current liabilities	627,684	351,211	284,728	694,167
Total liabilities	627,684	351,211	284,728	694,167
Stockholders' Equity (Deficit)				
Preferred stock	29	—	—	29
Common stock	5,553	—	—	5,553
Additional paid-in capital	872,435	—	—	872,435
Accumulated deficit	(875,615)	(278,586)	—	(1,154,201)
Total stockholders' equity (deficit)	2,402	(278,586)	—	(276,184)
Total liabilities and stockholders' equity	$ 630,086	$ 72,625	$ 284,728	$ 417,983

	Avalanche International, Corp	Smith and Ramsay Brands, LLC	Consolidated
Revenue	$ —	$ 38,662	$ 38,662
Cost of revenue	—	29,292	29,292
Gross margin	—	9,370	9,370
Operating Expenses:			
Advertising and marketing	1,750	4,614	6,364
Salary expense	13,400	23,335	36,735
Professional fees	56,493	—	56,493
Stock for services	251,833	—	251,833
General and administrative	22,853	169,821	192,674
Total operating expense	346,329	197,770	544,099
Net loss from operations	(346,329)	(188,400)	(534,729)
Other income (expense):			
Interest expense	(10,141)	(714)	(10,855)
Interest expense – debt discount	(84,178)	—	(84,178)
Derivative expense	(301,309)	—	(301,309)
Gain on derivative	182,776	—	182,776
Total other expense	(212,852)	(714)	(213,566)
Loss before income tax	(559,181)	(189,114)	(748,295)
Provision for income taxes	—	—	—
Net Loss	$ (559,181)	$ (189,114)	$ (748,295)

NOTE 10 - SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10, the Company has analyzed its operations subsequent to May 31, 2015 through July 14, 2015 and has determined that it does not have any material subsequent events to disclose in these consolidated financial statements except for the following.

On May 29, 2015, the Company executed a secured Convertible Promissory Note for $252,500 with Typenex Co-Investment, LLC. The Note includes an OID of $22,500 and is to be received in multiple tranches as determined by the lender. The note bears interest at 10% per annum and individual loans mature thirteen months from the effective date of each payment. The first tranche for $87,500 (includes an OID of $7,500) was funded on June 2, 2015. The Note is convertible at a $1.30 per share.

On June 2, 2015, the Company executed a Convertible Promissory Note for $8,000 with Lord Abstract, LLC. The terms if this note are still being finalized.

On June 4, 2015, the Company executed a Convertible Promissory Note for $55,000 (includes an OID of $5,000) with Black Mountain Equities, Inc. The note has a one-time 10% interest charge and is due on or before June 4, 2016. The Note is convertible at a 30% discount of the average of the three lowest closing prices prior to the twenty trading days preceding conversion. The Company issued 5,000 shares of common stock as a loan fee in connection with the execution of this convertible promissory note. The stock was issued at the closing price on the date of grant of $1.15 for total non-cash expense of $5,750.

On June 12, 2015, the Company entered into a binding Letter of Intent (the “LOI”) for the purchase of all of the issued and outstanding capital stock of J.S. Technologies, Inc., a California corporation (“JS”). JS is the manufacturer of Suhr brand guitars and related electronics and accessories. Under the LOI, the Company has agreed to purchase all of the issued and outstanding capital stock in JS for a total purchase price of $11,000,000. The purchase price will be paid, at the option of the individual JS stockholders, in either cash, new convertible preferred stock, or a combination of both. The new convertible preferred stock to be issued as payment toward the purchase price will have a stated value of $4.00 per share, will accrue dividends at a rate of six percent per year, and will be convertible to common stock at a price of $1.00 per share of common stock. All shares of the new preferred stock issued and outstanding at thirty-six months after closing will be automatically converted to common stock. For additional details refer to the Company’s Form 8-K filed on June 16, 2015.

On June 15, 2015, the Company issued 100,000 shares of common stock to Hallmark Investments, Inc. for consulting services. The stock was issued at the closing price on the date of grant of $1.20 for total non-cash expense of $120,000.

On June 30, 2015, we entered into a $250,000 Convertible Promissory Note (the “Note”) with GCEF Opportunity Fund, LLC (“GCEF”). The face amount of the Note includes an original issue discount of $25,000. The initial advance to be made under the Note by GCEF is $25,000. GCEF may, after making this initial advance, lend us additional sums under the terms of the Note in such amounts and at such dates as it chooses. Individual loans mature one year from the effective date of each payment. Interest will be 10% compounded monthly. GCEF may convert all or part of the Note, at its discretion, into shares of our common stock. The conversion price is the lesser of $1.00 or sixty percent (60%) of the lowest closing price for our common stock in the twenty trading days immediately preceding the conversion date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements." These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Company Overview and Description of Business

Avalanche International Corp., a Nevada corporation, is a holding company with one subsidiary, Smith and Ramsay Brands, LLC. We have acquired certain intellectual property, knowhow, product and capability from Smith and Ramsay, LLC, a Nevada company. Smith and Ramsay Brands, LLC (SRB) is a manufacturer and distributor of flavored liquids for electronic vaporizers and eCigarettes and accessories. SRB currently has a single brand of premium vape liquid, its signature brand Smith and Ramsay, which began a targeted rollout mid-Fall of 2014 following its pre-launch phase. The Smith and Ramsay line was manufactured, packaged and strategically distributed on a limited basis to generate revenue in test markets. Due to the feedback we received during our test marketing, from our observations of the changing consumer demand in the marketplace and our direct experience with our customers, the Company sought and received Board approval to establish Puff Systems. Puff Systems is a new business unit focused on the manufacturing and distribution of vape devices including pens and vape accessories. Puff Systems was launched as a department of Smith and Ramsay Brands so it could minimize costs while developing its business model and proving concept. The efforts and success of Puff Systems are being evaluated by the Company's management to determine the unit's future path. While the Company has chosen to focus primarily on its subsidiary's business model, it reserves the right to explore other opportunities that either may leverage its current activities, expand organically into new revenue streams or enter new industries that will provide added value for its shareholders. This includes the pursuit of a merger or acquisition of existing businesses from other industries with proceeds from new capital raised.

"Vape" is the common term used to refer to the use of vaporizers by consumers which has grown out of the increasing popular use of electronic cigarettes as an alternative to traditional cigarette and other tobacco uses. The use of electronic cigarettes and vaporizers has been accelerated by state and local legislation outlawing the smoking of tobacco products in public places. In 2012, Goldman Sachs declared electronic cigarettes one of the top 10 disruptive technologies to watch.

This highly competitive and innovative marketplace has made its mark and set a consumer standard by offering a wide and colorful array of varying flavors, nicotine levels and other attributes to produce a truly unique and customized experience. We believe that, as this market matures, there will be a natural rising demand for better quality products and wider range of varying flavors that is appetizing to an even more diverse consumer base. Through Smith and Ramsay Brands, we plan to provide a wide variety of high quality vapor liquids to anticipate and lead this demand in a commercial manner to assure product integrity and consistency.

It is the plan of SRB to move into the market place during 2015 and over the next twenty four (24) months following its launch of its Smith and Ramsay signature brand upon threshold funding being reached. Management's goal is to expand aggressively with additional flavors in the signature brand, and expanding through additional new brands and the acquisition and distribution of signature and non-signature accessories. The signature line of premium vape liquid will focus on the Vape store and traditional smoke shop markets, while another brand product line and offerings will focus on the convenience store and gas station marketplace, and other lines will target ethnic-specific markets, etc. Additional products within these brand lines as well as external to these lines will focus on combination hardware/liquid market that includes disposable devices with preloaded liquid, and/or preloaded cartridges for use in specific types of devices.

The Company's management consists of Phil Mansour, Chief Executive Officer and Director and Rachel Boulds, Chief Financial Officer.

The Company's principal offices are located at 5940 S. Rainbow Blvd., Las Vegas, Nevada 89118. The Company's web domain is www.AvalancheInternationalCorp.com. The signature brand of SRB has a web site: www.SmithAndRamsay.com.

The Marketplace and Competition

The Vape marketplace over the past eight years has grown to $2.5 billion, according to VapeNewsMagazine.com and to over $3.5 billion at the turn of 2015 according to Bonnie Herzog, managing director, Beverage, Tobacco & Convenience Store Research, for Wells Fargo Securities LLC in New York. Herzog was cited as stating, "We have increased conviction that consumption of e-Cigs could surpass consumption of conventional cigs within the next decade [by 2023]," according to an article published on VirginiaBusiness.com. In September of 2013, Forbes Magazine estimated that by 2015 the market for eCigarettes would hold a $3.0 Billion share. Forbes Magazine at the beginning of 2014 reported that market share is now closer to $3.5 Billion thus eclipsing its original projection. In fact, on a health issue perspective, we believe it is noteworthy that Forbes Magazine has issued several positive opinions supporting the Vaping industry and its potential ability to help those desiring to quit or reduce traditional smoking products.

A March 24, 2014 Wells Fargo Equity Research report bifurcated the market into eCigarettes and secondary and tertiary markets, referred to as Vapors/Tanks or eVapor. At that time, the report estimated the overall U.S. market was about $2.0 billion dollars with approximately a 65%/35% split between eCigarettes to eVapor. Over 2014, that split was narrowing closer with some recent 2014 year-end estimates at a 40/60 split, with eVapor likely to grow to surpass eCigarettes' market share within the current decade.

A VapeNewsMagazine.com report supports this theory and suggests that the growth of the eVapor segment is increasing faster that the overall sales of the eCigarette market. It appears that the drivers behind this growth are: 1) natural progression from eCigarettes; 2) affordability, with eVapor costing 20% less than rechargeable eCigarettes, and 40% less than disposable eCigarettes; and 3) the ability to personalize devices, and receive better nicotine delivery and overall product performance. The report states, "Our view that vapor/tank growth is accelerating and taking share from eCigarettes, making vapor/tank an increasing threat was substantiated by our survey as respondents expect vapors/tanks to grow at 2x the rate of the eVapor category in 2014 with attractive margins that rival combustible cigs. Therefore, if the robust growth of the vapor/tank category continues and is not hindered by FDA regulation, we expect big tobacco has no choice but to enter this category either organically or via acquisition." This prediction was realized with every major tobacco brand having an entry already launched in the eCigarette sector by the close of 2014.

This was further validated by Pamela Gorman, Director of Government Relations at NJOY (a prominent player in the eCigarettespace) when she recently announced at the Vape World Expo in June 2014, that NJOY would be making a strategic shift and enter the eVapor space. By the close of 2014, NJOY's products were conveniently distributed in Plexiglas displays located at thousands of stores across the United States.

Our observations include a perspective that the eVapor market is a fragmented space that can be segmented into the following categories: Home Brew, Cottage, Regionals, Tier 2, and Tier 1.

Home Brew

This segment consists of tiny entrepreneurs, usually with one or two stores, making their own vape liquids and selling them primarily in their shop and online. Typically, these entrepreneurs only carry their own liquids and maybe one or two Tier 2 brands.

Cottage

This segment includes small businesses, usually with one to four stores that make their own vape liquids and distribute their liquids in their stores and in their local city or community. Their brand of liquid is limited to about two dozen or so flavors and have roughly no more than 2,000 bottles sold per month.

Regionals

These companies typically have expanded beyond their city boundaries up to four states and have 25 to 250 stores carrying their brand. This category ranges in product quality and offerings. Most of these companies range from six months old to less than 30 months old while producing less than 15,000 units a month. There appears to be hundreds of these players in this category and it is growing every day. The major challenge for these businesses is to have the necessary resources, knowledge and experience or expertise available to expand their current customer reach. This category includes FuzionVapor.com, Hurricane Vapor, Nikki's Vapor Bar, and Virgin Vapor to name a few.

Tier 2

The Tier 2 manufacturers have reached significant regional acceptance and/or national recognition within three of the four continental time zones in the United States. Typically, these groups are in more than 300 stores and have annual gross sales estimated at between five to fifteen million dollars. Companies included in this category are Five Pawns, Cosmic Fog, eLiquid Solutions, Space Jam Juice, ECBlend, Suicide Bunny and Vapor Corporation, which has been publicly traded on the OTC and upgraded to the NASDAQ (VPCO). Vapor Corporation is primarily a manufacturer of smokeless equipment and produces its own line of liquids.

Tier 1

Top players in this market have sales reaching $25+ million and are often but not always recognized nationally which includes NicQuid, and Johnsons Creek, two leaders in the eVapor space.

The Wells Fargo Report suggests that the large discrepancy between Nielsen data which captures only $750MM in annual eVapor sales and the $2.2 billion its survey suggests, is due to the fact that 60% of eVapor sales go untracked through channels of online and Vape Shop sales which are below the Tier 2 level.

Given the current wide-open nature of the market landscape with no clearly dominant market leaders despite the presence of the top five domestic tobacco manufacturers, we feel the barriers to entry and success for our organization to move in with quality products, marketing, distribution and strategic acquisition strategies are minimal compared to where they will be as the market matures over the next 18 months.

Plan of Operations

Our objective is to provide manufacturing options to support the organic growth begun during our test-marketing phase while continuing to support key wholesale and retail distributors and our strategic partners. These manufacturing options encompass the expanding variety of brands of flavoured eLiquids manufactured by Smith and Ramsay Brands and the innovative devices and accessories that the marketplace will find distinctive in design, quality and value that the Puff Systems brand will build its reputation on. The operations for each business line will need to continue to be progressively scalable and supply the needed amount of product in accordance with their sales and marketing plan as each unit has established.

Operational expansion and adjustment in personnel and capacity needs will be addressed through the increase of internal and/or, contract, sales, marketing, and manufacturing capabilities or through strategic acquisition of such capabilities. Decisions on the direction and strategy associated with business and product expansion goals will continue to be made while the business and market place continue to evolve during formative stages of the industry.

Marketing Strategies

Domestically, our plan was to outsource sales and marketing to a best of breed sales and marketing firm, to drive initial development of national branding, packaging, social media and full web presence. This initial 180-day plan included the development of a competitive landscape report and full launch and ongoing marketing plan and budget. During this initial startup campaign, the Company was developing its overall national marketing strategy with the anticipation of its national launch of its premium signature brand, Smith and Ramsay. The firm test marketed Smith and Ramsay in select localities, employing a variety of different regional and select small-scale national campaigns using a combination of direct sales, call center and business-to-business sales efforts. Data was gathered and analyzed to coordinate with the marketing strategy to insure a successful launch and solid development of an initial installed base. The market research is now driving our decisions and a scheduled calendar of Smith and Ramsay Brands events nationwide that should drive the expansion of its signature brand along with a mixed addition of proprietary brands through R&D, partnerships, and/or acquisitions, along with additions of non-liquid offerings.

International

Internationally, Smith and Ramsay Brands continues its efforts internally to understand and map out the international eLiquid space in an effort to follow the same data driven decision making that has been utilized to develop and implemented its domestic marketing plan. Within months, an initial international strategy will be outlined with a timeline and budget for Board approval.

Research and Development

Research and development will be focused on expanding the number of brands offered by SRB and within each brand line expanding the lines themselves to include new flavors and different configurations.

Intellectual Property

We have purchased the following intellectual property from Smith and Ramsay, LLC:

Patent / Trademark/knowhow	**Patent Title / Trademark**
Recipe for Toasty Monkey	Trademark currently in filing process
Recipe for Tricky	Trademark currently in filing process
Recipe for Java Hopper	Trademark currently in filing process
Recipe for Peaches and Mango	Trademark currently in filing process
Recipe for Berries and Cream	Trademark currently in filing process
Smith and Ramsay	Trademark currently in filing process
Smith and Ramsay Brands	Trademark currently in filing process

Domain Names

www.AvalancheInternationalCorp.com
www.Smith AndRamsay.co
www.SmithAndRamsay.com
www.SmithAndRamsayBrands.co
www.SmithAndRamsayBrands.com
www.SmithAndRamsayBrands.info
www.SmithAndRamsayBrands.net
www.SmithAndRamsayBrands.org
www.SmithNRamsay.com
www.SmithAndRamsay.com

Employees

As of May 31, 2015, we employed two permanent management level personnel and work with outside labor and consultants to complete the tasks at hand. We may require additional employees in the future. There is intense competition for capable, experienced personnel and there is no assurance the Company will be able to obtain new qualified employees when required.

Letter of Intent for Acquisition of J.S. Technologies, Inc.

On June 12, 2015, we entered into a binding Letter of Intent (the "LOI") for the purchase of all of the issued and outstanding capital stock of J.S. Technologies, Inc., a California corporation ("JS"). JS is the manufacturer of Suhr brand guitars and related electronics and accessories. Under the LOI, we have agreed to purchase all of the issued and outstanding capital stock in JS for a total purchase price of $11,000,000. The purchase price will be paid, at the option of the individual JS stockholders, in either cash, new convertible preferred stock, or a combination of both. The new convertible preferred stock to be issued as payment toward the purchase price will have a stated value of $4.00 per share, will accrue dividends at a rate of six percent per year, and will be convertible to common stock at a price of $1.00 per share of common stock. All shares of the new preferred stock issued and outstanding at thirty-six months after closing will be automatically converted to common stock.

The anticipated closing date of the acquisition will be in in 120 days from the date of the LOI and will be documented by a definitive agreement to be prepared by the parties. The transaction must close by the later of: (i) 120 days from the date of the LOI, or (ii) 60 days after delivery of audited financial statements for JS, which is a condition to closing. There are numerous additional conditions to closing of the acquisition, including, but not limited to: (i) execution of the definitive agreement by not less than 65% of JS's stockholders and compliance with JS's bylaws and a buy/sell agreement governing its common stock, (ii) our readiness and ability to pay the required portion of the purchase price to each JS stockholder who is ready and willing to sell its shares, and (iii) concurrent closing of an additional agreement under which we will purchase S&J Design Labs, LLC, the affiliated company which owns the building and equipment used in JS's operations.

The LOI also contains a "no-shop" provision for the time between the date of the LOI and the defined closing date. In addition, if we or any of the JS stockholders signing the LOI fail and refuse to close the acquisition on the defined closing date, and the other parties are ready and able to close, the breaching party will be assessed a $250,000 break-up fee. Extensive additional covenants, conditions, representations, and warranties between the parties are included in the LOI. The foregoing is a brief summary of the material terms of the LOI, which should be reviewed in its entirety for additional information.

Our ability to close the acquisition of JS as contemplated by the LOI will be dependent upon us obtaining additional financing through debt and/or equity financing arrangements. Although management is working to secure the additional capital required to close the transaction, there is a risk that such additional financing will not be available to us on acceptable terms or in the amounts required to close the planned acquisition.

Results of Operations for the three months ended May 31, 2015 compared to the three months ended May 31, 2014.

Revenue

For the three months ended May 31, 2015, revenue was $23,667 compared to $3,741 for the three months ended May 31, 2014. For the three months ended May 31, 2014 we had just started to sell our new vape liquid. Revenue in the current period consists of sales of our vape liquid as well as vape pens and accessories.

Operating Expenses

Compensation expense – for the three months ended May 31, 2015, compensation expense for our CFO and CEO totaled $13,815. There was no compensation expense incurred in the prior period.

Professional fees – Professional fees for the three months ended May 31, 2015 were $51,043 compared to $8,375 for the three months ended May 31, 2014. The increase is due to increased legal and audit fees associated with compliance and filing obligations.

Stock for services – Stock is issued for various services by the company in lieu of cash compensation. For the three months ended May 31, 2015 the Company incurred $195,125 of total non-cash expense as a result of issuing stock for services. No stock was issued for services in the prior period.

General and administrative – General and administrative expense for the three months ended May 31, 2015 was $103,786 compared to $23,931 for the three months ended May 31, 2014. The increase is due to the increased activities of the Company, including approximately $69,000 of loan fee expense.

Other income and expense

During the three months ended May 31, 2015 we incurred $84,178 of expense for amortization of debt discount, derivative expense of $301,309 and had a gain on the change in fair market value of our derivative liability of $182,776, none of which we had in the prior year. These new revenues and expenses are a result of the convertible debt acquired.

Net loss

The Company had a net loss of $570,226 for the three months ended May 31, 2015 compared to a net loss of $30,746 for the three months ended May 31, 2014. The increase in net loss was due to a net increase in operating and other expenses as described above.

Results of Operations for the six months ended May 31, 2015 compared to the six months ended May 31, 2014.

Revenue
For the six months ended May 31, 2015, revenue was $38,662 compared to $3,741 for the six months ended May 31, 2014. For the six months ended May 31, 2014 we had just started to sell our new vape liquid. Revenue in the current period consists of sales of our vape liquid as well as vape pens and accessories.

Operating Expenses
Advertising and marketing – while there were no costs incurred in the prior period for advertising and marketing, in the current period for the six months ended May 31, 2015, we incurred $6,364 of advertising and marketing costs in connection with the promotion of our new line of business and products.

Compensation expense – for the six months ended May 31, 2015, compensation expense for our CFO and CEO totaled $36,735. There was no compensation expense incurred in the prior period.

Professional fees – Professional fees for the six months ended May 31, 2015 were $56,493 compared to $12,193 for the six months ended May 31, 2014. The increase is due to increased legal and audit fees associated with compliance and filing obligations.

Stock for services – Stock is issued for various services by the company in lieu of cash compensation. For the six months ended May 31, 2015 the Company incurred $251,833 of total non-cash expense as a result of issuing stock for services. No stock was issued for services in the prior period.

General and administrative – General and administrative expense for the six months ended May 31, 2015 was $192,674 compared to $24,689 for the six months ended May 31, 2014. The increase is due to the increased activities of the Company, including approximately $69,000 of loan fee expense.

Other income and expense
During the six months ended May 31, 2015 we incurred $84,178 of expense for amortization of debt discount, derivative expense of $301,309 and had a gain on the change in fair market value of our derivative liability of $182,776, none of which we had in the prior year. These new revenues and expenses are a result of the convertible debt acquired.

Net loss
The Company had a net loss of $748,295 for the six months ended May 31, 2015 compared to a net loss of $35,322 for the six months ended May 31, 2014. The increase in net loss was due to a net increase in operating and other expenses as described above.

Liquidity and Capital Resources

Our management currently believes that we may not have sufficient working capital needed to meet our current fiscal obligations. In order to continue to meet our fiscal obligations beyond the next twelve months, we plan to pursue various financing alternatives including, but not limited to, raising capital through the equity markets and debt financing.

Should we not be successful at raising capital through the issuance of capital stock, we may consider raising capital by the issuance of debt. However, unless the appropriate features, such as convertible options, are attached to the debt instruments, this form of financing is less desirable until such time as we may be in a position to reasonably foresee the generation of cash flow to service and repay debt.

As of May 31, 2015, we had an accumulated deficit of $1,154,201 and a net loss for the six months ended May 31, 2015 of $748,295. For the six months ended May 31, 2015, net cash used in operating activities was $408,765 and we had net cash from financing activities of $408,065.

On November 3, 2014, we executed a Convertible Promissory Note for $63,250 with LG Capital Funding, LLC. The note bears interest at 8% per annum and is due on or before November 3, 2015. The note includes a 15% original issue discount and is convertible at a 40% discount any time during the period beginning 180 days following the date of the note. Accrued interest on the note as of November 30, 2014 is $1,939.

On November 26, 2014, we executed a Promissory Note with Argent Offset, LLC for $12,500. The note included a $500 loan fee, accrued interest at 10%, compounded monthly, and was due December 5, 2014. A late payment fee of $500 per day was to be incurred from December 6, 2014 through December 7, 2014 and then increases to $1,000 per day. On February 1, 2015, we entered into a Temporary Forbearance Agreement with Argent. Under the forbearance agreement, we agreed to pay a forbearance fee of $7,500. The new loan will bear interest at an annual rate of 10% until due on August 1, 2015. Further, we have agreed to pay 12.5% of any new funds invested in the company until the amount due is paid in full. As of May 31, 2015, $5,000 has been repaid on this loan leaving a balance of $15,000 and accrued interest of $727.

On March 17, 2015, we executed a convertible Promissory Note for $10,750 with Strategic IR, Inc. The note bears interest at 10% per annum and is due on or before April 16, 2015. The note includes a one-time loan fee of $1,750 for a total due of $12,500. This note was not repaid by April 16, 2015 resulting in an increase of the interest rate to 21%. This note is currently past due.

On March 27, 2015, we executed a Convertible Promissory Note for $100,000 with Dr. Gary Gelbfish. The note bears interest at 10% per annum and is due on or before September 23, 2015. If not paid by the due date the note and any accrued interest is convertible at the lesser of $0.50 per share or a 50% discount of the average closing price for the twenty days preceding the conversion. In addition, the loan requires a one-time loan fee of $10,000 and the issuance of 50,000 shares of common stock.

On April 29, 2015, we entered into a $300,000 Promissory Note (the "Note") with JMJ Financial ("JMJ"). The face amount of the Note includes an original issue discount of $30,000. The initial advance to be made under the Note by JMJ is $30,000. JMJ may, after making this initial advance, lend us additional sums under the terms of the Note in such amounts and at such dates as it chooses. Individual loans mature two years from the effective date of each payment. If repaid within ninety (90) days from the date of issue, the loan will not bear interest. Upon ninety (90) days after the date of issue, a one-time interest charge of twelve percent (12%) of the principal amount will be applied. JMJ may convert all or part of the Note, at its discretion, into shares of our common stock. The conversion price is the lesser of $1.06 or sixty percent (60%) of the lowest trading price for our common stock in the twenty-five trading days immediately preceding the conversion date. The initial advance was in the amount of $33,000 (payment plus 10% original discount). This note is presented net of debt discount of $31,553.

On May 11, 2015, we issued a Convertible Promissory Note to Union Capital, LLC in the amount of $115,000. The note bears interest at a rate of 8% per annum, is unsecured and matures on May 12, 2016. The Note is convertible into common stock in whole or in part at a variable conversion price equal to a 40% discount to the lowest trading price in the 20-day trading days prior to the conversion date. This note is presented net of debt discount of $109,014 and has accrued interest of $681.

On May 12, 2015, we issued a Convertible Promissory Note to Adar Bays, LLC in the amount of $115,000. The note bears interest at a rate of 8% per annum, is unsecured and matures on May 12, 2016. The Note is convertible into common stock in whole or in part at a variable conversion price equal to a 40% discount to the lowest trading price in the 20-day trading days prior to the conversion date. This note is presented net of debt discount of $109,329 and has accrued interest of $655.

On May 29, 2015, we executed a secured Convertible Promissory Note for $252,500 with Typenex Co-Investment, LLC. The Note includes an OID of $22,500 and is to be received in multiple tranches as determined by the lender. The note bears interest at 10% per annum and individual loans mature thirteen months from the effective date of each payment. The first tranche for $87,500 (includes an OID of $7,500) was funded on June 2, 2015. The Note is convertible at a $1.30 per share.

On June 2, 2015, the Company executed a Convertible Promissory Note for $8,000 with Lord Abstract, LLC. The terms if this note are still being finalized.

On June 4, 2015, we executed a Convertible Promissory Note for $55,000 (includes an OID of $5,000) with Black Mountain Equities, Inc. The note has a one-time 10% interest charge and is due on or before June 4, 2016. The Note is convertible at a 30% discount of the average of the three lowest closing prices prior to the twenty trading days preceding conversion.

On June 30, 2015, we entered into a $250,000 Convertible Promissory Note (the "Note") with GCEF Opportunity Fund, LLC ("GCEF"). The face amount of the Note includes an original issue discount of $25,000. The initial advance to be made under the Note by GCEF is $25,000. GCEF may, after making this initial advance, lend us additional sums under the terms of the Note in such amounts and at such dates as it chooses. Individual loans mature one year from the effective date of each payment. Interest will be 10% compounded monthly. GCEF may convert all or part of the Note, at its discretion, into shares of our common stock. The conversion price is the lesser of $1.00 or sixty percent (60%) of the lowest closing price for our common stock in the twenty trading days immediately preceding the conversion date.

Going Concern

These interim unaudited consolidated financial statements have been prepared on the going concern basis which assumes that adequate sources of financing will be obtained as required and that ourassets will be realized and liabilities settled in the ordinary course of business. Accordingly, the interim unaudited consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of assets and liabilities that might be necessary should we not be unable to continue as a going concern.

Off Balance Sheet Arrangements

As of May 31, 2015, there were no off balance sheet arrangements.

Critical Accounting Policies

In December 2001, the SEC requested that all registrants list their most "critical accounting polices" in the Management Discussion and Analysis. The SEC indicated that a "critical accounting policy" is one which is both important to the portrayal of a company's financial condition and results, and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Currently, we do not believe that any accounting policies fit this definition.

Recently Issued Accounting Pronouncements

We do not expect the adoption of recently issued accounting pronouncements to have a significant impact on our results of operations, financial position or cash flow.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

Item 4. Controls and Procedures

Management has evaluated the effectiveness of our internal control over financial reporting as of May 31, 2015 based on the control criteria established in a report entitled Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO. Based on our assessment and those criteria, our management has concluded that the Company has inadequate controls and procedures over financial reporting due to the lack of segregation of duties and lack of a formal review process that includes multiple levels of review. Management believes that the material weakness in its controls and procedures did not have an effect on our financial results.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. It is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. It also can be circumvented by collusion or improper management override.

Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process certain safeguards to reduce, though not eliminate, this risk. Management is responsible for establishing and maintaining adequate internal control over our financial reporting.

This report does not include an attestation of our registered public accounting firm regarding internal control over financial reporting, pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the first quarter of FY 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

We have not had any changes or disagreements with our accountants required to be disclosed pursuant to Item 304 of Regulation S-K.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Item 1A. Risk Factors

A smaller reporting company is not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following sets forth certain information concerning securities, which were sold or issued by us without the registration of the securities under the Securities Act of 1933 in reliance on exemptions from such registration requirements. All proceeds are being used to fund operating activities.

On December 15, 2015, we issued 1,600 shares of common stock at a price of $1.25 per share for total cash proceeds of $2,000. Proceeds were used to fund general operating expenses.

On January 28, 2015, we issued 200,000 shares of common stock to Hallmark Investments, Inc. for consulting services. The stock was issued at the closing price on the date of grant of $1.60 for total non-cash expense of $320,000. The expense is being recognized over the six month term of the agreement.

On January 30, 2015, we issued 15,380 shares of preferred stock at a price of $5.00 per share for total cash proceeds of $76,900 to Finiks Capital, LLC. Proceeds were used to pay loans and accounts payable.

On January 30, 2015, we issued 12,500 shares of common stock to Scott Messier for consulting services. The stock was issued at the closing price on the date of grant of $1.62 for total non-cash expense of $20,250. The expense is being recognized over the six month term of the agreement.

On March 27, 2015, we issued 50,000 shares of common stock to Dr. Gary Gelbfish in connection with the issuance of a convertible promissory note. The fair value of the common stock issued was determined to be $41,349 based its fair value relative to the fair value of the debt issued.

On April 14, 2015, we issued 100,000 shares of common stock for to Hallmark Investments, Inc. consulting services. The stock was issued at the closing price on the date of grant of $1.00 for total non-cash expense of $100,000. The expense is being recognized over the six month term of the agreement.

On May 11, 2015, we issued 14,495 shares of common stock to Union Capital, LLC in connection with the issuance of a convertible promissory note. The stock was issued at the closing price on the date of grant of $1.25 for total non-cash expense of $18,119. The expense has been recognized as a loan fee.

On May 12, 2015, we issued 14,495 shares of common stock to Adar Bays, LLC in connection with the issuance of a convertible promissory note. The stock was issued at the closing price on the date of grant of $1.10 for total non-cash expense of $15,930. The expense has been recognized as a loan fee.

On May 29, 2015, we issued 15,000 shares of common stock to Typenex Co-Investment, LLC in connection with the issuance of a convertible promissory note. The stock was issued at the closing price on the date of grant of $1.08 for total non-cash expense of $16,185. The expense has been recognized as a loan fee.

On June 4, 2015, we issued 5,000 shares of common stock to for a loan fee in connection with the execution of the convertible promissory note with Black Mountain Equities, Inc. The stock was issued at the closing price on the date of grant of $1.15 for total non-cash expense of $5,750.

On June 15, 2015, we issued 100,000 shares of common stock to Hallmark Investments, LLC for consulting services. The stock was issued at the closing price on the date of grant of $1.20 for total non-cash expense of $120,000.

Item 3. Defaults upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On June 16, 2015, Harris & Gillespie CPA'S, PLLC was deregistered per PCAOB Release No. 105-2015-011. As a result of the transaction, on June 16, 2015, the Former Accountant effectively resigned as the Company's independent registered public accounting firm and the Company engaged Michael Gillespie & Associates, PLLC as the Company's independent registered public accounting firm. The engagement of the New Accountant was approved by the Company's Board of Directors.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
10.1	Convertible Note issued to JMJ Financial dated April 29, 2015
10.2	Secured Convertible Promissory Note issued to Typenex Co-Investment, LLC dated May 29, 2015
10.3	Securities Purchase Agreement with Typenex Co-Investment, LLC dated May 29, 2015
10.4	Security Agreement with Typenex Co-Investment, LLC dated May 29, 2015
10.5	Investor Note #1 from Typenex Co-Investment, LLC dated May 29, 2015
10.6	Investor Note #2 from Typenex Co-Investment, LLC dated May 29, 2015
10.7	Investor Note #3 from Typenex Co-Investment, LLC dated May 29, 2015
10.8	Convertible Note issued to Black Mountain Equities, Inc. dated June 4, 2015
10.9	Convertible Promissory Note issued to GCEF Opportunity Fund, LLC dated June 30, 2015
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended May 31, 2015 formatted in Extensible Business Reporting Language (XBRL).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Avalanche International, Corp.

Date: July 16, 2015

By: */s/ Philip Mansour*
Philip Mansour
Title: **Chief Executive Officer and Director**

Date: July 16, 2015

By: */s/ Rachel Boulds*
Rachel Boulds
Title: **Chief Financial Officer**

Interest free if paid in full
within 3 months

$300,000 CONVERTIBLE NOTE

FOR VALUE RECEIVED, **Avalanche International, Corp.**, a Nevada corporation (the "Issuer" of this Security) with at least 5,000,000 common shares issued and outstanding, issues this Security and promises to pay to JMJ Financial, a Nevada sole proprietorship, or its Assignees (the "Investor") the Principal Sum along with the Interest Rate and any other fees according to the terms herein. This Note will become effective only upon execution by both parties and delivery of the first payment of Consideration by the Investor (the "Effective Date").

The Principal Sum is $300,000 (three hundred thousand) plus accrued and unpaid interest and any other fees. The Consideration is $270,000 (two hundred seventy thousand) payable by wire (there exists a $30,000 original issue discount (the "OID")). The Investor shall pay $30,000 of Consideration upon closing of this Note. The Investor may pay additional Consideration to the Issuer in such amounts and at such dates as the Investor may choose in its sole discretion. **THE PRINCIPAL SUM DUE TO THE INVESTOR SHALL BE PRORATED BASED ON THE CONSIDERATION ACTUALLY PAID BY INVESTOR (PLUS AN APPROXIMATE 10% ORIGINAL ISSUE DISCOUNT THAT IS PRORATED BASED ON THE CONSIDERATION ACTUALLY PAID BY THE INVESTOR AS WELL AS ANY OTHER INTEREST OR FEES) SUCH THAT THE ISSUER IS ONLY REQUIRED TO REPAY THE AMOUNT FUNDED AND THE ISSUER IS NOT REQUIRED TO REPAY ANY UNFUNDED PORTION OF THIS NOTE**. The Maturity Date is two years from the Effective Date of each payment (the "Maturity Date") and is the date upon which the Principal Sum of this Note, as well as any unpaid interest and other fees, shall be due and payable. The Conversion Price is the lesser of $1.06 or 60% of the lowest trade price in the 25 trading days previous to the conversion (In the case that conversion shares are not deliverable by DWAC an additional 10% discount will apply; and if the shares are ineligible for deposit into the DTC system and only eligible for Xclearing deposit an additional 5% discount shall apply; in the case of both an additional cumulative 15% discount shall apply). Unless otherwise agreed in writing by both parties, at no time will the Investor convert any amount of the Note into common stock that would result in the Investor owning more than 4.99% of the common stock outstanding.

1. **ZERO** Percent Interest for the First Three Months. The Issuer may repay this Note at any time on or before 90 days from the Effective Date, after which the Issuer may not make further payments on this Note prior to the Maturity Date without written approval from the Investor. **If the Issuer repays a payment of Consideration on or before 90 days from the Effective Date of that payment, the Interest Rate on that payment of Consideration shall be ZERO PERCENT (0%).** If the Issuer does not repay a payment of Consideration on or before 90 days from its Effective Date, a one-time Interest charge of 12% shall be applied to the Principal Sum. Any interest payable is in addition to the OID, and that OID (or prorated OID, if applicable) remains payable regardless of time and manner of payment by the Issuer.

2. Conversion. The Investor has the right, at any time after the Effective Date, at its election, to convert all or part of the outstanding and unpaid Principal Sum and accrued interest (and any other fees) into shares of fully paid and non-assessable shares of common stock of the Issuer as per this conversion formula: Number of shares receivable upon conversion equals the dollar conversion amount divided by the Conversion Price. Conversions may be delivered to the Issuer by method of the Investor's choice (including but not limited to email, facsimile, mail, overnight courier, or personal delivery), and all conversions shall be cashless and not require further payment from the Investor. If no objection is delivered from the Issuer to the Investor regarding any variable or calculation of the conversion notice within 24 hours of delivery of the conversion notice, the Issuer shall have been thereafter deemed to have irrevocably confirmed and irrevocably ratified such notice of conversion and waived any objection thereto. The Issuer shall deliver the shares from any conversion to the Investor (in any name directed by the Investor) within 3 (three) business days of conversion notice delivery.

3. Conversion Delays. If the Issuer fails to deliver shares in accordance with the timeframe stated in Section 2, the Investor, at any time prior to selling all of those shares, may rescind any portion, in whole or in part, of that particular conversion attributable to the unsold shares and have the rescinded conversion amount returned to the Principal Sum with the rescinded conversion shares returned to the Issuer (under the Investor's and the Issuer's expectations that any returned conversion amounts will tack back to the original date of the Note). In addition, for each conversion, in the event that shares are not delivered by the fourth business day (inclusive of the day of conversion), a penalty of $2,000 per day will be assessed for each day after the third business day (inclusive of the day of the conversion) until share delivery is made; and such penalty will be added to the Principal Sum of the Note (under the Investor's and the Issuer's expectations that any penalty amounts will tack back to the original date of the Note).

4. Reservation of Shares. At all times during which this Note is convertible, the Issuer will reserve from its authorized and unissued Common Stock to provide for the issuance of Common Stock upon the full conversion of this Note. The Issuer will at all times reserve at least 1,000,000 shares of Common Stock for conversion.

5. Piggyback Registration Rights. The Issuer shall include on the next registration statement the Issuer files with SEC (or on the subsequent registration statement if such registration statement is withdrawn) all shares issuable upon conversion of this Note. Failure to do so will result in liquidated damages of 25% of the outstanding principal balance of this Note, but not less than $25,000, being immediately due and payable to the Investor at its election in the form of cash payment or addition to the balance of this Note.

6. Terms of Future Financings. So long as this Note is outstanding, upon any issuance by the Issuer or any of its subsidiaries of any security with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Investor in this Note, then the Issuer shall notify the Investor of such additional or more favorable term and such term, at the Investor's option, shall become a part of the transaction documents with the Investor. The types of terms contained in another security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, conversion lookback periods, interest rates, original issue discounts, stock sale price, private placement price per share, and warrant coverage.

7. Default. The following are events of default under this Note: (i) the Issuer shall fail to pay any principal under the Note when due and payable (or payable by conversion) thereunder; or (ii) the Issuer shall fail to pay any interest or any other amount under the Note when due and payable (or payable by conversion) thereunder; or (iii) a receiver, trustee or other similar official shall be appointed over the Issuer or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; or (iv) the Issuer shall become insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; or (v) the Issuer shall make a general assignment for the benefit of creditors; or (vi) the Issuer shall file a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); or (vii) an involuntary proceeding shall be commenced or filed against the Issuer; or (viii) the Issuer shall lose its status as "DTC Eligible" or the Issuer's shareholders shall lose the ability to deposit (either electronically or by physical certificates, or otherwise) shares into the DTC System; or (ix) the Issuer shall become delinquent in its filing requirements as a fully-reporting issuer registered with the SEC; or (x) the Issuer shall fail to meet all requirements to satisfy the availability of Rule 144 to the Investor or its assigns including but not limited to timely fulfillment of its filing requirements as a fully-reporting issuer registered with the SEC, requirements for XBRL filings, and requirements for disclosure of financial statements on its website.

8. Remedies. In the event of any default, the outstanding principal amount of this Note, plus accrued but unpaid interest, liquidated damages, fees and other amounts owing in respect thereof through the date of acceleration, shall become, at the Investor's election, immediately due and payable in cash at the Mandatory Default Amount. The Mandatory Default Amount means the greater of (i) the outstanding principal amount of this Note, plus all accrued and unpaid interest, liquidated damages, fees and other amounts hereon, divided by the Conversion Price on the date the Mandatory Default Amount is either demanded or paid in full, whichever has a lower Conversion Price, multiplied by the VWAP on the date the Mandatory Default Amount is either demanded or paid in full, whichever has a higher VWAP, or (ii) 150% of the outstanding principal amount of this Note, plus 100% of accrued and unpaid interest, liquidated damages, fees and other amounts hereon. Commencing five (5) days after the occurrence of any event of default that results in the eventual acceleration of this Note, the interest rate on this Note shall accrue at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted under applicable law. In connection with such acceleration described herein, the Investor need not provide, and the Issuer hereby waives, any presentment, demand, protest or other notice of any kind, and the Investor may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by the Investor at any time prior to payment hereunder and the Investor shall have all rights as a holder of the note until such time, if any, as the Investor receives full payment pursuant to this Section

8. No such rescission or annulment shall affect any subsequent event of default or impair any right consequent thereon. Nothing herein shall limit the Investor's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Issuer's failure to timely deliver certificates representing shares of Common Stock upon conversion of the Note as required pursuant to the terms hereof.

9. No Shorting. The Investor agrees that so long as this Note from the Issuer to the Investor remains outstanding, the Investor will not enter into or effect "short sales" of the Common Stock or hedging transaction which establishes a net short position with respect to the Common Stock of the Issuer. The Issuer acknowledges and agrees that upon delivery of a conversion notice by the Investor, the Investor immediately owns the shares of Common Stock described in the conversion notice and any sale of those shares issuable under such conversion notice would not be considered short sales.

10. Assignability. The Issuer may not assign this Note. This Note will be binding upon the Issuer and its successors and will inure to the benefit of the Investor and its successors and assigns and may be assigned by the Investor to anyone without the Issuer's approval.

11. Governing Law. This Note will be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, without regard to the conflict of laws principles thereof. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of Florida or in the federal courts located in Miami-Dade County, in the State of Florida. Both parties and the individuals signing this Agreement agree to submit to the jurisdiction of such courts.

12. Delivery of Process by the Investor to the Issuer. In the event of any action or proceeding by the Investor against the Issuer, and only by the Investor against the Issuer, service of copies of summons and/or complaint and/or any other process which may be served in any such action or proceeding may be made by the Investor via U.S. Mail, overnight delivery service such as FedEx or UPS, email, fax, or process server, or by mailing or otherwise delivering a copy of such process to the Issuer at its last known attorney as set forth in its most recent SEC filing.

13. Attorney Fees. If any attorney is employed by either party with regard to any legal or equitable action, arbitration or other proceeding brought by such party for enforcement of this Note or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Note, the prevailing party will be entitled to recover from the other party reasonable attorneys' fees and other costs and expenses incurred, in addition to any other relief to which the prevailing party may be entitled.

14. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, the Investor has the right to have any such opinion provided by its counsel. Investor also has the right to have any such opinion provided by Issuer's counsel.

15. Notices. Any notice required or permitted hereunder (including Conversion Notices) must be in writing and either personally served, sent by facsimile or email transmission, or sent by overnight courier. Notices will be deemed effectively delivered at the time of transmission if by facsimile or email, and if by overnight courier the business day after such notice is deposited with the courier service for delivery.

Issuer: Investor:

/s/ Phili Mansour
Philip Mansour
Avalanche International, Corp.
Chief Executive Officer and Director
Date: 4/24/2015

JMJ Financial
Its Principal

Date:

[Signature Page to $300,000 Convertible Promissory Note]

SE CURED CONVERTIBLE PROMISSORY NOTE

Effective Date: May 29, 2015 U.S. $252,500.00

FOR VALUE RECEIVED, AVALANCHE INTERNATIONAL, CORP., a Nevada corporation ("**Borrower**"), promises to pay to TYPENEX CO-INVESTMENT, LLC, a Utah limited liability company, or its successors or assigns ("**Lender**"), $252,500.00 and any interest, fees, charges, and late fees on the date that is thirteen (13) months after the Purchase Price Date (as defined below) (the "**Maturity Date**") in accordance with the terms set forth herein and to pay interest on the Outstanding Balance (including all Tranches (as defined below), both Conversion Eligible Tranches (as defined below) and Subsequent Tranches (as defined below) that have not yet become Conversion Eligible Tranches) at the rate of ten percent (10%) per annum from the Purchase Price Date until the same is paid in full. This Secured Convertible Promissory Note (this "**Note**") is issued and made effective as of May 29, 2015 (the "**Effective Date**"). This Note is issued pursuant to that certain Securities Purchase Agreement dated May 29, 2015, as the same may be amended from time to time, by and between Borrower and Lender (the "**Purchase Agreement**"). All interest calculations hereunder shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months, shall compound daily and shall be payable in accordance with the terms of this Note. Certain capitalized terms used herein are defined in Attachment 1 attached hereto and incorporated herein by this reference.

This Note carries an OID of $22,500.00. In addition, Borrower agrees to pay $5,000.00 to Lender to cover Lender's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of this Note (the "**Transaction Expense Amount**"), all of which amount is included in the initial principal balance of this Note. The purchase price for this Note and the Origination Shares (as defined in the Purchase Agreement) shall be $225,000.00 (the "**Purchase Price**"), computed as follows: $252,500.00 original principal balance, less the OID, less the Transaction Expense Amount. The Purchase Price shall be payable by delivery to Borrower at Closing of the Investor Notes (as defined in the Purchase Agreement) and a wire transfer of immediately available funds in the amount of the Initial Cash Purchase Price (as defined in the Purchase Agreement).This Note shall be comprised of four (4) tranches (each, a "**Tranche**"), consisting of (i) an initial Tranche in an amount equal to $87,500.00 and any interest, costs, fees or charges accrued thereon or added thereto under the terms of this Note and the other Transaction Documents (as defined in the Purchase Agreement) (the "**Initial Tranche**"), and (ii) three (3) additional Tranches, each in the amount of $55,000.00, plus any interest, costs, fees or charges accrued thereon or added thereto under the terms of this Note and the other Transaction Documents (each, a "**Subsequent Tranche**"). The Initial Tranche shall correspond to the Initial Cash Purchase Price, $7,500.00 of the OID and the Transaction Expense Amount, and may be converted any time subsequent to the Purchase Price Date. The first Subsequent Tranche shall correspond to Investor Note #1 and $5,000.00 of the OID, the second Subsequent Tranche shall correspond to Investor Note #2 and $5,000.00 of the OID, and the third Subsequent Tranche shall correspond to Investor Note #3 and $5,000.00 of the OID. Lender's right to convert any portion of any of the Subsequent Tranches is conditioned upon Lender's payment in full of the Investor Note corresponding to such Subsequent Tranche (upon the satisfaction of such condition, such Subsequent Tranche becomes a "**Conversion Eligible Tranche**"). In the event Lender exercises its Lender Offset Right (as defined below) with respect to a portion of an Investor Note and pays in full the remaining outstanding balance of such Investor Note, the Subsequent Tranche that corresponds to such Investor Note shall be deemed to be a Conversion Eligible Tranche only for the portion of such Tranche that was paid for in cash by Lender and the portion of such Investor Note that was offset pursuant to Lender's exercise of the Lender Offset Right shall not be included in the applicable Conversion Eligible Tranche. For the avoidance of doubt, subject to the other terms and conditions hereof, the Initial Tranche shall be deemed a Conversion Eligible Tranche as of the Purchase Price Date for all purposes hereunder and may be converted in whole or in part at any time subsequent to the Purchase Price Date, and each Subsequent Tranche that becomes a Conversion Eligible Tranche may be converted in whole or in part at any time subsequent to the first date on which such Subsequent Tranche becomes a Conversion Eligible Tranche. For all purposes hereunder,

Conversion Eligible Tranches shall be converted (or redeemed, as applicable) in order of the lowest- numbered Conversion Eligible Tranche and Conversion Eligible Tranches may be converted (or redeemed, as applicable) in one or more separate Conversions (as defined below), as determined in Lender's sole discretion. At all times hereunder, the aggregate amount of any costs, fees or charges incurred by or assessable against Borrower hereunder, including, without limitation, any fees, charges or premiums incurred in connection with an Event of Default (as defined below), shall be added to the lowest-numbered then-current Conversion Eligible Tranche.

1 . Payment; Prepayment. Provided there is an Outstanding Balance, on each Installment Date (as defined below), Borrower shall pay to Lender an amount equal to the Installment Amount (as defined below) due on such Installment Date in accordance with Section 8. All payments owing hereunder shall be in lawful money of the United States of America or Conversion Shares (as defined below), as provided for herein, and delivered to Lender at the address furnished to Borrower for that purpose. All payments shall be applied first to (a) costs of collection, if any, then to (b) fees and charges, if any, then to (c) accrued and unpaid interest, and thereafter, to (d) principal. Notwithstanding the foregoing, so long as Borrower has not received a Lender Conversion Notice (as defined below) or an Installment Notice (as defined below) from Lender where the applicable Conversion Shares have not yet been delivered and so long as no Event of Default has occurred since the Effective Date (whether declared by Lender or undeclared), then Borrower shall have the right, exercisable on not less than five
(5) Trading Days prior written notice to Lender to prepay the Outstanding Balance of this Note, in full, in accordance with this Section 1. Any notice of prepayment hereunder (an "**Optional Prepayment Notice**") shall be delivered to Lender at its registered address and shall state: (i) that Borrower is exercising its right to prepay this Note, and (ii) the date of prepayment, which shall be not less than five
(5) Trading Days from the date of the Optional Prepayment Notice. On the date fixed for prepayment (the "**Optional Prepayment Date**"), Borrower shall make payment of the Optional Prepayment Amount (as defined below) to or upon the order of Lender as may be specified by Lender in writing to Borrower. If Borrower exercises its right to prepay this Note, Borrower shall make payment to Lender of an amount in cash equal to 125% (the "**Prepayment Premium**") multiplied by the then Outstanding Balance of this Note (the "**Optional Prepayment Amount**"). In the event Borrower delivers the Optional Prepayment Amount to Lender prior to the Optional Prepayment Date or without delivering an Optional Prepayment Notice to Lender as set forth herein without Lender's prior written consent, the Optional Prepayment Amount shall not be deemed to have been paid to Lender until the Optional Prepayment Date. Moreover, in such event the Optional Prepayment Liquidated Damages Amount will automatically be added to the Outstanding Balance of this Note on the day Borrower delivers the Optional Prepayment Amount to Lender. In the event Borrower delivers the Optional Prepayment Amount without an Optional Prepayment Notice, then the Optional Prepayment Date will be deemed to be the date that is five (5) Trading Days from the date that the Optional Prepayment Amount was delivered to Lender. In addition, if Borrower delivers an Optional Prepayment Notice and fails to pay the Optional Prepayment Amount due to Lender within two (2) Trading Days following the Optional Prepayment Date, Borrower shall forever forfeit its right to prepay this Note.

2 . Security. This Note is secured by that certain Security Agreement of even date herewith, as the same may be amended from time to time (the "**Security Agreement**"), executed by Borrower in favor of Lender encumbering the Investor Notes, as more specifically set forth in the Security Agreement, all the terms and conditions of which are hereby incorporated into and made a part of this Note.

3. Lender Optional Conversion.

3.1. Lender Conversion Price. Subject to adjustment as set forth in this Note, the conversion price for each Lender Conversion (as defined below) shall be $1.30 (the "**Lender Conversion Price**"). However, in the event the Market Capitalization falls below $3,000,000.00 at any time, then in such event (a) the Lender Conversion Price for all Lender Conversions occurring after the first date of such occurrence shall equal the lower of the Lender Conversion Price and the Market Price as of any

applicable date of Conversion, and (b) the true-up provisions of Section 11 below shall apply to all Lender Conversions that occur after the first date the Market Capitalization falls below $3,000,000.00, provided that all references to the "Installment Notice" in Section 11 shall be replaced with references to a "Lender Conversion Notice" for purposes of this Section 3.1, all references to "Installment Conversion Shares" in Section 11 shall be replaced with references to "Lender Conversion Shares" for purposes of this Section 3.1, and all references to the "Installment Conversion Price" in Section 11 shall be replaced with references to the "Lender Conversion Price" for purposes of this Section 3.1.

3.2. Lender Conversions. Lender has the right at any time after the Purchase Price Date until the Outstanding Balance has been paid in full, including without limitation (a) until any Optional Prepayment Date (even if Lender has received an Optional Prepayment Notice) or at any time thereafter with respect to any amount that is not prepaid, and (b) during or after any Fundamental Default Measuring Period, at its election, to convert (each instance of conversion is referred to herein as a "**Lender Conversion**") all or any part of the Outstanding Balance into shares ("**Lender Conversion Shares**") of fully paid and non-assessable common stock, $0.001 par value per share ("**Common Stock**"), of Borrower as per the following conversion formula: the number of Lender Conversion Shares equals the amount being converted (the "**Conversion Amount**") divided by the Lender Conversion Price. Conversion notices in the form attached hereto as Exhibit A (each, a "**Lender Conversion Notice**") may be effectively delivered to Borrower by any method of Lender's choice (including but not limited to facsimile, email, mail, overnight courier, or personal delivery), and all Lender Conversions shall be cashless and not require further payment from Lender. Borrower shall deliver the Lender Conversion Shares from any Lender Conversion to Lender in accordance with Section 9 below.

3.3. Application to Installments. Notwithstanding anything to the contrary herein, including without limitation Section 8 hereof, Lender may, in its sole discretion, apply all or any portion of any Lender Conversion toward any Installment Conversion (as defined below), even if such Installment Conversion is pending, as determined in Lender's sole discretion, by delivering written notice of such election (which notice may be included as part of the applicable Lender Conversion Notice) to Borrower at any date on or prior to the applicable Installment Date. In such event, Borrower may not elect to allocate such portion of the Installment Amount being paid pursuant to this Section 3.3 in the manner prescribed in Section 8.3; rather, Borrower must reduce the applicable Installment Amount by the Conversion Amount described in this Section 3.3.

4. Defaults and Remedies.

4.1. Defaults. The following are events of default under this Note (each, an "**Event of Default**"): (a) Borrower shall fail to pay any principal, interest, fees, charges, or any other amount when due and payable hereunder; or (b) Borrower shall fail to deliver any Lender Conversion Shares in accordance with the terms hereof; or (c) Borrower shall fail to deliver any Installment Conversion Shares (as defined below) or True-Up Shares (as defined below) in accordance with the terms hereof; or (d) a receiver, trustee or other similar official shall be appointed over Borrower or a material part of its assets and such appointment shall remain uncontested for twenty (20) days or shall not be dismissed or discharged within sixty (60) days; or (e) Borrower shall become insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any; or (f) Borrower shall make a general assignment for the benefit of creditors; or (g) Borrower shall file a petition for relief under any bankruptcy, insolvency or similar law (domestic or foreign); or (h) an involuntary proceeding shall be commenced or filed against Borrower; or (i) Borrower shall default or otherwise fail to observe or perform any covenant, obligation, condition or agreement of Borrower contained herein or in any other Transaction Document, other than those specifically set forth in this Section 4.1 and Section 4 of the Purchase Agreement; or (j) any representation, warranty or other statement made or furnished by or on behalf of Borrower to Lender herein, in any Transaction Document, or otherwise in connection with the issuance of this Note shall be false, incorrect, incomplete or misleading in any material respect when made or furnished; or (k) the occurrence of a Fundamental

Transaction without Lender's prior written consent; or (l) Borrower shall fail to maintain the Share Reserve as required under the Purchase Agreement; or (m) Borrower effectuates a reverse split of its Common Stock without twenty (20) Trading Days prior written notice to Lender; or (n) any money judgment, writ or similar process shall be entered or filed against Borrower or any subsidiary of Borrower or any of its property or other assets for more than $100,000.00, and shall remain unvacated, unbonded or unstayed for a period of twenty (20) calendar days unless otherwise consented to by Lender; or (o) Borrower shall fail to deliver to Lender original signature pages to all Transaction Documents within five
(5) Trading Days of the Purchase Price Date; or (p) Borrower shall fail to be DWAC Eligible; or (q) Borrower shall fail to observe or perform any covenant set forth in Section 4 of the Purchase Agreement.

4.2. Remedies. Upon the occurrence of any Event of Default, Borrower shall within one (1) Trading Day deliver written notice thereof via facsimile, email or reputable overnight courier (with next day delivery specified) (an "**Event of Default Notice**") to Lender. At any time and from time to time after the earlier of Lender's receipt of an Event of Default Notice and Lender becoming aware of the occurrence of any Event of Default, Lender may accelerate this Note by written notice to Borrower, with the Outstanding Balance becoming immediately due and payable in cash at the Mandatory Default Amount. Notwithstanding the foregoing, at any time following the occurrence of any Event of Default, Lender may, at its option, elect to increase the Outstanding Balance by applying the Default Effect (subject to the limitation set forth below) via written notice to Borrower without accelerating the Outstanding Balance, in which event the Outstanding Balance shall be increased as of the date of the occurrence of the applicable Event of Default pursuant to the Default Effect, but the Outstanding Balance shall not be immediately due and payable unless so declared by Lender (for the avoidance of doubt, if Lender elects to apply the Default Effect pursuant to this sentence, it shall reserve the right to declare the Outstanding Balance immediately due and payable at any time and no such election by Lender shall be deemed to be a waiver of its right to declare the Outstanding Balance immediately due and payable as set forth herein unless otherwise agreed to by Lender in writing). Notwithstanding the foregoing, upon the occurrence of any Event of Default described in clauses (d), (e), (f), (g) or (h) of Section 4.1, the Outstanding Balance as of the date of acceleration shall become immediately and automatically due and payable in cash at the Mandatory Default Amount, without any written notice required by Lender. At any time following the occurrence of any Event of Default, upon written notice given by Lender to Borrower, interest shall accrue on the Outstanding Balance beginning on the date the applicable Event of Default occurred at an interest rate equal to the lesser of 22% per annum or the maximum rate permitted under applicable law ("**Default Interest**"); *provided, however*, that no Default Interest shall accrue during the Fundamental Default Measuring Period. Additionally, following the occurrence of any Event of Default, Borrower may, at its option, pay any Lender Conversion in cash instead of Lender Conversion Shares by paying to Lender on or before the applicable Delivery Date (as defined below) a cash amount equal to the number of Lender Conversion Shares set forth in the applicable Lender Conversion Notice multiplied by the highest intra-day trading price of the Common Stock that occurs during the period beginning on the date the applicable Event of Default occurred and ending on the date of the applicable Lender Conversion Notice. In connection with acceleration described herein, Lender need not provide, and Borrower hereby waives, any presentment, demand, protest or other notice of any kind, and Lender may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Lender at any time prior to payment hereunder and Lender shall have all rights as a holder of the Note until such time, if any, as Lender receives full payment pursuant to this Section 4.2. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. Nothing herein shall limit Lender's right to pursue any other remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to Borrower's failure to timely deliver Conversion Shares upon Conversion of the Notes as required pursuant to the terms hereof.

4.3. Fundamental Default Remedies. Notwithstanding anything to the contrary herein, in addition to all other remedies set forth herein, after giving effect to the Lender Offset Right (as defined

below), which shall occur automatically upon the occurrence of any Fundamental Default, the Fundamental Liquidated Damages Amount shall be added to the Outstanding Balance upon Lender's delivery to Borrower of a notice (which notice Lender may deliver to Borrower at any time following the occurrence of a Fundamental Default) setting forth its election to declare a Fundamental Default and the Fundamental Liquidated Damages Amount that will be added to the Outstanding Balance.

4.4. Certain Additional Rights. Notwithstanding anything to the contrary herein, in the event Borrower fails to make any payment or otherwise to deliver any Conversion Shares as and when required under this Note, then (a) the Lender Conversion Price for all Lender Conversions occurring after the date of such failure to pay shall equal the lower of the Lender Conversion Price and the Market Price as of any applicable date of Conversion, and (b) the true-up provisions of Section 11 below shall apply to all Lender Conversions that occur after the date of such failure to pay, provided that all references to the "Installment Notice" in Section 11 shall be replaced with references to a "Lender Conversion Notice" for purposes of this Section 4.4, all references to "Installment Conversion Shares" in Section 11 shall be replaced with references to "Lender Conversion Shares" for purposes of this Section 4.4, and all references to the "Installment Conversion Price" in Section 11 shall be replaced with references to the "Lender Conversion Price" for purposes of this Section 4.4. For the avoidance of doubt, Lender's exercise of the rights granted to it pursuant to this Section 4.4 shall not relieve Borrower of its obligation to continue paying the Installment Amount on all future Installment Dates.

4.5. Cross Default. A breach or default by Borrower of any covenant or other term or condition contained in any Other Agreements shall, at the option of Lender, be considered an Event of Default under this Note, in which event Lender shall be entitled (but in no event required) to apply all rights and remedies of Lender under the terms of this Note.

5. Unconditional Obligation; No Offset. Borrower acknowledges that this Note is an unconditional, valid, binding and enforceable obligation of Borrower not subject to offset (except as set forth in Section 20 below), deduction or counterclaim of any kind. Borrower hereby waives any rights of offset it now has or may have hereafter against Lender, its successors and assigns, and agrees to make the payments or Conversions called for herein in accordance with the terms of this Note.

6. Waiver. No waiver of any provision of this Note shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

7. Rights Upon Issuance of Securities.

7.1. Subsequent Equity Sales. Except with respect to Excluded Securities, if Borrower or any subsidiary thereof, as applicable, at any time this Note is outstanding, shall sell, issue or grant any Common Stock, option to purchase Common Stock, right to reprice, preferred shares convertible into Common Stock, or debt, warrants, options or other instruments or securities to Lender or any third party which are convertible into or exercisable for shares of Common Stock (collectively, the "**Equity Securities**"), including without limitation any Deemed Issuance, at an effective price per share less than the then effective Lender Conversion Price (such issuance is referred to herein as a "**Dilutive Issuance**"), then, the Lender Conversion Price shall be automatically reduced and only reduced to equal such lower effective price per share. If the holder of any Equity Securities so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options, or rights per share which are issued in connection with such Dilutive Issuance, be entitled to receive shares of Common Stock at an effective price per share that is less than the Lender Conversion Price, such issuance shall be deemed to have occurred for less than the

Lender Conversion Price on the date of such Dilutive Issuance, and the then effective Lender Conversion Price shall be reduced and only reduced to equal such lower effective price per share. Such adjustments described above to the Lender Conversion Price shall be permanent (subject to additional adjustments under this section), and shall be made whenever such Equity Securities are issued. Borrower shall notify Lender, in writing, no later than the Trading Day following the issuance of any Equity Securities subject to this Section 7.1, indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price, or other pricing terms (such notice, the "**Dilutive Issuance Notice**"). For purposes of clarification, whether or not Borrower provides a Dilutive Issuance Notice pursuant to this Section 7.1, upon the occurrence of any Dilutive Issuance, on the date of such Dilutive Issuance the Lender Conversion Price shall be lowered to equal the applicable effective price per share regardless of whether Borrower or Lender accurately refers to such lower effective price per share in any Installment Notice or Lender Conversion Notice.

7.2. Adjustment of Lender Conversion Price upon Subdivision or Combination of Common Stock. Without limiting any provision hereof, if Borrower at any time on or after the Effective Date subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Lender Conversion Price in effect immediately prior to such subdivision will be proportionately reduced. Without limiting any provision hereof, if Borrower at any time on or after the Effective Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Lender Conversion Price in effect immediately prior to such combination will be proportionately increased. Any adjustment pursuant to this Section 7.2 shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 7.2 occurs during the period that a Lender Conversion Price is calculated hereunder, then the calculation of such Lender Conversion Price shall be adjusted appropriately to reflect such event.

7.3. Other Events. In the event that Borrower (or any subsidiary) shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect Lender from dilution or if any event occurs of the type contemplated by the provisions of this Section 7 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then Borrower's board of directors shall in good faith determine and implement an appropriate adjustment in the Lender Conversion Price so as to protect the rights of Lender, provided that no such adjustment pursuant to this Section 7.3 will increase the Lender Conversion Price as otherwise determined pursuant to this Section 7, provided further that if Lender does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then Borrower's board of directors and Lender shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by Borrower.

8. Borrower Installments.

8.1. Installment Conversion Price. Subject to the adjustments set forth herein, the conversion price for each Installment Conversion (the "**Installment Conversion Price**") shall be the lesser of (a) the Lender Conversion Price, and (b) the Market Price.

8.2. Installment Conversions. Beginning on the date that is six (6) months after the Purchase Price Date and on the same day of each month thereafter until the Maturity Date (each, an "**Installment Date**"), if paying in cash, Borrower shall pay to Lender the applicable Installment Amount due on such date subject to the provisions of this Section 8, and if paying in Installment Conversion Shares (as defined below), Borrower shall deliver such Installment Conversion Shares on or before the Delivery Date. Payments of each Installment Amount may be made (a) in cash, or (b) by converting such Installment Amount into shares of Common Stock ("**Installment Conversion Shares**", and together with

the Lender Conversion Shares, the "**Conversion Shares**") in accordance with this Section 8 (each an "**Installment Conversion**") per the following formula: the number of Installment Conversion Shares equals the portion of the applicable Installment Amount being converted divided by the Installment Conversion Price, or (c) by any combination of the foregoing, so long as the cash is delivered to Lender on the applicable Installment Date and the Installment Conversion Shares are delivered to Lender on or before the applicable Delivery Date. Notwithstanding the foregoing, Borrower will not be entitled to elect an Installment Conversion with respect to any portion of any applicable Installment Amount and shall be required to pay the entire amount of such Installment Amount in cash if on the applicable Installment Date there is an Equity Conditions Failure, and such failure is not waived in writing by Lender. Moreover, in the event Borrower desires to pay all or any portion of any Installment Amount in cash, it must notify Lender in writing of such election and the portion of the applicable Installment Amount it elects to pay in cash not more than twenty-five (25) or less than fifteen (15) Trading Days prior to the applicable Installment Date. If Borrower fails to so notify Lender, it shall not be permitted to elect to pay any portion of such Installment Amount in cash unless otherwise agreed to by Lender in writing or proposed by Lender in an Installment Notice delivered by Lender to Borrower. Notwithstanding the foregoing or anything to the contrary herein, Borrower shall only be obligated to deliver Installment Amounts with respect to Tranches that have become Conversion Eligible Tranches and shall have no obligation to pay to Lender any Installment Amount with respect to any Tranche that has not become a Conversion Eligible Tranche. In furtherance thereof, in the event Borrower has repaid all Conversion Eligible Tranches pursuant to the terms of this Note, it shall have no further obligations to deliver any Installment Amount to Lender unless and until any Subsequent Tranche that was not previously a Conversion Eligible Tranche becomes a Conversion Eligible Tranche pursuant to the terms of this Note. Notwithstanding that failure to repay this Note in full by the Maturity Date is an Event of Default, the Installment Dates shall continue after the Maturity Date pursuant to this Section 8 until the Outstanding Balance is repaid in full, provided that Lender shall, in Lender's sole discretion, determine the Installment Amount for each Installment Date after the Maturity Date.

8.3. Allocation of Installment Amounts. Subject to Section 8.2 regarding an Equity Conditions Failure, for each Installment Date, Borrower may elect to allocate the amount of the applicable Installment Amount between cash and via an Installment Conversion, by email or fax delivery of a notice to Lender substantially in the form attached hereto as Exhibit B (each, an "**Installment Notice**"), provided, that to be effective, each applicable Installment Notice must be received by Lender not more than twenty-five (25) or less than fifteen (15) Trading Days prior to the applicable Installment Date. If Lender has not received an Installment Notice within such time period, then Lender may prepare the Installment Notice and deliver the same to Borrower by fax or email. Following its receipt of such Installment Notice, Borrower may either ratify Lender's proposed allocation in the applicable Installment Notice or elect to change the allocation by written notice to Lender by email or fax on or before 12:00 p.m. New York time on the applicable Installment Date, so long as the sum of the cash payments and the amount of Installment Conversions equal the applicable Installment Amount, provided that Lender must approve any increase to the portion of the Installment Amount payable in cash. If Borrower fails to notify Lender of its election to change the allocation prior to the deadline set forth in the previous sentence (and seek approval to increase the amount payable in cash), it shall be deemed to have ratified and accepted the allocation set forth in the applicable Installment Notice prepared by Lender. If neither Borrower nor Lender prepare and deliver to the other party an Installment Notice as outlined above, then Borrower shall be deemed to have elected that the entire Installment Amount be converted via an Installment Conversion. Borrower acknowledges and agrees that regardless of which party prepares the applicable Installment Notice, the amounts and calculations set forth thereon are subject to correction or adjustment because of error, mistake, or any adjustment resulting from an Event of Default or other adjustment permitted under the Transaction Documents (an "**Adjustment**"). Furthermore, no error or mistake in the preparation of such notices, or failure to apply any Adjustment that could have been applied prior to the preparation of an Installment Notice may be deemed a waiver of Lender's right to enforce the terms of any Note, even if such error, mistake, or failure to include an Adjustment arises from Lender's own calculation. Borrower

shall deliver the Installment Conversion Shares from any Installment Conversion to Lender in accordance with Section 9 below on or before each applicable Delivery Date.

9. Method of Conversion Share Delivery. On or before the close of business on the third (3rd) Trading Day following the Installment Date or the third (3rd) Trading Day following the date of delivery of a Lender Conversion Notice, as applicable (the "**Delivery Date**"), Borrower shall, provided it is DWAC Eligible at such time, deliver or cause its transfer agent to deliver the applicable Conversion Shares electronically via DWAC to the account designated by Lender in the applicable Lender Conversion Notice or Installment Notice. If Borrower is not DWAC Eligible, it shall deliver to Lender or its broker (as designated in the Lender Conversion Notice or Installment Notice, as applicable), via reputable overnight courier, a certificate representing the number of shares of Common Stock equal to the number of Conversion Shares to which Lender shall be entitled, registered in the name of Lender or its designee. For the avoidance of doubt, Borrower has not met its obligation to deliver Conversion Shares by the Delivery Date unless Lender or its broker, as applicable, has actually received the certificate representing the applicable Conversion Shares no later than the close of business on the relevant Delivery Date pursuant to the terms set forth above.

10. Conversion Delays. If Borrower fails to deliver Conversion Shares or True-Up Shares in accordance with the timeframes stated in Sections 9 or 11, as applicable, Lender, at any time prior to selling all of those Conversion Shares or True-Up Shares, as applicable, may rescind in whole or in part that particular Conversion attributable to the unsold Conversion Shares or True-Up Shares, with a corresponding increase to the Outstanding Balance (any returned amount will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144 under the Securities Act of 1933, as amended ("**Rule 144**")). In addition, for each Lender Conversion, in the event that Lender Conversion Shares are not delivered by the fourth Trading Day (inclusive of the day of the Lender Conversion), a late fee equal to the greater of (a) $500.00 and (b) 2% of the applicable Lender Conversion Share Value rounded to the nearest multiple of $100.00 (but in any event the cumulative amount of such late fees for each Lender Conversion shall not exceed 200% of the applicable Lender Conversion Share Value) will be assessed for each day after the third Trading Day (inclusive of the day of the Lender Conversion) until Lender Conversion Share delivery is made; and such late fee will be added to the Outstanding Balance (such fees, the "**Conversion Delay Late Fees**"). For illustration purposes only, if Lender delivers a Lender Conversion Notice to Borrower pursuant to which Borrower is required to deliver 100,000 Lender Conversion Shares to Lender and on the Delivery Date such Lender Conversion Shares have a Lender Conversion Share Value of $20,000.00 (assuming a Closing Trade Price on the Delivery Date of $0.20 per share of Common Stock), then in such event a Conversion Delay Late Fee in the amount of $500.00 per day (the greater of $500.00 per day and $20,000.00 multiplied by 2%, which is
$400.00) would be added to the Outstanding Balance of the Note until such Lender Conversion Shares are delivered to Lender. For purposes of this example, if the Lender Conversion Shares are delivered to Lender twenty (20) days after the applicable Delivery Date, the total Conversion Delay Late Fees that would be added to the Outstanding Balance would be $10,000.00 (20 days multiplied by $500.00 per day). If the Lender Conversion Shares are delivered to Lender one hundred (100) days after the applicable Delivery Date, the total Conversion Delay Late Fees that would be added to the Outstanding Balance would be $40,000.00 (100 days multiplied by $500.00 per day, but capped at 200% of the Lender Conversion Share Value).

11. True-Up. On the date that is twenty (20) Trading Days (a "**True-Up Date**") from each date that the Installment Conversion Shares delivered by Borrower to Lender become Free Trading, there shall be a true-up where Borrower shall deliver to Lender additional Installment Conversion Shares ("**True-Up Shares**") if the Installment Conversion Price as of the True-Up Date is less than the Installment Conversion Price used in the applicable Installment Notice. In such event, Borrower shall deliver to Lender within three (3) Trading Days of the True-Up Date (the "**True-Up Share Delivery Date**") a number of True-Up Shares equal to the difference between the number of Installment Conversion Shares that would have been delivered to Lender on the True-Up Date based on the

Installment Conversion Price as of the True-Up Date and the number of Installment Conversion Shares originally delivered to Lender pursuant to the applicable Installment Notice. For the avoidance of doubt, if the Installment Conversion Price as of the True-Up Date is higher than the Installment Conversion Price set forth in the applicable Installment Notice, then Borrower shall have no obligation to deliver True-Up Shares to Lender, nor shall Lender have any obligation to return any excess Installment Conversion Shares to Borrower under any circumstance. For the convenience of Borrower only, Lender may, in its sole discretion, deliver to Borrower a notice (pursuant to a form of notice substantially in the form attached hereto as Exhibit C) informing Borrower of the number of True-Up Shares it is obligated to deliver to Lender as of any given True-Up Date, provided that if Lender does not deliver any such notice, Borrower shall not be relieved of its obligation to deliver True-Up Shares pursuant to this Section 11. Notwithstanding the foregoing, if Borrower fails to deliver any required True-Up Shares on or before any applicable True-Up Share Delivery Date, then in such event the Outstanding Balance of this Note will automatically increase by a sum equal to the number of True-Up Shares deliverable as of the applicable True-Up Date multiplied by the Market Price for the Common Stock as of the applicable True-Up Date (under Lender's and Borrower's expectations that any such increase will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144).

12. Ownership Limitation. Notwithstanding anything to the contrary contained in this Note or the other Transaction Documents, if at any time Lender shall or would be issued shares of Common Stock under any of the Transaction Documents, but such issuance would cause Lender (together with its affiliates) to beneficially own a number of shares exceeding 4.99% of the number of shares of Common Stock outstanding on such date (including for such purpose the shares of Common Stock issuable upon such issuance) (the "**Maximum Percentage**"), then Borrower must not issue to Lender shares of Common Stock which would exceed the Maximum Percentage. For purposes of this section, beneficial ownership of Common Stock will be determined pursuant to Section 13(d) of the 1934 Act. The shares of Common Stock issuable to Lender that would cause the Maximum Percentage to be exceeded are referred to herein as the "**Ownership Limitation Shares**". Borrower will reserve the Ownership Limitation Shares for the exclusive benefit of Lender. From time to time, Lender may notify Borrower in writing of the number of the Ownership Limitation Shares that may be issued to Lender without causing Lender to exceed the Maximum Percentage. Upon receipt of such notice, Borrower shall be unconditionally obligated to immediately issue such designated shares to Lender, with a corresponding reduction in the number of the Ownership Limitation Shares. Notwithstanding the forgoing, the term "4.99%" above shall be replaced with "9.99%" at such time as the Market Capitalization is less than $10,000,000.00. Notwithstanding any other provision contained herein, if the term "4.99%" is replaced with "9.99%" pursuant to the preceding sentence, such increase to "9.99%" shall remain at 9.99% until increased, decreased or waived by Lender as set forth below. By written notice to Borrower, Lender may increase, decrease or waive the Maximum Percentage as to itself but any such waiver will not be effective until the 61st day after delivery thereof. The foregoing 61-day notice requirement is enforceable, unconditional and non-waivable and shall apply to all affiliates and assigns of Lender.

13. Payment of Collection Costs. If this Note is placed in the hands of an attorney for collection or enforcement prior to commencing arbitration or legal proceedings, or is collected or enforced through any arbitration or legal proceeding, or Lender otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note, then Borrower shall pay the costs incurred by Lender for such collection, enforcement or action including, without limitation, attorneys' fees and disbursements. Borrower also agrees to pay for any costs, fees or charges of its transfer agent that are charged to Lender pursuant to any Conversion or issuance of shares pursuant to this Note.

14. Opinion of Counsel. In the event that an opinion of counsel is needed for any matter related to this Note, Lender has the right to have any such opinion provided by its counsel. Lender also has the right to have any such opinion provided by Borrower's counsel.

15. Governing Law. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Utah. The provisions set forth in the Purchase Agreement to determine the proper venue for any disputes are incorporated herein by this reference.

16. Resolution of Disputes.

16.1. Arbitration of Disputes. By its acceptance of this Note, each party agrees to be bound by the Arbitration Provisions (as defined in the Purchase Agreement) set forth as an exhibit to the Purchase Agreement.

16.2. Calculation Disputes. Notwithstanding the Arbitration Provisions, in the case of a dispute as to any Calculation (as defined in the Purchase Agreement), such dispute will be resolved in the manner set forth in the Purchase Agreement.

17. Cancellation. After repayment or conversion of the entire Outstanding Balance (including without limitation delivery of True-Up Shares pursuant to the payment of the final Installment Amount, if applicable), this Note shall be deemed paid in full, shall automatically be deemed canceled, and shall not be reissued.

18. Amendments. The prior written consent of both parties hereto shall be required for any change or amendment to this Note.

19. Assignments. Borrower may not assign this Note without the prior written consent of Lender. This Note and any shares of Common Stock issued upon conversion of this Note may be offered, sold, assigned or transferred by Lender without the consent of Borrower.

20. Offset Rights. Notwithstanding anything to the contrary herein or in any of the other Transaction Documents, (a) the parties hereto acknowledge and agree that Lender maintains a right of offset pursuant to the terms of the Investor Notes that, under certain circumstances, permits Lender to deduct amounts owed by Borrower under this Note from amounts otherwise owed by Lender under the Investor Notes (the "**Lender Offset Right**"), and (b) at any time Borrower shall be entitled to deduct and offset any amount owing by the initial Lender under the Investor Notes from any amount owed by Borrower under this Note (the "**Borrower Offset Right**"). In order to exercise the Borrower Offset Right, Borrower must deliver to Lender (a) a completed and signed Borrower Offset Right Notice in the form attached hereto as Exhibit D, (b) the original Investor Note being offset marked "cancelled" or, in the event the applicable Investor Note has been lost, stolen or destroyed, a lost note affidavit in a form reasonably acceptable to Lender, and (c) a check payable to Lender in the amount of $250.00. In the event that Borrower's exercise of the Borrower Offset Right results in the full satisfaction of Borrower's obligations under this Note, Lender shall return the original Note to Borrower marked "cancelled" or, in the event this Note has been lost, stolen or destroyed, a lost note affidavit in a form reasonably acceptable to Borrower. For the avoidance of doubt, Borrower shall not incur any Prepayment Premium set forth in Section 1 hereof with respect to any portions of this Note that are satisfied by way of a Borrower Offset Right.

21. Time is of the Essence. Time is expressly made of the essence with respect to each and every provision of this Note and the documents and instruments entered into in connection herewith.

22. Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with the subsection of the Purchase Agreement titled "Notices."

23. Liquidated Damages. Lender and Borrower agree that in the event Borrower fails to comply with any of the terms or provisions of this Note, Lender's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates, future share prices, future trading volumes and other relevant factors. Accordingly, Lender and Borrower agree that any fees, balance adjustments, Default Interest or other charges assessed under this Note are not penalties but instead are intended by the parties to be, and shall be deemed, liquidated damages (under Lender's and Borrower's expectations that any such liquidated damages will tack back to the Purchase Price Date for purposes of determining the holding period under Rule 144).

24. Waiver of Jury Trial. EACH OF LENDER AND BORROWER IRREVOCABLY WAIVES ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT SUCH PARTY IS KNOWINGLY AND VOLUNTARILY WAIVING SUCH PARTY'S RIGHT TO DEMAND TRIAL BY JURY.

[*Remainder* of page intentionally left blank; signature page follows]

Date.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the Effective

BORROWER:

AVALANCHE INTERNATIONAL, CORP.

By: /s/ Phil Mansour
Name: Phil Mansour
Title: Ceo

ACKNOWLEDGED, ACCEPTED AND AGREED:

LENDER:
TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

/s/ John M. Fife
John M. Fife, President

ATTACHMENT 1 DEFINITIONS

For purposes of this Note, the following terms shall have the following meanings:

A1. "**Adjusted** Outstanding Balance" means the Outstanding Balance of this Note as of the date the applicable Fundamental Default occurred less any Conversion Delay Late Fees included in such Outstanding Balance.

A2. "**Approved Stock Plan**" means any stock option plan which has been approved by the board of directors of Borrower and is in effect as of the Purchase Price Date, pursuant to which Borrower's securities may be issued to any employee, officer or director for services provided to Borrower.

A3. "**Bloomberg**" means Bloomberg L.P. (or if that service is not then reporting the relevant information regarding the Common Stock, a comparable reporting service of national reputation selected by Lender and reasonably satisfactory to Borrower).

A4. "**Closing** Bid Price" and "**Closing Trade Price**" means the last closing bid price and last closing trade price, respectively, for the Common Stock on its principal market, as reported by Bloomberg, or, if its principal market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of the Common Stock prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if its principal market is not the principal securities exchange or trading market for the Common Stock, the last closing bid price or last trade price, respectively, of the Common Stock on the principal securities exchange or trading market where the Common Stock is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of the Common Stock in the over-the-counter market on the electronic bulletin board for the Common Stock as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for the Common Stock by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for the Common Stock as reported by OTC Markets Group, Inc., and any successor thereto. If the Closing Bid Price or the Closing Trade Price cannot be calculated for the Common Stock on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Trade Price (as the case may be) of the Common Stock on such date shall be the fair market value as mutually determined by Lender and Borrower. If Lender and Borrower are unable to agree upon the fair market value of the Common Stock, then such dispute shall be resolved in accordance with the procedures in Section 16.2. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

A5. "**Conversion**" means a Lender Conversion under Section 3 or an Installment Conversion under Section 8.

A6. "**Conversion** Eligible Outstanding Balance" means the Outstanding Balance of this Note less the sum of each Subsequent Tranche that has not yet become a Conversion Eligible Tranche (i.e., Lender has not yet paid the outstanding balance of the Investor Note that corresponds to such Subsequent Tranche).

A7. "**Conversion** Factor" means 50%, subject to the following adjustments. If at any time the lowest Closing Bid Price in the twenty (20) Trading Days immediately preceding any date of measurement is below $0.50, then in such event the then-current Conversion Factor shall be reduced by 5% for all future Conversions (subject to other reductions set forth in this section). Additionally, if at any time after the Effective Date, Borrower is not DWAC Eligible, then the then-current Conversion Factor will automatically be reduced by 5% for all future Conversions. If at any time after the Effective Date, the Conversion Shares are not DTC Eligible, then the then- current Conversion Factor will automatically be reduced by an additional 5% for all future Conversions. Finally, in addition to the Default Effect, if any Major Default occurs after the Effective Date, the Conversion Factor shall automatically be reduced for all future Conversions by an additional 5% for each of the first three (3) Major Defaults that occur after the Effective Date (for the avoidance of doubt, each occurrence of any Major Default shall be deemed to be a separate occurrence for purposes of the foregoing reductions in Conversion Factor, even if the same Major Default occurs three (3) separate times). For example, the first time Borrower is not DWAC Eligible, the Conversion Factor for future Conversions thereafter will be reduced from 50% to 45% for purposes of this example. Following such event, the first time the Conversion Shares are no longer DTC Eligible, the Conversion Factor for future Conversions thereafter will be reduced from 45% to 40% for purposes of this example. If, thereafter, there are three (3) separate occurrences of a Major Default pursuant to Section 4.1(c), then for purposes of this example the

Conversion Factor would be reduced by 5% for the first such occurrence, and so on for each of the second and third occurrences of such Major Default.

A8. "**Deemed** Issuance" means an issuance of Common Stock that shall be deemed to have occurred on the latest possible permitted date pursuant to the terms hereof in the event Borrower fails to deliver Conversion Shares as and when required pursuant to Section 9 of the Note. For the avoidance of doubt, if Borrower has elected or is deemed under Section 8.3 to have elected to pay an Installment Amount in Installment Conversion Shares and fails to deliver such Installment Conversion Shares, such failure shall be considered a Deemed Issuance hereunder even if an Equity Conditions Failure exists at that time or other relevant date of determination.

A9. "**Default** Effect" means multiplying the Conversion Eligible Outstanding Balance as of the date the applicable Event of Default occurred by (a) 15% for each occurrence of any Major Default, or (b) 5% for each occurrence of any Minor Default, and then adding the resulting product to the Outstanding Balance as of the date the applicable Event of Default occurred, with the sum of the foregoing then becoming the Outstanding Balance under this Note as of the date the applicable Event of Default occurred; provided that the Default Effect may only be applied three (3) times hereunder with respect to Major Defaults and three (3) times hereunder with respect to Minor Defaults; and provided further that the Default Effect shall not apply to any Event of Default pursuant to Section 4.1(b) hereof.

A10. "**DTC**" means the Depository Trust Company.

A11. "**DTC** Eligible" means, with respect to the Common Stock, that such Common Stock is eligible to be deposited in certificate form at the DTC, cleared and converted into electronic shares by the DTC and held in the name of the clearing firm servicing Lender's brokerage firm for the benefit of Lender.

A12. "**DTC/FAST Program**" means the DTC's Fast Automated Securities Transfer program. A13. "**DWAC**" means the DTC's Deposit/Withdrawal at Custodian system.

A14. "**DWAC** Eligible" means that (a) Borrower's Common Stock is eligible at DTC for full services pursuant to DTC's operational arrangements, including without limitation transfer through DTC's DWAC system, (b) Borrower has been approved (without revocation) by the DTC's underwriting department, (c) Borrower's transfer agent is approved as an agent in the DTC/FAST Program, (d) the Conversion Shares are otherwise eligible for delivery via DWAC; (e) Borrower has previously delivered all Conversion Shares to Lender via DWAC; and (f) Borrower's transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

A15. "**Equity** Conditions Failure" means that any of the following conditions has not been satisfied during any applicable Equity Conditions Measuring Period (as defined below): (a) with respect to the applicable date of determination all of the Conversion Shares would be freely tradable under Rule 144 or without the need for registration under any applicable federal or state securities laws (in each case, disregarding any limitation on conversion of this Note); (b) on each day during the period beginning one month prior to the applicable date of determination and ending on and including the applicable date of determination (the "**Equity Conditions Measuring Period**"), the Common Stock is listed or designated for quotation (as applicable) on any of NYSE, NASDAQ, OTCQX, OTCQB, or OTC Pink Current Information (each, an "**Eligible Market**") and shall not have been suspended from trading on any such Eligible Market (other than suspensions of not more than two (2) Trading Days and occurring prior to the applicable date of determination due to business announcements by Borrower); (c) on each day during the Equity Conditions Measuring Period, Borrower shall have delivered all shares of Common Stock issuable upon conversion of this Note on a timely basis as set forth in Section 9 hereof and all other shares of capital stock required to be delivered by Borrower on a timely basis as set forth in the other Transaction Documents; (d) any shares of Common Stock to be issued in connection with the event requiring determination may be issued in full without violating Section 12 hereof (Lender acknowledges that Borrower shall be entitled to assume that this condition has been met for all purposes hereunder absent written notice from Lender); (e) any shares of Common Stock to be issued in connection with the event requiring determination may be issued in full without violating the rules or regulations of the Eligible Market on which the Common Stock is then listed or designated for quotation (as applicable); (f) on each day during the Equity Conditions Measuring Period, no public announcement of a pending, proposed or intended Fundamental Transaction shall have occurred which has not been abandoned, terminated or consummated; (g) Borrower shall have no knowledge of any fact that would reasonably be expected to cause any of the Conversion Shares to not be freely tradable without the need for registration under any applicable state securities laws (in each case, disregarding any limitation on conversion of this Note); (h) on each day during the Equity Conditions Measuring Period, Borrower otherwise shall have been in material compliance with each, and shall not have breached any, term, provision, covenant, representation or warranty of any Transaction Document;

(i) without limiting clause (j) above, on each day during the Equity Conditions Measuring Period, there shall not have occurred an Event of Default or an event that with the passage of time or giving of notice would constitute an Event of Default; (k) on each Installment Date, the average and median daily dollar volume of the Common Stock on its principal market for the previous twenty (20) Trading Days shall be greater than $10,000.00; (l) the ten (10) day average VWAP of the Common Stock is greater than $0.10, and (m) the Common Stock shall be DWAC Eligible as of each applicable Installment Date or other date of determination.

A16. "**Excluded** Securities" means any shares of Common Stock, options, or convertible securities issued or issuable in connection with any Approved Stock Plan; *provided that* the option term, exercise price or similar provisions of any issuances pursuant to such Approved Stock Plan are not amended, modified or changed on or after the Purchase Price Date.

A17. "**Free** Trading" means that (a) the shares or certificate(s) representing the applicable shares of Common Stock have been cleared and approved for public resale by the compliance departments of Lender's brokerage firm and the clearing firm servicing such brokerage, and (b) such shares are held in the name of the clearing firm servicing Lender's brokerage firm and have been deposited into such clearing firm's account for the benefit of Lender.

A18. "**Fundamental** Default" means that Borrower either fails to pay the entire Outstanding Balance to Lender on or before the Maturity Date or fails to pay the Mandatory Default Amount within three (3) Trading Days of the date Lender delivers any notice of acceleration to Borrower pursuant to Section 4.2 of this Note.

A19. "**Fundamental** Default Conversion Value" means the Adjusted Outstanding Balance multiplied by the highest Fundamental Default Ratio that occurs during the Fundamental Default Measuring Period.

A20. "**Fundamental** Default Measuring Period" means a number of months equal to the Outstanding Balance as of the date the Fundamental Default occurred divided by the Installment Amount, with such number being rounded up to the next whole month; *provided, however*, that if Borrower repays the entire Outstanding Balance prior to the conclusion of the Fundamental Default Measuring Period, the Fundamental Default Measuring Period shall end on the date of repayment. For illustration purposes only, if the Outstanding Balance were equal to
$125,000.00 as of the date a Fundamental Default occurred and if the Installment Amount were $28,500.00, then the Fundamental Default Measuring Period would equal five (5) months calculated as follows: $125,000.00/$28,500.00 equals 4.386, rounded up to five (5).

A21. "**Fundamental** Default Ratio" means a ratio that will be calculated on each Trading Day during the Fundamental Default Measuring Period by dividing the Closing Trade Price for the Common Stock on a given Trading Day by the Lender Conversion Price (as adjusted pursuant to the terms hereof) in effect for such Trading Day.

A22. "**Fundamental** Liquidated Damages Amount" means the greater of (a) (i) the quotient of the Outstanding Balance on the date the Fundamental Default occurred divided by the then-current Conversion Factor, minus (ii) the Outstanding Balance on the date the Fundamental Default occurred, or (b) the Fundamental Default Conversion Value.

A23. "**Fundamental** Transaction" means that (a) (i) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consolidate or merge with or into (whether or not Borrower or any of its subsidiaries is the surviving corporation) any other person or entity, or (ii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or
(iii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase, tender or exchange offer), or (iv) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with any other person or entity whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize, recapitalize or reclassify the Common Stock, other than an increase in the number of authorized shares of Borrower's Common Stock, or (b) any "person" or "group" (as

these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Borrower.

A24. "**Installment** Amount" means $31,562.50 ($252,500.00 ÷ 8), plus the sum of any accrued and unpaid interest on all Conversion Eligible Tranches as of the applicable Installment Date, and accrued and unpaid late charges, if any, under this Note as of the applicable Installment Date, and any other amounts accruing or owing to Lender under this Note as of such Installment Date; *provided, however,* that, if the remaining amount owing under all then-existing Conversion Eligible Tranches or otherwise with respect to this Note as of the applicable Installment Date is less than the Installment Amount set forth above, then the Installment Amount for such Installment Date (and only such Installment Amount) shall be reduced (and only reduced) by the amount necessary to cause such Installment Amount to equal such outstanding amount.

A25. "**Lender** Conversion Share Value" means the product of the number of Lender Conversion Shares deliverable pursuant to any Lender Conversion multiplied by the Closing Trade Price of the Common Stock on the Delivery Date for such Lender Conversion.

A26. "**Major Default**" means any Event of Default occurring under Sections 4.1(a) (payments), 4.1(c) (delivery of Installment Conversion Shares or True-Up Shares), 4.1(l) (Share Reserve), or 4.1(q) (breach of certain covenants) of this Note.

A27. "**Mandatory Default Amount**" means the greater of (a) the Outstanding Balance (including all Tranches, both Conversion Eligible Tranches and Subsequent Tranches that have not yet become Conversion Eligible Tranches) divided by the Installment Conversion Price on the date the Mandatory Default Amount is demanded, multiplied by the VWAP on the date the Mandatory Default Amount is demanded, or (b) the Outstanding Balance following the application of the Default Effect.

A28. "**Market** Capitalization" means the product equal to (a) the average VWAP of the Common Stock for the immediately preceding fifteen (15) Trading Days, multiplied by (b) the aggregate number of outstanding shares of Common Stock as reported on Borrower's most recently filed Form 10-Q or Form 10-K.

A29. "**Market** Price" means the Conversion Factor multiplied by the lowest Closing Bid Price in the twenty (20) Trading Days immediately preceding the applicable Conversion

A30. "**Minor Default**" means any Event of Default that is not a Major Default or a Fundamental Default.

A31. "**OID**" means an original issue discount.

A32. "**Optional Prepayment Liquidated Damages Amount**" means an amount equal to the difference between (a) the product of (i) the number of shares of Common Stock obtained by dividing (1) the applicable Optional Prepayment Amount by (2) the Lender Conversion Price as of the date Borrower delivered the applicable Optional Prepayment Amount to Lender, multiplied by (ii) the Closing Trade Price of the Common Stock on the date Borrower delivered the applicable Optional Prepayment Amount to Lender, and (b) the applicable Optional Prepayment Amount paid by Borrower to Lender. For illustration purposes only, if the applicable Optional Prepayment Amount were $50,000.00, the Lender Conversion Price as of the date the Optional Prepayment Amount was paid to Lender was equal to $0.75 per share of Common Stock, and the Closing Trade Price of a share of Common Stock as of such date was equal to $1.00, then the Optional Prepayment Liquidated Damages Amount would equal $16,666.67 computed as follows: (a) $66,666.67 (calculated as (i) (1) $50,000.00 divided by (2) $0.75 multiplied by (ii) $1.00) minus (b) $50,000.00.

A33. "**Other** Agreements" means, collectively, (a) all existing and future agreements and instruments between, among or by Borrower (or an affiliate), on the one hand, and Lender (or an affiliate), on the other hand, and (b) any financing agreement or a material agreement that affects Borrower's ongoing business operations.

A34. "**Outstanding** Balance" means as of any date of determination, the Purchase Price, as reduced or increased, as the case may be, pursuant to the terms hereof for payment, Conversion, offset, or otherwise, plus the OID, the Transaction Expense Amount, accrued but unpaid interest, collection and enforcements costs (including attorneys' fees) incurred by Lender, transfer, stamp, issuance and similar taxes and fees related to Conversions, and any other fees or charges (including without limitation Conversion Delay Late Fees) incurred under this Note.

A35. "**Trading** Day" means any day on which the Common Stock is traded or tradable for any period on the Common Stock's principal market, or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

A36. "**VWAP**" means the volume weighted average price of the Common stock on the principal market for a particular Trading Day or set of Trading Days, as the case may be, as reported by Bloomberg.

EXHIBIT A

Typenex Co-Investment, LLC 303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Avalanche International, Corp. Date: Attn: Philip E. Mansour, CEO
5940 South Rainbow Blvd. Las Vegas, Nevada 89118

LENDER CONVERSION NOTICE

The above-captioned Lender hereby gives notice to Avalanche International, Corp., a Nevada corporation (the "**Borrower**"), pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on May 29, 2015 (the "**Note**"), that Lender elects to convert the portion of the Note balance set forth below into fully paid and non-assessable shares of Common Stock of Borrower as of the date of conversion specified below. Said conversion shall be based on the Lender Conversion Price set forth below. In the event of a conflict between this Lender Conversion Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Lender Conversion Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

A. Installment Date:	_____, 201_
B. Installment Amount:	_____
C. Portion of Installment Amount to be Paid in Cash:	_____
D. Portion of Installment Amount to be Converted into Common Stock:	(B minus C)
E. Installment Conversion Price:	(lower of (i) Lender Conversion Price in effect and (ii) Market Price as of Installment Date)
F. Installment Conversion Shares:	(D divided by E)
G. Remaining Outstanding Balance of Note:	*
H. Remaining Balance of Investor Notes:	*
I. Outstanding Balance of Note Net of Balance of Investor Notes:	(G minus H)*

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Lender Conversion Notice and such Transaction Documents.

The Conversion Amount converted hereunder shall be deducted from the following Conversion Eligible Tranche(s):

Conversion Amount **Tranche No.**

Additionally, $_____of the Conversion Amount converted hereunder shall be deducted from the Installment Amount(s) relating to the following Installment Date(s): _____.

Please ***transfer the Lender Conversion Shares electronically (via DWAC) to the following account***:

Broker: Address:_____
_____
DTC#: _____ _____
Account #: _____
_____
Account Name:
_____

To the extent the Lender Conversion Shares are not able to be delivered to Lender electronically via the DWAC system, deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Lender Conversion Notice (by facsimile transmission or otherwise) to:

Sincerely,

Lender:
TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

/s/ John M. Fife
John M. Fife, President

EXHIBIT B

Avalanche International, Corp. 5940 South Rainbow Blvd. Las Vegas, Nevada 89118

Typenex Co-Investment, LLC

Date: _____

Attn: John Fife
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

INSTALLMENT NOTICE

The above-captioned Borrower hereby gives notice to Typenex Co-Investment, LLC, a Utah limited liability company (the "**Lender**"), pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on May 29, 2015 (the "**Note**"), of certain Borrower elections and
certifications related to payment of the Installment Amount of $_____ due on _____, 201_ (the "**Installment Date**"). In the event of a conflict between this Installment Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Installment Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

INSTALLMENT CONVERSION AND CERTIFICATIONS AS OF THE INSTALLMENT DATE

A. INSTALLMENT CONVERSION

A. Installment Date:	_____, 201_
B. Installment Amount:	_____
C. Portion of Installment Amount to be Paid in Cash:	_____
D. Portion of Installment Amount to be Converted into Common Stock:	_____ (B minus C)
E. Installment Conversion Price:	_____ (lower of (i) Lender Conversion Price in effect and (ii) Market Price as of Installment Date)
F. Installment Conversion Shares:	_____(D divided by E)
G. Remaining Outstanding Balance of Note:	_____*
H. Remaining Balance of Investor Notes:	_____*
I. Outstanding Balance of Note Net of Balance of Investor Notes:	_____(G minus H)*

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Installment Notice and such Transaction Documents.

B. EQUITY CONDITIONS CERTIFICATION

1. Market Capitalization:

(Check One)

2. Borrower hereby certifies that no Equity Conditions Failure exists as of the Installment Date.

3. Borrower hereby gives notice that an Equity Conditions Failure has occurred and requests a waiver from Lender with respect thereto. The Equity Conditions Failure is as follows:

Sincerely, Borrower:
AVALANCHE INTERNATIONAL, CORP.

By: _____
Name: _____
Title: _____

EXHIBIT C

Typenex Co-Investment, LLC 303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

Avalanche International, Corp. Date: Attn: Philip E. Mansour, CEO
5940 South Rainbow Blvd. Las Vegas, Nevada 89118

TRUE-UP NOTICE

The above-captioned Lender hereby gives notice to Avalanche International, Corp., a Nevada corporation (the "Borrower"), pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on May 29, 2015 (the "Note"), of True-Up Conversion Shares related to__, 201_ (the "Installment Date"). In the event of a conflict between this True-Up Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of True-Up Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

TRUE-UP CONVERSION SHARES AND CERTIFICATIONS AS OF THE TRUE-UP DATE

1. TRUE-UP CONVERSION SHARES

A. Installment Date:	_____, 201_
B. True-Up Date:	_____, 201_
C. Portion of Installment Amount Converted into Common Stock:	_____
D. True-Up Conversion Price:	_____ (lower of (i) Lender Conversion Price in effect and (ii) Market Price as of Installment Date)
E. True-Up Conversion Shares:	_____ (C divided by D)
F. Installment Conversion Shares Delivered:	_____
G. True-Up Conversion Shares to be Delivered:	(only applicable if E minus F is greater than zero)

2. EQUITY CONDITIONS CERTIFICATION (Section to be completed by Borrower)

A. Market Capitalization:

(Check One)

B. Borrower herby certifies that no Equity Conditions Failure exists as of the applicable True-Up Date.

C. Borrower hereby gives notice that an Equity Conditions Failure has occurred and requests a waiver from Lender with respect thereto. The Equity Conditions Failure is as follows:

Sincerely, Lender:
TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

By: John M. Fife, President

ACKNOWLEDGED AND CERTIFIED BY:

Borrower:

AVALANCHE INTERNATIONAL, CORP.

By: _____
Name: _____
Title: _____

EXHIBIT D

Avalanche International, Corp. 5940 South Rainbow Blvd. Las Vegas, Nevada 89118

Typenex Co-Investment, LLC Date:
Attn: John Fife
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

NOTICE OF EXERCISE
OF BORROWER OFFSET RIGHT

The above-captioned Borrower hereby gives notice to Typenex Co-Investment, LLC, a Utah limited liability company (the "**Lender**"), pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on May 29, 2015 (the "**Note**"), of Borrower's election to exercise the Borrower Offset Right as set forth below. In the event of a conflict between this Notice of Exercise of Borrower Offset Right and the Note, the Note shall govern. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

A. Effective Date of Offset: _____, 201_

B. Amount of Offset: _____

C. Investor Note(s) Being Offset: _____

C. Investor Note(s) Being Offset:

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement), the terms of which shall control in the event of any dispute between the terms of this Notice of Exercise of Borrower Offset Right and such Transaction Documents.

Sincerely, Borrower:
AVALANCHE INTERNATIONAL, CORP.

By: _____

Name: _____

Title: _____

THIS SECURITIES PURCHASE AGREEMENT (this "**Agreement**"), dated as of May 29, 2015, is entered into by and between AVALANCHE INTERNATIONAL, CORP., a Nevada corporation ("**Company**"), and TYPENEX CO-INVESTMENT, LLC, a Utah limited liability company, its successors and/or assigns ("**Investor**").

A. Company and Investor are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**1933 Act**").

B. Investor desires to purchase and Company desires to issue and sell, upon the terms and conditions set forth in this Agreement (i) a Secured Convertible Promissory Note, in the form attached hereto as Exhibit A, in the original principal amount of $252,500.00 (the "**Note**"), convertible into shares of common stock, $0.001 par value per share, of Company (the "**Common Stock**"), upon the terms and subject to the limitations and conditions set forth in such Note, and (ii) 15,000 shares of Common Stock (the "**Origination Shares**").

C. This Agreement, the Note, the Security Agreement (as defined below), the Investor Notes (as defined below), and all other certificates, documents, agreements, resolutions and instruments delivered to any party under or in connection with this Agreement, as the same may be amended from time to time, are collectively referred to herein as the "**Transaction Documents**".

D. For purposes of this Agreement: "**Conversion Shares**" means all shares of Common Stock issuable upon conversion of all or any portion of the Note; and "**Securities**" means the Note, the Origination Shares and the Conversion Shares.

NOW, THEREFORE, in consideration of the above recitals and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Company and Investor hereby agree as follows:

1. Purchase and Sale of Securities.

1.1. Purchase of Securities. Company shall issue and sell to Investor and Investor agrees to purchase from Company the Note and the Origination Shares. In consideration thereof, Investor shall pay (i) the amount designated as the initial cash purchase price on Investor's signature page to this Agreement (the "**Initial Cash Purchase Price**"), and (ii) issue to Company the Investor Notes (the sum of the initial principal amount of the Investor Notes, together with the Initial Cash Purchase Price, the "**Purchase Price**"). The Purchase Price, the OID (as defined below), and the Transaction Expense Amount (as defined below) are allocated to the Tranches (as defined in the Note) of the Note and to the Origination Shares as set forth in the table attached hereto as Exhibit B. For the avoidance of doubt, the Initial Cash Purchase Price constitutes payment in full for the Initial Tranche (as defined in the Note) and the Origination Shares.

1.2. Form of Payment. On the Closing Date, (i) Investor shall pay the Purchase Price to Company by delivering the following at the Closing: (A) the Initial Cash Purchase Price, which shall be delivered by wire transfer of immediately available funds to Company, in accordance with Company's written wiring instructions; (B) Investor Note #1 in the principal amount of $50,000.00 duly executed and substantially in the form attached hereto as Exhibit C ("**Investor Note #1**"); (C) Investor Note #2 in the principal amount of $50,000.00 duly executed and substantially in the form attached hereto as Exhibit C ("**Investor Note #2**"); and (D) Investor Note #3 in the principal amount of $50,000.00 duly executed and substantially in the form attached hereto as Exhibit C ("**Investor Note #3**", and together with Investor

Note #2, the "**Investor Notes**"); and (ii) Company shall deliver the duly executed Note on behalf of Company and deliver a certificate representing the Origination Shares, to Investor, against delivery of such Purchase Price.

1.3. Closing Date. Subject to the satisfaction (or written waiver) of the conditions set forth in Section 5 and Section 6 below, the date and time of the issuance and sale of the Securities pursuant to this Agreement (the "**Closing Date**") shall be 5:00 p.m., Eastern Time on or about May 29, 2015, or such other mutually agreed upon time. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall occur on the Closing Date by means of the exchange by express courier and email of .pdf documents, but shall be deemed to have occurred at the offices of Hansen Black Anderson Ashcraft PLLC in Lehi, Utah.

1.4. Collateral for the Note. The Note shall be secured by the collateral set forth in that certain Security Agreement attached hereto as Exhibit D listing the Investor Notes as security for Company's obligations under the Transaction Documents (the "**Security Agreement**").

1.5. Collateral for Investor Notes. Initially, none of the Investor Notes will be secured, but all or any of the Investor Notes may become secured subsequent to the Closing by such collateral and at such time as determined by Investor in its sole discretion. In the event Investor desires to secure any of the Investor Notes, Company shall timely execute any and all amendments and documents and take such other measures requested by Investor that are necessary or advisable in order to properly secure the applicable Investor Notes.

1.6. Original Issue Discount; Transaction Expenses. The Note carries an original issue discount of $22,500.00 (the "**OID**"). In addition, Company agrees to pay $5,000.00 to Investor to cover Investor's legal fees, accounting costs, due diligence, monitoring and other transaction costs incurred in connection with the purchase and sale of the Securities (the "**Transaction Expense Amount**"), all of which amount is included in the initial principal balance of the Note. The Purchase Price, therefore, shall be $225,000.00, computed as follows: $252,500.00 original principal balance, less the OID, less the Transaction Expense Amount. The Initial Cash Purchase Price shall be the Purchase Price less the sum of the initial principal amounts of the Investor Notes. The portion of the OID and the Transaction Expense Amount allocated to the Initial Cash Purchase Price are set forth on Exhibit B.

2. Investor's Representations and Warranties. Investor represents and warrants to Company that: (i) this Agreement has been duly and validly authorized; (ii) this Agreement constitutes a valid and binding agreement of Investor enforceable in accordance with its terms; (iii) Investor is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the 1933 Act; and (iv) this Agreement and the Investor Notes have been duly executed and delivered on behalf of Investor.

3. Representations and Warranties of Company. Company represents and warrants to Investor that: (i) Company is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation and has the requisite corporate power to own its properties and to carry on its business as now being conducted; (ii) Company is duly qualified as a foreign corporation to do business and is in good standing in each jurisdiction where the nature of the business conducted or property owned by it makes such qualification necessary; (iii) Company has registered its Common Stock under Section 15(d) of the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), and is obligated to file reports pursuant to Section 13 or Section 15(d) of the 1934 Act; (iv) each of the Transaction Documents and the transactions contemplated hereby and thereby, have been duly and validly authorized by Company; (v) this Agreement, the Note, the Security Agreement and the other Transaction Documents have been duly executed and delivered by Company and constitute the valid and binding obligations of Company enforceable in accordance with their terms, subject as to enforceability only to general principles of equity and to bankruptcy, insolvency, moratorium, and other similar laws affecting the enforcement of creditors' rights generally; (vi) the execution and delivery of the Transaction

Documents by Company, the issuance of Securities in accordance with the terms hereof, and the consummation by Company of the other transactions contemplated by the Transaction Documents do not and will not conflict with or result in a breach by Company of any of the terms or provisions of, or constitute a default under (a) Company's formation documents or bylaws, each as currently in effect, (b) any indenture, mortgage, deed of trust, or other material agreement or instrument to which Company is a party or by which it or any of its properties or assets are bound, including any listing agreement for the Common Stock, or (c) any existing applicable law, rule, or regulation or any applicable decree, judgment, or order of any court, United States federal or state regulatory body, administrative agency, or other governmental body having jurisdiction over Company or any of Company's properties or assets; (vii) no further authorization, approval or consent of any court, governmental body, regulatory agency, self- regulatory organization, or stock exchange or market or the stockholders or any lender of Company is required to be obtained by Company for the issuance of the Securities to Investor; (viii) none of Company's filings with the SEC contained, at the time they were filed, any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (ix) Company has filed all reports, schedules, forms, statements and other documents required to be filed by Company with the SEC under the 1934 Act on a timely basis or has received a valid extension of such time of filing and has filed any such report, schedule, form, statement or other document prior to the expiration of any such extension; (x) Company has not consummated any financing transaction that has not been disclosed in a periodic filing with the SEC under the 1934 Act; (xi) Company is not currently, nor has it been since July 21, 2014, a "Shell Company," as such type of "issuer" is described in Rule 144(i)(1) under the 1933 Act; (xii) with respect to any commissions, placement agent or finder's fees or similar payments that will or would become due and owing by Company to any person or entity as a result of this Agreement or the transactions contemplated hereby ("**Broker Fees**"), any such Broker Fees will be made in full compliance with all applicable laws and regulations and only to a person or entity that is a registered investment adviser or registered broker-dealer; (xiii) Investor shall have no obligation with respect to any Broker Fees or with respect to any claims made by or on behalf of other persons for fees of a type contemplated in this subsection that may be due in connection with the transactions contemplated hereby and Company shall indemnify and hold harmless each of Investor, Investor's employees, officers, directors, stockholders, managers, agents, and partners, and their respective affiliates, from and against all claims, losses, damages, costs (including the costs of preparation and attorneys' fees) and expenses suffered in respect of any such claimed or existing Broker Fees; (xiv) when issued, the Origination Shares and the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances; (xv) neither Investor nor any of its officers, directors, members, managers, employees, agents or representatives has made any representations or warranties to Company or any of its officers, directors, employees, agents or representatives except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction Documents, Company is not relying on any representation, warranty, covenant or promise of Investor or its officers, directors, members, managers, employees, agents or representatives other than as set forth in the Transaction Documents; and (xvi) Company has performed due diligence and background research on Investor and its affiliates including, without limitation, John M. Fife, and, to its satisfaction, has made inquiries with respect to all matters Company may consider relevant to the undertakings and relationships contemplated by the Transaction Documents including, among other things, the following: http://investing.businessweek.com/research/stocks/people/person.asp?personId=7505107&ticker=UAHC; SEC Civil Case No. 07-C-0347 (N.D. Ill.); SEC Civil Action No. 07-CV-347 (N.D. Ill.); and FINRA Case #2011029203701. Company, being aware of the matters described in subsection (xvi) above, acknowledges and agrees that such matters, or any similar matters, have no bearing on the transactions contemplated by the Transaction Documents and covenants and agrees it will not use any such information as a defense to performance of its obligations under the Transaction Documents or in any attempt to avoid, modify or reduce such obligations and shall not pay such proceeds to any other party pursuant to any financing transaction effected prior to the date hereof.

4 . Company Covenants. Until all of Company's obligations under all of the Transaction Documents are paid and performed in full, or within the timeframes otherwise specifically set forth below, Company shall comply with the following covenants: (i) so long as Investor beneficially owns any of the Securities and for at least twenty (20) Trading Days thereafter, Company shall file all reports required to be filed with the SEC pursuant to Sections 13 or 15(d) of the 1934 Act, and shall take all reasonable action under its control to ensure that adequate current public information with respect to Company, as required in accordance with Rule 144 of the 1933 Act, is publicly available, and shall not terminate its status as an issuer required to file reports under the 1934 Act even if the 1934 Act or the rules and regulations thereunder would permit such termination; (ii) the Common Stock shall be listed or quoted for trading on any of (a) NYSE, (b) NASDAQ, (c) OTCQX, (d) OTCQB, or (e) OTC Pink Current Information; (iii) when issued, the Origination Shares and the Conversion Shares will be duly authorized, validly issued, fully paid for and non-assessable, free and clear of all liens, claims, charges and encumbrances; (iv) Company shall use the net proceeds received hereunder for working capital and general corporate purposes only and shall not pay such proceeds to any other party pursuant to any financing transaction effected prior to the date hereof; (v) trading in Company's Common Stock shall not be suspended, halted, chilled, frozen, reach zero bid or otherwise cease on the Company's principal trading market; (vi) from and after the date hereof and until all of Company's obligations hereunder and the Note are paid and performed in full, Company shall not transfer, assign, sell, pledge, hypothecate or otherwise alienate or encumber the Investor Notes in any way without the prior written consent of Investor; and (vii) at all times during which the Note remains outstanding, Company shall not have at any given time more than five (5) Variable Security Holders (as defined below), excluding Investor, without Investor's prior written consent. For purposes hereof, the term "**Variable Security Holder**" means any holder of any Company securities that are convertible into Common Stock (including without limitation convertible debt, warrants or convertible preferred stock) with a conversion price that varies with the market price of the Common Stock.

5 . Conditions to Company's Obligation to Sell. The obligation of Company hereunder to issue and sell the Securities to Investor at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions:

5.1. Investor shall have executed this Agreement and the Investor Notes and delivered the same to Company.

5 . 2 . Investor shall have delivered the Initial Cash Purchase Price to Company in accordance with Section 1.2 above.

6 . Conditions to Investor's Obligation to Purchase. The obligation of Investor hereunder to purchase the Securities at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for Investor's sole benefit and may be waived by Investor at any time in its sole discretion:

6.1. Company shall have executed this Agreement and delivered the same to Investor.

6.2. Company shall have delivered to Investor the duly executed Note in accordance with Section 1.2 above.

6.3. Company shall have delivered to Investor a certificate representing the Origination Shares.

6.4. Company shall have delivered to Investor a fully executed Irrevocable Letter of Instructions to Transfer Agent substantially in the form attached hereto as Exhibit E acknowledged in writing by Company's transfer agent (the "**Transfer Agent**").

6.5. Company shall have delivered to Investor a fully executed Secretary's Certificate substantially in the form attached hereto as Exhibit F evidencing Company's approval of the Transaction Documents.

6.6. Company shall have delivered to Investor a fully executed Share Issuance Resolution substantially in the form attached hereto as Exhibit G to be delivered to the Transfer Agent.

6.7. Company shall have delivered to Investor fully executed copies of the Security Agreement and all other Transaction Documents required to be executed by Company herein or therein.

7. Reservation of Shares. At all times during which the Note is convertible, Company will reserve from its authorized and unissued Common Stock to provide for the issuance of Common Stock upon the full conversion of the Note at least three (3) times the quotient obtained by dividing the Outstanding Balance (as defined in the Note) by the Installment Conversion Price (as defined in the Note) (the "**Share Reserve**"), but in any event not less than 400,000 shares of Common Stock shall be reserved at all times for such purpose (the "**Transfer Agent Reserve**"). Company further agrees that it will cause the Transfer Agent to immediately add shares of Common Stock to the Transfer Agent Reserve in increments of 100,000 shares as and when requested by Investor in writing from time to time, provided that such incremental increases do not cause the Transfer Agent Reserve to exceed the Share Reserve. In furtherance thereof, from and after the date hereof and until such time that the Note has been paid in full, Company shall require the Transfer Agent to reserve for the purpose of issuance of Conversion Shares under the Note, a number of shares of Common Stock equal to the Transfer Agent Reserve. Company shall further require the Transfer Agent to hold such shares of Common Stock exclusively for the benefit of Investor and to issue such shares to Investor promptly upon Investor's delivery of a conversion notice under the Note. Finally, Company shall require the Transfer Agent to issue shares of Common Stock pursuant to the Note to Investor out of its authorized and unissued shares, and not the Transfer Agent Reserve, to the extent shares of Common Stock have been authorized, but not issued, and are not included in the Transfer Agent Reserve. The Transfer Agent shall only issue shares out of the Transfer Agent Reserve to the extent there are no other authorized shares available for issuance and then only with Investor's written consent.

8. Miscellaneous. The provisions set forth in this Section 8 shall apply to this Agreement, as well as all other Transaction Documents as if these terms were fully set forth therein.

8.1. Original Signature Pages. Each party agrees to deliver its original signature pages to the Transaction Documents to the other party within five (5) Trading Days of the date hereof. Notwithstanding the foregoing, the Transaction Documents shall be fully effective upon exchange of electronic signature pages by the parties and payment of the Initial Cash Purchase Price by Investor. For the avoidance of doubt, the failure by either party to deliver its original signature pages to the other party shall not affect in any way the validity or effectiveness of any of the Transaction Documents, provided that such failure to deliver original signatures shall be a breach of the party's obligations hereunder.

8.2. Arbitration of Claims. The parties shall submit all Claims (as defined in Exhibit H) arising under this Agreement or any other Transaction Document or other agreements between the parties and their affiliates to binding arbitration pursuant to the arbitration provisions set forth in Exhibit H attached hereto (the "**Arbitration Provisions**"). The parties hereby acknowledge and agree that the Arbitration Provisions are unconditionally binding on the parties hereto and are severable from all other provisions of this Agreement. By executing this Agreement, Company represents, warrants and covenants that Company has reviewed the Arbitration Provisions carefully, consulted with legal counsel about such provisions (or waived its right to do so), understands that the Arbitration Provisions are intended to allow for the expeditious and efficient resolution of any dispute hereunder, agrees to the terms and limitations set forth in the Arbitration Provisions, and that Company will not take a position contrary to the foregoing

representations. Company acknowledges and agrees that Investor may rely upon the foregoing representations and covenants of Company regarding the Arbitration Provisions.

8.3. Governing Law; Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws. Each party consents to and expressly agrees that exclusive venue for arbitration of any dispute arising out of or relating to any Transaction Document or the relationship of the parties or their affiliates shall be in Salt Lake County, Utah or Utah County, Utah, Utah; *provided, however*, that notwithstanding anything herein to the contrary, enforcement of Investor's rights under the Security Agreement will occur in accordance with the Uniform Commercial Code of the applicable state(s) under the Security Agreement and enforcement of Company's rights over the Collateral will occur in accordance with the laws of the state in which the Collateral is located. Without modifying the parties obligations to resolve disputes hereunder pursuant to the Arbitration Provisions, for any litigation arising in connection with any of the Transaction Documents, each party hereto hereby (i) consents to and expressly submits to the exclusive personal jurisdiction of any state or federal court sitting in Salt Lake County, Utah, (ii) expressly submits to the exclusive venue of any such court for the purposes hereof, and (iii) waives any claim of improper venue and any claim or objection that such courts are an inconvenient forum or any other claim or objection to the bringing of any such proceeding in such jurisdictions or to any claim that such venue of the suit, action or proceeding is improper.

8.4. Calculation Disputes. Notwithstanding the Arbitration Provisions, in the case of a dispute as to any determination or arithmetic calculation under the Transaction Documents, including without limitation, calculating the Outstanding Balance, Lender Conversion Price (as defined in the Note), Lender Conversion Shares (as defined in the Note), Installment Conversion Price, Installment Conversion Shares (as defined in the Note), Conversion Factor (as defined in the Note), Market Price (as defined in the Note), or VWAP (as defined in the Note) (each, a "**Calculation**"), Company or Investor (as the case may be) shall submit any disputed Calculation via email or facsimile with confirmation of receipt
(i) within two (2) Trading Days after receipt of the applicable notice giving rise to such dispute to Company or Investor (as the case may be) or (ii) if no notice gave rise to such dispute, at any time after Investor learned of the circumstances giving rise to such dispute. If Investor and Company are unable to agree upon such Calculation within two (2) Trading Days of such disputed Calculation being submitted to Company or Investor (as the case may be), then Investor shall, within two (2) Trading Days, submit via email or facsimile the disputed Calculation to Unkar Systems Inc. ("**Unkar Systems**"). Company shall cause Unkar Systems to perform the Calculation and notify Company and Investor of the results no later than ten (10) Trading Days from the time it receives such disputed Calculation. Unkar Systems' determination of the disputed Calculation shall be binding upon all parties absent demonstrable error. Unkar Systems' fee for performing such Calculation shall be paid by the incorrect party, or if both parties are incorrect, by the party whose Calculation is furthest from the correct Calculation as determined by Unkar Systems. In the event Company is the losing party, no extension of the Delivery Date (as defined in the Note) shall be granted and Company shall incur all effects for failing to deliver the applicable shares in a timely manner as set forth in the Transaction Documents. Notwithstanding the foregoing, Investor may, in its sole discretion, designate an independent, reputable investment bank or accounting firm other than Unkar Systems to resolve any such dispute and in such event, all references to "Unkar Systems" herein will be replaced with references to such independent, reputable investment bank or accounting firm so designated by Investor.

8.5. Counterparts. Each Transaction Document may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The parties hereto confirm that any electronic copy of another party's executed counterpart of a Transaction Document (or such party's signature page thereof) will be deemed to be an executed original thereof.

8.6. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

8.7. Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform to such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

8.8. Entire Agreement. This Agreement, together with the other Transaction Documents, contains the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither Company nor Investor makes any representation, warranty, covenant or undertaking with respect to such matters.

8.9. No Reliance. Company acknowledges and agrees that neither Investor nor any of its officers, directors, stockholders, members, managers, representatives or agents has made any representations or warranties to Company or any of its officers, directors, representatives, agents or employees except as expressly set forth in the Transaction Documents and, in making its decision to enter into the transactions contemplated by the Transaction Documents, Company is not relying on any representation, warranty, covenant or promise of Investor or its officers, directors, members, managers, agents or representatives other than as set forth in the Transaction Documents.

8.10. Amendments. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the parties hereto.

8.11. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given on the earliest of: (i) the date delivered, if delivered by personal delivery as against written receipt therefor or by email to an executive officer, or by facsimile (with successful transmission confirmation), (ii) the earlier of the date delivered or the third Trading Day after deposit, postage prepaid, in the United States Postal Service by certified mail, or (iii) the earlier of the date delivered or the third Trading Day after mailing by express courier, with delivery costs and fees prepaid, in each case, addressed to each of the other parties thereunto entitled at the following addresses (or at such other addresses as such party may designate by five (5) calendar days' advance written notice similarly given to each of the other parties hereto):

If to Company:

Avalanche International, Corp. Attn: Philip E. Mansour
5940 South Rainbow Blvd. Las Vegas, Nevada 89118

If to Investor:

Typenex Co-Investment, LLC Attn: John Fife
303 East Wacker Drive, Suite 1040
Chicago, Illinois 60601

With a copy to (which copy shall not constitute notice):

Hansen Black Anderson Ashcraft PLLC Attn: Jonathan K. Hansen
3051 West Maple Loop Drive, Suite 325 Lehi, Utah 84043

8.12. Successors and Assigns. This Agreement or any of the severable rights and obligations inuring to the benefit of or to be performed by Investor hereunder may be assigned by Investor to a third party, including its financing sources, in whole or in part, without the need to obtain Company's consent thereto. Company may not assign its rights or obligations under this Agreement or delegate its duties hereunder without the prior written consent of Investor.

8.13. Survival. The representations and warranties of Company and the agreements and covenants set forth in this Agreement shall survive the Closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of Investor. Company agrees to indemnify and hold harmless Investor and all its officers, directors, employees, attorneys, and agents for loss or damage arising as a result of or related to any breach or alleged breach by Company of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

8.14. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

8.15. Investor's Rights and Remedies Cumulative; Liquidated Damages. All rights, remedies, and powers conferred in this Agreement and the Transaction Documents are cumulative and not exclusive of any other rights or remedies, and shall be in addition to every other right, power, and remedy that Investor may have, whether specifically granted in this Agreement or any other Transaction Document, or existing at law, in equity, or by statute, and any and all such rights and remedies may be exercised from time to time and as often and in such order as Investor may deem expedient. The parties acknowledge and agree that upon Company's failure to comply with the provisions of the Transaction Documents, Investor's damages would be uncertain and difficult (if not impossible) to accurately estimate because of the parties' inability to predict future interest rates and future share prices, Investor's increased risk, and the uncertainty of the availability of a suitable substitute investment opportunity for Investor, among other reasons. Accordingly, any fees, charges, and default interest due under the Note and the other Transaction Documents are intended by the parties to be, and shall be deemed, liquidated damages (under Company's and Investor's expectations that any such liquidated damages will tack back to the Closing Date for purposes of determining the holding period under Rule 144 under the 1933 Act). The parties agree that such liquidated damages are a reasonable estimate of Investor's actual damages and not a penalty, and shall not be deemed in any way to limit any other right or remedy Investor may have hereunder, at law or in equity. The parties acknowledge and agree that under the circumstances existing at the time this Agreement is entered into, such liquidated damages are fair and reasonable and are not penalties. All fees, charges, and default interest provided for in the Transaction Documents are agreed to by the parties to be based upon the obligations and the risks assumed by the parties as of the Closing Date and are consistent with investments of this type. The liquidated damages provisions of the Transaction Documents shall not limit or preclude a party from pursuing any other remedy available at law or in equity; *provided, however*, that the liquidated damages provided for in the Transaction Documents are intended to be in lieu of actual damages.

8.16. Ownership Limitation. Notwithstanding anything to the contrary contained in this Agreement or the other Transaction Documents, if at any time Investor shall or would be issued shares of Common Stock under any of the Transaction Documents, but such issuance would cause Investor (together with its affiliates) to beneficially own a number of shares exceeding the Maximum Percentage (as defined in the Note), then Company must not issue to Investor the shares that would cause Investor to exceed the Maximum Percentage. The shares of Common Stock issuable to Investor that would cause the Maximum Percentage to be exceeded are referred to herein as the "**Ownership Limitation Shares**". Company will reserve the Ownership Limitation Shares for the exclusive benefit of Investor. From time to time, Investor may notify Company in writing of the number of the Ownership Limitation Shares that may be issued to Investor without causing Investor to exceed the Maximum Percentage. Upon receipt of such notice, Company shall be unconditionally obligated to immediately issue such designated shares to Investor, with a corresponding reduction in the number of the Ownership Limitation Shares. For purposes of this Section, beneficial ownership of Common Stock will be determined under Section 13(d) of the 1934 Act.

8.17. Attorneys' Fees and Cost of Collection. In the event of any arbitration or action at law or in equity to enforce or interpret the terms of this Agreement or any of the other Transaction Documents, the parties agree that the party who is awarded the most money shall be deemed the prevailing party for all purposes and shall therefore be entitled to an additional award of the full amount of the attorneys' fees, deposition costs, and expenses paid by such prevailing party in connection with arbitration or litigation without reduction or apportionment based upon the individual claims or defenses giving rise to the fees and expenses. Nothing herein shall restrict or impair an arbitrator's or a court's power to award fees and expenses for frivolous or bad faith pleading. If (i) the Note is placed in the hands of an attorney for collection or enforcement prior to commencing arbitration or legal proceedings, or is collected or enforced through any arbitration or legal proceeding, or Investor otherwise takes action to collect amounts due under the Note or to enforce the provisions of the Note; or (ii) there occurs any bankruptcy, reorganization, receivership of Company or other proceedings affecting Company's creditors' rights and involving a claim under the Note; then Company shall pay the costs incurred by Investor for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees, expenses, deposition costs, and disbursements.

8.18. Waiver. No waiver of any provision of this Agreement shall be effective unless it is in the form of a writing signed by the party granting the waiver. No waiver of any provision or consent to any prohibited action shall constitute a waiver of any other provision or consent to any other prohibited action, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit a party to provide a waiver or consent in the future except to the extent specifically set forth in writing.

8.19. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT SUCH PARTY IS KNOWINGLY AND VOLUNTARILY WAIVING SUCH PARTY'S RIGHT TO DEMAND TRIAL BY JURY.

8.20. Time of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement and the other Transaction Documents.

[*Remainder* of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned Investor and Company have caused this Agreement to be duly executed as of the date first above written.

SUBSCRIPTION AMOUNT:

Principal Amount of Note: $252,500.00

INVESTOR:

TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

/s/ John M. Fife
John M. Fife, President

COMPANY:

AVALANCHE INTERNATIONAL, CORP.

By: /s/ Philip Mansour
Printed Name: Phil Mansour
Title: Ceo

ATTACHED EXHIBITS:

Exhibit A Note
Exhibit B Allocation of Purchase Price
Exhibit C Form of Investor Note
Exhibit D Security Agreement
Exhibit E Irrevocable Transfer Agent Instructions
Exhibit F Secretary's Certificate
Exhibit G Share Issuance Resolution Exhibit H Arbitration
Provisions

EXHIBIT H

ARBITRATION PROVISIONS

1. Dispute Resolution. For purposes of this Exhibit H, the term "**Claims**" means any disputes, claims, demands, causes of action, liabilities, damages, losses, or controversies whatsoever arising from related to or connected with the transactions contemplated in the Transaction Documents and any communications between the parties related thereto, including without limitation any claims of mutual mistake, mistake, fraud, misrepresentation, failure of formation, failure of consideration, promissory estoppel, unconscionability, failure of condition precedent, rescission, and any statutory claims, tort claims, contract claims, or claims to void, invalidate or terminate the Agreement or any of the other Transaction Documents. The term "Claims" specifically excludes a dispute over Calculations and enforcement of Investor's rights and remedies against the personal property described in the Security Agreement under the applicable provisions of the Uniform Commercial Code. The parties hereby agree that the arbitration provisions set forth in this Exhibit H ("**Arbitration Provisions**") are binding on the parties hereto and are severable from all other provisions in the Transaction Documents. As a result, any attempt to rescind the Agreement or declare the Agreement or any other Transaction Document invalid or unenforceable for any reason is subject to these Arbitration Provisions. These Arbitration Provisions shall also survive any termination or expiration of the Agreement. Any capitalized term not defined in these Arbitration Provisions shall have the meaning set forth in the Agreement.

2. Arbitration. Except as otherwise provided herein, all Claims must be submitted to arbitration ("**Arbitration**") to be conducted exclusively in Salt Lake County, Utah or Utah County, Utah and pursuant to the terms set forth in these Arbitration Provisions. The parties agree that the award of the arbitrator (the "**Arbitration Award**") shall be final and binding upon the parties (subject to the appear right set forth in Section 4 below); shall be the sole and exclusive remedy between them regarding any Claims, counterclaims, issues, or accountings presented or pleaded to the arbitrator; and shall promptly be payable in United States dollars free of any tax, deduction or offset (with respect to monetary awards). Any costs or fees, including without limitation attorneys' fees, incident to enforcing the arbitrator's award shall, to the maximum extent permitted by law, be charged against the party resisting such enforcement. The award shall include Default Interest (as defined in the Note) both before and after the award. Judgment upon the award of the arbitrator will be entered and enforced by a state court sitting in Salt Lake County, Utah. The parties hereby incorporate herein the provisions and procedures set forth in the Utah Uniform Arbitration Act, U.C.A. § 78B-11-101 *et seq.* (as amended or superseded from time to time, the "**Arbitration Act**"). Pursuant to Section 105 of the Arbitration Act, in the event of conflict between the terms of these Arbitration Provisions and the provisions of the Arbitration Act, the terms of these Arbitration Provisions shall control.

3. Arbitration Proceedings. Arbitration between the parties will be subject to the following procedures:

3.1 Pursuant to Section 110 of the Arbitration Act, the parties agree that a party may initiate Arbitration by giving written notice to the other party ("**Arbitration Notice**") in the same manner that notice is permitted under Section 8.11 of the Agreement; *provided, however*, that the Arbitration Notice may not be given by email or fax. Arbitration will be deemed initiated as of the date that the Arbitration Notice is deemed delivered under Section 8.11 of the Agreement (the "**Service Date**"). After the Service Date, information may be delivered, and notices may be given, by email or fax pursuant to Section 8.11 of the Agreement or any other method permitted thereunder. The Arbitration Notice must describe the nature of the controversy, the remedies sought, and the election to commence Arbitration proceedings. All Claims in the Arbitration Notice must be pleaded consistent with the Utah Rules of Civil Procedure.

3.2 Within ten (10) calendar days after the Service Date, Investor shall select and submit to Company the names of three (3) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Services (http://www.utahadrservices.com) (such three (3) designated persons hereunder are referred to herein as the "**Proposed Arbitrators**"). For the avoidance of doubt, each Proposed Arbitrator must be qualified as a "neutral" with Utah ADR Services. Within ten (10) calendar days after Investor has submitted to Company the names of the Proposed Arbitrators, Company must select, by written notice to Investor, one (1) of the Proposed Arbitrators to act as the arbitrator for the parties under these Arbitration Provisions. If Company fails to select one of the Proposed Arbitrators in writing within such 10-day period, then Investor may select the arbitrator from the Proposed Arbitrators by providing written notice of such selection to

Company. If Investor fails to identify the Proposed Arbitrators within the time period required above, then Company may at any time prior to Investor designating the Proposed Arbitrators, select the names of three (3) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Service by written notice to Investor. Investor may then, within ten (10) calendar days after Company has submitted notice of its selected arbitrators to Investor, select, by written notice to Company, one (1) of the selected arbitrators to act as the arbitrator for the parties under these Arbitration Provisions. If Investor fails to select in writing and within such 10-day period one of the three (3) arbitrators selected by Company, then Company may select the arbitrator from its three (3) previously selected arbitrators by providing written notice of such selection to Investor. Subject to Paragraph 3.12 below, the cost of the arbitrator must be paid equally by both parties; *provided, however*, that if one party refuses or fails to pay its portion of the arbitrator fee, then the other party can advance such unpaid amount (subject to the accrual of Default Interest thereupon), with such amount added to or subtracted from, as applicable, the award granted by the arbitrator. If Utah ADR Services ceases to exist or to provide a list of neutrals, then the arbitrator shall be selected under the then prevailing rules of the American Arbitration Association. The date that the selected arbitrator agrees in writing to serve as the arbitrator hereunder is referred to herein as the "**Arbitration Commencement Date**".

3.3 An answer and any counterclaims to the Arbitration Notice, which must be pleaded consistent with the Utah Rules of Civil Procedure, shall be required to be delivered to the other party within twenty (20) calendar days after the Service Date. Upon request, the arbitrator is hereby instructed to render a default award, consistent with the relief requested in the Arbitration Notice, against a party that fails to submit an answer within such time period.

3.4 The party that delivers the Arbitration Notice to the other party shall have the option to also commence concurrent legal proceedings with any state court sitting in Salt Lake County, Utah ("**Litigation Proceedings**"), subject to the following: (i) the complaint in the Litigation Proceedings is to be substantially similar to the claims set forth in the Arbitration Notice, provided that an additional cause of action to compel arbitration will also be included therein, (ii) so long as the other party files an answer to the complaint in the Litigation Proceedings and an answer to the Arbitration Notice, the Litigation Proceedings will be stayed pending an Arbitration Award hereunder, (iii) if the other party fails to file an answer in the Litigation Proceedings or an answer in the Arbitration Proceedings, then the party initiating Arbitration shall be entitled to a default judgment consistent with the relief requested, to be entered in the Litigation Proceedings, and (iv) any legal or procedural issue arising under the Arbitration Act that requires a decision of a court of competent jurisdiction may be determined in the Litigation Proceedings. Any award of the arbitrator may be entered in such Litigation Proceedings pursuant to the Arbitration Act.

3.5 Pursuant to Section 118(8) of the Arbitration Act, the parties agree that discovery shall be conducted in accordance with the Utah Rules of Civil Procedure; *provided, however*, that incorporation of such rules will in no event supersede the Arbitration Provisions set forth herein, including without limitation the time limitation set forth in Paragraph 3.9 below, and the following:

a. Discovery will only be allowed if the likely benefits of the proposed discovery outweigh the burden or expense, and the discovery sought is likely to reveal information that will satisfy a specific element of a claim or defense already pleaded in the Arbitration. The party seeking discovery shall always have the burden of showing that all of the standards and limitations set forth in these Arbitration Provisions are satisfied. The scope of discovery in the Arbitration proceedings shall also be limited as follows:

(i) To facts directly connected with the transactions contemplated by the Agreement.

(ii) To facts and information that cannot be obtained from another source that is more convenient, less burdensome or less expensive.

b. No party shall be allowed (i) more than fifteen (15) interrogatories (including discrete subparts), (ii) more than fifteen (15) requests for admission (including discrete subparts), (iii) more than ten (10) document requests (including discrete subparts), or (iv) more than three depositions (excluding expert depositions) for a maximum of seven (7) hours per deposition.

3.6 Any party submitting any written discovery requests, including interrogatories, requests for production, subpoenas to a party or a third party, or requests for admissions, must prepay the estimated attorneys' fees and costs, as determined by the arbitrator, before the responding party has any obligation to produce or respond.

(a) All discovery requests must be submitted in writing to the arbitrator and the other party before issuing or serving such discovery requests. The party issuing the written discovery requests must include with such discovery requests a detailed explanation of how the proposed discovery requests satisfy the requirements of these Arbitration Provisions and the Utah Rules of Civil Procedure. Any party will then be allowed, within ten (10) calendar days of receiving the proposed discovery requests, to submit to the arbitrator an estimate of the attorneys' fees and costs associated with responding to such written discovery requests and a written challenge to each applicable discovery request. After receipt of an estimate of attorneys' fees and costs and/or challenge(s) to one or more discovery requests, the arbitrator will make a finding as to the likely attorneys' fees and costs associated with responding to the discovery requests and issue an order that (A) requires the requesting party to prepay the attorneys' fees and costs associated with responding to the discovery requests, and (B) requires the responding party to respond to the discovery requests as limited by the arbitrator within a certain period of time after receiving payment from the requesting party. If a party entitled to submit an estimate of attorneys' fees and costs and/or a challenge to discovery requests fails to do so within such 10-day period, the arbitrator will make a finding that (A) there are no attorneys' fees or costs associated with responding to such discovery requests, and (B) the responding party must respond to such discovery requests (as may be limited by the arbitrator) within a certain period of time as determined by the arbitrator.

(b) In order to allow a written discovery request, the arbitrator must find that the discovery request satisfies the standards set forth in these Arbitration Provisions and the Utah Rules of Civil Procedure. The arbitrator must strictly enforce these standards. If a discovery request does not satisfy any of the standards set forth in these Arbitration Provisions or the Utah Rules of Civil Procedure, the arbitrator may modify such discovery request to satisfy the applicable standards, or strike such discovery request in whole or in part.

(c) Discovery deadlines will be set forth in a scheduling order issued by the arbitrator. The parties hereby authorize and direct the arbitrator to take such actions and make such rulings as may be necessary to carry out the parties' intent for the arbitration proceedings to be efficient and expeditious.

3.7 Each party may submit expert reports (and rebuttals thereto), provided that such reports must be submitted by the deadlines established by the arbitrator. Expert reports must contain the following: (a) a complete statement of all opinions the expert will offer at trial and the basis and reasons for them; (b) the expert's name and qualifications, including a list of all publications within the preceding 10 years, and a list of any other cases in which the expert has testified at trial or in a deposition or prepared a report within the preceding 10 years; and (c) the compensation to be paid for the expert's report and testimony. The parties are entitled to depose any other party's expert witness one time for no more than 4 hours. An expert may not testify in a party's case-in-chief concerning any matter not fairly disclosed in the expert report.

3.8 All information disclosed by either party during the Arbitration process (including without limitation information disclosed during the discovery process) shall be considered confidential in nature. Each party agrees not to disclose any confidential information received from the other party during the discovery process unless (i) prior to or after the time of disclosure such information becomes public knowledge or part of the public domain, not as a result of any inaction or action of the receiving party, (ii) such information is required by a court order, subpoena or similar legal duress to be disclosed if such receiving party has notified the other party thereof in writing and given it a reasonable opportunity to obtain a protective order from a court of competent jurisdiction prior to disclosure; or (iii) disclosed to the receiving party's agents, representatives and legal counsel on a need to know basis who each agree in writing not to disclose such information to any third party. Pursuant to Section 118(5) of the Arbitration Act, the arbitrator is hereby authorized and directed to issue a protective order to prevent the disclosure of privileged information and confidential information upon the written request of either party.

3.9 The parties hereby authorize and direct the arbitrator to take such actions and make such rulings as may be necessary to carry out the parties' intent for the arbitration proceedings to be efficient and expeditious. Pursuant to Section 120 of the Arbitration Act, the parties hereby agree that an Arbitration Award must be made within 150 days after the Arbitration Commencement Date. The arbitrator is hereby authorized and directed to hold a scheduling conference within ten (10) calendar days after the Arbitration Commencement Date in order to establish a scheduling order with various binding deadlines for discovery, expert testimony, and the submission of documents by the parties to enable the arbitrator to render a

decision prior to the end of such 150-day period. The Utah Rules of Evidence will apply to any final hearing before the arbitrator.

3.10 The arbitrator shall have the right to award or include in the Arbitration Award any relief which the arbitrator deems proper under the circumstances, including, without limitation, specific performance and injunctive relief, provided that the arbitrator may not award exemplary or punitive damages.

3.11 If any part of these Arbitration Provisions is found to violate applicable law or to be illegal, then such provision shall be modified to the minimum extent necessary to make such provision enforceable under applicable law.

3.12 The arbitrator is hereby directed to require the losing party to (i) pay the full amount of any unpaid costs and fees of the arbitrator, and (ii) reimburse the prevailing party the reasonable attorneys' fees, arbitrator costs, deposition costs, and other discovery costs incurred by the prevailing party.

4. Appeals.

4.1 Following the entry of the Arbitration Award, either party (the "**Appellant**") shall have a period of thirty (30) days in which to notify the other party (the "**Appellee**"), in writing, that it elects to appeal (the "**Appeal**") the Arbitration Award (such notice, an "**Appeal Notice**"). The date the Appellant delivers an Appeal Notice to the Appellee is referred to herein as the "**Appeal Date**". The Appeal Notice must be delivered to the Appellee in accordance with the provisions of Paragraph 3.1 above with respect to delivery of an Arbitration Notice and must describe the nature of the appeal and the remedies sought. In addition, together with its delivery of an Appeal Notice to the Appellee, the Appellant must also pay for (and provide proof of such payment to the Appellee together with its delivery of the Appeal Notice) a bond in the amount of 110% of the sum it owes to the Appellee as a result of the final decision made by the arbitrators that it is appealing. In the event neither party delivers an Appeal Notice to the other within the deadline prescribed in this Paragraph 4.1, each party shall lose its right to appeal and the decision of the arbitrator shall be final.

4.2 In the event an Appellant delivers an Appeal Notice to the Appellee in compliance with the provisions of Paragraph 4.1 above, the following provisions shall apply with respect to the Appeal:

(a) The Appeal will be heard by a three (3) person arbitration panel (the "**Appeal Panel**"). Within ten (10) calendar days after the Appeal Date, the Appellee shall select and submit to the Appellant the names of five (5) arbitrators that are designated as "neutrals" or qualified arbitrators by Utah ADR Services (http://www.utahadrservices.com) (such five designated persons hereunder are referred to herein as the "**Proposed Appeal Arbitrators**"). For the avoidance of doubt, each Proposed Appeal Arbitrator must be qualified as a "neutral" with Utah ADR Services. Within ten (10) calendar days after the Appellee has submitted to the Appellant the names of the Proposed Appeal Arbitrators, the Appellant must select, by written notice to the Appellee, three (3) of the Proposed Appeal Arbitrators to act as the members of the Appeal Panel. If the Appellant fails to select three (3) of the Proposed Appeal Arbitrators in writing within such 10-day period, then the Appellee may select such three (3) arbitrators from the Proposed Appeal Arbitrators by providing written notice of such selection to the Appellant. If the Appellee fails to identify the Proposed Appeal Arbitrators within the time period required above, then the Appellant may at any time prior to the Appellee designating the Proposed Appeal Arbitrators, select the names of the five (5) Proposed Appeal Arbitrators. The Appellee may then, within ten (10) calendar days after the Appellant has submitted notice of its Proposed Appeal Arbitrators to the Appellee, select, by written notice to the Appellant, three (3) of the Proposed Appeal Arbitrators to serve on the Appeal Panel. If the Appellee fails to select in writing and within such 10-day period the three (3) members of the Appeal Panel, then the Appellant may select such three (3) members of the Appeal Panel by providing written notice of such selection to the Appellee. After the three (3) members of the Appeal Panel are selected, the Appellee shall designate in writing to the Appellant the name of one of such three (3) arbitrators to serve as the lead arbitrator. Subject to Paragraph 4.2(d) below, the cost of the Appeal Panel must be paid entirely by the Appellant. If Utah ADR Services ceases to exist or to provide a list of neutrals, then the arbitrators shall be selected under the then prevailing rules of the American Arbitration Association. The date that all three (3) selected arbitrators agree in writing to serve as the arbitrators hereunder is referred to herein as the "**Appeal Commencement Date**".

(b) Within seven (7) days of the Appeal Commencement Date, Appellant shall deliver to the Appeal Panel and to Appellee a memorandum in support of appeal describing in detail its basis and arguments for appealing the Arbitration Award (the " **Memorandum in Support**"). Within seven (7) days of Appellant's delivery of the Memorandum in Support, Appellee shall deliver to the Appeal Panel and to Appellant a

memorandum in opposition to the Memorandum in Support (the "**Memorandum in Opposition**"). Within seven (7) days of Appellee's delivery of the Memorandum in Opposition, Appellant shall deliver to the Appeal Panel and to Appellee a reply memorandum to the Memorandum in Opposition.

(c) The parties hereby agree that the Appeal must be heard by the Appeal Panel within thirty (30) calendar days of the Appeal Commencement Date and that the Appeal Panel's Arbitration Award must be made within thirty (30) days after the Appeal is heard, and in any event within sixty (60) days of the Appeal Commencement Date. The Utah Rules of Evidence will apply to any final hearing before the Appeal Panel.

(d) The Appeal Panel is hereby directed to require the losing party to (i) pay the full amount of any unpaid costs and fees of the Appeal Panel, and (ii) reimburse the prevailing party the reasonable attorneys' fees, arbitrator costs, deposition costs, and other discovery costs incurred by the prevailing party.

[*Remainder* of page intentionally left blank]

S E C U R I T Y A G R E E M E N T

THIS SECURITY AGREEMENT (this "**Agreement**"), dated as of May 29, 2015, is executed by Avalanche International, Corp., a Nevada corporation ("**Debtor**"), in favor of Typenex Co-Investment, LLC, a Utah limited liability company ("**Secured Party**").

A. Debtor has issued to Secured Party a certain Secured Convertible Promissory Note of even date herewith, as may be amended from time to time, in the original face amount of $252,500.00 (the "**Note**").

B . In order to induce Secured Party to extend the credit evidenced by the Note, Debtor has agreed to enter into this Agreement and to grant Secured Party a security interest in the Collateral (as defined below).

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Debtor hereby agrees with Secured Party as follows:

1 . Definitions and Interpretation. When used in this Agreement, the following terms have the following respective meanings:

"**Collateral**" has the meaning given to that term in Section 2 hereof.

"**Lien**" shall mean, with respect to any property, any security interest, mortgage, pledge, lien, claim, charge or other encumbrance in, of, or on such property or the income therefrom, including, without limitation, the interest of a vendor or lessor under a conditional sale agreement, capital lease or other title retention agreement, or any agreement to provide any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or comparable law of any jurisdiction.

"**Obligations**" means (a) all loans, advances, future advances, debts, liabilities and obligations, howsoever arising, owed by Debtor to Secured Party or any affiliate of Secured Party of every kind and description, now existing or hereafter arising, whether created by the Note, this Agreement, that certain Securities Purchase Agreement of even date herewith, entered into by and between Debtor and Secured Party (the "**Purchase Agreement**"), any other Transaction Documents (as defined in the Purchase Agreement), any modification or amendment to any of the foregoing, guaranty of payment or other contract or by a quasi-contract, tort, statute or other operation of law, whether incurred or owed directly to Secured Party or as an affiliate of Secured Party or acquired by Secured Party or an affiliate of Secured Party by purchase, pledge or otherwise, (b) all costs and expenses, including attorneys' fees, incurred by Secured Party or any affiliate of Secured Party in connection with the Note or in connection with the collection or enforcement of any portion of the indebtedness, liabilities or obligations described in the foregoing clause (a), (c) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Agreement, and (d) the performance of the covenants and agreements of Debtor contained in this Agreement and all other Transaction Documents.

"**Permitted Liens**" means (a) Liens for taxes not yet delinquent or Liens for taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established, and (b) Liens in favor of Secured Party under this Agreement or arising under the other Transaction Documents.

"**UCC**" means the Uniform Commercial Code as in effect in the state whose laws would govern the security interest in, including without limitation the perfection thereof, and foreclosure of the applicable Collateral.

Unless otherwise defined herein, all terms defined in the UCC have the respective meanings given to those terms in the UCC.

2 . Grant of Security Interest. As security for the Obligations, Debtor hereby pledges to Secured Party and grants to Secured Party a security interest in all right, title, interest, claims and demands of Debtor in and to the property described in Schedule A hereto, and all replacements, proceeds, products, and accessions thereof (collectively, the "**Collateral**").

3. Authorization to File Financing Statements. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction or other jurisdiction of Debtor or its subsidiaries (including without limitation Nevada) any financing statements or documents having a similar effect and amendments thereto that provide any other information required by the Uniform Commercial Code (or similar law of any non-United States jurisdiction, if applicable) of such state or jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organization identification number issued to Debtor. Debtor agrees to furnish any such information to Secured Party promptly upon Secured Party's request.

4. General Representations and Warranties. Debtor represents and warrants to Secured Party that (a) Debtor is the owner of the Collateral and that no other person has any right, title, claim or interest (by way of Lien or otherwise) in, against or to the Collateral, other than Permitted Liens, and (b) upon the filing of UCC-1 financing statements with the Nevada Secretary of State, Secured Party shall have a perfected first-position security interest in the Collateral to the extent that a security interest in the Collateral can be perfected by such filing, except for Permitted Liens.

5. Additional Covenants. Debtor hereby agrees:

5.1. to perform all acts that may be necessary to maintain, preserve, protect and perfect in the Collateral, the Lien granted to Secured Party therein, and the perfection and priority of such Lien, except for Permitted Liens;

5.2. to procure, execute (including endorse, as applicable), and deliver from time to time any endorsements, assignments, financing statements, certificates of title, and all other instruments, documents and/or writings reasonably deemed necessary or appropriate by Secured Party to perfect, maintain and protect Secured Party's Lien hereunder and the priority thereof;

5.3. to provide at least fifteen (15) days prior written notice to Secured Party of any of the following events: (a) any changes or alterations of Debtor's name, (b) any changes with respect to Debtor's address or principal place of business, or (c) the formation of any subsidiaries of Debtor;

5.4. upon the occurrence of an Event of Default (as defined in the Note) under the Note and, thereafter, at Secured Party's request, to endorse (up to the outstanding amount under such promissory notes at the time of Secured Party's request), assign and deliver any promissory notes included in the Collateral to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify;

5.5. to the extent the Collateral is not delivered to Secured Party pursuant to this Agreement, to keep the Collateral at the principal office of Debtor (unless otherwise agreed to by Secured Party in writing), and not to relocate the Collateral to any other locations without the prior written consent of Secured Party;

5.6. not to sell or otherwise dispose, or offer to sell or otherwise dispose, of the Collateral or any interest therein (other than inventory in the ordinary course of business); and

5.7. not to, directly or indirectly, allow, grant or suffer to exist any Lien upon any of the Collateral, other than Permitted Liens.

6. Authorized Action by Secured Party. Debtor hereby irrevocably appoints Secured Party as its attorney-in-fact (which appointment is coupled with an interest) and agrees that Secured Party may perform (but Secured Party shall not be obligated to and shall incur no liability to Debtor or any third party for failure so to do) any act which Debtor is obligated by this Agreement to perform, and to exercise such rights and powers as Debtor might exercise with respect to the Collateral, including the right to (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Collateral; (b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Collateral; (c) make any compromise or settlement, and take any action Secured Party deems advisable, with respect to the Collateral; (d) file a copy of this Agreement with any governmental agency, body or authority, at the sole cost and expense of Debtor; (e) insure, process and preserve the Collateral; (f) pay any indebtedness of Debtor relating to the Collateral; (g) execute and file UCC financing statements and other documents, certificates, instruments and agreements with respect to the Collateral or as otherwise required or permitted hereunder; and (h) take any and all appropriate action and execute any and all documents and instruments that may be necessary or useful to accomplish the purposes of this Agreement; *provided, however*, that Secured Party shall not exercise any such powers granted pursuant to clauses (a) through (c) above prior to the occurrence of an Event of Default and shall only exercise such powers during the continuance of an Event of Default. The powers conferred on Secured Party under this Section 6 are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Secured Party shall be accountable only for the amounts that it actually receives as a result of the exercise of such powers, and neither Secured Party nor any of its stockholders, directors, officers, managers, employees or agents shall be responsible to Debtor for any act or failure to act, except with respect to Secured Party's own gross negligence or willful misconduct. Nothing in this Section 6 shall be deemed an authorization for Debtor to take any action that it is otherwise expressly prohibited from undertaking by way of other provision of this Agreement.

7. Default and Remedies.

7.1. Default. Debtor shall be deemed in default under this Agreement upon the occurrence of an Event of Default (as defined in the Note).

7.2. Remedies. Upon the occurrence of any such Event of Default, Secured Party shall have the rights of a secured creditor under the UCC, all rights granted by this Agreement and by law, including, without limiting the foregoing, (a) the right to require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party, and (b) the right to take possession of the Collateral, and for that purpose Secured Party may enter upon premises on which the Collateral may be situated and remove the Collateral therefrom. Debtor hereby agrees that fifteen (15) days' notice of a public sale of any Collateral or notice of the date after which a private sale of any Collateral may take place is reasonable. In addition, Debtor waives any and all rights that it may have to a

judicial hearing in advance of the enforcement of any of Secured Party's rights and remedies hereunder, including, without limitation, Secured Party's right following an Event of Default to take immediate possession of Collateral and to exercise Secured Party's rights and remedies with respect thereto. Secured Party may also have a receiver appointed to take charge of all or any portion of the Collateral and to exercise all rights of Secured Party under this Agreement. Secured Party may exercise any of its rights under this Section 7.2 without demand or notice of any kind. The remedies in this Agreement, including without limitation this Section 7.2, are in addition to, not in limitation of, any other right, power, privilege, or remedy, either in law, in equity, or otherwise, to which Secured Party may be entitled. No failure or delay on the part of Secured party in exercising any right, power, or remedy will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. All of Secured Party's rights and remedies, whether evidenced by this Agreement or by any other agreement, instrument or document shall be cumulative and may be exercised singularly or concurrently.

7.3. Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on Secured Party to exercise remedies in a commercially reasonable manner, Debtor acknowledges and agrees that it is not commercially unreasonable for Secured Party (a) to fail to incur expenses reasonably deemed significant by Secured Party to prepare Collateral for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Secured Party against risks of loss, collection or disposition of Collateral or to provide to Secured Party a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Secured Party in the collection or disposition of any of the Collateral. Debtor acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Secured Party would fulfill Secured Party's duties under the UCC in Secured Party's exercise of remedies against the Collateral and that other actions or omissions by Secured Party shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section. Without limitation upon the foregoing, nothing contained in this Section shall be construed to grant any rights to Debtor or to impose any duties on Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

7.4. Marshalling. Secured Party shall not be required to marshal any present or future Collateral for, or other assurances of payment of, the Obligations or to resort to such Collateral or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such Collateral and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Debtor hereby agrees that it will not invoke any law relating to the marshalling of Collateral which might cause delay in or impede the enforcement of Secured Party's rights and remedies under this Agreement or under any other instrument

creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Debtor hereby irrevocably waives the benefits of all such laws.

7.5. Application of Collateral Proceeds. The proceeds and/or avails of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder (as well as any other amounts of any kind held by Secured Party at the time of, or received by Secured Party after, the occurrence of an Event of Default) shall be paid to and applied as follows:

(a) First, to the payment of reasonable costs and expenses, including all amounts expended to preserve the value of the Collateral, of foreclosure or suit, if any, and of such sale and the exercise of any other rights or remedies, and of all proper fees, expenses, liability and advances, including reasonable legal expenses and attorneys' fees, incurred or made hereunder by Secured Party;

(b) Second, to the payment to Secured Party of the amount then owing or unpaid on the Note (to be applied first to accrued interest and second to outstanding principal) and all amounts owed under any of the other Transaction Documents; and

(c) Third, to the payment of the surplus, if any, to Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same.

In the absence of final payment and satisfaction in full of all of the Obligations, Debtor shall remain liable for any deficiency.

8. Miscellaneous.

8.1. Notices. Any notice required or permitted hereunder shall be given in the manner provided in the subsection titled "Notices" in the Purchase Agreement, the terms of which are incorporated herein by this reference.

8.2. Non-waiver. No failure or delay on Secured Party's part in exercising any right hereunder shall operate as a waiver thereof or of any other right nor shall any single or partial exercise of any such right preclude any other further exercise thereof or of any other right.

8.3. Amendments and Waivers. This Agreement may not be amended or modified, nor may any of its terms be waived, except by written instruments signed by Debtor and Secured Party. Each waiver or consent under any provision hereof shall be effective only in the specific instances for the purpose for which given.

8.4. Assignment. This Agreement shall be binding upon and inure to the benefit of Secured Party and Debtor and their respective successors and assigns; *provided, however*, that Debtor may not sell, assign or delegate rights and obligations hereunder without the prior written consent of Secured Party.

8.5. Cumulative Rights, etc. The rights, powers and remedies of Secured Party under this Agreement shall be in addition to all rights, powers and remedies given to Secured Party by virtue of any applicable law, rule or regulation of any governmental authority, or the Note, all of which rights, powers, and remedies shall be cumulative and may be exercised successively or concurrently without impairing Secured Party's rights hereunder. Debtor waives any right to require Secured Party to proceed against any person or entity or to exhaust any Collateral or to pursue any remedy in Secured Party's power.

8.6. Partial Invalidity. If any part of this Agreement is construed to be in violation of any law, such part shall be modified to achieve the objective of the parties to the fullest extent permitted and the balance of this Agreement shall remain in full force and effect.

8.7. Expenses. Debtor shall pay on demand all reasonable fees and expenses, including reasonable attorneys' fees and expenses, incurred by Secured Party in connection with the custody, preservation or sale of, or other realization on, any of the Collateral or the enforcement or attempt to enforce any of the Obligations which are not performed as and when required by this Agreement.

8.8. Entire Agreement. This Agreement and the other Transaction Documents, taken together, constitute and contain the entire agreement of Debtor and Secured Party with respect to this particular matter and supersede any and all prior agreements, negotiations, correspondence, understandings and communications between the parties, whether written or oral, respecting the subject matter hereof.

8.9. Governing Law. Except as otherwise specifically set forth herein, the parties expressly agree that this Agreement shall be governed solely by the laws of the State of Utah, without giving effect to the principles thereof regarding the conflict of laws; *provided, however*, that enforcement of Secured Party's rights and remedies against the Collateral as provided herein will be subject to the UCC.

8.10. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING UNDER COMMON LAW OR ANY APPLICABLE STATUTE, LAW, RULE OR REGULATION. FURTHER, EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

8.11. Purchase Agreement; Arbitration of Disputes. By executing this Agreement, each party agrees to be bound by the terms, conditions and general provisions of the Purchase Agreement and the other Transaction Documents, including without limitation the Arbitration Provisions (as defined in the Purchase Agreement) set forth as an exhibit to the Purchase Agreement.

8.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one instrument. Any electronic copy of a party's executed counterpart will be deemed to be an executed original.

8.13. Termination of Security Interest. Upon the payment in full of all Obligations, the security interest granted herein shall terminate and all rights to the Collateral shall revert to Debtor. Upon such termination, Secured Party hereby authorizes Debtor to file any UCC termination statements necessary to effect such termination and Secured Party will execute and deliver to Debtor any additional documents or instruments as Debtor shall reasonably request to evidence such termination.

8.14. Time of the Essence. Time is expressly made of the essence with respect to each and every provision of this Agreement.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Secured Party and Debtor have caused this Agreement to be executed as of the day and year first above written.

SECURED PARTY:

TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

/s/ John M. Fife
John M. Fife, President

DEBTOR:

AVALANCHE INTERNATIONAL, CORP.

By: /s/ Phil Mansour
Name: Phil Mansour
Title: Ceo

SCHEDULE A

TO SECURITY AGREEMENT

Those certain Investor Notes (comprised of Investor Note #1, Investor Note #2 and Investor Note #3) issued by Secured Party in favor of Debtor on May 29, 2015, in the initial principal amount of $50,000.00 each, and any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to, and proceeds thereof.

THIS NOTE MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE ALIENATED OR ENCUMBERED WITHOUT THE PRIOR WRITTEN CONSENT OF INVESTOR.

$50,000.00

State of Utah May 29, 2015

INVESTOR NOTE #1

FOR VALUE RECEIVED, TYPENEX CO-INVESTMENT, LLC, a Utah limited liability company ("**Investor**"), hereby promises to pay to AVALANCHE INTERNATIONAL, CORP., a Nevada corporation ("**Company**" , and together with Investor, the "**Parties**"), the principal sum of $50,000.00 together with all accrued and unpaid interest thereon, fees incurred or other amounts owing hereunder, all as set forth below in this Investor Note #1 (this "**Note**"). This Note is issued pursuant to that certain Securities Purchase Agreement of even date herewith, entered into by and between Investor and Company (as the same may be amended from time to time, the "**Purchase Agreement**"), pursuant to which Company issued to Investor that certain Secured Convertible Promissory Note in the principal amount of
$252,500.00 (as the same may be amended from time to time, the "**Company Note**") convertible into shares of Company's Common Stock. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

1 . Principal and Interest. Interest shall accrue on the unpaid principal balance and any unpaid late fees or other fees under this Note at a rate of eight percent (8%) per annum until the full amount of the principal and fees has been paid. Interest shall be computed on the basis of a 365-day year for the actual number of days elapsed. Notwithstanding any provision to the contrary herein, in no event shall the applicable interest rate at any time exceed the maximum interest rate allowed under applicable law, as provided in Section 12 below. The entire unpaid principal balance and all accrued and unpaid interest, if any, under this Note, shall be due and payable on the date that is thirteen (13) months from the date hereof (the "**Investor Note Maturity Date**"); *provided, however*, that Investor may elect, in its sole discretion, to extend the Investor Note Maturity Date for up to thirty (30) days by delivering written notice of such election to Company at any time prior to the Investor Note Maturity Date.

2 . Payment. Unless prepaid, all principal and accrued interest under this Note is payable in one lump sum on the Investor Note Maturity Date. All payments of interest and principal shall be (i) in lawful money of the United States of America, and (ii) in the form of immediately available funds. All payments shall be applied first to costs of collection, if any, then to accrued and unpaid interest, and thereafter to principal. Payment of principal and interest hereunder shall be delivered to Company at the address furnished to Investor for that purpose.

3 . Prepayment by Investor. Investor may, with Company's consent, pay, without penalty, all or any portion of the outstanding balance along with any accrued but unpaid interest on this Note at any time prior to the Investor Note Maturity Date.

4 . Security; Collateral. Investor may, in its sole discretion, designate collateral (the "**Collateral**") as it deems fit, as security for Investor's obligations hereunder, which Collateral may be, but is not required to be, real property, a letter of credit with a financial institution determined by Investor in its sole discretion, or pledged membership interests, provided that the net fair market value of the Collateral (net of any outstanding monetary liens) shall not be less than the principal balance of this Note as of the date of any such designation. Upon Investor's designation of Collateral, each of Investor and Company shall timely execute any and all documents necessary or advisable in order to properly grant a security interest upon the Collateral in favor of Company.

5. Release. Company covenants and agrees that in the event that this Note is secured by Collateral, Company shall timely execute any and all documents necessary or advisable in order to release such security interest and Collateral to Investor, or Investor's designee, upon the earlier of (i) the date this Note is paid in full and (ii) the date that is six (6) months and three (3) days following the date such Collateral is given as security for this Note, or such later date as determined in the sole discretion of Investor (the "**Release Date**"). For the avoidance of doubt, as of the date hereof, there is no collateral securing this Note, and after the Release Date, as applicable, there shall be no collateral securing this Note.

6. Right of Offset. Notwithstanding anything to the contrary herein or in any of the other Transaction Documents, in the event (i) of the occurrence of any Event of Default (as defined in the Company Note) under the Company Note or any other note issued by Company in connection with the Purchase Agreement, (ii) Investor applies a Default Effect (as defined in the Company Note) under the Company Note, (iii) the Outstanding Balance is automatically increased to the Mandatory Default Amount under the Company Note, (iv) the Company Note is accelerated for any reason, or (v) of a breach of any material term, condition, representation, warranty, covenant or obligation of Company under any Transaction Document; Investor shall be entitled to deduct and offset any amount owing by Company under the Company Note from any amount owed by Investor under this Note (the "**Investor Offset Right**"), provided that if any of the foregoing events occur and Investor has not yet exercised the Investor Offset Right, the Investor Offset Right shall be automatically exercised on the date that is thirty (30) days prior to the Investor Note Maturity Date (an "**Automatic Offset**"). Other than with respect to an Automatic Offset, Investor may only elect to exercise the Investor Offset Right by delivering to Company an offset notice in a form substantially similar to Exhibit D to the Company Note or another form of Investor's choosing. In the event that Investor's exercise of the Investor Offset Right under this Section **Error! Reference source not found.** results in the full satisfaction of Investor's obligations under this Note, then Company shall return this Note to Investor for cancellation or, in the event this Note has been lost, stolen or destroyed, Company shall provide Investor with a lost note affidavit in a form reasonably acceptable to Investor.

7. Default. If any of the events specified below shall occur (each, an "**Investor Note Default**") Company may declare the unpaid principal balance under this Note, together with all accrued and unpaid interest thereon, fees incurred or other amounts owing hereunder immediately due and payable, by notice in writing to Investor. If any default, other than a Payment Default (as defined below), is curable, then the default may be cured (and no Investor Note Default will have occurred) if Investor, after receiving written notice from Company demanding cure of such default, either (i) cures the default within fifteen (15) days of the receipt of such notice, or (ii) if the cure requires more than fifteen (15) days, immediately initiates steps that Company deems in Company's reasonable discretion to be sufficient to cure the default and thereafter diligently continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical. Each of the following events shall constitute an Investor Note Default:

7.1. Failure to Pay. Investor's failure to make any payment when due and payable under this Note (a "**Payment Default**");

7.2. Breaches of Covenants. Investor's failure to observe or perform any other covenant, obligation, condition or agreement contained in this Note;

7.3. Representations and Warranties. If any representation, warranty, certificate, or other statement (financial or otherwise) made or furnished by or on behalf of Investor to Company in writing in connection with this Note or any of the other Transaction Documents, or as an inducement to

Company to enter into the Purchase Agreement, shall be false or misleading in any material respect when made or furnished; and

7.4. Involuntary Bankruptcy. If any involuntary petition is filed under any bankruptcy or similar law or rule against Investor, and such petition is not dismissed within sixty (60) days, or a receiver, trustee, liquidator, assignee, custodian, sequestrator or other similar official is appointed to take possession of any of the assets or properties of Investor.

8. Binding Effect; Assignment. This Note shall be binding on the Parties and their respective heirs, successors, and assigns; *provided*, *however*, that neither Party shall assign any of its rights hereunder without the prior written consent of the other Party, except that Investor may assign this Note to any of its Affiliates without the prior written consent of Company and, furthermore, Company agrees that it shall not unreasonably withhold, condition or delay its consent to any other assignment of this Note by Investor.

9. Governing Law. This Note shall be governed by and interpreted in accordance with the laws of the State of Utah for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws.

10. Purchase Agreement; Arbitration of Disputes. By acceptance of this Note, each Party agrees to be bound by the applicable terms, conditions and general provisions of the Purchase Agreement and the other Transaction Documents, including without limitation the Arbitration Provisions attached as an exhibit to the Purchase Agreement.

11. Customer Identification–USA Patriot Act Notice. Company hereby notifies Investor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "**Act**"), and Company's policies and practices, Company is required to obtain, verify and record certain information and documentation that identifies Investor, which information includes the name and address of Investor and such other information that will allow Company to identify Investor in accordance with the Act.

12. Lawful Interest. It being the intention of Company and Investor to comply with all applicable laws with regard to the interest charged hereunder, it is agreed that, notwithstanding any provision to the contrary in this Note or any of the other Transaction Documents, no such provision, including without limitation any provision of this Note providing for the payment of interest or other charges, shall require the payment or permit the collection of any amount in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by this Note or by any extension or renewal hereof ("**Excess Interest**"). If any Excess Interest is provided for, or is adjudicated to be provided for, in this Note, then in such event:

12.1. the provisions of this Section 12 shall govern and control;

12.2. Investor shall not be obligated to pay any Excess Interest;

12.3. any Excess Interest that Company may have received hereunder shall, at the option of Company, be (i) applied as a credit against the principal balance due under this Note or the accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to Investor, or (iii) any combination of the foregoing;

12.4. the applicable interest rate or rates shall be automatically subject to reduction to the maximum lawful rate allowed to be contracted for in writing under the applicable governing usury laws, and this Note and the Transaction Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in such interest rate or rates; and

12.5. Investor shall not have any action or remedy against Company for any damages whatsoever or any defense to enforcement of this Note or arising out of the payment or collection of any Excess Interest.

13. Pronouns. Regardless of their form, all words used in this Note shall be deemed singular or plural and shall have the gender as required by the text.

14. Headings. The various headings used in this Note as headings for sections or otherwise are for convenience and reference only and shall not be used in interpreting the text of the section in which they appear and shall not limit or otherwise affect the meanings thereof.

15. Time of Essence. Time is of the essence with this Note.

16. Severability. If any part of this Note is construed to be in violation of any law, such part shall be modified to achieve the objective of the Parties to the fullest extent permitted by law and the balance of this Note shall remain in full force and effect.

17. Attorneys' Fees . If any arbitration or action at law or in equity is necessary to enforce this Note or to collect payment under this Note, Company shall be entitled to recover reasonable attorneys' fees directly related to such enforcement or collection actions.

18. Amendments and Waivers; Remedies. No failure or delay on the part of either Party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to either Party hereto at law, in equity or otherwise. Any amendment, supplement or modification of or to any provision of this Note, any waiver of any provision of this Note, and any consent to any departure by either Party from the terms of any provision of this Note, shall be effective (i) only if it is made or given in writing and signed by Investor and Company and (ii) only in the specific instance and for the specific purpose for which made or given.

19. Notices. Unless otherwise provided for herein, all notices, requests, demands, claims and other communications hereunder shall be given in accordance with the subsection of the Purchase Agreement titled "Notices." Either Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by providing notice thereof in the manner set forth in the Purchase Agreement.

20. Final Note. This Note, together with the other Transaction Documents, contains the complete understanding and agreement of Investor and Company and supersedes all prior representations, warranties, agreements, arrangements, understandings, and negotiations of Investor and Company with respect to the subject matter of the Transaction Documents. THIS NOTE, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY ALLEGED PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Note as of the date set forth above.

INVESTOR:

TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

/s/ John M. Fife
John M. Fife, President

ACKNOWLEDGED, ACCEPTED AND AGREED: COMPANY:
AVALANCHE INTERNATIONAL, CORP.

By: /s/ Phil Mansour
Name: Phil Mansour
Title:Ceo

THIS NOTE MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE ALIENATED OR ENCUMBERED WITHOUT THE PRIOR WRITTEN CONSENT OF INVESTOR.

$50,000.00

State of Utah May 29, 2015

INVESTOR NOTE #2

FOR VALUE RECEIVED, TYPENEX CO-INVESTMENT, LLC, a Utah limited liability company ("**Investor**"), hereby promises to pay to AVALANCHE INTERNATIONAL, CORP., a Nevada corporation ("**Company**", and together with Investor, the "**Parties**"), the principal sum of $50,000.00 together with all accrued and unpaid interest thereon, fees incurred or other amounts owing hereunder, all as set forth below in this Investor Note #2 (this "**Note**"). This Note is issued pursuant to that certain Securities Purchase Agreement of even date herewith, entered into by and between Investor and Company (as the same may be amended from time to time, the "**Purchase Agreement**"), pursuant to which Company issued to Investor that certain Secured Convertible Promissory Note in the principal amount of $252,500.00 (as the same may be amended from time to time, the "**Company Note**") convertible into shares of Company's Common Stock. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

1. Principal and Interest. Interest shall accrue on the unpaid principal balance and any unpaid late fees or other fees under this Note at a rate of eight percent (8%) per annum until the full amount of the principal and fees has been paid. Interest shall be computed on the basis of a 365-day year for the actual number of days elapsed. Notwithstanding any provision to the contrary herein, in no event shall the applicable interest rate at any time exceed the maximum interest rate allowed under applicable law, as provided in Section 12 below. The entire unpaid principal balance and all accrued and unpaid interest, if any, under this Note, shall be due and payable on the date that is thirteen (13) months from the date hereof (the "**Investor Note Maturity Date**"); *provided, however*, that Investor may elect, in its sole discretion, to extend the Investor Note Maturity Date for up to thirty (30) days by delivering written notice of such election to Company at any time prior to the Investor Note Maturity Date.

2. Payment. Unless prepaid, all principal and accrued interest under this Note is payable in one lump sum on the Investor Note Maturity Date. All payments of interest and principal shall be (i) in lawful money of the United States of America, and (ii) in the form of immediately available funds. All payments shall be applied first to costs of collection, if any, then to accrued and unpaid interest, and thereafter to principal. Payment of principal and interest hereunder shall be delivered to Company at the address furnished to Investor for that purpose.

3. Prepayment by Investor. Investor may, with Company's consent, pay, without penalty, all or any portion of the outstanding balance along with any accrued but unpaid interest on this Note at any time prior to the Investor Note Maturity Date.

4. Security; Collateral. Investor may, in its sole discretion, designate collateral (the "**Collateral**") as it deems fit, as security for Investor's obligations hereunder, which Collateral may be, but is not required to be, real property, a letter of credit with a financial institution determined by Investor in its sole discretion, or pledged membership interests, provided that the net fair market value of the Collateral (net of any outstanding monetary liens) shall not be less than the principal balance of this Note as of the date of any such designation. Upon Investor's designation of Collateral, each of Investor and Company shall timely execute any and all documents necessary or advisable in order to properly grant a security interest upon the Collateral in favor of Company.

5. Release. Company covenants and agrees that in the event that this Note is secured by Collateral, Company shall timely execute any and all documents necessary or advisable in order to release such security interest and Collateral to Investor, or Investor's designee, upon the earlier of (i) the date this Note is paid in full and (ii) the date that is six (6) months and three (3) days following the date such Collateral is given as security for this Note, or such later date as determined in the sole discretion of Investor (the "**Release Date**"). For the avoidance of doubt, as of the date hereof, there is no collateral securing this Note, and after the Release Date, as applicable, there shall be no collateral securing this Note.

6. Right of Offset. Notwithstanding anything to the contrary herein or in any of the other Transaction Documents, in the event (i) of the occurrence of any Event of Default (as defined in the Company Note) under the Company Note or any other note issued by Company in connection with the Purchase Agreement, (ii) Investor applies a Default Effect (as defined in the Company Note) under the Company Note, (iii) the Outstanding Balance is automatically increased to the Mandatory Default Amount under the Company Note, (iv) the Company Note is accelerated for any reason, or (v) of a breach of any material term, condition, representation, warranty, covenant or obligation of Company under any Transaction Document; Investor shall be entitled to deduct and offset any amount owing by Company under the Company Note from any amount owed by Investor under this Note (the "**Investor Offset Right**"), provided that if any of the foregoing events occur and Investor has not yet exercised the Investor Offset Right, the Investor Offset Right shall be automatically exercised on the date that is thirty (30) days prior to the Investor Note Maturity Date (an "**Automatic Offset**"). Other than with respect to an Automatic Offset, Investor may only elect to exercise the Investor Offset Right by delivering to Company an offset notice in a form substantially similar to Exhibit D to the Company Note or another form of Investor's choosing. In the event that Investor's exercise of the Investor Offset Right under this Section **Error! Reference source not found.** results in the full satisfaction of Investor's obligations under this Note, then Company shall return this Note to Investor for cancellation or, in the event this Note has been lost, stolen or destroyed, Company shall provide Investor with a lost note affidavit in a form reasonably acceptable to Investor.

7. Default. If any of the events specified below shall occur (each, an "**Investor Note Default**") Company may declare the unpaid principal balance under this Note, together with all accrued and unpaid interest thereon, fees incurred or other amounts owing hereunder immediately due and payable, by notice in writing to Investor. If any default, other than a Payment Default (as defined below), is curable, then the default may be cured (and no Investor Note Default will have occurred) if Investor, after receiving written notice from Company demanding cure of such default, either (i) cures the default within fifteen (15) days of the receipt of such notice, or (ii) if the cure requires more than fifteen (15) days, immediately initiates steps that Company deems in Company's reasonable discretion to be sufficient to cure the default and thereafter diligently continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical. Each of the following events shall constitute an Investor Note Default:

7.1. Failure to Pay. Investor's failure to make any payment when due and payable under this Note (a "**Payment Default**");

7.2. Breaches of Covenants. Investor's failure to observe or perform any other covenant, obligation, condition or agreement contained in this Note;

7.3. Representations and Warranties. If any representation, warranty, certificate, or other statement (financial or otherwise) made or furnished by or on behalf of Investor to Company in writing in connection with this Note or any of the other Transaction Documents, or as an inducement to

Company to enter into the Purchase Agreement, shall be false or misleading in any material respect when made or furnished; and

7.4. Involuntary Bankruptcy. If any involuntary petition is filed under any bankruptcy or similar law or rule against Investor, and such petition is not dismissed within sixty (60) days, or a receiver, trustee, liquidator, assignee, custodian, sequestrator or other similar official is appointed to take possession of any of the assets or properties of Investor.

8. Binding Effect; Assignment. This Note shall be binding on the Parties and their respective heirs, successors, and assigns; *provided*, *however*, that neither Party shall assign any of its rights hereunder without the prior written consent of the other Party, except that Investor may assign this Note to any of its Affiliates without the prior written consent of Company and, furthermore, Company agrees that it shall not unreasonably withhold, condition or delay its consent to any other assignment of this Note by Investor.

9. Governing Law. This Note shall be governed by and interpreted in accordance with the laws of the State of Utah for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws.

10. Purchase Agreement; Arbitration of Disputes. By acceptance of this Note, each Party agrees to be bound by the applicable terms, conditions and general provisions of the Purchase Agreement and the other Transaction Documents, including without limitation the Arbitration Provisions attached as an exhibit to the Purchase Agreement.

11. Customer Identification–USA Patriot Act Notice. Company hereby notifies Investor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "**Act**"), and Company's policies and practices, Company is required to obtain, verify and record certain information and documentation that identifies Investor, which information includes the name and address of Investor and such other information that will allow Company to identify Investor in accordance with the Act.

12. Lawful Interest. It being the intention of Company and Investor to comply with all applicable laws with regard to the interest charged hereunder, it is agreed that, notwithstanding any provision to the contrary in this Note or any of the other Transaction Documents, no such provision, including without limitation any provision of this Note providing for the payment of interest or other charges, shall require the payment or permit the collection of any amount in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by this Note or by any extension or renewal hereof ("**Excess Interest**"). If any Excess Interest is provided for, or is adjudicated to be provided for, in this Note, then in such event:

12.1. the provisions of this Section 12 shall govern and control;

12.2. Investor shall not be obligated to pay any Excess Interest;

12.3. any Excess Interest that Company may have received hereunder shall, at the option of Company, be (i) applied as a credit against the principal balance due under this Note or the accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to Investor, or (iii) any combination of the foregoing;

12.4. the applicable interest rate or rates shall be automatically subject to reduction to the maximum lawful rate allowed to be contracted for in writing under the applicable governing usury laws, and this Note and the Transaction Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in such interest rate or rates; and

12.5. Investor shall not have any action or remedy against Company for any damages whatsoever or any defense to enforcement of this Note or arising out of the payment or collection of any Excess Interest.

13. Pronouns. Regardless of their form, all words used in this Note shall be deemed singular or plural and shall have the gender as required by the text.

14. Headings. The various headings used in this Note as headings for sections or otherwise are for convenience and reference only and shall not be used in interpreting the text of the section in which they appear and shall not limit or otherwise affect the meanings thereof.

15. Time of Essence. Time is of the essence with this Note.

16. Severability. If any part of this Note is construed to be in violation of any law, such part shall be modified to achieve the objective of the Parties to the fullest extent permitted by law and the balance of this Note shall remain in full force and effect.

17. Attorneys' Fees. If any arbitration or action at law or in equity is necessary to enforce this Note or to collect payment under this Note, Company shall be entitled to recover reasonable attorneys' fees directly related to such enforcement or collection actions.

18. Amendments and Waivers; Remedies. No failure or delay on the part of either Party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to either Party hereto at law, in equity or otherwise. Any amendment, supplement or modification of or to any provision of this Note, any waiver of any provision of this Note, and any consent to any departure by either Party from the terms of any provision of this Note, shall be effective (i) only if it is made or given in writing and signed by Investor and Company and (ii) only in the specific instance and for the specific purpose for which made or given.

19. Notices. Unless otherwise provided for herein, all notices, requests, demands, claims and other communications hereunder shall be given in accordance with the subsection of the Purchase Agreement titled "Notices." Either Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by providing notice thereof in the manner set forth in the Purchase Agreement.

20. Final Note. This Note, together with the other Transaction Documents, contains the complete understanding and agreement of Investor and Company and supersedes all prior representations, warranties, agreements, arrangements, understandings, and negotiations of Investor and Company with respect to the subject matter of the Transaction Documents. THIS NOTE, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY ALLEGED PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Note as of the date set forth above.

INVESTOR:

TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

/s/ John M. Fife
John M. Fife, President

ACKNOWLEDGED, ACCEPTED AND AGREED: COMPANY:
AVALANCHE INTERNATIONAL, CORP.

By: /s/ Phil Mansour
Name: Phil Mansour
Title: CEO

THIS NOTE MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE ALIENATED OR ENCUMBERED WITHOUT THE PRIOR WRITTEN CONSENT OF INVESTOR.

$50,000.00

State of Utah May 29, 2015

INVESTOR NOTE #3

FOR VALUE RECEIVED, TYPENEX CO-INVESTMENT, LLC, a Utah limited liability company ("**Investor**"), hereby promises to pay to AVALANCHE INTERNATIONAL, CORP., a Nevada corporation ("**Company**" , and together with Investor, the "**Parties**"), the principal sum of $50,000.00 together with all accrued and unpaid interest thereon, fees incurred or other amounts owing hereunder, all as set forth below in this Investor Note #3 (this "**Note**"). This Note is issued pursuant to that certain Securities Purchase Agreement of even date herewith, entered into by and between Investor and Company (as the same may be amended from time to time, the "**Purchase Agreement**"), pursuant to which Company issued to Investor that certain Secured Convertible Promissory Note in the principal amount of
$252,500.00 (as the same may be amended from time to time, the "**Company Note**") convertible into shares of Company's Common Stock. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

1 . Principal and Interest. Interest shall accrue on the unpaid principal balance and any unpaid late fees or other fees under this Note at a rate of eight percent (8%) per annum until the full amount of the principal and fees has been paid. Interest shall be computed on the basis of a 365-day year for the actual number of days elapsed. Notwithstanding any provision to the contrary herein, in no event shall the applicable interest rate at any time exceed the maximum interest rate allowed under applicable law, as provided in Section 12 below. The entire unpaid principal balance and all accrued and unpaid interest, if any, under this Note, shall be due and payable on the date that is thirteen (13) months from the date hereof (the "**Investor Note Maturity Date**"); *provided, however*, that Investor may elect, in its sole discretion, to extend the Investor Note Maturity Date for up to thirty (30) days by delivering written notice of such election to Company at any time prior to the Investor Note Maturity Date.

2 . Payment. Unless prepaid, all principal and accrued interest under this Note is payable in one lump sum on the Investor Note Maturity Date. All payments of interest and principal shall be (i) in lawful money of the United States of America, and (ii) in the form of immediately available funds. All payments shall be applied first to costs of collection, if any, then to accrued and unpaid interest, and thereafter to principal. Payment of principal and interest hereunder shall be delivered to Company at the address furnished to Investor for that purpose.

3 . Prepayment by Investor. Investor may, with Company's consent, pay, without penalty, all or any portion of the outstanding balance along with any accrued but unpaid interest on this Note at any time prior to the Investor Note Maturity Date.

4 . Security; Collateral. Investor may, in its sole discretion, designate collateral (the "**Collateral**") as it deems fit, as security for Investor's obligations hereunder, which Collateral may be, but is not required to be, real property, a letter of credit with a financial institution determined by Investor in its sole discretion, or pledged membership interests, provided that the net fair market value of the Collateral (net of any outstanding monetary liens) shall not be less than the principal balance of this Note as of the date of any such designation. Upon Investor's designation of Collateral, each of Investor and Company shall timely execute any and all documents necessary or advisable in order to properly grant a security interest upon the Collateral in favor of Company.

5. Release. Company covenants and agrees that in the event that this Note is secured by Collateral, Company shall timely execute any and all documents necessary or advisable in order to release such security interest and Collateral to Investor, or Investor's designee, upon the earlier of (i) the date this Note is paid in full and (ii) the date that is six (6) months and three (3) days following the date such Collateral is given as security for this Note, or such later date as determined in the sole discretion of Investor (the "**Release Date**"). For the avoidance of doubt, as of the date hereof, there is no collateral securing this Note, and after the Release Date, as applicable, there shall be no collateral securing this Note.

6. Right of Offset. Notwithstanding anything to the contrary herein or in any of the other Transaction Documents, in the event (i) of the occurrence of any Event of Default (as defined in the Company Note) under the Company Note or any other note issued by Company in connection with the Purchase Agreement, (ii) Investor applies a Default Effect (as defined in the Company Note) under the Company Note, (iii) the Outstanding Balance is automatically increased to the Mandatory Default Amount under the Company Note, (iv) the Company Note is accelerated for any reason, or (v) of a breach of any material term, condition, representation, warranty, covenant or obligation of Company under any Transaction Document; Investor shall be entitled to deduct and offset any amount owing by Company under the Company Note from any amount owed by Investor under this Note (the "**Investor Offset Right**"), provided that if any of the foregoing events occur and Investor has not yet exercised the Investor Offset Right, the Investor Offset Right shall be automatically exercised on the date that is thirty (30) days prior to the Investor Note Maturity Date (an "**Automatic Offset**"). Other than with respect to an Automatic Offset, Investor may only elect to exercise the Investor Offset Right by delivering to Company an offset notice in a form substantially similar to Exhibit D to the Company Note or another form of Investor's choosing. In the event that Investor's exercise of the Investor Offset Right under this Section **Error! Reference source not found.** results in the full satisfaction of Investor's obligations under this Note, then Company shall return this Note to Investor for cancellation or, in the event this Note has been lost, stolen or destroyed, Company shall provide Investor with a lost note affidavit in a form reasonably acceptable to Investor.

7. Default. If any of the events specified below shall occur (each, an "**Investor Note Default**") Company may declare the unpaid principal balance under this Note, together with all accrued and unpaid interest thereon, fees incurred or other amounts owing hereunder immediately due and payable, by notice in writing to Investor. If any default, other than a Payment Default (as defined below), is curable, then the default may be cured (and no Investor Note Default will have occurred) if Investor, after receiving written notice from Company demanding cure of such default, either (i) cures the default within fifteen (15) days of the receipt of such notice, or (ii) if the cure requires more than fifteen (15) days, immediately initiates steps that Company deems in Company's reasonable discretion to be sufficient to cure the default and thereafter diligently continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical. Each of the following events shall constitute an Investor Note Default:

7.1. Failure to Pay. Investor's failure to make any payment when due and payable under this Note (a "**Payment Default**");

7.2. Breaches of Covenants. Investor's failure to observe or perform any other covenant, obligation, condition or agreement contained in this Note;

7.3. Representations and Warranties. If any representation, warranty, certificate, or other statement (financial or otherwise) made or furnished by or on behalf of Investor to Company in writing in connection with this Note or any of the other Transaction Documents, or as an inducement to

Company to enter into the Purchase Agreement, shall be false or misleading in any material respect when made or furnished; and

7.4. Involuntary Bankruptcy. If any involuntary petition is filed under any bankruptcy or similar law or rule against Investor, and such petition is not dismissed within sixty (60) days, or a receiver, trustee, liquidator, assignee, custodian, sequestrator or other similar official is appointed to take possession of any of the assets or properties of Investor.

8. Binding Effect; Assignment. This Note shall be binding on the Parties and their respective heirs, successors, and assigns; *provided*, *however*, that neither Party shall assign any of its rights hereunder without the prior written consent of the other Party, except that Investor may assign this Note to any of its Affiliates without the prior written consent of Company and, furthermore, Company agrees that it shall not unreasonably withhold, condition or delay its consent to any other assignment of this Note by Investor.

9. Governing Law. This Note shall be governed by and interpreted in accordance with the laws of the State of Utah for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws.

10. Purchase Agreement; Arbitration of Disputes. By acceptance of this Note, each Party agrees to be bound by the applicable terms, conditions and general provisions of the Purchase Agreement and the other Transaction Documents, including without limitation the Arbitration Provisions attached as an exhibit to the Purchase Agreement.

11. Customer Identification–USA Patriot Act Notice. Company hereby notifies Investor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "**Act**"), and Company's policies and practices, Company is required to obtain, verify and record certain information and documentation that identifies Investor, which information includes the name and address of Investor and such other information that will allow Company to identify Investor in accordance with the Act.

12. Lawful Interest. It being the intention of Company and Investor to comply with all applicable laws with regard to the interest charged hereunder, it is agreed that, notwithstanding any provision to the contrary in this Note or any of the other Transaction Documents, no such provision, including without limitation any provision of this Note providing for the payment of interest or other charges, shall require the payment or permit the collection of any amount in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by this Note or by any extension or renewal hereof ("**Excess Interest**"). If any Excess Interest is provided for, or is adjudicated to be provided for, in this Note, then in such event:

12.1. the provisions of this Section 12 shall govern and control;

12.2. Investor shall not be obligated to pay any Excess Interest;

12.3. any Excess Interest that Company may have received hereunder shall, at the option of Company, be (i) applied as a credit against the principal balance due under this Note or the accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to Investor, or (iii) any combination of the foregoing;

12.4. the applicable interest rate or rates shall be automatically subject to reduction to the maximum lawful rate allowed to be contracted for in writing under the applicable governing usury laws, and this Note and the Transaction Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in such interest rate or rates; and

12.5. Investor shall not have any action or remedy against Company for any damages whatsoever or any defense to enforcement of this Note or arising out of the payment or collection of any Excess Interest.

13. Pronouns. Regardless of their form, all words used in this Note shall be deemed singular or plural and shall have the gender as required by the text.

14. Headings. The various headings used in this Note as headings for sections or otherwise are for convenience and reference only and shall not be used in interpreting the text of the section in which they appear and shall not limit or otherwise affect the meanings thereof.

15. Time of Essence. Time is of the essence with this Note.

16. Severability. If any part of this Note is construed to be in violation of any law, such part shall be modified to achieve the objective of the Parties to the fullest extent permitted by law and the balance of this Note shall remain in full force and effect.

17. Attorneys' Fees . If any arbitration or action at law or in equity is necessary to enforce this Note or to collect payment under this Note, Company shall be entitled to recover reasonable attorneys' fees directly related to such enforcement or collection actions.

18. Amendments and Waivers; Remedies. No failure or delay on the part of either Party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies provided for herein are cumulative and are not exclusive of any remedies that may be available to either Party hereto at law, in equity or otherwise. Any amendment, supplement or modification of or to any provision of this Note, any waiver of any provision of this Note, and any consent to any departure by either Party from the terms of any provision of this Note, shall be effective (i) only if it is made or given in writing and signed by Investor and Company and (ii) only in the specific instance and for the specific purpose for which made or given.

19. Notices. Unless otherwise provided for herein, all notices, requests, demands, claims and other communications hereunder shall be given in accordance with the subsection of the Purchase Agreement titled "Notices." Either Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by providing notice thereof in the manner set forth in the Purchase Agreement.

20. Final Note. This Note, together with the other Transaction Documents, contains the complete understanding and agreement of Investor and Company and supersedes all prior representations, warranties, agreements, arrangements, understandings, and negotiations of Investor and Company with respect to the subject matter of the Transaction Documents. THIS NOTE, TOGETHER WITH THE OTHER TRANSACTION DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY ALLEGED PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Note as of the date set forth above.

INVESTOR:

TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

/s/ John M. Fife
John M. Fife, President

ACKNOWLEDGED, ACCEPTED AND AGREED: COMPANY:
AVALANCHE INTERNATIONAL, CORP.

By: /s/ Phil Mansour
Name: Phil Mansour
Title: CEO

NEITHER THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE. THESE SECURITIES HAVE BEEN SOLO IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

AVALANCHE INTERNATIONAL,CORP.

CONVERTIBLE NOTE

Issuance Date: June 4, 2015
Note No. AVLP-1

Original Principal Amount: $50,000
Consideration Paid at Close: $50,000

FOR VALUE RECEIVED, Avalanche International, Corp., a Nevada corporation (the "Company"), hereby promises to pay to the order of Black Mountain Equities, Inc. or registered assigns (the "Holder") the amount set out above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "Principal") when due, whether upon the Maturity Date (as defined below), acceleration, redemption or otherwise (in each case in accordance with the terms hereof) and to pay interest ("Interest") on any outstanding Principal at the applicable Interest Rate from the date set out above as the Issuance Date (the "Issuance Date") until the same becomes due and payable, upon the Maturity Date or acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof).

The Original Principal Amount is $55,000 (Fifty Five thousand) plus accrued and unpaid interest and any other fees. The Consideration is $50,000 (Fifty thousand) payable by wire transfer (there exists a $5,000 original issue discount (the "OID',)). The Holder shall pay $25,000 of Consideration upon closing of this Note and $25,000 on the day that is 4 days after closing. For purposes hereof, the term "Outstanding Balance" means the Original Principal Amount, as reduced or increased, as the case may be, pursuant to the terms hereof for conversion, breach hereof or otherwise, plus any accrued but unpaid interest, collection and enforcements costs, and any other fees or charges incurred under this Note. The Original Principal Amount due to Holder shall be prorated based on the Consideration paid by Holder (plus an approximate 6% Original Issue Discount).

(1) GENERAL TERMS

(a) Payment of Principal. The "Maturity Date" shall be one year from the date of payment, as may be extended at the option of the Holder in the event that, and for so long as, an Event of Default (as defined below) shall not have occurred and be continuing on the Maturity Date (as may be extended pursuant to this Section l) or any event shall not have occurred and be continuing on the Maturity Date (as may be extended pursuant to this Section I) that with the passage of time and the failure to cure would result in an Event of Default.

(b) Interest. A one-time interest charge of ten percent (I0%) ("Interest Rate") shall be applied on the Issuance Date to the Original Principal Amount. Interest hereunder shall be paid on the Maturity Date (or sooner as provided herein) to the Holder or its assignee in whose name this Note is registered on the records of the Company regarding registration and transfers of Notes in cash or converted into Common Stock at the Conversion Price provided the Equity Conditions are satisfied.

(c) Security. This Note shall not be secured by any collateral or any assets pledged to the Holder.

(d) Inducement. Company shall provide Five thousand shares (5,000) to the Holder in the form of one certificate within I 0 days of closing.

(2) EVENTS OF DEFAU LT.

(a) An "Event of Default", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) The Company's failure to pay to the Holder any amount of Principal, Interest, or other amounts when and as due under this Note (including, without limitation, the Company's failure to pay any redemption payments or amounts hereunder) or any other Transaction Document ;

(ii) A Conversion Failure as defined in section 3(bXii)

(iii) The Company or any subsidiary of the Company shall commence, or there shall be commenced against the Company or any subsidiary of the Company under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Company or any subsidiary of the Company commences any other proceeding under any reorganization , arrangement. adjustment of debt. relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or any subsidiary of the Company or there is commenced against the Company or any subsidiary of the Company any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of 61 days; or the Company or any subsidiary of the Company is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Company or any subsidiary of the Company suffers any appointment of any custodian, private or court appointed receiver or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty one (61) days; or the Company or any subsidiary of the Company makes a general assignment for the benefit of creditors; or the Company or any subsidiary of the Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or the Company or any subsidiary of the Company shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or the Company or any subsidiary of the Company shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by the Company or any subsidiary of the Company for the purpose of effecting any of the foregoing;

(iv) The Company or any subsidiary of the Company shall default in any of its obligations under any other Note or any mortgage, cred it agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of the Company or any subsidiary of the Company in an amount exceeding $100,000, whether such indebtedness now exists or shall hereafter be created; and

(v) The Common Stock is suspended or delisted for trading on the Over the Counter Bulletin Board market (the "Primary Market").

(vi) The Company loses its ability to deliver shares via "DWAC/FAST” electronic transfer.

(vii) The Company loses its status as "OTC Eligible."

(viii) The Company shall become late or delinquent in its filing requirements as a fully-reporting issuer registered with the Securities & Exchange Commission.

(b) Upon the occurrence of any Event of Default, the Outstanding Balance shall immediately increase to 120% of the Outstanding Balance immediately prior to the occurrence of the Event of Default (the "Default Effect"). The Default Effect shall automatically apply upon the occurrence of an Event of Default without the need for any party to give any notice or take any other action.

(3) CONVERSION OF NOTE. This Note shall be convertible into shares of the Company's Common Stock, on the terms and conditions the forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(c), at any time or times on or after the Issuance Date, the Holder shall be entitled to convert any portion of the outstanding and unpaid Conversion Amount (as defined below) into fully paid and non-assessable shares of Common Stock in accordance with Section 3(b), at the Conversion Price (as defined below). The number of shares of Common Stock issuable upon conversion of any Conversion Amount pursuant to this Section 3(a) shall be equal to the quotient of dividing the Conversion Amount by the Conversion Price. The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer agent fees, legal fees, costs and any other fees or costs that may be incurred or charged in connection with the issuance of shares of the Company's Common Stock to the Holder arising out of or relating to the conversion of this Note.

(i) "Conversion Amount" means the portion of the Original Principal Amount and Interest to be converted, plus any penalties, redeemed or otherwise with respect to which this determination is being made.

(ii) "Conversion Price" shall equal 70% of the average of the 3 lowest closing prices occurring during the twenty (20) consecutive Trading Days immediately preceding the applicable Conversion Date on which the Holder elects to convert all or part of this Note, subject to adjustment as provided in this Note. Mechanics of Conversion.

(i i i) Optional Conversion. To convert any Conversion Amount into shares of Common Stock on any date (a "Conversion Date"), the Holder shall (A) transmit by email, facsimile (or otherwise deliver), for receipt on or prior to 1 1:59 p.m., New York, NY Time, on such date, a copy of an executed notice of conversion in the form attached hereto as Exhibit A (the "Conversion Notice") to the Company. On or before the third Business Day following the date of receipt of a Conversion Notice (the "Share Delivery Date"), the Company shall (A) if legends are not required to be placed on certificates of Common Stock pursuant to the then existing provisions of Rule 144 of the Securities Act of 1933 ("Rule 144") and provided that the Transfer Agent is participating in the Depository Trust Company's ("OTC") Fast Automated Securities Transfer Program, credit such aggregate number of shares of Common Stock to which the Holder shall be entitled to the Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system or (B) if the Transfer Agent is not participating in the OTC Fast Automated Securities Transfer Program, issue and deliver to the address as specified in the Conversion Notice, a certificate, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder shall be entitled which certificates shall not bear any restrictive legends unless required pursuant the Rule 144. If this Note is physically surrendered for conversion and the outstanding Principal of this Note is greater than the Principal portion of the Conversion Amount being converted, then the Company shall, upon request of the Holder, as soon as practicable and in no event later than three (3) Business Days after receipt of this Note and at its own expense, issue and deliver to the holder a new Note representing the outstanding Principal not converted. The Person or Persons entitled to receive the shares of Common Stock issuable upon a conversion of th is Note shall be treated for all purposes as the record holder or holders of such shares of Common Stock upon the transmission of a Conversion Notice.

(i v) Company's failure to Timely Convert. If within two (2) Trading Days after the Company's receipt of the facsimile or email copy of a Conversion Notice the Company shall fail to issue and deliver to Holder via "OWAC/f AST" electronic transfer the number of shares of Common Stock to which the Holder is entitled upon such holder's conversion of any Conversion Amount (a "Conversion Feature").the .original Principal Amount of the Note shall increase by $2,000 per day until the Company issues and delivers a certificate to the Holder or credit the Holder's balance account with OTC for the number of shares of Common Stock to which the Holder is entitled upon such holder's conversion of any Conversion Amount (under Holder's and Company' s expectation that any damages will tack back to the Issuance Date). *Company will not be subject to any penalties once ifs transfer agent processes the shares to the DWAC system.* If the Company fails to deliver shares in accordance with the timeframe stated in this Section, resulting in a Conversion Failure, the Holder, at any time prior to selling all of those shares, may rescind any portion, in whole or in part, of that particular conversion attributable to the unsold shares and have the rescinded conversion amount returned to the Outstanding Balance with the rescinded conversion shares returned to the Company (under Holder's and Company's expectations that any returned conversion amounts will tack back to the original date of the Note).

(v) DWAC/FAST Eligibility. If the Company fails for any reason to deliver to the Holder the Shares by DWAC/FAST electronic transfer (such as by delivering a physical stock certificate), or if there is a Conversion Failure as defined in Section 3(bXii), and if the Holder incurs a Market Price Loss, then at any time subsequent to incurring the loss the Holder may provide the Company written notice indicating the amounts payable to the Holder in respect of the Market Price Loss and the Company must make the Holder whole by either of the following options at Holder's election:

> Market Price Loss = ((High trade price for the period between the day of conversion and the day the shares clear in the Holder's brokerage account) x (Number of shares receivable from the conversion)) - [(Net Sales price realized by Holder) x (Number of shares receivable from the conversion)].
>
> Option A - Pay Market Price Loss in Cash. The Company must pay the Market Price Loss by cash payment, and any such cash payment must be made by the third business day from the time of the Holder's written notice to the Company.
>
> Option B -Add Market Price Loss to Outstanding Balance. The Company must pay the Market Price Loss by adding the Market Price Loss to the Outstanding Balance (under Holder's and the Company's expectation that any Market Price Loss amounts will tack back to the Issuance Date).

In the case that conversion shares are not deliverable by DWAC/FAST electronic transfer an additional 10% discount to the Conversion Price will apply.

(vi) OTC Eligibility & Sub-Penny. If the Company fails to maintain its status as "OTC Eligible" for any reason, or, if the Conversion Price is less than $0.0 I , the Principal Amount of the Note shall increase by five thousand dollars ($5,000) (under Holder' s and Company's expectation that any Principal Amount increase will tack back to the Issuance Date). In addition, the Conversion Price shall be redefined to equal *50%* of the average of the 3 lowest closing prices occurring during the twenty five (25) consecutive Trading Days immediately preceding the applicable Conversion Date on which the Holder elects to convert all or part of this Note, subject to adjustment as provided in this Note.

(vii) Book-Entry. Notwithstanding anything to the contrary set forth herein upon conversion of an portion of this Note in accordance with the terms hereof, the Holder shall not be required t phs1cally surrender this Note to the Company unless (A) the full Conversion Amount represented by this Note is being converted or (BJ the Holder has provided the Company with prior written notice (which notice may be included m a Conversion Notice) requesting re1ssuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records showing the Principal and Interest converted and the dates of such conversions .or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion.

(b) Limitations on Conversions or Trading.

(i) Beneficial Ownership. The Company shall not effect any conversions or this Note and the Holder shall not have the right to convert any portion or this Note or receive shares of Common Stock as payment of interest hereunder to the extent that after giving effect to such conversion or receipt of such interest payment, the Holder, together with any affiliate thereof, would beneficially own (as determined m accordance with Section 13(d) of the Exchange Act and the rules promulgated thereunder) in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion or receipt of shares 85 payment of interest. Since the Holder will not be obligated to report to the Company the number of shares of Common Stock it may hold at the time of a conversion hereunder, unless the conversion at issue would result in the issuance of shares of Common Stock in excess of 4.9/0 of the then outstanding shares of Common Stock without regard to any other shares which may be beneficially owned by the Holder or an affiliate thereof. the Holder shall have the authority and obligation to determine whether the restriction contained in this Section will limit any particular conversion hereunder and to the extent that the Holder determines that the limitation contained in this Section applies, the determination of which portion of the principal amount of this Note is convertible shall be the responsibility and obligation of the Holder. If the Holder has delivered a Conversion Notice for a principal amount of this Note that, without regard to any other shares that the Holder or its affiliates may beneficially own, would result in the issuance in excess of the permitted amount hereunder, the Company shall notify the Holder of this fact and shall honor the conversion for the maximum principal amount permitted to be converted on such Conversion Date in accordance with Section 3(a) and, any principal amount tendered for conversion in excess of the permitted amount hereunder shall remain outstanding under this Note. The provisions of this Section may be waived at any time by Holder upon written notification to the Company.

(c) Other Provisions.

(i) Share Reservation. The Company shall at au times reserve and keep available out or its authorized Common Stock a number or shares equal to at least 3 (three) times the full number or shares or Common Stock issuable upon conversion of all outstanding amounts under this Note; and within 3 (three) Business Days following the receipt by the Company of a Holder's notice that such minimum number of Underlying Shares is not so reserved, the Company shall promptly reserve a sufficient number of shares of Common Stock to comply with such requirement .The Company will at all times reserve at least 1,000,000 shares of Common Stock for conversion.

(ii) Prepavment. At any time within the 180 day period immediately following the Issuance Date, the Company shall have the option, upon 10 business days' notice to Holder, to pre pay the entire remaining outstanding principal amount of this Note in cash, provided that (i) the Company shall pay the Holder 1 15% of the Outstanding Balance, (ii) such amount must be paid in cash on the next business day following such I0 business day notice period, and (iii) the Holder may still convert this Note pursuant to the terms hereof at all times until such prepayment amount has been received in full. Except as set forth in this Section the Company may not prepay this Note in whole or in part.

(iii) Terms of Future Financings. So long as this Note is outstanding, upon any issuance by the Company or any of its subsidiaries of any security with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Holder in this Note, then the Company shall notify the Holder of such additional or more favorable term and such term, at Holder's option, shall become a part of the transaction documents with the Holder. The types of terms contained in another. security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, conversion look-back periods, interest rates, original issue discounts, stock sale price, private placement price per share, and warrant coverage.

(iv) All calculations under this Section 3 shall be rounded up to the nearest $0.0000 I or whole share.

(v) Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 2 herein for the Company's failure to deliver certificates representing shares of Common Stock upon conversion within the period specified herein and such Holder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, in each case without the need to post a bond or provide other security. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

(4) SECTION 3CAX9) OR 3(AX l0) TRANSACTION. So long as this Note is outstanding, the Company shall not enter into any transaction or arrangement structured in accordance with, based upon, or related or pursuant *to,* in whole or in part, either Section 3(a)(9) of the Securities Act (a "3(a)(9) Transaction") or Section 3(aXIO) of the Securities Act (a "3(aXI O) Transaction"). In the event that the Company does enter into, or makes any issuance of Common Stock related to a 3(aX9) Transaction or a 3(a)(I 0) Transaction while this note is outstanding, a liquidated damages charge of 25% of the outstanding principal balance of this Note, but not less than $25,000, will be assessed and will become immediately due and payable to the Holder at its election in the form of cash payment or addition to the balance of this Note.

(5) PIGGYBACK REGISTRATION RIGHTS. The Company shall include on the next registration statement the Company files with SEC (or on the subsequent registration statement if such registration statement is withdrawn) all shares issuable upon conversion of this Note. failure to do so will result in liquidated damages of 25% of the outstanding principal balance of this Note, but not less than $25,000, being immediately due and payable to the Holder at its election in the form of cash payment or addition *to* the balance of this Note.

(6) REISSUANCE OF THIS NOTE.

(a) Assignability. The Company may not assign this Note. This Note will be binding upon the Company and its successors and will inure to the benefit of the Holder and its successors and assigns and may be assigned by the Holder to anyone of its choosing without Company's approval.

(b) Lost Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note representing the outstanding Principal.

(7) NOTICES. Any notices, consents, waivers or other communications required or permitted to be given under the terms hereof must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party) (iii) upon receipt, when sent by email; or (iv) one (I) Trading Day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be those set forth in the communications and documents that each party has provided the other immediately preceding the issuance of this Note or at such other address and/or facsimile number and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three (3) Business Days prior to the effectiveness of such change. Written conformation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) mechanically or electronically generated by the sender's facsimile machine containing the time, date, recipient facsimile number and an image of the first page of such transmission or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

The addresses for such communications shall be:

If to the Company, to:

Avalanche International, Corp. 5940 S. Rainbow Avenue
Las Vegas, NV 891 18

Attn: Rachel Boulds, CFO
Email: Rachel@AvalanchelntemationalC orp.com

If to the Holder:

Black Mountain Equities, Inc.
13366 Greenstone Crt.
San Diego.CA 9213 I

Attn: Adam Baker
Email: adam@blackmountainequities.com

(8) APPLICABLE LAW ANO VENUE. This Note shall be governed by and construed in accordance with the laws of the State of Nevada. without giving effect to conflicts of laws thereof. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the state courts of California or in the federal courts located in the city and county of San Diego, in the State of California. Both parties and the individuals signing this Agreement agree to submit to the jurisdiction of such courts.

(a) WAIVER. Any waiver by the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note. Any waiver must be in writing.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Convertible Note to be duly executed by a duly authorized officer as of the date set forth above.

COMPANY:

Avalanche International, Corp.

By: /s/ Philip Mansour
Name: Philip Mansour
Title: President and Chief Executive Officer

HOLDER:

Black Mountain Equities, Inc.

By: /s/ Adam Baker
Name: Adam Baker
Title: Principal

NEITHER THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE SECURITIES LAWS AND NEITHER THIS NOTE NOR ANY INTEREST THEREIN NOR THE SECURITIES !NTO WHICH THIS NOTE IS CONVERTIBLE MAY BE OFFERED, SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND SUCH LAWS OR AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

AVALANCHE INTERNATIONAL CORP., INC. (AVLP)
Convertible Promissory Note
June 30, 2015

$250,000.00

FOR VALUE RECEIVED, the undersigned, Avalanche International Corp., Inc. (AVLP) (Maker), promises to pay to the order of GCEF Opportunity Fund, LLC. (Note Holder), or the successors and assigns, up to the principal sum of One Hundred Thousand Dollars ($225,000) (Principal) plus a Loan Fee of up to Twenty Five Thousand Dollars ($25,000.00) for a total of up to Two Hundred & Fifty Thousand Dollars ($250,000), subject to the terms and conditions set forth herein. The interest rate will be Ten (10%) Percent annually, compounded monthly until maturity. If the note is not repaid by June 30, 2016, then the interest rate will become Twenty-Four (24%) Percent, compounded monthly from the date of the default.

The funding of this note may be made in multiple tranches, of no less than Ten Thousand ($10,000.00) Dollar increments, up to the total amount of this note of One Hundred Thousand ($225,000.00) Dollars. All funding is at the discretion of the Note Holder. Each funding shall have a separate twelve month term relative to each funding date. All other facets of this agreement will be the same, including, but not limited to the initial interest rate, if not repaid by the maturity date(s) and the ability to convert this note into a convertible note per the agreement of per the terms outlined herein. The Original Issue Discount ("OID") of Twenty-Five Thousand ($25,000.00) dollars will be pro-rata based upon ten percent (10%) of the actual amount funded.

Principal and interest payment shall be made to: GCEF
Opportunity Fund, LLC
1000 Fifth Street, Suite 200
Miami Beach, FL 33139

The principal and interest shall be due and payable at the end of the Initial Term of One (1) Year from the date of funding (expected to be on or about June 30, 2016) without offset or deduction, in lawful money of the United States. As written above, the twelve month Period, will carry an interest rate of Ten (10%) percent (compounded monthly), and once the original term expires without full payment, then the interest rate shall change to Twenty-Four (24%) percent thereafter also compounded monthly.

GCEF Opportunity Fund, LLC, 1s providing this loan as a short term funding to pay various operational expenses. This note will become convertible into common stock of Avalanche International Corp., Inc. (AVLP) upon based upon the following conversion terms:

a) The conversion price is the lower of $1.00 or 60% of the lowest closing price of the twenty (20) days immediately preceding the date of the notice of conversion.

Example 1: if lowest closing price of the twenty (20) days immediately preceding the date of the notice of conversion is $2.00, then the conversion price is $1.00 since $1.00 is less than 60% of $2.00.
Example 2: if lowest closing price of the twenty (20) days immediately preceding the date of the notice of conversion is $1.50, then the conversion price is $.90 since 60% of $1.50 is less than $1.00.

b) The note may be converted in full at any time after the first thirty (30) days at the Holder's discretion until such time as it is fully paid.
c) All interest, fees and principal may be included in the conversion.
d) If at any time in the year following the issuance of this note, the Maker sells, grants any option to purchase, otherwise disposes of, or issues (or announces any sale, grant or any option to purchase or other disposition) any Common Stock of the Maker at an effective price per share that is lower than the Conversion Price then in effect (a "Dilutive Issuance"), then the Conversion Price shall be reduced to equal the effective price per share of such Dilutive Issuance.
e) If the Maker shall (i) declare a dividend or other distribution payable in securities, (ii) split its outstanding shares of Common Stock into a larger number, (iii) combine its outstanding shares of Common Stock into a smaller number, or (iv) increase or decrease the number of shares of its capital stock in a reclassification of the Common Stock including any such reclassification in connection with a merger, consolidation or other business combination in which the Maker is the continuing entity (any such corporate event, an "Event"), then in each instance the Conversion Price shall be adjusted such that the number of shares issued upon conversion of the sum due and owing hereunder will equal the number of shares of Common Stock that would otherwise be issued but for such event.
f) In no event may the investor own more than 9.99% of the outstanding common stock of Avalanche International Corp., Inc.

Avalanche International Corp., Inc. agrees to reserve five hundred (500,000) thousand shares of unissued non-assessable shares of the common stock of the Company and provide a Transfer Agent Irrevocable Letter of Instruction to do so.

The Maker agrees that if, at any time, and from time to time, the Board of Directors of the Maker shall authorize the filing of a registration statement under the Securities Act of 1933 on Form S-1, S-3, or S-4 in connection with the proposed offer of any of its securities by it or any of its stockholders, the Maker shall: (A) promptly notify each Holder that such registration statement will be filed and that the Common Stock issuable to Holder upon conversion of this Note at the Conversion Price then in effect (the "Registrable Securities") will be included in such registration statement at such Holder's request; (B) cause such registration statement to cover all of such Registrable Securities for which such Holder requests inclusion; (C) use best efforts to cause such registration statement to become effective as soon as practicable; (D) use best efforts to cause such registration statement to remain effective until the earliest to occur of (i) such date as the sellers of Registrable Securities have completed the distribution described in the registration statement and (ii) such time that all of such Registrable Securities are no longer, by reason of Rule 144 under the Securities Act, required to be registered for the sale thereof by such Holders; and (E) take all other reasonable action necessary under any federal or state law or regulation of any governmental authority to permit all such Registrable Securities to be sold or otherwise disposed of, and will maintain such compliance with each such federal and state law and regulation of any governmental authority for the period necessary for such Holder to promptly effect the proposed sale or other disposition.

The right of any Holder to request inclusion in any registration pursuant to this Agreement shall terminate if all Registrable Securities may immediately be sold under Rule 144.

Notwithstanding any other provision of this Section, the Maker may at any time, abandon or delay any registration commenced by the Maker. In the event of such an abandonment by the Maker, the Maker shall not be required to continue registration of shares requested by the Holder for inclusion.

In connection with any offering involving an underwriting of shares of the Maker's capital stock, the Maker shall not be required to include any of the Registrable Securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Maker and the underwriters selected by it, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Maker. If the total amount of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the amount of securities sold other than by the Maker that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Maker shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters determine in their sole discretion will not jeopardize the success of the offering (the securities so included to be apportioned pro rata among the selling stockholders according to the total amount of securities entitled to be included therein owned by each selling stockholder or in such other proportions as shall mutually be agreed to by such selling stockholders).

Maker will reimburse legal expenses to Note Holder for any costs and expenses incurred in enforcing this Note to the extent allowable by applicable law. Those expenses include, but are not limited to, reasonable attorney's fees.

Avalanche International Corp., Inc. (Maker) and GCEF Opportunity Fund, LLC (Holder) waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

The Maker represents and warrants to Holder:

Organization and Qualification. The Maker, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. The Maker is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which its ownership or use of property or the nature of the business conducted by it makes such qualification necessary except where the failure to be so qualified or in good standing would not have a Material Adverse Effect. "Material Adverse Effect" means any material adverse effect on the business, operations, assets, financial condition or prospects of the Maker or its Subsidiaries, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements or instruments to be entered into in connection herewith.

Authorization; Enforcement. (i) The Maker has all requisite corporate power and authority to enter into and perform this Note and to consummate the transactions contemplated hereby and thereby and to agree to all fees charged, in accordance with the terms hereof, (ii) the execution and delivery of this Note by the Maker and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by the Maker's Board of Directors and no further consent or authorization of the Maker, its Board of Directors, or its shareholders is required, (iii) this Note has been duly executed and delivered by the Maker by its authorized representative, and such authorized representative is the true and official representative with authority to sign this Note and the other documents executed in connection herewith and bind the Maker accordingly, and (iv) this Note constitutes, a legal, valid and binding obligation of the Maker enforceable against the Maker in accordance with its terms.

No Conflicts. The execution, delivery and performance the Note by the Maker and the consummation by the Maker of the transactions contemplated hereby will not (i) conflict with or result in a violation of any provision of the Articles of Incorporation or By-laws of the Maker, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, patent, patent license or instrument to which the Maker or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Maker or its securities are subject) applicable to the Maker or any of its Subsidiaries or by which any property or asset of the Maker or any of its Subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect).

No Integrated Offering. Neither the Maker, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under

circumstances that would require registration under the 1933 Act of the issuance of this note or the Conversion Stock to the Holder.

No Investment Company. The Company is not an "investment company" required to be registered under the Investment Company Act of 1940 (an "Investment Company"). The Maker is not controlled by an Investment Company.

This Note is a uniform instrument with limited variations in some jurisdictions.

Notices. Any notice herein required or permitted to be given shall be in writing and may be personally served or delivered by courier or sent by United States mail and shall be deemed to have been given upon receipt if personally served (which shall include telephone line facsimile transmission) or sent by courier or three (3) days after being deposited in the United States mail, certified, with postage pre-paid and properly addressed, if sent by mail. For the purposes hereof, the address of the Note Holder shall be GCEF Opportunity Fund, LLC, 1000 Fifth Street, Suite 200, Miami Beach, FL 33139; and the address of the Maker shall be 5940 South Rainbow Ave., Las Vegas, NV 89118. Both the Holder or its assigns and the Maker may change the address for service by delivery of written notice to the other as herein provided.

Amendment. This Note and any provision hereof may be amended only by an instrument in writing signed by the Maker and the Note Holder.

Assignability. This Note shall be binding upon the Maker and its successors and assigns and shall inure to be the benefit of the Holder and its successors and assigns; provided, however, that so long as no Event of Default has occurred, this Note shall only be transferable in whole subject to the restrictions contained in the restrictive legend on the first page of this Note.

Governing Law. This Note shall be governed by the internal laws of the State of Nevada, without regard to conflicts of laws principles.

Replacement of Note. The Maker covenants that upon receipt by the Maker of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Note, and in case ofloss, theft or destruction, of indemnity or security reasonably satisfactory to it (which shall not include the posting of any bond), and upon surrender and cancellation of such Note, if mutilated, the Maker will make and deliver a new Note of like tenor.

Severability. In case any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected or impaired thereby.

Headings. The headings of the sections of this Note are inserted for convenience only and do not affect the meaning of such section.

Counterparts. This Note may be executed in multiple counterparts, each of which shall be an original, but all of which shall be deemed to constitute on instrument.

IN WITNESS WHEREOF, with the intent to be legally bound hereby, the Maker as executed this Note as of the date first written above.

MAKER:

/s/ Phil Mansour
Phil Mansour , President & CEO
Avalanche International Corp., Inc.
June 30, 2014

NOTE HOLDER:

/s/ Eric Flesche
Eric Flesche, Managing Member
GCEF Opportunity Fund, LLC
Date: June 30, 2014

CERTIFICATION

I, Philip Mansour, certify that;

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended May 31, 2015 of Avalanche International, Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 16, 2015

/s/ Philip Mansour
By: Philip Mansour
Title: Chief Executive Officer

CERTIFICATION

I, Rachel Boulds, certify that;

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended May 31, 2015 of Avalanche International, Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 16, 2015

/s/ Rachel Boulds
By: Rachel Boulds
Title: Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly Report of Avalanche International Corp (the "Company") on Form 10-Q for the quarter ended May 31, 2015 filed with the Securities and Exchange Commission (the "Report"), I, Phillip Mansour, Chief Executive Officer of the Company, and I, Rachel Boulds, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and the consolidated result of operations of the Company for the periods presented.

By:	*/s/ Philip Mansour*
Name:	Philip Mansour
Title:	Principal Executive Officer and Director
Date:	July 16, 2015

By:	*/s/ Rachel Boulds*
Name:	Rachel Boulds
Title:	Principal Financial Officer
Date:	July 16, 2015

This certification has been furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.