

7, 1935

## In the Privy Council

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ON APPEAL FROM THE COURT OF APPEAL FOR  
BRITISH COLUMBIA

BETWEEN:

ANDREW FERGUSON personally and as Administrator of the Estate of Peter Ferguson, deceased, suing on behalf of himself and the said Estate and on behalf of all other shareholders of Pioneer Gold Mines Limited (in liquidation) except the defendants,

(Plaintiff) Appellant.

AND:

HELEN A. WALLBRIDGE and DAVID S. WALLBRIDGE as Executors and Trustees of the Estate of Adam H. Wallbridge, deceased, ALFRED E. BULL, J. DUFF-STUART, R. B. BOUCHER, FRANCIS J. NICHOLSON and JOHN S. SALTER as Liquidator of Pioneer Gold Mines Limited (in Liquidation),

(Defendants) Respondents.

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## RECORD OF PROCEEDINGS

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Solicitors for  
(Plaintiff) Appellant.

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Counsel.

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~~At, to~~ Austin Friars,  
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J. Duff-Stuart, R. B. Boucher,  
and F. J. Nicholson,  
(Defendants) Respondents.

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(Defendant) Respondent.

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Opening by Counsel .....	p. 100, li. 27 to p. 118, li. 2—p. 119, li. 14 to 20 and li. 27 to 30—p. 120, except li. 22—p. 121, li. 1 to 11 and li. 16 to 21.
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Cross Exam. of Plaintiff.....	p. 205, li. 15 to 21—p. 217, li. 16 and 17.
Discussion Court and Counsel.....	p. 337, li. 16 to p. 339, li. 1—p. 346, li. 4 to p. 348, li. 19—p. 349, li. 16 to p. 357, li. 29.

Details of Adjournments all omitted

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EXHIBITS OMITTED IN WHOLE OR IN PART  
BY CONSENT

Exhibit No.	Description	Remarks
2.	Affidavit of Value, etc. Wallbridge Estate .....	Irrelevant portions from p. 868, li. 21 to p. 871, li. 14—Details of Realty on p. 873 and details of security on p. 874 and all of p. 875 omitted.
5.	Minutes of Directors' Meeting .....	Identical with Ex. 38.
6.	Letter Walsh to Plaintiff..	Set out in pleadings.
7.	Letter Bull to Walsh.....	Set out in pleadings.

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 EXHIBITS OMITTED IN WHOLE OR IN PART—Cont.
 

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Exhibit No.	Description	Remarks
8.	Letter Plaintiff to Walsh, October 2, 1922 .....	
12.	Option Agreement Pioneer Gold Mines Ltd. to Parker .....	Memorandum substituted by consent.
15.	Letter Wallbridge to Walsh .....	Set out in pleadings.
17.	Letter Noble & St. John to Walsh & Co. ....	Set out in pleadings.
18.	Cancellation of Wall- bridge Option .....	
19.	Letter Walsh & Co. to Noble & Co. ....	Set out in pleadings.
20.	Letter Walsh & Co. to Noble & Co. ....	Set out in pleadings.
21.	Letter Noble & Co. to Walsh & Co. ....	Set out in pleadings.
22.	Letter Walsh & Co. to Noble & Co. ....	Set out in pleadings.
23.	Agreement Williams et al and Wallbridge, Feb. 15th, 1923 .....	Set out in pleadings.
24.	Agreement Ferguson and Williams, Feb. 15th, 1923 .....	Set out in pleadings.
25.	Letter Walsh & Co. to Noble & Co. ....	Set out in pleadings.
26.	Letter Noble & Co. to Walsh & Co. ....	Set out in pleadings.

XXIII.

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EXHIBITS OMITTED IN WHOLE OR IN PART—Cont.

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Exhibit No.	Description	Remarks
27.	Letter Noble & Co. to Walsh & Co. ....	Set out in pleadings.
28.	Letter Walsh & Co. to Noble & Co. ....	Set out in pleadings.
43.	Minutes of Directors' Meeting, April 24, 1922	Portion of Minute relating to Banking Resolution from p. 619, li. 10 to p. 620, li. 11 and pp. 621 and 622 omitted.
46.	Minutes of Directors' Meeting, Feb. 3, 1922....	Duplicated in Ex. 41.
47.	Letter Bull to Walsh .....	Set out in pleadings.
50.	Cyanide Report by Boulger .....	
51.	Cyanide Report by Boulger .....	
52.	Summary of Mine oper- ations Jan. to June, 1919	
53.	Report of Eldridge & Co. to Copp .....	
57.	Stock on hand at Pioneer Mine .....	
58.	Memorandum from Wall- bridge to Twiss .....	
66.	List of shareholders .....	Part B (being list of names and addresses of shareholders of Company) omitted, being du- plicated in Ex. 91.
69.	Letter Bull to Walsh .....	Set out in pleadings.

## In the Supreme Court of British Columbia

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RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 No. 1  
 Endorsement  
 on Writ  
 June 1, 1932

Between:

ANDREW FERGUSON personally and as Administrator of the Estate of Peter Ferguson, deceased, suing on behalf of himself and the said Estate and on behalf of all other shareholders of Pioneer Gold Mines Limited (in liquidation) except the defendants,

Plaintiff.

—and—

10 HELEN A. WALLBRIDGE and DAVID S. WALLBRIDGE as Executors and Trustees of the Estate of Adam H. Wallbridge, deceased, ALFRED E. BULL, J. DUFFSTUART, R. B. BOUCHER, FRANCIS J. NICHOLSON and JOHN S. SALTER as Liquidator of Pioneer Gold Mines Limited (in Liquidation),

Defendants.

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## RECORD OF PROCEEDINGS

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No. 1

### ENDORSEMENT ON WRIT

20 The Plaintiff's claim is for:

1. A Declaration that the Plaintiff and the Estate of Peter Ferguson, deceased, are the owners of 214,595 shares in Pioneer Gold Mines Limited (in Liquidation) subject only to certain encumbrances in favor of the Estate of Adolphus Williams, deceased, and the Royal Bank of Canada; and

2. For a Declaration that the Defendants, Bull and Duff-Stuart and A. H. Wallbridge as Directors of the said Company, acquired and hold 118,000 shares of the capital stock thereof in trust for the Plaintiff and the said estate and for an Order for re-conveyance thereof; and

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RECORD  

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In the  
Supreme Court  
of British  
Columbia  

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No. 1  
Endorsement  
on Writ  
June 1, 1932  
(Cont.)

3. For a Declaration that the Defendants acquired from the Plaintiff an additional 275,397 shares in the said Company by fraud and oppression; and

4. For a Declaration that the Defendants hold the said 275,397 shares and all proceeds of sale or disposition thereof in trust for the Plaintiff and for an accounting of such proceeds and an Order for re-conveyance thereof or payment of the amount found to be due; and

5. Alternatively for damages in respect to the loss of the said 275,397 shares; and

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6. For a Declaration that the Defendants and A. H. Wallbridge, deceased, acquired an interest in the assets of Pioneer Gold Mines Limited (in liquidation) by fraud and oppression and further for a Declaration that the Defendants acquired and held certain shares in Pioneer Gold Mines B. C. Limited (being the proceeds of sale of the aforesaid assets) in trust for the Plaintiff and all other shareholders of Pioneer Gold Mines Limited (in liquidation); and

7. For an Order that the Defendants do transfer and convey such shares or pay the value thereof to the Defendant Salter as Liquidator of Pioneer Gold Mines Limited (in liquidation) for distribution among the contributaries of the said Company; and

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8. For a Declaration that the Defendants and A. H. Wallbridge, deceased, as Directors and majority shareholders of Pioneer Gold Mines (in liquidation) by conspiracy and fraud wrongfully acquired assets of the Company and for damages suffered by the Plaintiff and all other shareholders of the Company other than the Defendants by reason thereof.

9. For damages; and

10. That all necessary accounts be taken and inquiries made; and

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11. For the Appointment of a Receiver; and

12. For all necessary Injunctions; and

13. For the costs of this action; and

14. For such further and other relief as to this Court may seem just and the circumstances of the case may require.

DATED June 1st, 1932.

No. 2  
Statement  
of Claim  
Sept. 1, 1932.

No. 2

STATEMENT OF CLAIM

Writ issued the 1st day of June, 1932.

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1. The Plaintiff is a Miner and resides at 1000 Commercial Drive, Vancouver, British Columbia. The Plaintiff is also the Administrator of the Estate of Peter Ferguson, deceased, by virtue of Letters of Administration issued out of the Supreme Court of British Columbia on the 18th day of May, 1932.



2. The Defendant, Helen A. Wallbridge, resides at 1310 West King Edward Avenue, Vancouver, British Columbia, and the Defendant, David Stevenson Wallbridge, carries on business at 526 Seymour Street, Vancouver, British Columbia. The said Defendants are sued as Executors and Trustees of the Estate of Adam H. Wallbridge, deceased. The Defendant, Alfred E. Bull, is a Solicitor and carries on business at 470 Granville Street, Vancouver, British Columbia. The Defendant, J. Duff-Stuart, is a Merchant and carries on business at 550 Seymour Street, Vancouver, British Columbia. The Defendant, Francis J. Nicholson, is a Physician and Surgeon and carries on business at 510 Hastings Street West, Vancouver, British Columbia. The Defendant, R. B. Boucher, is a Physician and Surgeon and carries on business at 718 Granville Street, Vancouver, British Columbia. The Defendant, John S. Salter, is an Accountant residing at 601 22nd Avenue West, Vancouver, British Columbia, and is sued as Liquidator of Pioneer Gold Mines Limited (in liquidation).

3. To avoid prolixity in pleadings, references herein to the acts and defaults of "the Defendants" are intended to include and refer to the actions of Adam H. Wallbridge, deceased, and not of his Executors and Trustees against whom no claim is made in their individual capacities and unless expressly so stated the expression "the Defendants" is not intended to include the Defendant, John S. Salter, who is sued as Liquidator of Pioneer Gold Mines Limited.

4. Prior to the 6th day of January, 1921, the Plaintiff, Andrew Ferguson, and Peter Ferguson, deceased, were the owners of Five Hundred and Forty Thousand (540,000) shares in Pioneer Gold Mines Limited, a public Company, incorporated and operated under the laws of the Province of British Columbia. The total issued share capital of the said Company was Seven Hundred and Fifty Thousand (750,000) shares.

5. On January 6th, 1921, the Plaintiff and Peter Ferguson, since deceased, and one Adolphus Williams, since deceased, gave to Adam H. Wallbridge acting for himself and all other Defendants, except the Defendant Salter, a written Agreement to sell a controlling interest (to wit, Three Hundred and Eighty-two Thousand Five Hundred [382,500] shares) in Pioneer Gold Mines Limited for the sum of Fifty Thousand Dollars (\$50,000.00) and thereafter the Defendants took over from the Plaintiff and his associates, the management, control and operation of the property of the Company which, for convenience, is hereinafter described and referred to as "the Pioneer Mine." The Plaintiff and the said Peter Ferguson were the owners of Two Hundred and Seventy-five Thousand Three Hundred and Ninety-seven (275,397) shares out of the Three Hundred and Eighty-two Thousand Five Hundred (382,500) shares aforesaid. The Plaintiff will, on the

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*In the  
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Statement  
of Claim  
Sept. 1, 1932.  
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 Supreme Court  
 of British  
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 No. 2  
 Statement  
 of Claim  
 Sept. 1, 1932.  
 (Cont.)

trial of this action crave leave to refer to the said Agreement.

6. The Defendants failed and neglected to pay any portion of the said purchase price to the Vendors (except the sum of Fifteen Thousand Dollars [\$15,000.00] which the Defendants were, under the terms of the option, permitted to pay by spending the same upon the Pioneer Mine and which they paid in the said manner.

7. Prior to the said 6th day of January, 1921, the Pioneer Mine had been operated and developed by the Plaintiff and his associates and required only the installation of a cyanide plant and the sinking of a shaft to continue as a valuable gold producer. It was understood and agreed between the Plaintiff and his associates and the Defendants at and prior to the giving of the aforesaid option that the Defendants would proceed forthwith to sink a shaft on the Pioneer Mine. The Defendants fraudulently conspired together so to mismanage the Company as to acquire its property without payment and eventually to defraud the minority shareholders of their interest. The Defendants, in furtherance of their design, wrongfully refused and neglected to do any proper mining or development work or to sink the said shaft and systematically loaned money to the Company in order to make it insolvent. The funds of the Company, including the monies loaned, were dissipated by the Defendants in various manners such as paying salaries and acquiring miscellaneous equipment which was placed on the property but not used until after the Pioneer Mine was wrongfully acquired by the Defendants in the manner hereinafter alleged.

8. From January, 1921, to July, 1924, the Defendants, being in full control of the said Company, fraudulently conspired together to refrain from mining and producing gold and so to bankrupt the Company.

9. At all material times the Defendants well knew that the Plaintiff and the said Peter Ferguson, deceased, were financially unable to bear any part of the cost of mining and that the written Agreement aforesaid had been given to them upon the faith and understanding that they would operate the Pioneer Mine in a bona fide and workmanlike manner and would sink the aforesaid shaft.

10. In the winter of 1922, the Defendants, having advanced as aforesaid certain large sums to the Pioneer Gold Mines Limited and being in a position to force it into bankruptcy, fraudulently, and without just cause, claimed that the Pioneer Mine had been misrepresented to them, well knowing that the Plaintiff and the said Peter Ferguson, deceased, were unable to afford the expense of litigation. The shares of the Plaintiff and the said Peter Ferguson, having been hypothecated to the Executors of the Estate of Adolphus Williams, deceased, the Defendants wrong-

fully induced and persuaded the Executors of the said Estate to commence foreclosure proceedings with respect to the said shares of the Plaintiff and maintained and directed the said litigation. The Defendants, by means of the said litigation and by threats of litigation with respect to a claim for misrepresentation known by them to be without foundation or just cause and by means of threats of placing the Company in bankruptcy, fraudulently compelled the Plaintiff and the said Peter Ferguson to comply with their demands and to give to the Defendants Two Hundred and Seventy-five Thousand Three Hundred and Ninety-seven (275,397) shares in the said Company (being part of the Three Hundred and Eighty-two Thousand Five Hundred [382,500] shares aforesaid) without payment of purchase price stipulated therefor.

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11. The Defendants, by the same methods, compelled the Plaintiff and Peter Ferguson to transfer to them a further One Hundred and Eighteen Thousand Three Hundred (118,300) shares in the said Company for the alleged purpose of re-selling the same to raise capital. The Defendants made no bona fide attempt to raise the said capital nor did they sell the said shares, nor any of them, nor have they returned the said shares, or any of them, to the Plaintiff and Peter Ferguson, deceased, but held and still hold the same in trust for the Plaintiff and the Estate of Peter Ferguson, deceased.

12. From February, 1923, until July 16th, 1924, the Defendants, being then the majority shareholders in the Company and controlling its Board of Directors and the Defendants, Bull and Duff-Stuart and A. H. Wallbridge, being Directors of the Company, fraudulently conspired together to acquire the Company's property and to deprive the Plaintiff and all other minority shareholders of their holdings.

13. In pursuance of the said conspiracy the Defendants, through their agents, the aforesaid Directors, Bull, Duff-Stuart and A. H. Wallbridge, on the 16th day of July, 1924, gave an agreement to sell to one David Sloan all of the property of the Company without disclosing to the other members of the Board of Directors or to any of the other shareholders of the Company or to the Company, that the said Sloan was not an independent contractor, but as to an undivided one-half interest in the said option, was merely a trustee for the Defendants.

14. In further pursuance of the said conspiracy, the Defendants (being the only creditors of the Company except for a few miscellaneous accounts not exceeding in all the sum of Five Thousand Dollars [\$5,000.00] by a winding-up resolution passed on August 22nd, 1924, placed the company into voluntary liquidation and appointed their own servant, the Defendant Salter, as liquidator, on September 26th, 1924, the assets of the Company

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 Statement  
 of Claim  
 Sept. 1, 1932.  
 (Cont.)

were advertised for sale by the Defendant Salter, by public auction subject to the option to David Sloan. The property was improperly and insufficiently advertised for sale, being offered subject to an option, and was intended by the Defendant to be and was unattractive to bona fide purchasers.

15. Immediately after the option was given to the said Sloan, the Defendants, without further or other equipment or supplies than were then on the property, proceeded to sink the shaft and operate the property in a workmanlike manner and immediately commenced the production of gold. 10

16. The Company had, prior to the 16th day of July, 1924, purchased all supplies necessary to sink a shaft on the Pioneer Mine and the Defendants acquired the said supplies or alternatively a one-half interest therein without paying for same either to the Company or its shareholders. The said supplies were of the value of approximately Twelve Thousand Dollars (\$12,000.00).

17. Between July 16th and December 5th, 1924, the Defendants, in their mining operations, having developed upon the Pioneer Mine immediate ore in sight worth approximately Two Hundred Thousand Dollars (\$200,000.00) and having tremendously increased the potential value of the Mine, fraudulently concealed such facts from the shareholders and in particular from the Plaintiff, and fraudulently refrained from communicating these facts to the Plaintiff and other shareholders of the said Company. 20

18. On December 5th, 1924, the Defendants for the first time disclosed to an alleged general meeting of shareholders called by the Defendant, Salter, at the request of the other Defendants, that they were interested in the Sloan option and fraudulently and in breach of faith to the minority shareholders and acting in an oppressive manner towards the minority shareholders, the Defendants concealed and induced the Directors to conceal from the meeting, the discoveries of ore which had been made by them and the value of the premises which they, the Defendants, were so acquiring. 30

19. The shareholders present at the alleged meeting purported to ratify and confirm the illegal option and sale aforesaid and the Plaintiff says that by reason of the concealment of material facts and the non-disclosure aforesaid, the alleged ratification was and is wholly void.

20. The Plaintiff says that the alleged meeting was not properly convened and that no notice thereof was sent, mailed or delivered to him or to his registered address within the Province of British Columbia and that the alleged meeting and all proceedings thereat were and are wholly invalid. 40

21. At the said meeting the Defendants purchased from the liquidator the assets of the Company for approximately Sixty-five Thousand Dollars (\$65,000.00) without disclosing to the meet-

ing that the Pioneer Mine was of value and that the aforesaid option price of One Hundred Thousand Dollars (\$100,000.00) would most likely be paid in full.

22. The agreed price of One Hundred Thousand Dollars (\$100,000.00) together with the sum of Twelve Thousand Dollars (\$12,000.00) for supplies, was eventually paid in full to the Defendants and by reason of the aforesaid fraudulent acts and omissions of the Defendants, the shareholders of the Company were deprived of the aforesaid sums of Thirty-five Thousand Dollars (\$35,000.00) and Twelve Thousand Dollars (\$12,000.00).

23. In or about the year 1928, the Defendants and others incorporated Pioneer Gold Mines of B. C. Limited, and transferred to the said Company all their right, title and interest in and to the property hereinbefore described and obtained in lieu of such property the following shares in the said Company: A. E. Bull, One Hundred and Thirty-three Thousand Three Hundred and Thirty-five (133,335); Helen A. Wallbridge and David Stevenson Wallbridge, One Hundred and Thirty-three Thousand Three Hundred and Thirty-three (133,333); J. Duff-Stuart, One Hundred and Thirty-three Thousand Three Hundred and Thirty-three (133,333); R. B. Boucher, One Hundred and Thirty-three Thousand Three Hundred and Thirty-three (133,333), and Francis J. Nicholson, One Hundred and Thirty-three Thousand, Three Hundred and Thirty-three (133,333).

24. The Defendant, Salter, was or should have been aware of the discoveries made by the other Defendants on the Pioneer Mine and the progress of the development thereof from the 15th day of July to the 5th day of December, 1924, and negligently and in breach of trust to the shareholders of Pioneer Gold Mines Limited (in liquidation) (other than his Co-Defendants) failed to bring to the attention of the shareholders at the alleged meeting of shareholders held on the 5th day of December, 1924, the true facts and the Plaintiff on behalf of himself and all other shareholders of the Company, claims against the said liquidator for damages suffered by them by reason of such negligence and breach of trust.

25. The Plaintiff prays that this Honourable Court remove the said Defendant, Salter, as liquidator of the said Company and substitute for him such person as to this Court may seem meet.

#### 40 WHEREFORE THE PLAINTIFF CLAIMS FOR:

(a) A Declaration that the Plaintiff and the Estate of Peter Ferguson, deceased, are the owners of Two Hundred and Fourteen Thousand, Five Hundred and Ninety-five (214,595) shares in Pioneer Gold Mines Limited (in liquidation) subject only to certain encumbrances in favor of the Estate of Adolphus Williams, deceased, and the Royal Bank of Canada: and,

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 Supreme Court  
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 of Claim  
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(b) A Declaration that the Defendants, Bull and Duff-Stuart and A. H. Wallbridge as Directors of the said Company, acquired and hold One Hundred and Eighteen Thousand, Three Hundred (118,300) shares of the capital stock thereof in trust for the Plaintiff and the said estate and for an Order for re-conveyance thereof: and,

(c) A Declaration that the Defendants, Bull, Duff-Stuart, Boucher and Nicholson and A. H. Wallbridge, deceased, acquired from the Plaintiff and Peter Ferguson, deceased, Two Hundred and Seventy-five Thousand, Three Hundred and ninety-seven (275,397) shares in the Company: and,

(d) A Declaration that the Defendants (other than the Defendant, Salter) hold the said Two hundred and Seventy-five Thousand, Three Hundred and Ninety-seven (275,397) shares and all proceeds of sale or disposition thereof in trust for the Plaintiff and for an accounting of such proceeds and an Order for re-conveyance thereof or payment of the amount found to be due, or alternatively for damages with respect to the loss of the said Two Hundred and Seventy-five Thousand, Three Hundred and Ninety-seven (275,397) shares: and,

(e) A Declaration that the Defendants (except the said Salter) and A. H. Wallbridge, deceased, acquired, held and hold all of their shares in Pioneer Gold Mines of B. C. Limited in trust for Pioneer Gold Mines Limited (in liquidation) or alternatively for the Plaintiff and all other shareholders of the said Pioneer Gold Mines Limited (in liquidation): and,

(f) An Order that the Defendants (except the said Defendant Salter) do transfer and convey such shares or pay the value thereof to the Defendant Salter, or such other liquidator of Pioneer Gold Mines Limited (in liquidation) as may be appointed in the place of the said Salter for distribution among the contributaries of the said Company: and,

(g) A Declaration that the Defendants (other than the said Salter) and A. H. Wallbridge, deceased, acquired an interest in Pioneer Gold Mines Limited (in liquidation) by fraud and oppression: and,

(h) A Declaration that the Defendants (other than the said Salter) and A. H. Wallbridge, deceased, as Directors and majority shareholders of Pioneer Gold Mines Limited (in liquidation) by conspiracy and fraud wrongfully acquired assets of the said Company and for damages suffered by the Plaintiff and all other shareholders of the said Company, other than the Defendants: and,

(i) Damages: and,

(j) An Order that all necessary accounts be taken and inquiries made: and,

(k) The appointment of a Receiver: and,

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(l) An Injunction restraining the Defendants, their servants and agents, from disposing of any of their shares in Pioneer Gold Mines B. C. Limited; and,

(m) Damages against the Defendant Salter, and for an Order for his removal as liquidator of the Company: and,

(n) The costs of this action: and,

(o) Such further and other relief as to this Court may seem just and the circumstances of the case may require.

DATED at Vancouver, B. C., this 1st day of September, 1932.

10 PLACE OF TRIAL, Vancouver, B. C.

“IAN A. SHAW”

Solicitor for Plaintiff.

To the Defendants.

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In the  
Supreme Court  
of British  
Columbia

No. 2  
Statement  
of Claim  
Sept. 1, 1932.  
(Cont.)

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No. 3

DEMAND FOR PARTICULARS OF STATEMENT  
OF CLAIM BY DEFENDANTS BULL, DUFF-STUART,  
BOUCHER AND NICHOLSON.

No. 3  
Demand for  
Particulars  
by Defendants  
Bull, et al.  
Sept. 7, 1932.

20 TAKE NOTICE that the Defendants, Alfred E. Bull, J. Duff-Stuart, R. B. Boucher and Francis J. Nicholson, REQUIRE an account in writing of the following particulars of the Statement of Claim:

(1) Particulars of the understanding and agreement between the Plaintiff and his associates and the Defendants, alleged in paragraph 7 of the Statement of Claim, stating whether the same was verbal or in writing, and the date and circumstances thereof, and if in writing, exhibiting the same.

(2) Particulars of the fraudulent conspiracy alleged in paragraph 7 of the Statement of Claim.

30 (3) Particulars of the wrongful refusal alleged in paragraph 7 of the Statement of Claim, stating whether the same was verbal or in writing, and the date and circumstances thereof, and to whom such refusal was made, and if in writing, exhibiting the same.

(4) Particulars of the moneys alleged in paragraph 7 of the Statement of Claim, to have been lent, stating the dates and amounts of the alleged loans.

(5) Particulars of the dissipation of the Company's funds alleged in paragraph 7 of the Statement of Claim.

(6) Particulars of the fraudulent conspiracy alleged in paragraph 8 of the Statement of Claim.

40 (7) Particulars of the knowledge of the Defendant's alleged in paragraph 9 of the Statement of Claim.

(8) Particulars of the understanding alleged in paragraph 9 of the Statement of Claim, stating whether the same were verbal

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In the  
Supreme Court  
of British  
Columbia  

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No. 3  
Demand for  
Particulars  
by Defendants  
Bull, et al.  
Sept. 7, 1932.  
(Cont.)

or in writing, and the date and circumstances thereof, and if in writing, exhibiting the same.

(9) Particulars of the advances alleged in paragraph 10 of the Statement of Claim, stating the dates and amounts of the same.

(10) Particulars of the claim of misrepresentation, alleged in paragraph 10 of the Statement of Claim, stating whether the same was verbal or in writing, and the date and circumstances thereof, and if in writing, exhibiting the same.

(11) Particulars of the hypothecation of the shares of the Plaintiff and of Peter Ferguson, alleged in paragraph 10 of the Statement of Claim, stating whether the same was verbal or in writing and the date thereof and the consideration thereof, and if in writing, exhibiting the same or a copy thereof. 10

(12) Particulars of the inducements and persuasions alleged in paragraph 10 of the Statement of Claim, stating whether the same were verbal or in writing, and the date and circumstances thereof, and if in writing, exhibiting the same or a copy thereof.

(13) Particulars of the maintenance of the litigation alleged in paragraph 10 of the Statement of Claim. 20

(14) Particulars of the threats of litigation, and of the threats of placing the Company in bankruptcy, alleged in paragraph 10 of the Statement of Claim, stating whether the same were verbal or in writing, and to whom made, and the date and circumstances thereof, and if in writing, exhibiting the same.

(15) Particulars of the giving of 275,397 shares alleged in paragraph 10 of the Statement of Claim, stating the date of the transfers, and to whom made.

(16) Particulars of the compulsion, alleged in paragraph 11 of the Statement of Claim, stating the person by whom such compulsion was exercised, and when and how. 30

(17) Particulars of the transfer of 118,300 shares alleged in paragraph 11 of the Statement of Claim, stating the date thereof and to whom made.

(18) Particulars of the allegation alleged in paragraph 11 of the Statement of Claim, stating by whom made and to whom, and whether the same was verbal or in writing, and the date and circumstances thereof, and if in writing, exhibiting the same.

(19) Particulars of the trust alleged in paragraph 11 of the Statement of Claim, stating whether the same was verbal or in writing and the date thereof, and if in writing, exhibiting the same. 40

(20) Particulars of the fraudulent conspiracy alleged in Paragraph 12 of the Statement of Claim.

(21) Particulars of the impropriety and insufficiency of the advertisement, alleged in paragraph 14 of the Statement of Claim.

(22) Particulars of the acquisition of the supplies alleged in paragraph 16 of the Statement of Claim, stating whether the same



was verbal or in writing, and the date thereof, and the consideration therefor, and if in writing, exhibiting the same or a copy thereof.

(23) Particulars of the increase of the potential value of the mine, alleged in paragraph 17 of the Statement of Claim.

(24) Particulars of the fraudulent concealment alleged in Paragraph 17 of the Statement of Claim.

(25) Particulars of the inducement of the Directors, alleged in Paragraph 18 of the Statement of Claim.

10 (26) Particulars of the material facts concealed and not disclosed, as alleged in paragraph 19 of the Statement of Claim, and particulars of the concealment therein alleged.

(27) Particulars of the impropriety of the convention of the meeting, alleged in paragraph 20 of the Statement of Claim.

(28) Particulars of the facts alleged in paragraph 22 of the Statement of Claim to have been omitted by the Defendant Salter from his communications to the shareholders.

DATED at Vancouver, B. C., this 7th day of September, A.D. 1932.

20 "T. EDGAR WILSON,"  
Solicitor for Defendants.  
Alfred E. Bull, J. Duff-Stuart, R. B. Boucher  
and Francis J. Nicholson.

To the above-named Plaintiff,  
And to Ian A. Shaw, his Solicitor.

No. 4

DEMAND FOR PARTICULARS OF STATEMENT  
OF CLAIM BY DEFENDANT SALTER

30 TAKE NOTICE that the Defendant John S. Salter hereby demands further and better particulars of the following matter mentioned in the statement of claim delivered herein.

1. Give particulars of the negligence of the Defendant Salter alleged in paragraph 24 of the said statement of claim.

2. Give particulars of the breach of trust by the Defendant Salter set out in paragraph 24 of the said statement of claim.

AND TAKE NOTICE that if said particulars be not delivered within five days from the date of service of this notice upon you, an application will be made to the Court to compel delivery of same.

40 DATED at Vancouver, B. C., this 7th day of September, 1932.

"C. W. ST. JOHN"  
Solicitor for Defendant John S. Salter.

To the Plaintiff.

RECORD  
In the  
Supreme Court  
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No. 3  
Demand for  
Particulars  
by Defendants  
Bull, et al.  
Sept. 7, 1932.  
(Cont.)

No. 4  
Demand for  
Particulars  
by  
Defendant  
Salter,  
Sept. 7, 1932.

*In the  
Supreme Court  
of British*

PARTICULARS OF STATEMENT OF CLAIM DELIVERED  
PURSUANT TO DEMAND OF DEFENDANTS BULL,  
DUFF-STUART, BOUCHER AND NICHOLSON

No. 5  
Particulars  
of Statement  
of Claim  
Pursuant to  
Demand by  
Defendants  
Bull, et al.  
Oct. 3, 1932

1. In answer to Paragraph 1 of the said Demand the understanding and agreement therein referred to was made verbally on January 6th, 1921, and on several occasions immediately prior thereto and was made between the Plaintiff and his agent, C. L. Copp, with A. H. Wallbridge, deceased, acting as manager for a Syndicate composed of himself and the Defendants Bull, Duff-Stuart, Boucher and Nicholson and one McKim, since deceased, which said Syndicate is hereinafter referred to as "the Wallbridge Syndicate." The written agreement referred to in Paragraph 5 of the Statement of Claim was entered into upon faith of the said verbal understanding and agreement which was collateral thereto.

10

2. In answer to Paragraph 2 of the said Demand the Plaintiff says that during the summer of 1921 the Defendants conceived the said fraudulent conspiracy which was evidenced by the fraudulent acts and defaults of the Defendants as set out in the Statement of Claim and in these Particulars. The Plaintiff cannot at present furnish any further or better particulars thereof.

20

3. In answer to Paragraph 3 of the said Demand the Plaintiff says that on many occasions from June, 1921, to June, 1922, he verbally requested the said A. H. Wallbridge, deceased, as manager for the said Syndicate, to sink a shaft and develop the property but the said Wallbridge gave evasive answers to such requests and did not comply therewith. The Plaintiff also protested in writing to the said Wallbridge by letters dated August 11th, 1922, and August 27th, 1922, but received no satisfaction.

4. In answer to Paragraph 4 of the said Demand the Plaintiff says that the total amount loaned with interest amounted to \$39,590.18. All particulars thereof are in the possession of the Defendants, the only sums being known to the Plaintiff at present are as follows:-

30

December 17th, 1921.....	\$3,000.00
December 30th, 1921.....	650.00
December 30th, 1921.....	5,000.00
April 24th, 1922.....	10,000.00
September 29th, 1922.....	4,500.00
December 30th, 1922.....	7,000.00
	<hr/>
	\$30,150.00
	<hr/>

40

5. In answer to Paragraph 5 of the Demand the Plaintiff says that the monies were dissipated in various manners, full particulars of which are not at present known to him. The Defendants,

among other things, employed the said Wallbridge at a salary of Two Hundred and Fifty Dollars (\$250.00) a month and also one, C. L. Copp, at a salary of Two Hundred Dollars (\$200.00) a month and continued to pay such salaries over a period of three years irrespective of results. The Defendants purchased but declined to use supplies, powder, timber, etc. necessary to sink a shaft. The Defendants kept most of the miners employed above ground instead of underground.

10 6. In answer to Paragraph 6 of the Demand the Plaintiff is unable at present to give further particulars of the conspiracy save as set out elsewhere in the Statement of Claim and these Particulars, save and except the fact that from January, 1921, to July 16th, 1924, practically no gold was produced by the Defendants from the said mine. All particulars of the actual gold mined are in the possession of the Defendants.

20 7. In answer to Paragraph 7 of the said Demand the financial condition of the Plaintiff was disclosed to the Defendants in January, 1921, at the time the original Contract referred to in Paragraph 5 of the Statement of Claim was entered into. The said disclosure was made by the Plaintiff and C. L. Copp verbally to A. H. Wallbridge and the Defendant Bull. In the month of May, 1922, the Plaintiff sold 30,000 of his shares to one B. A. Twiss to meet personal indebtedness and at the time of the said sale informed the Defendant Bull, at his office and also disclosed to the Defendant Wallbridge, his financial condition.

8. In answer to Paragraph 8 of the Demand the understanding referred to was verbal and was made on or immediately prior to January 6th, 1921, between the Plaintiff and Peter Ferguson, deceased, and the members of the Wallbridge Syndicate.

30 9. The Particulars required by Paragraph 9 of the Demand are set out in Paragraph 4 hereof.

10. In answer to Paragraph 10 of the Demand the Plaintiff says that the claim was made in writing by letter from Harris, Bull & Mason to Walter Walsh, dated September 25th, 1922 and forwarded by the said Walsh to the Plaintiff on September 27th, 1922.

40 11. In answer to Paragraph 11 of the Demand the shares were hypothecated on April 26th, 1922, by letter from Peter and Andrew Ferguson to the Executors of the Williams Estate and by endorsement of share certificates in Pioneer Gold Mines Limited as follows:-

Certificate No. 2            1 share Owned by Peter Ferguson.

“            “    39 112,298    “    Owned by Peter Ferguson.

“            “    45 72,298    “    Owned by Andrew Ferguson.

The said hypothecation was to secure an indebtedness to the Executors of approximately \$21,912.42.

12. In answer to Paragraph 12 of the Demand the Plaintiff

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says that the inducements and persuasions were made verbally by Messrs. Bull and Wallbridge at a meeting between them and the Trustees of the Williams Estate, held September 24th, 1922 and on sundry other dates unknown to the Plaintiff. The precise terms of the said inducements are unknown to the Plaintiff.

13. In answer to Paragraph 13 of the Demand the Plaintiff can give no further particulars at present except to state the fact that he was unable even to obtain an extension of time for filing his Defence to the said action without the consent of the said Wallbridge as manager for the said Syndicate.

10

14. In answer to Paragraph 14 of the Demand the threats of litigation were made by the letter of September 25th, 1922, referred to in Paragraph 10 hereof. The threats of bankruptcy were made verbally both in 1921 at a meeting of the Company in the month of December and was made by all of the Defendants and particularly the Defendant Bull, and the said Wallbridge. Further threats of bankruptcy were made verbally at various interviews between the said Bull and Wallbridge and J. T. Noble (Solicitor for the Plaintiff) over a period from December, 1922, to January, 1923. The Plaintiff has no knowledge of the precise dates of the interviews.

20

15. In answer to Paragraph 15 of the Demand the Plaintiff says that the particulars required are in the sole possession of the Defendants and the Plaintiff has no recollection of the details thereof.

16. In answer to Paragraph 16 of the Demand the Plaintiff can give no further particulars except as already set out in the Statement of Claim and these Particulars except that the compulsion was exercised by the said Bull and Wallbridge, acting on behalf of the Wallbridge Syndicate.

30

17. In answer to Paragraph 17 of the Demand the Plaintiff says that the transfer was made pursuant to a Contract in writing between Andrew and Peter Ferguson (inter alia) and A. H. Wallbridge dated February 15th, 1923, in which is set out the full terms of the alleged agreement.

18. In answer to Paragraph 18 of the Demand, see answer to Paragraph 17.

19. See answer to Paragraph 17.

20. In answer to Paragraph 20 of the Demand the Plaintiff can give no further particulars save as set out in Paragraphs 13 to 23 inclusive of the Statement of Claim and in the Particulars furnished herewith.

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21. In answer to Paragraph 21 of the Demand the Plaintiff says that the advertisement was only published in the City of Vancouver and only appeared in four issues of a local newspaper. The Plaintiff further says that the insufficiency of the advertisement

appears from the notice thereof which is in the possession of the Defendants.

22. In answer to Paragraph 22 of the Demand the Plaintiff says that the supplies were acquired by the Defendants under the terms of an Option Agreement made between Pioneer Gold Mines Limited and David Sloan and dated July 16th, 1924, which is in the possession of the Defendants.

10 23. In answer to Paragraph 23 of the Demand the Plaintiff says that the Defendants increased the potential value of the mine by proving through their operations the persistence, continuity and value of the fissure vein upon the property.

24. In answer to Paragraph 24 of the Demand the Plaintiff says that the fraudulent concealment consists of fraudulent non-disclosure of the material facts alleged in Paragraph 17 of the Statement of Claim.

25. In answer to Paragraphs 25 and 26 of the Demand the Plaintiff can give no further particulars at the present time.

20 26. In answer to Paragraph 27 of the Demand the Plaintiff can give no further particulars save as set out in the Statement of Claim.

27. In answer to Paragraph 28 of the Demand the Plaintiff says that the Defendant Salter omitted to state in his communications to the shareholders that the Defendants and David Sloan were engaged in sinking a shaft upon the Pioneer Gold Mine, had produced at the date of the notice convening the meeting over \$16,000.00 in gold and that there were prospects of the mine being proved up definitely in a short time. Further at the alleged meeting on December 5th, 1924, the Defendant Salter failed to disclose to the shareholders that prior to the date of the meeting his co-Defendants and the said David Sloan had sunk a shaft for 150 feet on the Pioneer Mine, had cross-cut to the main vein and had drifted for at least 50 feet on the said vein and had thereby blocked out ore of the value of approximately \$200,000.00 and had by proving the continuity, persistence and value of the fissure vein upon the property, tremendously increased the potential value of the property and made it evident that there were excellent prospects of the option price being paid in full.

40 28. After discovery of documents and examinations for discovery herein, the Plaintiff will crave leave to supplement these particulars in such manner as Counsel may advise.

DATED at Vancouver, B. C., this 3rd day of October, 1932.

“IAN A. SHAW”  
Solicitor for the Plaintiff.

To the Defendants,  
Bull, Duff-Stuart, Boucher and Nicholson,  
And to T. Edgar Wilson, Esq.,  
Their Solicitor.

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No. 6

*In the  
Supreme Court  
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PARTICULARS OF STATEMENT OF CLAIM DELIVERED  
PURSUANT TO DEMAND OF DEFENDANT  
JOHN S. SALTER

No. 6  
Particulars of  
Statement of  
Claim  
Pursuant to  
Demand of  
Defendant  
Salter.  
Oct. 4, 1932.

1. In answer to Paragraphs 1 and 2 of the said Demand the Plaintiff says that the Defendant Salter issued a notice convening a meeting of shareholders to be held on the 5th day of December, 1924, and in such notice did not disclose to the Company or to the shareholders thereof the fact that the Defendants and David Sloan were engaged in sinking a shaft upon the Pioneer Gold Mine, had produced at the date of the notice convening the said meeting over Sixteen Thousand Dollars (\$16,000.00) in gold and that there were prospects of the mine being proved up definitely in a short time. Further at the alleged meeting on December 5th, 1924, the Defendant Salter failed to disclose to the shareholders that prior to the date of the meeting, his Co-Defendants and the said David Sloan had sunk a shaft for 150 feet on the Pioneer Mine, had cross-cut to the main vein and had drifted for at least 50 feet on the said vein and thereby had blocked out ore of the value of approximately Two Hundred Thousand Dollars (\$200,000.00) and had by proving the continuity, persistence and value of the fissure vein upon the property, tremendously increased the potential value of the property and made it evident that there were excellent prospects of the option price being paid in full.

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2. The Defendant Salter, being a Trustee for the shareholders of the said Company, either knew or should have known of the said facts and either did make or should have made inquiries before disposing of the assets of Pioneer Gold Mines Limited (in liquidation) to his Co-Defendants.

DATED at Vancouver, B. C. this 4th day of October, 1932.  
"IAN A. SHAW"  
Solicitor for the Plaintiff.

30

To the Defendant Salter.

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Statement of  
Defence of  
Defendants  
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DEFENCE OF THE DEFENDANTS ALFRED E. BULL,  
J. DUFF-STUART, R. B. BOUCHER, and FRANCIS J.  
NICHOLSON.

1. These Defendants specifically deny each and every allegation of fact contained in paragraph 5 of the Statement of Claim.

2. These defendants specifically deny each and every allegation of fact contained in paragraph 6 of the Statement of Claim.

3. These Defendants specifically deny each and every allegation of fact contained in paragraph 7 of the Statement of Claim.

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4. These Defendants specifically deny each and every allegation of fact contained in paragraph 8 of the Statement of Claim.
5. These Defendants specifically deny each and every allegation of fact contained in paragraph 9 of the Statement of Claim.
6. These Defendants specifically deny each and every allegation of fact contained in paragraph 10 of the Statement of Claim.
7. These Defendants specifically deny each and every allegation of fact contained in paragraph 11 of the Statement of Claim.
- 10 8. These Defendants specifically deny each and every allegation of fact contained in paragraph 12 of the Statement of Claim.
9. These Defendants specifically deny each and every allegation of fact contained in paragraph 13 of the Statement of Claim.
10. These Defendants specifically deny each and every allegation of fact contained in paragraph 14 of the Statement of Claim.
11. These Defendants specifically deny each and every allegation of fact contained in paragraph 15 of the Statement of Claim.
- 20 12. These Defendants specifically deny each and every allegation of fact contained in paragraph 16 of the Statement of Claim.
13. These Defendants specifically deny each and every allegation of fact contained in paragraph 17 of the Statement of Claim.
14. These Defendants specifically deny each and every allegation of fact contained in paragraph 18 of the Statement of Claim.
- 30 15. These Defendants specifically deny each and every allegation of fact contained in paragraph 19 of the Statement of Claim.
16. These Defendants specifically deny each and every allegation of fact contained in paragraph 20 of the Statement of Claim.
17. These Defendants specifically deny each and every allegation of fact contained in paragraph 21 of the Statement of Claim.
18. These Defendants specifically deny each and every allegation of fact contained in paragraph 22 of the Statement of Claim.
- 40 19. These Defendants specifically deny each and every allegation of fact contained in paragraph 23 of the Statement of Claim.
- 19a. These Defendants specifically deny each and every allegation of fact contained in paragraph 24 of the Statement of Claim.
20. The facts are as hereinafter set forth.
21. In the year 1919 all the shares in the capital stock of

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Pioneer Gold Mines Limited, mentioned in paragraph 4 of the Statement of Claim, and hereinafter called the Company, or in the alternative the majority of such shares were owned by and registered in the names of the plaintiff Andrew Ferguson, his brother Peter Ferguson, mentioned in the said paragraph 4, Adolphus Williams, mentioned in paragraph 5 of the Statement of Claim, and Katherine W. Williams, wife of the said Adolphus Williams.

22. The said Andrew Ferguson and Peter Ferguson were miners, and the said Adolphus Williams was a Barrister and Solicitor.

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23. In that year, 1919, the mining property of the Company was in an undeveloped condition, and the Company had no money, or alternatively not sufficient money properly to develop its property.

24. The said shareholders were unable or unwilling to find or subscribe the money required for the operation of the Company.

25. The said shareholders attempted to sell the property of the Company and concluded a written contract dated the 24th day of November, 1919, and made between the Company and a certain William R. P. Parker, representing the Mining Corporation of Canada, whereby the said William R. P. Parker obtained an option to purchase the property of the Company for the sum of \$100,000.00 subject to the payment of a commission of \$10,000.00 to the said Andrew Ferguson and Peter Ferguson.

20

26. The Mining Corporation of Canada did some work on the said property and conducted investigations, but was dissatisfied with the prospects of the said property and abandoned the option by writing dated the 20th day of February, 1920.

27. The said Andrew Ferguson, Peter Ferguson and Adolphus Williams thereupon, in December, 1920, endeavored to sell their said shares through the above named Adam H. Wallbridge and Charles L. Copp, as their Agents.

30

28. The said Andrew Ferguson and Peter Ferguson and Adolphus Williams accordingly in the said month verbally instructed the said Adam H. Wallbridge and Charles L. Copp to sell the said shares or such part of them as they could, and verbally instructed the said agents to represent to prospective purchasers, amongst other things, that there were between 10,000 and 12,000 tons of tailings on the property of the Company, which had been produced by the amalgamating plant and which assayed from \$5.00 to \$6.00 a ton, that the machinery on the said property was adequate and in good condition, and that the said property had been properly developed.

40

29. All the said representations were untrue to the knowledge of the said Andrew Ferguson and Peter Ferguson and were made fraudulently to their said agents, with the fraudulent inten-



tion that they should be passed on by the said agents to prospective purchasers.

30. The said agents proceeded to form an association of themselves and others to purchase the said shares.

31. The said agents approached these defendants and H. C. N. McKim, a partner in the firm of solicitors known as Williams, Walsh, McKim and Housser, of which the said Adolphus Williams was the senior partner, and verbally during the months of December, 1920, and January, 1921, repeated to these defendants the representations set out in paragraph 28, hereof.

32. By a paper writing dated the 29th of December, 1920, these Defendants and the said H. C. N. McKim agreed with the said Adam H. Wallbridge to subscribe for proportionate amounts, as set out in the said paper writing, of fifty-one per cent. of the shares in the capital stock of the Company, held by the said Andrew Ferguson, Peter Ferguson, Adolphus Williams and Katherine W. Williams as aforesaid.

33. A commission of ten per cent. of the purchase price to be paid for the said shares was to be paid by the said Andrew Ferguson, Peter Ferguson, Adolphus Williams and Katherine W. Williams to their said agents Adam H. Wallbridge and Charles L. Copp, who agreed with these Defendants and the said H. C. N. McKim to use the money, representing the said commission, in purchasing a proportionate part of the said shares. Such agreement is contained in the said paper writing dated the 29th of December, 1920.

34. By an indenture dated the 6th of January, 1921, and made between the said Adolphus Williams, Andrew Ferguson and Peter Ferguson, as vendors, of the one part, and the said Adam H. Wallbridge, as purchaser, of the other part, the vendors gave to the purchaser the option of purchasing 382,500 shares in the capital stock of the Company for the sum of \$50,000.00 on the terms and conditions set out in the said indenture.

35. By the said indenture it was provided that \$10,000, part of the said purchase price, should be paid to the said Adam H. Wallbridge and the said Adolphus Williams, as trustees for the vendors and the purchaser, to be expended in the installation of a cyanide plant, and in developing and operating the property of the Company.

36. By the said indenture it was provided that the vendors should pay all the debts then owing by the Company.

37. The said Adam H. Wallbridge in concluding the contract contained in the said indenture was acting on behalf of himself, the said Charles L. Copp, these Defendants and the said H. C. N. McKim, who had associated themselves together to buy the said shares and provide the said purchase price.

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38. These Defendants, in engaging themselves to buy their proportionate parts of the said shares, and to provide their proportionate parts of the said purchase price were relying wholly on the said representations, so verbally made to them by the said Adam H. Wallbridge and Charles L. Copp, as agents of the said Vendors, as aforesaid.

39. These Defendants had neither knowledge nor means of knowledge of the true facts or of the falsity of the said representations, since during the period of negotiation and conclusion, of the said contract, embodied in the said indenture, the mine was full of water, and the ground was covered with snow.

10

40. By an indenture dated the 10th day of February, 1921, and made between the said Andrew Ferguson and Peter Ferguson of the one part, and the said Adolphus Williams of the other part, the said Andrew Ferguson and Peter Ferguson transferred to the said Adolphus Williams all the right and interest of the said Andrew Ferguson and Peter Ferguson in the said contract of the 6th of January, 1921, and in and to all moneys payable thereunder.

41. The said trustees purchased a cyanide plant, pursuant to the said indenture, which was installed on the property of the Company, and operations were commenced and proceeded with in the early summer of 1921.

20

42. At a meeting of the Directors of the Company held on the 23rd day of August, 1921, the said Andrew Ferguson, as a director, seconded a motion made by the Defendant Alfred E. Bull, also as a Director "that an amount or amounts not exceeding \$5,000, in addition to the \$2,000 already borrowed be borrowed from the Merchants Bank of Canada . . . ."

43. The said Andrew Ferguson was present, as a director at a meeting of the Directors of the Company, held on the 17th of December, 1921, at which it was resolved to borrow \$3,000 from the said A. H. Wallbridge, or anyone else who would lend it, and voted for the said resolution.

30

44. The said Andrew Ferguson was present at the general meeting of the members of the Company, held on the 30th of December, 1921, at which there was produced the balance sheet of the Company, showing the amounts borrowed by the Company.

45. The said Andrew Ferguson was present, as a Director, at a meeting of the Directors of the Company, held on the 3rd of February, 1922, and voted for a resolution, which was carried, to borrow \$5,000 from the Defendant R. B. Boucher.

40

46. The said Andrew Ferguson was present, as a Director, at a meeting of the Directors of the Company, held on the 17th of March, 1922, and voted for a resolution, which was carried, to borrow \$3,000 from the said A. H. Wallbridge.

47. The said Andrew Ferguson was present, as a Director, at a meeting of the Directors of the Company, held on the 24th

of April, 1922, and voted for a resolution, which was passed to borrow \$10,000 from the Union Bank of Canada.

48. The said Andrew Ferguson was present by his proxy, J. B. Noble, a solicitor, at the general meeting of the members of the Company, held on the 13th of December, 1922, at which was read the balance sheet, showing the amount borrowed by the Company.

49. In the summer and Autumn of 1921 and 1922 these Defendants and the said H. C. N. McKim gradually discovered the facts that, instead of there being between 10,000 and 12,000 tons of tailings of a value from \$5 to \$6 per ton, according to the representations aforesaid, there were only some 3600 tons of a value of \$3 to \$5 per ton; they also discovered that the machinery at the mine was worn out and continually broke down, and that the Company, under its former management by the said Andrew Ferguson, had taken out all the gold in sight and had failed to develop any reserve body of ore.

50. The said Adolphus Williams had died on the 3rd day of September, 1921, and his executors and executrix were Walter Walsh, of the said firm of Williams, Walsh, McKim & Housser, William Godfrey, Manager of the Bank of British North America, and his widow, Katherine W. Williams.

51. Accordingly these Defendants and the said H. C. N. McKim verbally complained to the said Walter Walsh, during the autumn of 1921 of such of the misrepresentations aforesaid as they had discovered; and on the 9th of December, 1921, the said Adam H. Wallbridge wrote to the said Walter Walsh the following letter:

"Vancouver, B. C.,  
December 9th, 1921

"Walter W. Walsh, Esq.,  
"Barrister, etc.,  
"Executor of Estate of A. Williams, deceased,  
"432 Richards Street,  
"Vancouver, B. C.  
"Dear Sir—

"On behalf of myself and the Syndicate interested in the agreement with Messrs. Ferguson and the late Adolphus Williams for the purchase of 51% of the stock in the Pioneer Gold Mines Limited, I have to request that the terms of the agreement be modified so that the whole of the proceeds of the property which shall be applied in payment of the debts and liabilities at the date of the agreement shall be considered payment pro tanto of the instalments payable under the agreement instead of only 51% of said proceeds being considered payment of such instalments, and that the payment of the instalments of purchase money falling due on the first days of December 1922 and 1923,

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“respectively, shall be extended one year, for the reasons among  
 “others as follows:

“That when the said agreement was entered into it was under-  
 “stood that the mill and machinery at the mine were in good con-  
 “dition and running order and operations could have been started  
 “at once.

“That there were 12,000 tons of tailings on the dump which it  
 “was proposed to be treated by the cyanide process and that these  
 “tailings would run \$6.00 per ton in gold. On the strength of this  
 “the Syndicate put up \$15,000.00, erected a cyanide plant and oper-  
 “ated the same until the cyanide plant had to be closed down on  
 “account of cold weather.

10

“That when the management took possession of the plant they  
 “found the machinery in bad condition and not fit to run, the water  
 “wheel had been broken and the large compressure fly wheel  
 “cracked, the tires on the mill worn out and the new tires taken  
 “away, the rails and track on the second level of the mine torn up  
 “and used in the third level, the mine full of water and accumu-  
 “lation of refuse at the bottom, the mill and other machinery in  
 “such condition that a lot of money had to be expended on them.

20

“The results of these conditions were that while the cyanide  
 “plant was erected and put in operation, only \$3.00 per ton was  
 “obtained from the tailings and the tailings only assayed \$4.20 to  
 “\$4.60 instead of \$6.00; that after the mine had been pumped out  
 “and the refuse cleaned out, the mill had only been in  
 “operation ten days when the water wheel broke down completely  
 “necessitating the obtaining of a new wheel from Ontario, sent  
 “out by express at great cost, and no sooner was it installed than  
 “the gear wheel connecting therewith broke, so that during the  
 “whole season the management was only able to run the mill ten  
 “days, and several months of the most critical time were lost.

30

“These break downs necessitated a very large expenditure on  
 “capital account which neither the members of the Syndicate nor  
 “I contemplated or intended making.

“If the mine, mill and machinery had been in the condition  
 “which they were understood to be at the time the agreement was  
 “entered into there should have been no trouble in getting out  
 “sufficient gold to finance the operations of the Company.

“A large amount of supplies and powder, etc., for the coming  
 “winter had to be sent in before the road closed, as well as paying  
 “the wages and current expenses. Neither myself nor my Syndi-  
 “cate should have to assume the responsibility of financing these  
 “matters for the benefit of all the shareholders of the Company.

40

“Money is required immediately to pay wages, and I had a  
 “meeting of my Syndicate a few days ago and they agree unani-  
 “mously that the amendment to the agreement should be made  
 “along the lines above mentioned, and if this were made they

“would be prepared to advance \$3,000.00 towards financing the Company, and as this money is required at once I would ask you to have my request laid before the vendors immediately so that some understanding may be arrived at

“Yours truly,  
“A. H. WALLBRIDGE.”

52. On the 15th day of December, 1921, following verbal discussions with the said Walter Walsh, these Defendants and the said H. C. N. McKim wrote, to the said Walter Walsh, the following letter:—

“Vancouver, B. C.,  
December 15th, 1921.

“Walter W. Walsh, Esq.,  
“Barrister, etc.,  
“432 Richards St.,  
“Vancouver, B. C.  
“Dear Sir:

“Re Pioneer Gold Mines Limited

“Since the conversation in your office yesterday afternoon  
20 “with reference to the agreement herein, we have considered the  
“matter, and in view of the assurance of yourself and Mr. Harri-  
“son, we have decided not to press at the present time for the ex-  
“tension of payments due in December 1922 and 1923, but to press  
“our request for the amendment asked for with reference to paying  
“the future instalments out of the whole proceeds of the mine if  
“the Syndicate is to advance \$3,000.00. We have, however, de-  
“cided that we will meet the suggestion of Mr. Harrison that if  
“the Company shall declare earn net on operations and pay a  
“dividend of 10% for each of the years 1922, 1923 and 1924 that  
30 “49% of the proceeds so applied in payment of the option shall  
“be deducted from the Syndicate’s share of the dividends.

“The only alternative would be that the Vendors advance an  
“equal amount at once with the Syndicate to finance the Com-  
“pany.

“We should like to have your answer today as the Bank is  
“pressing and unless the \$3,000.00 is put up by the Syndicate at  
“once, I have not the slightest doubt but that the Company will  
“be forced into liquidation immediately.

40 “AEB/C  
“Yours truly,  
A. E. BULL.”

53. The said Andrew Ferguson, Peter Ferguson, and the said executors and executrix of the said Adolphus Williams accepted the suggestions contained in the said letters, and on the 17th of December, 1921, an indenture was executed as a supplement to the said indenture of the 6th of January, 1921.

54. During the mining seasons of 1921 and 1922 work was

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actively pressed on the property of the Company and numerous improvements were effected.

55. These Defendants and the said H. C. N. McKim and the said Adam H. Wallbridge contributed the sum of \$22,500 which was spent on the said property.

56. Owing to the circumstances described in the said letters, and also owing to lack of capital and lack of power development, the operations were not successful.

57. By the end of the mining season of 1922 these Defendants and the said H. C. N. McKim and the said Adam H. Wallbridge had lent to the Company the sum of approximately \$22,500.00 and had guaranteed loans to the Company from its Bank to the amount of \$15,000.00. 10

58. The shares in the capital stock of the Company which had stood in the name of Andrew Ferguson and Peter Ferguson were, on the 6th of June, 1922, transferred to, and registered in the names of the said executors and executrix of the said Adolphus Williams.

59. On the 25th of September, 1922, these Defendants and the said H. C. N. McKim and the said Adam H. Wallbridge wrote to the said Walter Walsh the following letter: 20

“Vancouver, B. C.,  
 “September 25, 1922.

“Walter Walsh, Esq.,  
 “Executor of A. Williams Estate,  
 “432 Richards Street,  
 “Vancouver, B. C.

“Re Pioneer Gold Mines Limited.

“Dear Sir:

“In pursuance of the conference between the Trustees of Mr. Williams’ Estate and Mr. Wallbridge and myself yesterday I now submit in writing the statements and proposals then made. 30

“Before the Syndicate took the option on 51% of the stock of the Company Mr. Ferguson on behalf of the Vendors represented that there were ten to twelve thousand tons of tailings at the mine which assayed between \$5.00 and \$6.00 per ton, which at these figures would have realized at least \$50,000.00. It was on this representation that the members of the Syndicate put up their money and installed the cyanide plant. These tailings have now all been treated and instead of ten or twelve thousand tons there were only thirty-six hundred tons which assayed from \$4.00 to \$5.00 and the total amount realized was in the neighborhood of \$12,000.00 instead of \$50,000.00. In addition to this about all the ore in sight had been taken out of the mine and no development work done, so that there was no substantial body of ore which could be mined without a lot of expensive development work being done. In view of the misrepresentations as to the 40

“tailings alone the members of the Syndicate are clearly entitled to recover their money back and will have a good action against the vendors for this purpose.

10 “The members of the Syndicate not only paid their \$15,000.00 to the Vendors, but have in addition advanced approximately \$15,000.00 to the Company which was necessary to carry on the work and have made themselves liable for in the neighborhood of another \$15,000.00 and creditors are pressing for payment, and the old water wheel which was cracked before is now broken  
 20 “down and a new one has to be installed, so that unless a substantial amount of money is put up at once there is no chance of saving the Company, but it will have to go into liquidation.

“The proposal on behalf of the Syndicate is: That for the \$15,000.00 already paid the option shall be considered paid up and 51% of the shares covered by it shall be immediately transferred to the Syndicate as paid up in full; that the Syndicate turn back half of its shares, i.e. 191,250 shares and the vendors 183,750 shares to the Treasury to be disposed of for the purpose of raising money to carry on the operations and for the purposes hereinafter mentioned. If this is done the members of the Syndicate are prepared to take a substantial amount of these shares in payment of part of the moneys advanced by them to the Company and the balance to be sold to the public to raise money to pay the other liabilities of the Company incurred since date of option and the debts covered by extension agreement between Company and Dunsmuir and McWilliams and to raise money for working capital. The Vendors will, of course, have to continue to protect the Company from all liabilities incurred before the option, except as to those above mentioned, the members of the Syndicate  
 30 “think that if this is done sufficient new money can be obtained on the sale of the stock to carry the Company on, but something must be done at once as two new gear wheels for the water power will have to be ordered at once from Ontario so that they could be got into the mine before the road closes. In the meantime the mine is filling with water as no power is available for pumping.

“Yours truly,

“AEB/C

A. E. BULL.”

60. On the 27th of September, 1922, the said Walter Walsh wrote to the said Andrew Ferguson the following letter:

40

“September 27, 1922.

“Andrew Ferguson, Esq.,  
 “343 Beacon Avenue,  
 “Seattle, Washington,  
 “U. S. A.  
 “Dear Sir,

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## "Re Pioneer Gold Mines Limited.

"I herewith enclose you two copies, one for you and one for your brother Peter, of a letter received by me from A. E. Bull, written on behalf of the Syndicate which purchased shares from you, your brother and Mr. Williams.

"You will note that serious allegations of misrepresentations in connection with the sale of these shares are made by Mr. Bull. If these misrepresentations can be substantiated by Mr. Bull and his associates, it puts the executors of the Williams' Estate, as well as you and your brother, in a serious position. Under the circumstances we cannot run the risk of legal proceedings to be taken against the Williams' Estate and yourselves in case the members of the Syndicate should decide to do so. We must, therefore, agree to the proposals made by Mr. Bull in his letter, and I herewith enclose you a letter in duplicate, to be signed by you, and a further letter, in duplicate, to be signed by your brother, addressed to the executors of the Williams Estate. You may retain one copy of the letter signed by you and your brother may retain a copy of the other letter signed by him. The originals must be sent to me to authorize the executors of the Williams Estate to surrender the portion of your shares and the portion of your brother's shares to carry out the proposal made by Mr. Bull. Please therefore sign the original of the letter and return to me as soon as possible, and please send the letter and duplicate intended for your brother to him with instructions to sign the original and return it to me without delay. 10

"You can understand there is haste for this matter in view of the fact that creditors are threatening proceedings and the matter must be attended to at once to avoid the shutting down of the mine. 20

"Yours truly,

"WWW/W  
"Encl.

"W. W. WALSH. 30

"P.S.—I also enclose authorization in duplicate addressed to Walsh, McKim & Housser which will be their authority for handing over your shares to A. H. Wallbridge. Kindly return the original of this authorization duly executed by yourself and witnessed. 40

"I also enclose as well similar authorization in duplicate for execution by Peter Ferguson. Kindly have him execute the original before a witness and return to us. 40

"W. W. WALSH."

61. On the 12th of January, 1923, Noble and St. John, as Solicitors for the said Andrew Ferguson and Peter Ferguson, wrote to the said Walter Walsh the following letter:—



"Vancouver, B. C.,  
Jan. 12, 1923.

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"Messrs. Walsh, McKim & Housser,  
"Barristers, etc.,  
"432 Richards St.,  
"Vancouver, B. C.

"Dear Sirs:

"re: Pioneer Gold Mines Ltd.

10 "We enclose a copy of notice which we have sent to A. H. Wallbridge. You are, of course, aware that A. H. Wallbridge is "in default in payment of the two instalments of \$10,000 each, due "on the 1st days of August, 1921, and December, 1922, according "to the terms of the Memorandum of Agreement, dated 6th day of "January, 1921, respecting the purchase of 382,500 ordinary shares "of the capital stock of Pioneer Gold Mines Ltd.

20 "Certain stock certificates were deposited with your firm in "escrow according to the terms mentioned in the said Memorandum of Agreement. We have been requested by Andrew Ferguson and Peter Ferguson to demand and receive from you the "stock certificates belonging to them which are held by you in "escrow, namely, Certificate No. 12, in the name of Andrew Ferguson, for 137,700 shares, and Certificate No. 14, in the name of "Peter Ferguson for 137,700 shares. Our Mr. Noble made a verbal "demand upon your Mr. McKim yesterday for these certificates "but he refused to give them up, although Mr. McKim admitted "that Mr. Wallbridge was in default under his Option agreement. "We therefore make formal demand in writing upon you for these "stock certificates, and if we do not receive them at once we may "be obliged to take proceedings against your firm to recover them.

30 "We trust you will realize that you are only holding these certificates as an escrow and that you are obliged to deliver them up "to us on demand, and that your interests as solicitors for the "Williams Estate or for Pioneer Gold Mines Ltd. or the individual "interests of any member of your firm in the Wallbridge Syndicate, must not conflict with your obligations to deliver up these "certificates to us as requested.

"Yours truly,

"JBN/EB  
"Encl."

NOBLE & ST. JOHN."

40 62. On the 15th of January, 1923, the said Walter Walsh wrote to the said Noble & St. John the following letter:—

"January 15, 1923

"Messrs. Noble & St. John,  
"602 Credit Foncier Bldg.,  
"850 Hastings St. West,  
"City.

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"Dear Sirs:

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"We beg to acknowledge receipt of your letter of the 12th inst., demanding that Certificate No. 12, in the name of Andrew Ferguson for 137,700 shares in the above-mentioned Company and Certificate No. 14, in the name of Peter Ferguson for an equal number of shares in the above-mentioned Company, be delivered over to your firm, as solicitors for Andrew Ferguson and Peter Ferguson. We would point out to you that we hold these shares as escrow party under the terms of a certain agreement dated the 6th day of January, 1921, made between Adolphus Williams and your clients as Vendors and Adam Henry Wallbridge as Purchaser. 10

"We have been notified by the Executors of the Adolphus Williams Estate that by Agreement dated the 10th day of February, 1921, made between your clients of the one part and the said Adolphus Williams of the other part your clients did assign transfer and set over unto the said Adolphus Williams all their interest in and to the said agreement, together with all their interest in and to the monies payable thereunder. This being the case we cannot see how your clients have any right whatever now to cancel the said Agreement with Wallbridge, having assigned all their interest thereunder to Adolphus Williams. 20

"We have received no notice from the Executors of Adolphus Williams Estate that they have cancelled the Wallbridge Agreement, and therefore, must refuse to deliver the shares over to you. We were given to understand by Mr. Wallbridge some time ago that he claimed the mine had been misrepresented to him to an extent which would have made the balance of the moneys due under this Agreement fully paid up. We would not be safe in delivering these shares to your clients for the various reasons above set forth and therefore intend to hold same until such time as we are satisfied that the Agreement has been properly cancelled, and that we are entitled to do otherwise with the shares than continue to hold them as escrow party. 30

"Yours truly,

"WALSH, McKIM &amp; HOUSSER,

"HCNM/AM

per 'H. C. N. McKim'."

63. On the 1st of February, 1923, Walsh, McKim & Housser, as solicitors for the said executors and executrix of the said Adolphus Williams wrote to the said Noble & St. John the following letter:— 40

"Vancouver, B. C.,  
February 1st, 1923.

"Messrs. Noble & St. John,  
"Barristers,  
"602 Credit Foncier Bldg.,  
"850 Hastings St. West,  
"City.

"Dear Sirs,

"re, Pioneer Gold Mines Ltd.

10 "Enclosed herewith please find copy of Agreement drawn by  
"Messrs. Harris, Bull, which has been submitted to Mr. Walsh for  
"his approval, on behalf of Adolphus Williams Estate. Mr. Walsh  
"states that this Agreement is satisfactory to him and Mr. Bull  
"has asked us to send it on to you for your approval. If it is satis-  
"factory Mr. Bull will furnish you with the additional copies,  
"which you can forward to Mr. Ferguson for execution.

"The other matters in regard to the settlement of the action  
"between the Williams Estate and Fergusons can be attended to  
"in the course of the next two or three days, but Mr. Bull is very  
20 "anxious to get the enclosed settlement Agreement executed by  
"all parties as soon as possible so that the option already discussed  
"with you can be entered into.

"Yours truly,

WALSH, McKIM & HOUSSER,  
per H. C. N. McKim."

"HCNM/AM. Encl.

64. The agreement therein referred to was the draft of the  
indenture hereinafter set forth as the indenture of the 15th Febru-  
ary, 1923.

30 65. On the 8th of February, 1923, the said Noble & St. John  
wrote to the said Walter Walsh the following letter:—

"Vancouver, B. C.

"February 8, 1923.

"W. W. Walsh, Esq.

"Barrister, etc.,

"c/o Messrs. Walsh, McKim & Housser,

"432 Richards Street,

"Vancouver, B. C.

"Dear Sir,

"re, Williams Estate and Ferguson

40 "Referring to the draft agreement between Williams, Fer-  
"guson and Wallbridge submitted to me by Mr. Bull, a copy of  
"which, no doubt, has also been submitted to you. You will notice  
"the agreement on page 2 calls for a transfer by the Vendors of  
"382,500 shares and on page 3 the agreement also calls for a trans-

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“fer by the Vendors of 183,750 shares. I would like to know what  
 “proportion of these two blocks of stock will be transferred re-  
 “spectively by Williams Estate and by Peter Ferguson and by  
 “Andrew Ferguson, and what amount of shares, after these trans-  
 “fers are completed, will be left standing to the credit of the Wil-  
 “liams Estate and Peter Ferguson and Andrew Ferguson and  
 “Katherine Williams. I understand the shares held by the share-  
 “holders are:

“Williams Estate .....	195,000	
“Peter Ferguson .....	269,999	10
“Andrew Ferguson .....	269,999	
“Mrs. Williams .....	15,000	
“Mr. Walsh .....	1	
“Mr. McKim .....	1	

“and that certain qualification shares were issued to Wallbridge  
 “and his Syndicate to act as Directors.

“The agreement submitted by Mr. Bull seems to be all right  
 “and I would like to hear from you whether you are approving its  
 “terms. When replying can you not send me a copy of the pro-  
 “posed hypothecation of Ferguson’s shares to Williams Estate for  
 “execution. I would like to have the Wallbridge agreement and  
 “your hypothecation completed by the Fergusons at the same  
 “time. 20

“Yours truly,  
 “NOBLE & ST. JOHN,  
 per J. B. NOBLE.”

“JBN/EB

66. On the 10th of February, 1923, the said Walsh, McKim  
 & Housser wrote to the said Noble & St. John the following letter:

“February 10, 1923

“McKim. 30  
 “Messrs. Noble & St. John,  
 “602 Credit Foncier Bldg.  
 “City.

“Re, Williams Estate and Ferguson.

“We beg to acknowledge receipt of your letter of the 8th  
 “inst. The 183,750 shares to be transferred by the Vendors will  
 “be transferred as follows:

“Andrew Ferguson .....	66,150	
“Peter Ferguson .....	66,150	
“Williams Estate .....	43,950	40
“Mrs. Williams .....	7,500	

“183,750

“We enclose herewith copy of Hypothecation Agreement for  
 “your approval. The amount of indebtedness to be filled in on  
 “the first page, we think should be \$22,568.65, made up as follows:

“Amount claimed in statement of “claim.. .. .	\$21,912.42
“Interest from November 1, 1922, “to say February 15th .. . . .	474.20
“Bill of costs .. . . .	182.03
	“\$22,568.65

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10 “We also enclose copy of Authority to the Williams estate to  
“surrender the shares above mentioned and Bill of Costs. The  
“reason why Andrew Ferguson surrenders 15,000 less shares than  
“Peter Ferguson is that Mr. Wallbridge has persuaded Mr. Twiss  
“to whom Andrew Ferguson sold 30,000 shares to surrender half  
“along with the other shareholders.

“We are satisfied with the Agreement drawn by Mr. Bull and  
“if the enclosed documents meet with your approval we will for-  
“ward you the other copies for signature.

“Yours truly,  
“WALSH, McKIM & HOUSSER,  
per H. C. N. McKim.”

“HCNM/A

20 67. Accordingly by an Indenture dated the 15th day of  
February, 1923, and made between the said executors and execu-  
trix, the said Andrew Ferguson and the said Peter Ferguson of  
the one part and the said Adam H. Wallbridge of the other part it  
was provided as follows:—

“MEMORANDUM OF AGREEMENT made this 15th day  
“of February, A.D. 1923.

“BETWEEN:

30 “KATHERINE W WILLIAMS (Widow), WALTER W.  
“WALSH (Barrister-at-Law) and WILLIAM GODFREY  
“(Banker) Executrix and Executors of the Estate of the late Adol-  
“phus Williams, all of the city of Vancouver, in the Province of  
“British Columbia, and ANDREW FERGUSON (miner) former-  
“ly of the City of Vancouver, in the Province of British Columbia,  
“now of the City of Seattle, in the State of Washington, one of  
“the United States of America, and PETER FERGUSON (Farm-  
“er) of Saanichton, Vancouver Island, Province of British Colum-  
“bia, hereinafter called the ‘Vendors’ OF THE FIRST PART

“AND

40 “ADAM HENRY WALLBRIDGE of the said City of Vancouver,  
“Broker, hereinafter called the “Purchaser” OF THE SECOND  
“PART.

“WHEREAS by Memorandum of Agreement dated the 6th  
“day of January, A.D. 1921, made between the said late Adolphus

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“Williams, Andrew Ferguson and Peter Ferguson therein called  
 “the Vendors of the First Part and Adam Henry Wallbridge there-  
 “in called the Purchaser of the Second Part the said Vendors  
 “agreed to sell to the said Purchaser 382,500 shares in the Pioneer  
 “Gold Mines Limited.

“AND WHEREAS the said agreement was amended by  
 “Memorandum of Agreement made on the 17th day of December,  
 “A.D. 1921, between the parties hereto,

“AND WHEREAS certain disputes have arisen between the  
 “Vendors and the Purchaser as to the said agreement and sale and 10  
 “the negotiations leading up to the same and the representations  
 “made thereon and it has been agreed between the parties that  
 “said disputes shall be settled by the Vendors completing the sale  
 “to the Purchaser and transferring the said 382,500 shares to him  
 “or his nominees without payment of any further purchase money  
 “therefor on the terms herein set out, and the purchase price there-  
 “for shall be deemed to have been fully paid.

“NOW THIS AGREEMENT WITNESSETH that in con-  
 “sideration of the premises and of the settlement of the matters in  
 “dispute between the parties and the mutual covenants and agree- 20  
 “ments herein contained, the Vendors COVENANT and AGREE  
 “with the Purchaser to forthwith ASSIGN AND TRANSFER to  
 “the Purchaser, his nominee or nominees, for his and their sole  
 “and beneficial use, the said 382,500 shares in the Pioneer Gold  
 “Mines Limited fully paid and non-assessable, without any further  
 “payment on account of purchase money therefor, and that the  
 “purchase price therefor shall be deemed to have been fully paid  
 “and satisfied.

“THE firm of Walsh, McKim & Housser, authorized success- 30  
 “ors of the Merchants Bank of Canada, as holders of the said  
 “shares in escrow pursuant to the said Agreement dated 6th day  
 “of January, A.D. 1921, are hereby instructed and authorized in  
 “pursuance hereof to forthwith deliver over to the said Purchaser,  
 “his nominee or nominees, the said 382,500 shares and the assign-  
 “ments thereof endorsed thereon upon production of a copy of  
 “this Agreement and thereupon said Walsh, McKim & Housser  
 “shall be released from all responsibility of whatsoever nature in  
 “connection with their having acted as escrow party in holding  
 “the said shares.

“IN CONSIDERATION AFORESAID it is further agreed 40  
 “between the parties hereto that the Vendors shall pay all debts  
 “and liabilities which on the said 6th day of January, 1921, were  
 “owing by the Pioneer Gold Mines Limited to the various Cred-  
 “itors thereof and all liens, charges, and encumbrances, if any,

“against the said mineral claims, mining property and real and  
 “personal property of the said Company so as to protect the said  
 “property therefrom, and shall also complete and perfect the title  
 “thereof with the exception of those mineral claims not Crown  
 “granted.

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“AND IT IS FURTHER AGREED between the parties  
 “hereto that the Purchaser or his nominee or nominees shall trans-  
 “fer or cause to be transferred 191,250 of his and their shares in  
 “the said Company, and the Vendors shall transfer or cause to be  
 10 “transferred 183,750 of their remaining shares in said Company to  
 “the Directors of the Company, or to such one of them as the ma-  
 “jority of the said Directors shall appoint for the purpose and upon  
 “trust to sell the same at such prices and at such times as the ma-  
 “jority of the Directors shall decide, and the proceeds of such sales  
 “to be used for the working capital of the said Company, and to pay  
 “off its liabilities and the balance of the debts owing prior to the  
 “said 6th day of January, 1921, to the unsecured creditors of the  
 “Company as covered by an extension agreement made between  
 “the said Company and Dunsmuir and McWilliams and the interest  
 20 “on all said debts and liabilities, with the privilege of assigning  
 “the said shares in settlement of any of said debts and liabilities  
 “without sale. PROVIDED that if the said shares shall not be  
 “sold or used as aforesaid or to the extent that the same shall not be  
 “so sold or used the Directors, in their discretion, may cause said  
 “shares to be re-assigned to the Vendors and Purchaser, or their  
 “nominee or nominees respectively in the proportion to the num-  
 “ber of shares originally assigned by them hereunder.

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“AND IT IS FURTHER AGREED between the parties  
 “hereto that if any of the said old debts or liabilities incurred prior  
 30 “to the 6th day of January, 1921, shall be paid by any of the said  
 “shares or the proceeds of the sale thereof, then such amount shall  
 “be paid out of or deducted from any dividends, profits or division  
 “of principal or assets of the said Company payable to or among  
 “the said Vendors.

“AND IT IS FURTHER AGREED that in consideration of  
 “the premises that there shall be no commission payable by the  
 “Vendors to the Purchaser in connection with the said sale and  
 “that this agreement and the completion thereof is in settlement  
 “of all matters contained in the said two agreements of the 6th  
 40 “January, 1921, and the 17th December, 1921, and of all represen-  
 “tations made in connection therewith.

“THESE PRESENTS shall enure to the benefit of and be  
 “binding upon the heirs, executors, administrators and assigns of  
 “the parties hereto, respectively.

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“IN WITNESS WHEREOF the parties hereto have here-  
 unto set their hands and seals the day and year first above written.

“SIGNED, SEALED AND DELIVERED

“in the presence of

“W. W. WALSH  
 “(SEAL)

“E. R. Thomas, 1020 Third Ave.,  
 “Seattle, Wn.  
 “as for Andrew Ferguson.

“WILLIAM GODFREY  
 “(SEAL)

“E. Sanders,  
 “Bank of Montreal, Hastings St.,  
 “Vancouver  
 “as to W. Godfrey.

“ANDREW FERGUSON  
 “(SEAL) 10  
 “PETER FERGUSON  
 “(SEAL)

“Oswald Moseley,  
 “432 Richards Street,  
 “Vancouver, B. C.  
 “as to W. W. Walsh.

“E. E. Heath,  
 “625 Yates St., Victoria, B. C.  
 “as to signature of  
 “Peter Ferguson.

“A. H. WALLBRIDGE  
 “(SEAL)

20

“Oswald Moseley,  
 “432 Richards Street,  
 “Vancouver, B. C.  
 “Witness to signature of  
 “K. W. Williams  
 “Ed. V. Steeds

“K. W. WILLIAMS  
 “(SEAL)

68. On the 15th of February, 1923, the said Andrew Fer-  
 guson and Peter Ferguson executed and delivered to the said  
 Walter Walsh the following document:—

“MEMORANDUM OF AGREEMENT made this 15th day 30  
 “of February, A.D. 1923.

“BETWEEN:

“ANDREW FERGUSON, formerly of the City of Van-  
 “couver, in the Province of British Columbia, now of the City of  
 “Seattle, in the State of Washington, one of the United States of  
 “America, and PETER FERGUSON, of Turgoose Post Office,  
 “Vancouver Island, in the Province of British Columbia, herein-  
 “after called the ‘Parties of the first part’ OF THE FIRST PART

“AND

“WILLIAM GODFREY, KATHERINE WYLIE WILLIAMS 40  
 “AND WALTER WILLIAM WALSH as Executors and Trus-  
 “tees under the last Will and Testament and Codicils of Adolphus



“Williams, deceased, hereinafter called ‘the Executors’ OF THE  
“SECOND PART.

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“WHEREAS the Parties of the First Part are indebted to  
“the Executors in various sums, for which the Executors have  
“accepted a Promissory Note of even date herewith, which promis-  
“sory note is for the sum of \$22,526.62, and is payable in five (5)  
“years from the date thereof, and bears interest at the rate of 8%  
“per annum, both before and after maturity.

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10 “AND WHEREAS it was agreed that in accepting the said  
“promissory note the Executors were to be collaterally secured by  
“the hypothecation of the following shares in the Pioneer Gold  
“Mines Limited, namely:

“21,147 shares being shares numbered 448,856 to 470,002  
“formerly standing in the name of Andrew Ferguson;  
“46,148 shares being shares numbered 703,853 to 750,000  
“formerly standing in the name of Peter Ferguson;

“the property in which is already transferred to the Executors  
“by a prior Assignment in writing.

20 “NOW IT IS HEREBY AGREED between the Parties of  
“the First Part and the Executors that in case the above note is  
“not paid on maturity, the said Parties of the First Part hereby  
“consent to the sale of the said shares in the Pioneer Gold Mines  
“Limited, and that such shares shall first be offered for sale by  
“public auction and thirty days’ notice of such proposed sale shall  
“be given to the Parties of the First Party by mailing such notice  
“in the Vancouver Post Office, addressed to Andrew Ferguson  
“and Peter Ferguson, care of James B. Noble, Barrister, 850 Has-  
“tings Street West, Vancouver, B. C. Should such sale by auction  
“prove abortive then such sale may be by private contract without  
30 “any further notice to the said Parties of the First Part and on  
“such terms of payment as to the Executors may seem proper.

40 “IT IS FURTHER AGREED that in the event of the Execu-  
“tors being called upon under that certain Agreement of even date  
“herewith, between the said Executors and the Parties of the First  
“Part, described as Vendors, and Adam Henry Wallbridge, des-  
“cribed as Purchaser, to pay any moneys on account of the indebt-  
“edness of the Pioneer Gold Mines Limited incurred prior to the  
“6th day of January, 1921, then the Executors shall be entitled  
“to claim thirty-seven fiftieths (37/50th) of such moneys so paid  
“by them, together with interest at eight (8%) per cent. per  
“annum from date of payment, from the parties of the First Part  
“and such moneys shall be paid by the Parties of the First Part  
“to the Executors on the 18th day of February, 1928, and the above  
“mentioned shares shall be security to the said Executors for the  
“said 37/50ths of the sum so paid and interest, and the said shares  
“shall be charged with payment of the said debt.

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"IT IS FURTHER AGREED that all dividends received by  
 "the Executors from the said shares shall be credited on the said  
 "Promissory Note by the Executors.

"In the event of default and a sale of the said shares by the  
 "Executors, it is agreed that should there be any balance still due  
 "to the Executors after applying the proceeds realized on the  
 "shares, the said Parties of the First Part agree to pay such short-  
 "age on demand, or in the event of there being a surplus after pay-  
 "ment of the said Promissory Note, and any other indebtedness  
 "incurred as above mentioned, the Executors agree to pay such 10  
 "surplus to the Parties of the First Part on demand.

"In the event of the Royal Bank of Canada, their successors  
 "or assigns surrendering to the Board of Directors of Pioneer  
 "Gold Mines Limited, or their nominee or nominees any portion  
 "of the shares in the said Company belonging to the Parties of the  
 "First Part, now held by the said Bank as Collateral Security, the  
 "Executors shall be entitled to obtain from the said Directors,  
 "their nominee or nominees a re-transfer to the Executors of an  
 "equal number of shares in said Company and to hold the same 20  
 "as additional security for the moneys secured by this Agreement  
 "in the same manner and subject to the same terms and conditions  
 "as the other shares mentioned herein are held by the said Execu-  
 "tors.

"IT IS HEREBY DECLARED that these presents contain  
 "the only hypothecation of said shares existing between the  
 "Parties hereto and that all former agreements or assignments  
 "relating to the said shares are hereby cancelled and of no further  
 "force or effect.

"AND IT IS HEREBY EXPRESSLY AGREED that the  
 "terms and provisions of this Agreement shall extend to the 30  
 "Executors, Administrators, Successors or Assigns of the said  
 "Parties of the First Part and the said Executors.

"IN WITNESS WHEREOF the Parties hereto have here-  
 "unto set their hands and seals the day and year first above men-  
 "tioned.

"SIGNED, SEALED AND DELIVERED

"by Andrew Ferguson,

"in the presence of:

"E. R. Thomas,

"1020-3rd Ave., Seattle, Wn.,

"Mortgage Loans.

"Andrew Ferguson.

40

"SIGNED, SEALED AND DELIVERED

"by Peter Ferguson,

"in the presence of:

"E. E. Heath,

"625 Yates St., Victoria, B. C.,

"Broker.

"Peter Ferguson.

“SIGNED, SEALED AND DELIVERED

“by William Godfrey and

“Walter William Walsh,

“in the presence of:

“Oswald Moseley,

“432 Richards St., Vancouver, B. C.,

“Accountant.

“SIGNED, SEALED AND DELIVERED

“by Katherine Wylie Williams,

10 “in the presence of:

“George V. Steed,

“No. 1 Harrison St.,

“San Francisco, Cal., U.S.A.,

“Attorney.

“W. W. Walsh.

“William Godfrey.

“K. W. Williams.”

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69. On the 16th of February, 1923, the said Walsh, McKim and Housser wrote to the said Noble & St. John, the following letter:

“February 16, 1923.

“McKim.

20 “Messrs. Noble & St. John,

“Barristers,

“602 Credit Foncier Bldg.,

“Vancouver, B. C.

“Dear Sirs:

“re, Williams Estate and Ferguson

“Enclosed herewith please find the following documents:

“1. Hypothecation Agreement in triplicate.

“2. Two copies of Agreement between K. W. Williams,  
“et al, and A. H. Wallbridge.

30 “You have the other copy of this Agreement. Kindly alter  
“the date to February 15th and have the agreement executed  
“in triplicate.

“3. Authority to surrender shares.

“You have the other copy of this Authority. Kindly fill in the  
“dates as in the enclosed.

“4. Promissory Note in favour of the Executors for  
“\$22,526.62.

“Kindly have these documents, together with the additional  
“copies in your possession, executed by your clients and oblige.

40 “Yours truly,

“WALSH, McKIM & HOUSSER,  
per H. C. N. McKim.”

“HCNM/FB Encl.

70. The documents mentioned in the said letter were enclosed therein.

71. On the 12th of March, 1923, the said Noble & St. John wrote to the said Walsh, McKim and Housser the following letter:

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"NOBLE & ST. JOHN

"Vancouver, B. C.,  
"March 12th, 1923.

"Messrs. Walsh, McKim & Housser,  
"Barristers, etc.,  
"Richards Street,  
"Vancouver, B. C.  
"Dear Sirs:

"re, Williams Estate vs. Ferguson Bros.

"Pioneer Gold Mines Limited.

10

"We enclose the following documents which have been signed  
"by Andrew and Peter Ferguson:

"1. Agreement in triplicate between Williams Estate,  
"Ferguson Bros. and A. H. Wallbridge, dated 15th February,  
"1923.

"2. Authority to surrender certain shares to the Direc-  
"tors of Pioneer Gold Mines Limited, dated 15th February,  
"1923.

"3. Promissory Note, Ferguson Bros. to Williams  
"Estate for \$22,526.62, dated 15th February, 1923, payable 5  
"years thereafter, with interest at 8% per annum.

20

"4. Authority to Royal Bank to transfer 50% of its hold-  
"ings, dated 20th February, 1923.

"5. Hypothecation agreement in triplicate between Fer-  
"guson Bros. and Williams Estate, dated 15th February, 1923.

"We have not yet received instructions from Ferguson Bros.  
"to hand these documents to you as a letter did not accompany  
"them. We are sending them on to you so that they can be signed  
"in the meantime by the Executors of Williams Estate and by A.  
"H. Wallbridge in order to save time, as we believe we will receive  
"the instructions to close this transaction by the delivery of these  
"documents to you.

30

"Kindly therefore hold the documents after execution until  
"you hear further from us.

"Yours truly,

"NOBLE & ST. JOHN,  
Per J. B. Noble."

"JBN/M

72. The documents mentioned in the said letter were en-  
closed therein.

73. On the 27th of March, 1923, the said Noble and St. John  
wrote to the said Walsh, McKim & Housser the following letter:—

40

"NOBLE & ST. JOHN

"Vancouver, B. C.

"March 27th, 1923.

"Messrs. Walsh, McKim & Housser,  
"Barristers, etc.,  
"Vancouver, B. C.

"Dear Sirs,

"re, Williams Estate vs. Ferguson Bros.  
"re, Pioneer Goldfields Mines Ltd., N.P.L.

"Referring to our letter to you of 12th inst., we beg to advise  
"that you are at liberty to use the documents mentioned therein.

"Please send us one copy of the agreement between Williams  
"Estate, Ferguson Bros. and A. H. Wallbridge, and one copy of  
"the hypothecation agreement between Ferguson Bros. and Wil-  
"liams Estate.

10

"Yours truly,

"NOBLE & ST. JOHN,  
Per 'J. B. Noble'."

"JBN/EB

74. On the 28th of March, 1923, the said Walsh, McKim &  
Housser wrote to the said Noble & St. John the following letter:

"March 28th, 1923.

"Walsh.

"Messrs. Noble & St. John,

"Barristers,

"Credit Foncier Bldg.,

20

"850 Hastings St. W.,

"City.

"Dear Sirs,

"re, Williams Estate vs. Ferguson Bros.  
"and Pioneer Gold Mines Ltd.

"We have your letter of March 27th, authorizing us to use  
"the documents mentioned in your letter of March 12th.

"As requested we enclose you agreement between Williams  
"Estate, Ferguson Brothers and Wallbridge, and further Agree-  
"ment between Ferguson Bros. and Williams Estate.

30

"Yours truly,

"WALSH, McKIM & HOUSSER,  
per W. W. Walsh."

"WWW/W Encls.

75. The documents mentioned in the said letter were en-  
closed therein.

76. Subsequently the said Adam H. Wallbridge endeavored  
to sell the shares mentioned in the lastly recited indenture and pre-  
pared a prospectus for that purpose, but met with no success.

40

77. By the end of 1923 the situation of these said four De-  
fendants was bad; they and the said H. C. N. McKim and the  
said Adam H. Wallbridge had advanced to the Company the sum  
of approximately \$40,000.00 and had guaranteed an advance to  
the Company by the Bank of a further \$5,000.00.

78. The said executors and executrix, the said Andrew Fer-  
guson and the said Peter Ferguson had consistently refused to ad-

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vance any money to the Company for its operations and had failed to pay off the old debts of the Company.

79. The money to pay off some of these old debts had to be found by the Company and \$3,600.00 was actually disbursed by the Company after the 6th of January, 1921, in payment of debts incurred prior to that date, such moneys coming out of the loans made to the Company by these Defendants and the said Adam H. Wallbridge.

80. By an indenture dated the 6th of December, 1923, and made between the Company of the one part and the said Charles L. Copp of the other part, the Company gave to the said Charles L. Copp an option to purchase its property for the sum of \$125,000.00. 10

81. The said option was not exercised.

82. By an indenture dated the 1st of April, 1924, and made between the Company of the one part, and R. R. Land, of Binghamton, in the State of New York, of the other part the Company gave to the said R. R. Land an option to purchase its property for the sum of \$100,000.00.

83. The said option had been negotiated by the David Sloan mentioned in the Statement of Claim, to whom a commission of \$10,000.00 was to be paid by the Company, and by the said indenture mentioned in the last paragraph hereof it was provided that the said R. R. Land should pay to the said David Sloan the sum of \$1,000.00 for the purpose of pumping the water out of the underground workings and putting the property in a condition for examination. 20

84. This was done and in the summer of 1924, the said R. R. Land, accompanied by his engineer and associates, came out and inspected the said property at his own expense and promptly threw up the option. 30

85. By this time the investment of these Defendants, the said H. C. N. McKim and the said Adam H. Wallbridge amounted to \$60,000.00, and they were alarmed at the prospect of the total loss of this investment.

86. They, therefore, verbally during the month of July, 1924, discussed the matter with the said David Sloan and pressed him to take an option to purchase the property of the Company.

87. The said David Sloan refused to do so unless these Defendants, the said H. C. N. McKim and the said Adam H. Wallbridge would take a one-half interest in the adventure, advance half the capital required, and assume half the liabilities. 40

88. This suggestion was eventually agreed to and on the 16th of July, 1924, the proposed agreement was discussed at a meeting of the directors of the Company, at which were present the said Walter Walsh, and the Defendants A. E. Bull, J. Duff-Stuart and the said A. H. Wallbridge.

89. The said A. E. Bull in accordance with the Company's Articles of Association made a full and complete explanation of the circumstances at the said meeting, stating that the said David Sloan would not take the said option unless these Defendants, the said H. C. N. McKim and the said Adam H. Wallbridge (three of whom were directors of the Company) would take a one-half interest in the adventure, advance half the capital required, and assume half the liabilities, and the meeting of the directors thereafter approved the said agreement and authorized its execution.

10 90. Thereafter by an indenture dated the 16th of July, 1924, and made between the Company of the one part and the said David Sloan of the other part, the Company gave to the said David Sloan an option to purchase its property for the sum of \$100,000.00.

91. By the said indenture the said David Sloan was bound, amongst other things, to supply \$16,000.00 of working capital to develop and operate the said property and to pay to the Company fifteen per cent. of the proceeds of all ore won and to sink a shaft on the Pioneer Claim, one of the Company's mining claims.

20 92. On the same date, viz: the 16th of July, 1924, by a paper writing these Defendants, the said H. C. N. McKim and the said Adam H. Wallbridge agreed with the said David Sloan to find one half the amounts required by the said David Sloan to carry out his obligations under the said indenture of even date and the said David Sloan agreed to hold his rights under the said indenture in trust as to one-half for these Defendants, the said H. C. N. McKim and the said Adam H. Wallbridge.

30 93. On the date of the said indenture and subsequently, out of the 750,000 shares of the capital stock of the Company allotted, one stood registered in the name of Andrew Ferguson, one in the name of Peter Ferguson, fifteen thousand in the name of the said Katherine W. Williams, 87,899 in the name of the said Adolphus Williams, 184,595 in the names of the said executors and executrix of the said Adolphus Williams, 382,498 in the name of the said Adam H. Wallbridge, and one each in the name of each of these Defendants and the said H. C. N. McKim, making a total of 669,997.

40 94. The said David Sloan proceeded with the said contract and the assets of the Company consisted of the sum of \$100,000.00 payable by the said David Sloan and the sum of \$1,050.00 payable by the said David Sloan for the supplies owned by the Company, over and above the sum of \$1,152.50 already paid by the said David Sloan in respect of the said supplies.

95. The debts of the Company, including its debt to these Defendants, the said H. C. N. McKim and the said Adam H. Wallbridge amounted to \$45,252.05.

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96. The Company was accordingly wound up voluntarily, the resolution having been duly passed and confirmed on the 22nd of August and the 9th of September, 1924.

97. The property of the Company as aforesaid was duly advertised for sale by tender during fourteen days in the daily newspaper, the Vancouver Daily Sun.

98. No tenders were received.

99. These Defendants, the said H. C. N. McKim, and the said Adam H. Wallbridge offered to buy the property of the Company for \$45,000.00 and this offer was accepted by a meeting of the creditors of the Company, duly convened and held on the 22nd of October, 1924. 10

100. The said Walter Walsh objected to this offer, however, and nothing was done upon it.

101. On the 28th of November, 1924, these Defendants, the said H. C. N. McKim and the said Adam H. Wallbridge, after verbal negotiations with the said executors of the said Adolphus Williams, wrote to the said Walter Walsh as follows:—

“Vancouver, Canada,  
 “November 28th, 1924. 20

“W. W. Walsh, Esq.,  
 “432 Richards St.,  
 “Vancouver, B. C.

“Dear Sir,

“re Pioneer Gold Mines Limited.

“In pursuance of my conversation with you and your Co-  
 “executor, Mr. Godfrey, representing the Williams Estate, I have  
 “consulted the members of the Syndicate, owning 51% of the  
 “shares in the above Company, with reference to increasing the  
 “offer made by Dr. Boucher, on behalf of the Syndicate, to pur- 30  
 “chase the assets of the Company from the Liquidator, in view of  
 “the dissatisfaction expressed by you as to the acceptance of the  
 “offer already made and accepted by the creditors, and the Syndi-  
 “cate has authorized me to make a better offer on certain con-  
 “ditions, namely:—that if, at the meeting of the Shareholders  
 “called for the 5th December, next, 95% of the shareholders con-  
 “firm the working bond already given to Mr. Sloan and approve  
 “of and support the proposal now being made, i.e., that the Syndi-  
 “cate will out of the purchase money as received under the said  
 “bond pay the liabilities of the Company as now proved with the 40  
 “Liquidator, with interest until such payment, and will pay the  
 “next \$20,000.00 coming in on said purchase money under said  
 “bond to the Liquidator for distribution pro rata among the share-  
 “holders of the Company as and when the same is paid in. This



“will be the equivalent of nearly three cents a share to all the  
“shareholders of the Company.

“Yours truly,  
“AEB/C A. E. BULL.”

102. Thereupon the Liquidator called a meeting of the share-  
holders of the Company by notice dated the 13th November, 1924,  
accompanied by an explanatory letter signed by the said Adam  
H. Wallbridge.

103. The said notice is in the words and figures following:—

10 “IN THE MATTER OF THE ‘COMPANIES’ ACT, 1921  
“—and—  
“IN THE MATTER OF PIONEER GOLD MINES LIMITED  
“Dear Sir or Madam:—

“NOTICE is hereby given that an Extraordinary General  
“Meeting of Pioneer Gold Mines Limited will be held at the office  
“of Messrs. Walsh, McKim & Housser, 432 Richards Street, Van-  
“couver, British Columbia, being the registered office of the Com-  
“pany, on Friday, the 5th day of December, A.D. 1924, at 4 o’clock  
“in the afternoon, for the following purposes, namely:—

20 “1. Of confirming the action of the board of Directors  
“of the Company in granting a working bond containing an  
“option to purchase all the mineral claims, buildings, plant,  
“machinery, equipment, materials and supplies belonging to  
“the Company, dated July 16th, 1924, to one David Sloan,  
“representing himself for one-half interest and the  
“following shareholders of the Company for one-half  
“interest, R. B. Boucher, F. J. Nicholson, H. C. N. McKim,  
“A. E. Bull, A. H. Wallbridge and J. Duff Stuart, of whom  
“the three last mentioned are directors of the Company.

30 “2. Of considering, and if thought fit, confirming or  
“sanctioning the action of the meeting of the Creditors of the  
“Company, held the 22nd day of October, A.D. 1924, in accep-  
“ting a tender of \$45,000.00 for all the mineral claims, assets  
“and property of the above Company, subject to but with the  
“benefit of the said working bond, said tender being made by  
“R. B. Boucher on behalf of the before mentioned six creditors  
“of the Company to the extent of \$39,590.18.

40 “3. Of considering, dealing with or acting upon any  
“other offer or offers for said assets that may be submitted to  
“the meeting or authorizing the Liquidator to sell said assets  
“for such sum and on such terms as the meeting may deter-  
“mine.

“4. Copy of letter of the Secretary of the Company is  
“enclosed herewith at his request.

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“DATED at Vancouver, British Columbia, this 13th day of  
 “November, A.D. 1924.

“J. S. SALTER,  
 “Liquidator  
 “Pioneer Gold Mines Limited.

“To the Shareholders of  
 “Pioneer Gold Mines Limited.”

104. The said explanatory letter is in the words and figures  
 following:—

“To  
 “The Shareholders of Pioneer Gold Mines Limited,

10

“In view of the voluntary winding up of the Company I wish  
 “to submit to you shortly the endeavors that have been made  
 “during the last few years to operate the mine or dispose of the  
 “same.

“Almost immediately after the Syndicate which acquired the  
 “majority of the stock in the Company acquired their interests  
 “they had to advance money to the Company to operate the prop-  
 “erty until they had advanced nearly \$40,000.00 and made them-  
 “selves liable for other moneys borrowed from the Bank but re-  
 “fused to advance any further moneys unless the minority share-  
 “holders would put up a proportionate amount.

20

“I endeavored to raise money to carry on the Company and  
 “develop the property by trying to induce other people to take  
 “shares in the Company at an advantageous price and interviewed  
 “a great many business and financial people in Vancouver to this  
 “end, without success.

“The property was offered for sale many times to various  
 “people and a number of options were given on the property, none  
 “of which was taken up. The last one was as low as \$90,000.00 net  
 “to the Company given to New York and Washington Capitalists  
 “who spent \$1,000.00 in dewatering the mine and considerably  
 “more money in sending their engineer and three men from New  
 “York to examine the property, but promptly turned it down and  
 “the option was thrown up on the 1st of June last.

30

“In view of the action of the New York people in so decidedly  
 “reporting against the property after spending the money on it  
 “for examination, the creditors began to fear for the safety of their  
 “advances to the Company and decided that immediate action  
 “would have to be taken to realize or protect their moneys and the  
 “Bank was also pressing for payment of its claim.

40

“As there was no money to pay men to keep the mine pumped  
 “out, something had to be done quickly or the mine would fill up  
 “again and would appear to be an abandoned property after being  
 “so decidedly turned down by prospective buyers, so after con-

“siderable negotiations David Sloan was induced to take a work-  
 “ing bond on the property for the purpose of developing the same  
 “with an option to buy at \$100,000.00 within five years, but he  
 “would only enter into such an agreement on condition that the  
 “Syndicate forming the majority of the shareholders, of whom  
 “three were directors, would put up one-half of the money and  
 “undertake one-half the responsibility, and the Syndicate to en-  
 “deavor to save their advances and investments agreed to the pro-  
 “posal. Other local shareholders of the Company were asked to  
 10 “join with the Syndicate in the new undertaking but refused.

“The voluntary winding up of the Company was then pro-  
 “ceeded with.

“Yours truly,  
 “A. H. WALLBRIDGE,  
 “Manager and Secretary.”

105. The said notice and the said letter were duly sent by  
 registered post on the 14th of November, 1924, to each share-  
 holder of the Company, including the said Andrew Ferguson and  
 the said Peter Ferguson.

20 106. The said meeting was duly held on the 5th of Decem-  
 ber, 1924, and a letter from these Defendants, the said H. C. N.  
 McKim and the said Adam H. Wallbridge in the words and figures  
 following was presented and read to the said meeting:

“Vancouver, Canada,  
 “December 5th, 1924.

“J. S. Salter, Esq.,  
 “Liquidator, Pioneer Gold Mines Limited  
 “Vancouver, B. C.

“Dear Sirs:

30 “We, the undersigned creditors of the Pioneer Gold Mines  
 “Limited, hereby offer to purchase all the assets of the said Com-  
 “pany, subject to, but with the benefit of the working bond and  
 “option given to David Sloan and the royalties and purchase  
 “moneys payable thereunder, on the following terms and con-  
 “ditions:

40 “The consideration of such purchase being the payment  
 “or satisfaction by us out of the royalties and purchase money  
 “as received under the said bond, of the liabilities of the  
 “Company as now proved with you as liquidator, together with  
 “interest thereon as provided by the various notes, evidencing such  
 “indebtedness, until payment, and the next \$20,000.00 coming in  
 “under said royalties or purchase money under said bond to be  
 “paid to the Liquidator for distribution pro rata among the share-  
 “holders of the Company when the same shall have been paid in.

“This offer is subject to and upon the condition that the said

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“bond to David Sloan shall be confirmed and this offer accepted  
 “and approved of by a vote of the Holders of not less than 95%  
 “of all the shares in the Company, at the meeting of shareholders  
 “called for the 5th December, 1924.

“Yours truly,

“J. DUFF STUART  
 “A. E. BULL  
 “A. H. WALLBRIDGE  
 “F. J. NICHOLSON  
 “R. B. BOUCHER  
 “H. C. N. McKIM”

10

107. Over ninety-seven per cent. of the issued shares of the Company were represented at the said meeting.

108. The said meeting unanimously ratified and confirmed the said indenture of the 16th of July, 1924, containing the option to the said David Sloan, and the sale of the Company's assets on the terms of the said letter of the same date.

109. Accordingly by an indenture dated the 21st of January, 1925, and made between the Company by its Liquidator, the Defendant J. S. Salter, as Vendor, of the one part, and these Defendants, the said H. C. N. McKim and the said Adam H. Wallbridge, as Purchasers, of the other part, the Company contracted with the Purchasers in the terms of the said letter of the 5th December, 1924, so accepted by the said meeting as aforesaid.

20

110. The terms and conditions of the said contract of the 21st January, 1925, have all been duly performed.

111. The Company was duly wound up on the 27th of July, 1928, and is dissolved.

112. The Pioneer Gold Mines of B.C. Limited mentioned in paragraph 23 of the Statement of Claim owns many mining claims which were never owned by the Company.

30

113. The Defendants (except the Defendant Salter) and the said David Sloan and one A. R. Thomson transferred to the said Pioneer Gold Mines of B. C. Limited other mineral claims, individually owned by them, and not acquired from the Company in consideration for the allotment to all these Defendants (other than the Defendant Salter) of shares in the capital stock of the Pioneer Gold Mines of B. C. Limited.

114. The very object of making the said agreements with the said David Sloan was to enable the property of the Company to be developed, and the vein to be explored. None of the Defendants knew, until after the said meeting of the 5th of December, 1924, what progress the said David Sloan had made in his operations during 1924, and during the mining seasons of 1924 and 1925 nothing was accomplished except a steady and orderly develop-

40

ment of the mine, a loss being incurred on the operations of 1924, and a profit of \$9,000.00 being obtained at the end of 1925 as a result of the two seasons operations.

115. These Defendants will also contend that this action is not properly constituted, in that the legal personal representatives of the said Adolphus Williams and the said H. C. N. McKim are not parties thereto.

116. These Defendants will also contend that the above mentioned Andrew Ferguson does not represent anyone but himself and his brother, the said Peter Ferguson, and that an action in this form does not lie.

117. These Defendants will also contend that the said Andrew Ferguson has delayed in bringing this action and that the position of these Defendants has entirely changed in the interval.

118. These Defendants will also contend that this action is barred by Section 3 of the Statute of Limitations.

DATED at Vancouver, B. C., this 17th day of October, A.D. 1932.

20 "T. EDGAR WILSON",  
Solicitor for the Defendants;  
Alfred E. Bull, J. Duff-Stuart, R. B. Boucher  
and Francis J. Nicholson.

DELIVERED by T. Edgar Wilson, whose place of business and address for service is 605 Rogers Building, 470 Granville Street, Vancouver, B. C., Solicitor for the above named Defendants, Alfred E. Bull, J. Duff-Stuart, R. B. Boucher and Francis J. Nicholson.

To:

The above named Plaintiff.

30 And to:

Ian A. Shaw, Esq.,  
his Solicitor.

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No. 8

DEFENCE OF THE DEFENDANTS HELEN A. WALLBRIDGE AND DAVID STEVENSON WALLBRIDGE, AS EXECUTORS AND TRUSTEES OF THE ESTATE OF ADAM H. WALLBRIDGE, DECEASED

40 (The defence of these Defendants as delivered contained 121 paragraphs, Nos. 1 to 118, of which are exact copies of the similarly numbered paragraphs in the defence of

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*In the  
Supreme Court  
of British  
Columbia*

No. 7

Statement of  
Defence of  
Defendants  
Bull, et al.  
Oct. 17, 1932.  
(Cont.)

No. 8  
Statement of  
Defence of  
Wallbridge  
Executors.  
Oct. 17, 1932.

RECORD  
 —  
*In the  
 Supreme Court  
 of British  
 Columbia*  
 —

No. 8  
 Statement of  
 Defence of  
 Wallbridge  
 Executors.  
 Oct. 17, 1932.  
 (Cont.)

Messrs. Bull, Duff-Stuart, Boucher and Nicholson as found at pages 16 to 47 of this Record, and are not repeated here pursuant to agreement. The remainder of the defence—paragraphs 119 to 121, inclusive—are hereinafter set out.)

119. The said Adam H. Wallbridge died on the 10th day of September, 1927, after having made and published his Last Will and Testament, dated the 30th day of December, 1910, whereby he devised and bequeathed one-half of his estate to his widow, the Defendant Helen A. Wallbridge, and the other one-half of his estate to his only child, Lewis Kelso Wallbridge, and appointed the Defendants Helen A. Wallbridge and David Stevenson Wallbridge as Executrix and Executor of his said Will, and probate of said Will was issued on the 7th day of February, 1928. 10

120. The said Lewis Kelso Wallbridge attained the age of twenty-one years on the 9th day of February, 1931, and immediately thereafter the whole of the estate of the said Adam H. Wallbridge was divided between the said beneficiaries and the said Estate fully administered and wound up, and these Defendants plead Plene Administravit. 20

121. The said Lewis Kelso Wallbridge died on the 31st day of March, 1932, after having made and published his Last Will, whereby he devised and bequeathed his estate to certain relatives and the residue to his mother the said Helen A. Wallbridge. Probate of said Will was issued on the 11th day of July, 1932, and the estate of the said Lewis Kelso Wallbridge has been partially administered.

DATED at Vancouver, B. C., this 17th day of October, A.D. 1932.

"A. H. MILLER" 30  
 Solicitor for the Defendants  
 Helen A. Wallbridge and David Stevenson  
 Wallbridge, Executors and Trustees of the  
 Estate of Adam H. Wallbridge, deceased.

DELIVERED by Arthur Harold Miller, whose place of business and address for service is 508 Crown Building, 615 Pender Street West, Vancouver, B. C., Solicitor for the above named Defendants, Helen A. Wallbridge and David Stevenson Wallbridge.

To— 40  
 The above named Plaintiff.

And to—  
 Ian A. Shaw, Esq.,  
 his Solicitor.

No. 9  
STATEMENT OF DEFENCE OF THE DEFENDANT  
JOHN S. SALTER

RECORD  
—  
*In the*  
*Supreme Court*  
*of British*  
*Columbia*  
—  
No. 9  
Statement of  
Defence of  
J. S. Salter.  
Oct. 22, 1932.

1. This Defendant does not admit any of the allegations of fact set out in paragraphs 1, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 of the Statement of Claim herein.

2. This Defendant denies each and every allegation of fact set out in paragraph 14 of the Statement of Claim herein and denies that he was on the 22nd day of August, 1924, or at any other time material in this action, the servant of his co-Defendants and denies that the property in question was improperly or insufficiently advertised for sale.

3. This Defendant does not admit any of the allegations of fact set out in paragraphs 15, 16, 17, 18 and 19 of the Statement of Claim herein.

4. This Defendant denies each and every allegation of fact set out in paragraph 20 of the Statement of Claim herein and says that he fully complied with the provisions of the "Companies Act", with respect to service of the notice in question upon the Plaintiff and upon the said Peter Ferguson. On the 14th day of November, 1924, this Defendant caused notices of the said meeting to be sent by registered letter to each shareholder of the Company including the Plaintiff and the said Peter Ferguson.

5. This Defendant does not admit the allegations of fact set out in paragraphs 21, 22 and 23 of the Statement of Claim herein.

6. This Defendant denies each and every allegation of fact set out in paragraph 24 of the statement of claim herein and says that no such discoveries were made by his co-defendants as alleged in paragraph 17 of the Statement of Claim herein and as alleged in the particulars delivered by the Plaintiff. In the alternative this Defendant says that if such discoveries were made they were not made known to him, and this Defendant at the time of the alleged meeting on the 5th of December, 1924, on and prior to that date had no knowledge material in this action with respect to the development of the said mine which he failed to disclose to the shareholders at and prior to the said meeting.

7. The Company was wound up on the 27th day of July, 1928, and is dissolved.

8. The Plaintiff's claim against this Defendant was barred by the Statutes of Limitations, being Chapter 145, Revised Statutes of British Columbia, 1924, and Amending Acts.

DATED at Vancouver, B. C., this 22nd day of October, A.D. 1932.

"C. W. ST. JOHN"

Solicitor for the Defendant John S. Salter.

To Ian A. Shaw, Esq.,  
Solicitor for the Plaintiff.

DEMAND FOR PARTICULARS OF DEFENCES  
BY PLAINTIFF

TAKE NOTICE that the Plaintiff requires an account in writing of the following particulars of the Statement of Defence of the Defendant Salter.

1. Full particulars of the mailing of the notices of the meeting referred to in Paragraph 4 of the Statement of Defence of the said Defendant, stating

- (a) What person actually mailed the said notices. 10
- (b) Where they were mailed.
- (c) To what addresses they were mailed.
- (d) Whether the said letters, or either of them, were returned by the Post Office.

The Plaintiff requires an account in writing of the following particulars of the Statement of Defence of the Defendants Bull, Duff-Stuart, Boucher and Nicholson:

1. Full particulars of the debts referred to in paragraph 36 of their said Defence.

2. Full particulars of the actual cost of the cyanide plant referred to in Paragraph 41 of their said Defence. 20

3. Particulars of the dates when the Defendants first discovered the alleged low value of the tailings and when the Defendants first discovered that there were only 3600 tons of tailings as alleged in Paragraph 49 of their said Defence.

4. With reference to Paragraph 51 of their said Defence, full particulars of which of the alleged misrepresentations the Defendants had discovered during the autumn of 1921.

5. Particulars of the work done on the property of the Company and the improvements effected as alleged in paragraph 54 of their said Defence including particulars of materials and supplies purchased in 1921 and 1922, but not used, and the cost of all such improvements, materials and supplies. 30

6. Particulars of the sum of \$22,500.00 referred to in paragraph 55 of their said Defence, when the same was advanced and full particulars of how it was spent.

7. Full particulars of the bank loans referred to in paragraph 57 of their said Defence, when such loans were made and how the monies were spent.

8. Full particulars of the advances referred to in paragraph 77 of their said Defence, when such advances were made and how they were spent. 40

9. Particulars of the old debts referred to in paragraph 79 of their said Defence, giving in the case of each debt the name of the debtor, the amount of the debt, the name of the payee and the date or dates of payment.



10. Particulars of the terms of the Sloan option referred to in paragraph 90 of their said Defence including particulars of all supplies sold to the said Sloan, the cost price thereof, the dates the said supplies were purchased and the price to be paid therefor by the said Sloan.

11. Full particulars of the debts of the Company described in paragraph 95 of their said Defence.

10 12. Full particulars of the wording of the advertisement referred to in paragraph 97 of their said Defence and particulars of the number of insertions of same in the Vancouver Daily Sun.

13. Particulars of the posting of the notice referred to in paragraph 105 of their said Defence stating by whom the said notice was posted, the precise place of posting, the address or addresses to which the notice was posted and whether or not the notices, or either of them, were returned by the Post Office.

20 14. Particulars of the Contract referred to in paragraph 109 of their said Defence and of the performance thereof referred to in paragraph 110 including full particulars of the dates when the liabilities of the Company to creditors other than the Defendants in this action, were made.

15. Particulars of the mining claims referred to in paragraph 112 of their said Defence, giving in each case the name of the claim, the date it was acquired, the person from whom it was acquired and the consideration given by Pioneer Gold Mines (B. C.) Limited therefor.

30 16. Full particulars of the mining claims owned by the Defendants and transferred to Pioneer Gold Mines of B. C. Limited as alleged in paragraph 113 of their said Defence, stating when such mineral claims were acquired, by whom they were acquired and the manner in which any such claims of these Defendants were acquired, by them and the source of the consideration paid by such Defendants therefor and full particulars of the allotment to these Defendants of shares in Pioneer Gold Mines of B. C. Limited.

TAKE NOTICE that the Plaintiff requires an account in writing of the following particulars of the Statement of Defence of Helen A. Wallbridge and David Stevenson Wallbridge.

40 1. All of the particulars demanded from the Defendants Bull, Duff-Stuart, Boucher and Nicholson as hereinbefore set out and in addition particulars of the terms of the Will of Lewis Kelso Wallbridge described in Paragraph 121 of their said Defence in so far as the same affects shares in Pioneer Gold Mines of B. C. Limited and/or Pioneer Gold Mines Limited and particulars of the names and addresses of the Executors of the said Will.

AND FURTHER TAKE NOTICE that if the aforesaid particulars are not furnished within five days from the date of

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*In the  
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No. 10  
Demand for  
Particulars of  
Defences  
by Plaintiff.  
Nov. 12,  
1932.

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 In the  
 Supreme Court  
 of British  
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No. 10  
 Demand for  
 Particulars of  
 Defences  
 by Plaintiff.  
 Nov. 12,  
 1932.  
 (Cont.)

service hereof, an application will be made to compel you to furnish such particulars.

DATED at Vancouver, B. C., this 12th day of November, 1932.

“IAN A. SHAW”  
 Solicitor for the Plaintiff.

To the Defendants,

And to A. H. Miller, Solicitor for the Defendants Helen A. Wallbridge and David Stevenson Wallbridge as Executors, etc., T. Edgar Wilson, Solicitor for the Defendants Alfred E. Bull, R. B. Boucher, J. Duff-Stuart and F. J. Nicholson, and to C. W. St. John, Solicitor for the Defendant Salter.

10

No. 11  
 Particulars of  
 Defence of  
 Salter.  
 Nov. 18,  
 1932.

No. 11

PARTICULARS OF DEFENCE OF DEFENDANT SALTER

In answer to the demand of the Plaintiff herein, dated the 12th day of November, 1932, the Defendant John S. Salter says:

1. The notices of meeting referred to in paragraph 4 of the Statement of Defence of the Defendant were mailed by the said John S. Salter.

20

2. The said notices were mailed in His Majesty's Post Office in the said City of Vancouver in the Province of British Columbia.

3. The said notices were mailed to the following addresses:

(a) Peter Ferguson,  
 Saanichton,  
 Vancouver Island, B. C.

(b) Andrew Ferguson,  
 c/o Peter Ferguson,  
 Saanichton,  
 Vancouver Island, B. C.

30

(c) Andrew Ferguson,  
 Vancouver, B. C.

4. The letters referred to as items (b) and (c) of paragraph 3 hereto were returned by the Post Office.

DATED at Vancouver, B. C., this 18th day of November, 1932.

“C. W. ST. JOHN”  
 Solicitor for the Defendant,  
 John S. Salter.

PARTICULARS OF DEFENCE OF DEFENDANTS, BULL,  
DUFF STUART, BOUCHER, AND NICHOLSON

*In the  
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No. 12  
Particulars of  
Defence of  
Bull, et al.  
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1932.

10 1. In answer to paragraph 1 of the said Demand, the debts referred to in paragraph 36 of the said Defence were incurred by the Pioneer Gold Mines Limited (now dissolved) under the management of the Plaintiff, who has as much, or more knowledge of the said debts than these Defendants, but the books and records of the said Company show that the said Company owed to McWilliams & Dunsmuir, as trustees, for certain wholesale merchants and trade creditors, including wage earners,

in the sum of .....	\$13,507.53
Merchants Bank of Canada loan .....	6,500.00
Royal Bank of Canada loan .....	15,934.07
	\$34,941.60

2. The cost of the cyanide plant referred to in paragraph 41 of their Defence was between \$10,000.00 and \$12,000.00.

20 3. These Defendants discovered the low value of the tailings during the months of September, October and November, 1921, and the Defendants discovered that there were only 3,500 tons of tailings during the months of August and September, 1922.

30 4. Particulars of paragraph 51 of the said Defence are partially answered by the preceding paragraph hereof, and also fully answered by letter of the late A. H. Wallbridge to Walter W. Walsh, dated 9th December, 1921, set out in said paragraph 51; numerous repairs made to the said machinery during the summer of 1921, the water wheel broke down completely in September, 1921, the gear wheel broke in October, 1921, in the spring of 1921 the mill tires found to be worn out and new tires taken away, in August and September, 1921, the rails and tracks on the second level found to be torn up and an accumulation of refuse at the bottom of the mine.

40 5. Particulars in respect of paragraph 54 of the Defense are as follows: during the spring and summer of 1921 the cyanide plant was erected and further improved during the spring of 1922, repairs made to the mill, pumps, hoist, compressors, flume, dam, trestle and truck, the water wheel replaced by a new one, the gear wheel replaced by a new one, the shaft replaced by a new one, the new trestle and new hoist erected for the handling of tailings, new rails, and new ore cars purchased. These Defendants are unable to give any further particulars asked for in this paragraph.

6. \$22,500.00 was advanced to the Company during 1921 and 1922, as referred to in paragraph 5 of their said Defence as follows:

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1921	November and December .....	\$ 3,000.00	
1922	January, February and March .....	8,000.00	
	August, September, October and Novem- ber .....	4,500.00	
	December .....	7,000.00	
		<u>\$22,500.00</u>	

all of which was spent—part in repayment of loans made by the Company's Bankers, and the balance in payments of wages, supplies, repairs and replacements of machinery, plant and equipment, and generally carrying on the business of the Company at the mine, operating the cyanide plant, developing and mining. Further particulars of which these Defendants are unable to give. 10

7. Particulars of the Bank loans referred to in paragraph 57 of their said Defence are as follows:

1921			
July 20	By Merchants Bank of Canada .....	\$ 2,000.00	
Aug. 23	By Merchants Bank of Canada .....	4,000.00	
1922			
Mar. 10	To Merchants Bank of Canada .....	\$ 2,000.00	20
May 1	By Union Bank .....	2,500.00	
June 20	By Union Bank .....	6,500.00	
	To Bank of Montreal (Merchants Bank Note) ....	4,000.00	
July 14	To Union Bank .....	2,500.00	
Sept. 2	By Union Bank .....	4,500.00	
		<u>\$ 8,500.00</u>	<u>\$19,500.00</u>
	Balance owing .....	11,000.00	
		<u>\$19,500.00</u>	<u>\$19,500.00</u>

all of which was spent in payments of wages, supplies, repairs and replacements of machinery, plant and equipment, and generally carrying on the business of the Company at the mine, operating the cyanide plant, developing and mining. Further particulars of which these Defendants are unable to give. 30

8. Particulars of the Defence referred to in paragraph 77 of their said Defence as follows:

Original investment in January and April, 1921.....	\$15,000.00	
Loans from these Defendants and the late A. H. Wallbridge and H. C. N. McKim .....	25,348.33	
	<u>\$40,348.33</u>	40
Loans from the Company's Bankers.....	8,693.33	

all of which was spent in payments of wages, supplies, repairs and replacements of machinery, plant and equipment and generally carrying on the business of the Company at the mine, operating the cyanide plant, developing and mining. Further particulars of which these Defendants are unable to give.

9. Particulars of the old debts referred to in paragraph 79 of their Defence are as follows:

\$2,500.00 paid on the 19th day of August, 1921.

10 \$1,100 paid on the 18th day of March, 1922, paid to McWilliams and Dunsmuir, trustees for the creditors of the said Company, on account of debts incurred prior to the 6th day of January, 1921 which the Plaintiff and the late Adolphus Williams agreed to pay.

10. The Sloan option referred to in paragraph 90 of the said Defence is as follows:—

“THIS AGREEMENT made this 16th day of July A.D. 1924.

“BETWEEN:

20 “PIONEER GOLD MINES LIMITED, a body corporate having its Head Office at the City of Vancouver in the Province of British Columbia hereinafter called the ‘Vendor’ OF THE “FIRST PART.

“AND

“DAVID SLOAN, of said City of Vancouver, Mining Engineer, “hereinafter called the ‘Purchaser’ OF THE SECOND PART.

30 “WITNESSETH that in consideration of the faithful performance “and observance of all the covenants, provisoes, conditions and “agreements herein contained on the part of the Purchaser and so “long only as the Purchaser shall observe and perform the said “covenants, provisoes, conditions and agreements the Purchaser or “his assignee or nominee shall have the right to take possession of, “use, work, mine and develop the mining property situate in the “Lillooet Mining Division in the Province of British Columbia, “being more particularly described as Lot Four Hundred and Fifty- “six (456) known as Pioneer Mineral Claim; Lot Three thousand “and forty-five (3045), known as Sunset Mineral Claim: Lot Three “thousand and forty-six (3046), known as Great Fox Mineral “Claim: Lot Three thousand and forty-seven (3047), known as “East Pacific Mineral Claim: Lot three thousand and forty-eight “(3048) known as Clifton Mineral Claim: Lot Three thousand and “forty-nine (3049) known as Corasand Mineral Claim: Lot three “thousand and fifty (3050) known as Emmadale Mineral Claim: “Lot Three thousand fifty-one (3051) known as Union Jack Fractional Mineral Claim: Lot three thousand and fifty-three (3053) “known as Titanic Fractional Mineral Claim and Royal Fractional “Mineral Claim, the above mineral claims being known as the “Pioneer Group, together with the buildings, plant, machinery and

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“equipment for the time and upon and subject to the following  
 “terms, conditions and stipulations and only during the faithful  
 “performance of the said conditions and stipulations hereinafter  
 “set out.

“1. The Purchaser shall provide and deposit to his credit in  
 “trust in the Union Bank of Canada at Vancouver, B. C., the sum  
 “of Sixteen thousand (\$16,000.00) Dollars or such lesser amount  
 “as shall be sufficient to finance and pay for the work and develop-  
 “ment hereinafter mentioned at the following times: Four thou- 10  
 “sand (\$4,000.00) Dollars on or before the 1st day of August 1924:  
 “Four thousand (\$4,000.00) Dollars on or before the first days of  
 “each of the months of September, October and November 1924,  
 “to be used in carrying on mining and development work on the  
 “said mining property as herein set out.

“2. The Purchaser shall at once proceed with a sufficient  
 “force of men to the said property and on or before the 1st day of  
 “August 1924 commence development work on the said property  
 “and carry on such work in a proper and minerlike manner continu- 20  
 “ously and expeditiously during the life of this agreement, except-  
 “ing during such time as the purchaser shall be unable to carry on  
 “said work by reason of shortage of water or climatic conditions  
 “or labor strikes.

“3. The Purchaser shall before the first day of August 1925  
 “sink a shaft in the Pioneer Claim at least one hundred (100) feet  
 “below the lowest level of the present workings and cross cut and  
 “drift at the said level to develop and mine the said property.

“4. The Purchaser shall also before the first day of August  
 “in each of the following years sink said shaft an additional one  
 “hundred (100) feet for each year during the life of this agree- 30  
 “ment unless during each of said subsequent years not less than  
 “Fifteen Thousand (\$15,000.00) dollars shall have been paid to  
 “the Vendor by the Purchaser out of the fifteen (15%) per cent.  
 “of the gross proceeds of all ore milled and sold from said mine as  
 “hereinafter set out.

“5. The proceeds of all ore shipped or milled on the said  
 “property shall be sold to the Dominion Government Assay Office,  
 “in the City of Vancouver, B. C., and the returns therefrom shall  
 “be deposited in the Union Bank of Canada, Hastings Street West,  
 “Vancouver, B. C., and eighty-five (85%) per cent. thereof shall 40  
 “be credited to the Purchaser’s said trust account in said Bank  
 “and fifteen (15%) per cent. shall be credited to the Vendor or  
 “its assignee for rent or use of the said property under this agree-  
 “ment or on account of the purchase price hereinafter mentioned  
 “in the event of the option herein contained being exercised by  
 “the purchaser.

“6. The Purchaser at any time during the life of this agree-  
 “ment and only during the time he shall faithfully observe and

“perform all of the covenants, provisoes, conditions and agree-  
 “ments herein contained and carry on continuous development  
 “and mining operations of the said property with an adequate  
 “force of men for the proper development and working thereof,  
 “but not after the first day of August, 1929, shall have the option  
 “of purchasing the said property for One Hundred Thousand  
 “(\$100,000.00) Dollars less any amount, however, that shall have  
 “been paid by the said fifteen (15%) per cent. of the proceeds of  
 “the ore taken from the said property.

10 “7. The Purchaser shall pay the Vendor for all materials  
 “and supplies on the said property according to the list hereto  
 “annexed at the price such materials and supplies could now be  
 “delivered at the said mining property subject, however, to the  
 “powder being reasonably fit to use for said work, the said price  
 “to be paid in three equal monthly instalments commencing with  
 “the first August, 1924, and the three (3) extra Bryan Mill Tires  
 “or Shoes now stored in warehouse in Vancouver, B. C., to be  
 “taken over by the purchaser when required for use in said mill  
 “at a price that the same could be now purchased.

20 “8. The Purchaser will at his own expense during the term  
 “of this option insure and keep insured the mill plant and build-  
 “ings on the said property against loss by fire in the sum of not  
 “less than Twenty Thousand (\$20,000.00) Dollars in some insur-  
 “ance company approved of by the Vendor with the policy in the  
 “name of or payable to the Vendor as the Vendor shall require,  
 “and the Vendor shall be at liberty to effect said insurance and  
 “the Purchaser shall pay to the Vendor the premium thereon as  
 “and when the same is payable, according to the terms of any such  
 “policy. In case of loss the insurance moneys shall be used either  
 30 “to rebuild the plant or paid on account of purchase money as  
 “shall be agreed between the parties.

“9. The purchaser shall pay all wages, claims and costs of  
 “all labor, material, tools and supplies in connection with the  
 “working of the said mineral claims, and shall indemnify and  
 “save harmless the Vendor therefrom and from all claims, liens  
 “or demands in connection therewith.

40 “10. That all timber, materials, supplies, machinery and  
 “buildings brought or acquired upon the said property by the pur-  
 “chaser shall be deemed to belong to and become part of the said  
 “mineral claims and plant and shall not be removable by the Pur-  
 “chaser, and in case of default hereunder or this option coming  
 “to an end, the said timber, materials, machinery and buildings  
 “and all supplies shall belong to and remain the property of the  
 “Vendor and shall not be removable by the Purchaser.

“11. The Directors, Officers and Agents of the Vendor shall  
 “have at all times access to the said property and the workings  
 “thereof during the life of this option.

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“12. Time is the essence of this option.

“13. This agreement shall only be and remain in force during  
“the time the purchaser shall carry on mining or development  
“work on the said property with an adequate force of men for the  
“proper working and development of the same (except as inter-  
“fered with by shortage of water and climatic conditions or labor  
“strikes) and only after the 1st day of August, 1925, for one year  
“longer, if the purchaser shall have sunk the said shaft two hundred  
“(200) feet or the said fifteen (15%) per cent. of the ore milled  
“and paid to the Vendor or its assignee shall have amounted to 10  
“Fifteen Thousand (\$15,000.00) Dollars during the said year  
“ending 1st August, 1926, and during each subsequent year that  
“said shaft shall be sunk an additional one hundred (100) feet  
“or that said fifteen (15%) per cent. payment to the Vendor shall  
“amount to Fifteen Thousand (\$15,000.00) Dollars, but in any  
“case not after the first of August, 1929, PROVIDED ALWAYS  
“that all other provisoes, conditions and stipulations herein con-  
“tained shall have been in the meantime duly and faithfully ob-  
“served and performed by the Purchaser.

“14. In the event of the Purchaser failing or neglecting to 20  
“comply with any conditions, stipulations, provisoes or agree-  
“ments herein contained this agreement and the option herein  
“contained shall be at an end after the Vendor or its assignee shall  
“have given the purchaser thirty (30) days’ notice of such default,  
“failure or neglect and such default, failure or neglect continuing  
“after the said thirty (30) days. Any such notice may be given  
“by delivering the same to the Purchaser or mailing the same as  
“a registered letter addressed to the Purchaser at 3760 Fourteenth  
“Avenue West, Vancouver, B. C., and in case of the default, failure  
“or neglect referred to in said notice continuing after the said 30  
“thirty (30) days this agreement and the option herein contained  
“shall be at an end and Vendor or its assignee may forthwith re-  
“possess itself of the property and of all work done and timber,  
“materials, machinery, buildings and supplies thereon without any  
“compensation therefor to the Purchaser or its assigns.

“15. In the event of the Vendor giving any such notice by  
“registered letter as herein provided such notice shall be deemed  
“to be served on the Purchaser or his assigns the day after the mail-  
“ing of the same.

“16. The Purchaser shall pay all water record fees and taxes 40  
“assessed against the said property or record the development  
“work in lieu of taxes at all proper times and the adjustment of  
“taxes, water record fees, insurance premiums and other expenses  
“or outgoings in connection with the said property shall be made  
“as of the date hereof and thereafter all the said taxes, water  
“record fees, insurance premiums and other expenses and out-



“goings shall be borne and paid by the Purchaser as one of the conditions upon which this agreement remains in force.

10 “17. In the event of the Purchaser failing to pay the said “fifteen (15%) per cent of proceeds of all ore shipped or milled “from the said property or other money or making default, failure “or neglect in the observance or performance of any of the con- “ditions, provisoes and stipulations herein contained all moneys “paid hereunder and the proceeds of all ore shipped or milled and “paid to the credit of the Vendor as aforesaid shall be deemed and “taken as rent of or for the use of the said property by the Pur- “chaser or his assigns up to the time of such neglect, failure or de- “fault and the Purchaser or his assigns shall have no claim what- “ever thereto.

“18. This agreement shall not be deemed to include certain “chattels not belonging to the Vendor which are at present on the “said property, as per letter or list accompanying this agreement.

“THIS AGREEMENT shall enure to the benefit of and be “binding upon the parties hereto, respectively, and their respec- “tive heirs, executors, administrators, successors and assigns.

20 “IN WITNESS WHEREOF the parties hereto have here- “unto set their hands and seals the day and year first above written.

“SIGNED, SEALED AND  
“DELIVERED  
“in the presence of  
“A. E. Bull.

} “J. Duff Stuart, President  
“A. H. Wallbridge, Secy.

“SEAL  
“PIONEER  
“GOLD MINES  
“LIMITED”

“David Sloan

30 These Defendants are unable to give further particulars asked for in said paragraph 90 except that the said David Sloan paid \$2,552.50 for said supplies.

11. The following are the particulars of the debts of the Old Company described in paragraph 95 of their said Defence:

	Amount owing to these Defendants and the late A. H. Wallbridge and H. C. N. McKim .....	\$39,590.19
	Amount owing to the Union Bank of Canada.....	4,231.90
	Amount owing to A. Williams Estate .....	325.25
	Amount owing to Gen. J. Duff Stuart .....	402.70
40	Amount owing to Walsh, McKim & Housser .....	318.02
	Amount owing to Harris, Bull & Mason .....	384.00
	Amount owing to David Sloan .....	350.00
		<hr/>
		\$45,602.06
		<hr/>

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12. The wording of the advertisement referred to in paragraph 97 of their Defence is as follows:

“SALE BY TENDER OF VALUABLE MINING PROPERTY

“Tenders will be received up to 12 o'clock noon, Wednesday, October 22nd, 1924, by John S. Salter, 805 Hastings Street West, Vancouver, B. C., Liquidator of Pioneer Gold Mines Limited (in “voluntary liquidation) for the purchase of all of the assets of the “above company, consisting chiefly as follows:

“Nine Crown-granted Mineral Claims, on or near Cadwallader Creek, Lillooet District, British Columbia, generally known “as the Pioneer Group, together with the machinery and equipment situate thereon, consisting of 5-foot Bryan Roller Quartz “Mill, Cyanide Plant, etc. 10

“The above property is subject to the terms of a certain working bond, on a royalty basis, dated the 16th day of July, 1924, held “by one David Sloan, containing an option to purchase the said “assets.

“Terms of sale: Marked cheque for 2 per cent. of the bid to “accompany tender, and the balance to be paid within one month “from the date of the sale. 20

“For further particulars and conditions of sale apply to Walsh, “McKim & Housser, solicitors for the Liquidator, 432 Richards “Street, Vancouver, B. C.

“Dated at Vancouver, B. C., this 30th day of September, “1924.”

and the said advertisement was inserted in six issues of the Vancouver Daily Sun.

13. The notices referred to in paragraph 105 of the said Defence were posted in the Main Post Office, in the City of Vancouver, by the Defendant Salter, addressed to the various shareholders of the Company, and particulars of said notices which were returned by the Post Office, are answered by the particulars of the Defendant Salter or are within the knowledge of the said Defendant Salter and not within the knowledge of these Defendants. 30

14. The contract referred to in paragraph 109 of their said Defence is as follows:—

“THIS AGREEMENT MADE in triplicate the 21st day of “January, A.D. 1925.

“BETWEEN—

“PIONEER GOLD MINES LIMITED a body corporate “having its Head Office at the City of Vancouver, in the Province of British Columbia, HEREINAFTER CALLED THE “‘VENDOR’ OF THE FIRST PART 40

“Identified by

“J. Duff Stuart, Chairman.

“AND

“J. DUFF STUART, A. E. BULL, A. H. WALLBRIDGE,

"F. J. NICHOLSON, R. B. BOUCHER, H. C. N. McKIM,  
 "all of the City of Vancouver, Province of British Columbia,  
 "HEREINAFTER CALLED THE 'PURCHASERS' OF  
 "THE SECOND PART.

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"WHEREAS the Vendor is the owner of certain mining prop-  
 "erty situate in Lillooet Mining Division, in the Province of  
 "British Columbia being more particularly described as Lot Four  
 "Hundred and Fifty-six (456) known as Pioneer Mineral Claim  
 "Lot Three Thousand Forty-five (3045) known as Sunset Mineral  
 10 "Claim; Lot Three Thousand and Forty-six (3046) known as  
 "Great Fox Mineral Claim; Lot Three Thousand and Forty-seven  
 "(3047), known as East Pacific Mineral Claim; Lot Three Thous-  
 "and and Forty-eight (3048), known as Clifton Mineral Claim; Lot  
 "Three Thousand and Forty-nine (3049), known as Corasand Min-  
 "eral Claim; Lot Three Thousand and Fifty (3050), known as Em-  
 "madale Mineral Claim; Lot Three Thousand and Fifty-one (3051)  
 "known as Union Jack Fractional Mineral Claim; Lot Three  
 "Thousand and Fifty-three (3053), known as Titanic Fractional  
 20 "Mineral Claim and Royal Fractional Mineral Claim, the above  
 "mineral claims being known as the Pioneer Group, together with  
 "the buildings, plant, machinery and equipment thereon subject  
 "to a certain working bond and option of purchase dated the 16th  
 "day of July, A.D. 1924, given to one David Sloan.

"AND WHEREAS the Vendor is being wound up under  
 "voluntary liquidation and John S. Salter has been appointed  
 "liquidator for such purpose.

"AND WHEREAS the Purchasers are Creditors of the Ven-  
 "dor to the extent of \$39,590.18 and others are creditors of Vendor  
 "to the extent of \$3,369.10.

30 "AND WHEREAS the Purchasers have offered to purchase  
 "the entire assets of the Vendor on the terms hereinafter set forth.

"AND WHEREAS a meeting of the Shareholders of the  
 "Vendor representing 729,996 shares of the issued capital stock  
 "of the Vendor held the 5th day of December, A.D. 1924, unani-  
 "mously approved of the sale of the said assets on the terms here-  
 "inafter set forth.

"AND WHEREAS a meeting of the creditors of the Vendor  
 "held the 21st day of January, A.D. 1925, unanimously approved  
 "of the sale of the said assets on the terms hereinafter set forth  
 40 "and authorized the said Liquidator to sign, seal and deliver these  
 "presents on behalf of the Vendor.

"NOW THIS INDENTURE WITNESSETH:

"1. The Vendor hereby agrees to sell to the Purchasers and  
 "the Purchasers hereby agree to purchase from the Vendor all the  
 "mineral claims, assets and property of the Vendor subject to but  
 "with the benefit of that certain Working Bond containing an  
 "option to purchase all mineral claims, buildings, plant, machinery,

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(Cont.)

“equipment, materials and supplies belonging to the Vendor, dated  
 “July 16th, 1924, given by the Vendor to one David Sloan.

“2. The consideration for the said sale shall be the payment  
 “to the Vendor by the Purchasers out of the royalties and pur-  
 “chase money received by them under the said Bond as and when  
 “the same shall have been so received of a sum sufficient to pay  
 “the liabilities of the Vendor as now proved with the said Liqui-  
 “dator, together with interest thereon as provided by the various  
 “notes evidencing such indebtedness or resolutions of the Direc- 10  
 “tors of the Vendor until payment, the Purchasers agreeing in any  
 “event to pay to the Vendor sufficient moneys to enable the Liqui-  
 “dator to pay the said claims filed with him other than the Pur-  
 “chasers’ claims within the period of two (2) years from the date  
 “hereof. As further consideration the Purchasers agree to pay  
 “over to the Vendor the next \$20,000.00 received by them from  
 “said royalties or purchase money under said Bond after satisfac-  
 “tion of above mentioned liabilities and interest as and when the  
 “same shall have been so received for distribution pro rata among  
 “the shareholders of the Vendor and sufficient moneys to pay the 20  
 “costs and expenses of the Liquidation as and when the same shall  
 “have been received by the Purchasers.

“The Purchasers covenant with the Vendor that they will pay  
 “to the Vendor the sums of money in this paragraph mentioned  
 “as and when received by them at the times and in manner above  
 “mentioned.

“3. On payment to the Vendor of the said sums of money  
 “punctually at the times aforesaid the Vendor agrees with the  
 “Purchasers to immediately thereupon convey to the Purchasers  
 “the said mineral claims assets and property of the Vendor free 30  
 “from all encumbrances, save and except the said Bond in favour  
 “of David Sloan, all taxes, rates, and assessments wherewith the  
 “same may be rated or charges and subject to the conditions and  
 “reservations contained in the original grants of the said mineral  
 “claim from the Crown, such Conveyance to be prepared at the  
 “expense of the Purchasers.

“4. The Purchasers shall be at liberty at any time to pay  
 “the balance of the purchase money, namely, the balance of the  
 “said Creditors’ claims and said interest, together with the balance  
 “of the said sum of \$20,000.00 and costs and expenses of liquidation  
 “whether or not sufficient money has been received by them under 40  
 “the said Bond to enable them to make payment thereof.

“5. From and after the date hereof the Purchasers shall be  
 “entitled to collect and receive from the said David Sloan all  
 “moneys from time to time due and payable under the said Bond  
 “including purchase money for materials and supplies as well as  
 “purchase money and royalties and the Vendor shall and doth

“hereby authorize the said David Sloan to make all such payments  
“to the Purchasers.

“6. Unless the payments above mentioned are punctually  
“made at the times and in the manner above mentioned and as often  
“as any default shall happen in making such payments the Vendor  
“may give the Purchasers thirty (30) days notice in writing de-  
“manding payment thereof and in case any such default shall con-  
“tinue these presents shall at the expiration of such notice be null  
“and void and of no effect and the Vendor shall have the right to  
10 “re-enter upon and take possession of the said mineral claims,  
“assets and property and in such event any amount paid on ac-  
“count of the price thereof shall be retained by the Vendor as liqui-  
“dated and ascertained damages for the non-fulfilment of this  
“Agreement to purchase the said mineral claims, assets and prop-  
“erty and pay the price thereof and on such default as aforesaid  
“the Vendor shall have the right to sell and convey the said min-  
“eral claims, assets and property to any purchaser thereof.

“7. Time is the essence of this agreement.

“8. It is hereby declared that any demand or notice which  
20 “may be required for the purposes of these presents or any of them  
“shall be well and sufficiently given if delivered to the Purchasers  
“or mailed at the City of Vancouver, under registered cover, ad-  
“dressed to the Purchasers, care of Messrs. Harris, Bull & Mason,  
“at their office at the time in Vancouver, B. C., and in the event of  
“the Vendor giving any such notice by registered letter as afore-  
“said such notice shall be deemed to be served on the Purchasers  
“the day after the mailing of the same.

“9. The Purchasers shall have the right to possession of the  
“said mineral claims, assets and property of the said Vendor sub-  
30 “ject only to the rights of said David Sloan under said Bond from  
“date hereof until the cancellation or forfeiture of this Agreement.

“10. The Purchasers shall have and be entitled to exercise  
“all the rights of the Vendor to enforce or cancel the said Bond  
“dated July 16th, 1924, given by the Vendor to the said David  
“Sloan, as fully and effectually as the Vendor could enforce or  
“cancel the same and for such purpose may use the name of the  
“Vendor and the Vendor hereby revocably nominates, constitutes  
“and appoints the Purchasers, their executors, administrators and  
“assigns, its true and lawful attorney or attorneys to so enforce  
40 “or cancel the said Bond.

“11. In the event of the cancellation of this Agreement by  
“the Vendor prior to the Purchasers having been paid by the Ven-  
“dor the full amount of their claims against the Vendor together  
“with interest thereon as aforesaid the Purchasers shall notwith-  
“standing this Agreement or the cancellation thereof be entitled  
“to rank as Creditors of the Vendor for the unpaid balance of their  
“claims and interest as aforesaid.

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No. 12  
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 Defence of  
 Bull, et al.  
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"12. This Agreement shall enure to the benefit of and be  
 "binding upon the parties hereto respectively and their respective  
 "heirs, executors, administrators, successors and assigns.

"IN WITNESS WHEREOF the parties hereto have execu-  
 "ted these presents the day and year first above written.

"THE CORPORATE SEAL "of the Vendor was hereto "affixed by John S. Salter, "Liquidator thereof in the pres- "ence of:	}	"PIONEER GOLD MINES "LIMITED "Per J. S. Salter, "Liquidator. (Corporate Seal)	10
--	---	---	----

"SIGNED SEALED AND "DELIVERED in the presence of Name Address Occupation	}	J. Duff Stuart A. E. Bull A. H. Wallbridge H. C. N. McKim R. B. Boucher F. J. Nicholson"
---	---	---

and the terms thereof were fully performed by these Defendants  
 and the liabilities of the Company to these creditors other than the  
 Defendants were paid as follows:

	1924		20
	Oct. 2	To Union Bank of Canada on a/c claim \$ 500.75	
	Oct. 13	To J. Duff Stuart on a/c claim ..... 55.00	
		To David Sloan claim paid with sup- plies ..... 350.00	
	Nov. 11	To David Sloan balance claim and in- terest ..... 354.30	
	Nov. 11	To Union Bank on a/c claim ..... 500.00	
	Dec. 5	To Union Bank on a/c claim ..... 47.32	
	Dec. 29	To Union Bank on a/c claim ..... 850.00	
	1925		30
	Feb. 9	To Union Bank on a/c claim ..... 42.13	
	May 22	To Union Bank on a/c claim ..... 1,244.75	
	July 14	To Union Bank on a/c claim ..... 1,014.75	
	Aug. 12	To Union Bank balance claim and in- terest ..... 201.50	
	Aug. 28	To A. Williams Estate in full of claim.... 325.25	
		To Harris, Bull & Mason, do ..... 384.00	
		To Walsh, McKim & Housser, do ..... 250.00	
		\$6,119.75	

15. Fifteen Mineral claims now owned by Pioneer Gold 40  
 Mines of B. C. Limited, which were never owned by the Old Com-  
 pany Pioneer Gold Mines Limited, now dissolved, of which the  
 following are the particulars:—

(a) "Hilda" and "Jack" located on the 29th day of March, 1928; "Great Divide Fractional" Claim located on the 3rd of September, 1928; and "Hope" located on the 22nd of March, 1929, by David Sloan, in trust for all of the Defendants herein, except the Defendant Salter, and for himself, Col. Victor Spencer and Dr. Andrew R. Thomson; "Monica Marjorie", "Margaret" and "David" mineral claims located on the 7th day of May, 1928, by Dr. Andrew R. Thomson in trust for all of the Defendants herein, except the Defendant Salter and for himself, David Sloan and Col. Victor Spencer, all of which were conveyed to the Pioneer Gold Mines of B. C. Limited, on the 30th day of March, 1928, and 27th of May, 1931, and the consideration given by the said Company was the issue of 1,600,000 fully paid shares for the said claims and for all the mineral claims, property, plant, machinery and effects described in the said Option of the 16th day of July, 1924, between the Old Company and the said David Sloan, together with the mill, plant, machinery, water pipe and power line erected on the said property by the said David Sloan on behalf of himself and his associates, and all the Defendants herein except Salter and on behalf of the said Dr. A. R. Thomson and Col. Victor Spencer, and all equipment, supplies and material thereon or used in connection therewith and moneys on hand in connection with the said operations and the assumption by the said Pioneer Gold Mines of B. C. Limited of the debts and liabilities outstanding in connection with the operations of the said mine.

(b) "Development", "Development No. 1", "Development No. 2", "Development No. 2-a", "Development No. 3" and "Development No. 4", "A. Fraction" and "B. Fraction" located during the months of October and November, 1931, on behalf of Pioneer Gold Mines of B. C. Limited by the said David Sloan, Dr. A. R. Thomson, Harry J. Cain, D. C. Noel and R. L. Horie, and conveyed to the Pioneer Gold Mines of B. C. Limited in November, 1931, and March, 1932.

(c) "Countless" mineral claim conveyed by the Coronation Consolidated Mining Company Limited to the Pioneer Gold Mines of B. C. Limited on the 27th of May, 1931, in consideration of 80,000 fully paid up shares in the last mentioned Company.

16. Answered by the last preceding paragraph.

DATED this 28th day of November, 1932.

"T. EDGAR WILSON,"  
Solicitor for the Defendants.

To the Plaintiff,  
And to Ian A. Shaw,  
Solicitor for the Plaintiff.

RECORD  
—  
*In the*  
*Supreme Court*  
*of British*  
*Columbia*  
—  
No. 12  
Particulars of  
Defence of  
Bull, et al.  
Nov. 28,  
1932.  
(Cont.)

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40

RECORD

No. 13

*In the  
Supreme Court  
of British  
Columbia*

PARTICULARS OF DEFENCE OF DEPENDENTS, HELEN  
A. WALLBRIDGE AND DAVID STEVENSON WALL-  
BRIDGE.

No. 13  
Particulars of  
Defence of  
Wallbridge  
Executors.  
Nov. 28, 1932.

1. In answer to paragraph 1 of the said Demand, these Defendants repeat all the particulars delivered by the Defendants Bull, Stuart, Boucher and Nicholson, dated the 28th day of November, 1932, and in addition the following are the particulars of the terms of the will of the late Lewis Kelso Wallbridge described in paragraph 121 of their said Defence in so far as the same affects shares in the Pioneer Gold Mines of B. C. Limited, or Pioneer Gold Mines Limited:—

10

“I GIVE AND BEQUEATH FIVE THOUSAND  
“SHARES (5,000) in the Pioneer Gold Mines of B. C. Limited to each of them my Aunt ANNIE RAND, of the City  
“of Vancouver, Widow, and my cousin HENRY S. WALL-  
“BRIDGE, of the said City of Vancouver, and TWENTY-  
“FIVE HUNDRED (2,500) SHARES in the Pioneer Gold  
“Mines of B. C. Limited to each of my cousins Grace Wall-  
“bridge and Eleanor Wallbridge, both of the said City of  
“Vancouver.

20

“I GIVE AND BEQUEATH ONE THOUSAND  
“(1,000) SHARES of Pioneer Gold Mines of B. C. Limited to  
“my Cousin J. D. S. WALLBRIDGE, of Armstrong, British  
“Columbia.

“I GIVE, DEVISE AND BEQUEATH all the rest and  
“residue of my real and personal estate to my Mother, Helen  
“A. Wallbridge, absolutely.”

The Defendant Helen A. Wallbridge is sole executrix of the said will.

30

DATED this 28th day of November, 1932.

“A. H. MILLER”

Solicitor for the Defendant.

To the Plaintiff,

And to Ian A. Shaw,

Solicitor for the Plaintiff.



## PROCEEDINGS AT TRIAL

(Before the Honourable the Chief Justice)

J. A. MACINNES, ESQ., and IAN A. SHAW, ESQ., appearing  
for the Plaintiff.

E. C. MAYERS, ESQ., K.C., appearing for Defendants Alfred F.  
Bull, J. Duff Stuart, R. B. Boucher and Francis J. Nicholson.

J. W. deB. FARRIS, ESQ., K.C., appearing for Wallbridge Estate.

C. W. ST. JOHN, ESQ., appearing for Defendant John S. Salter.

10 MR. MACINNES: This is an action, my lord, a represent-  
ative action by the Plaintiff claiming on behalf of himself and other  
minority shareholders in the Pioneer Gold Mines Limited.

\* \* \* \* \*

Some months ago an application was made in chambers under  
the Companies Act for the opening of this liquidation and the  
restoration of the Company to the share register for the purposes  
of this action. That application came on before Mr. Justice  
Murphy in Chambers and was opposed by my friend Mr. Farris.  
Mr. Justice Murphy indicated—

THE COURT: Has that anything to do with this case? Is  
it relevant?

20 Mr. MACINNES: It is relevant,\* my lord. My learned  
friend Mr. Farris pointed out to Mr. Justice Murphy this opening  
of the liquidation and the restoration of the Company to the com-  
pany register if the action failed was futile, would be of no use  
and would possibly cause complications, with which Mr. Justice  
Murphy agreed and with the consent of all parties the motion for  
opening up the liquidation and the restoration of the company to  
the register was referred by the trial judge to be dealt with by  
him for whatever disposition he felt fit to make, if following the  
trial restoration was necessary, then to make the order, and if not  
30 the matters adjudicated in the liquidation need not be disturbed,  
so that that matter is for your lordship to deal with when and if  
it is necessary.

Now, there are quite a number of documents and there is little  
or no dispute on the main facts between my friends and ourselves  
and I think we can put in a number of documents now which will  
be necessary in the action. The Plaintiff sues personally and as  
administrator of his brother the late Peter Ferguson, deceased,  
and I will put in as exhibit 1 the letters of administration to the  
Estate of Peter Ferguson.

40 (DOCUMENT MARKED EXHIBIT No. 1)

One of the Defendants, at least one of the Defendants in the  
action is the Estate of the late A. H. Wallbridge, and I am putting  
in the inventory filed, certified copy, rather of the inventory filed  
in the probate as exhibit 2.

RECORD

*In the  
Supreme Court  
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Proceedings  
at Trial

Plaintiff's  
Case

April 10-13,  
1933.

Opening  
Statement  
of Counsel.

## RECORD

## (DOCUMENT MARKED EXHIBIT No. 2)

*In the  
Supreme Court  
of British  
Columbia*

Proceedings  
at Trial

Plaintiff's  
Case  
April 10-13,  
1933.

Opening  
Statement  
of Counsel.  
(Cont.)

George Neill  
Ford  
Direct Exam.

\* \* \* \* \*

MR. MACINNES: I would ask my friend to produce the Syndicate Agreement entered into in December, 1920, or January, 1921. This is the agreement, my lord, for the formation of the syndicate which took over a 51 per cent. interest and is referred to in paragraph 32 of the Defence.

\* \* \* \* \*

## (DOCUMENT REFERRED TO MARKED EXHIBIT No. 3)

\* \* \* \* \*

MR MAYERS: Just excuse me. I am afraid I gave you the wrong document. This should be exhibit 3.

MR. MACINNES: This is the agreement between the syndicate dated the 29th day of December, 1920. 10

\* \* \* \* \*

GEORGE NEILL FORD, a witness called on behalf of the Plaintiff, being first duly sworn, testified as follows:

## DIRECT EXAMINATION BY MR. SHAW:

Q. Mr. Ford, you are the manager for the Dominion of Canada Assay Office for Vancouver, British Columbia? A. Yes.

Q. And you have records in your office of gold shipped from the Pioneer Mine? A. We have.

Q. Will you please state to the Court or if you have prepared a memorandum possibly my friends would allow you to file it instead, showing the shipments of gold from 1916 to 1930, inclusive, from that mine? 20

MR. MAYERS: I am objecting to any dates before 1920 and after 1924.

THE COURT: Well, Mr. MacInnes, did you hear the objection?

MR. MACINNES: I am suggesting to my friend that he comply with that. We will confine it to the year 1924.

MR. SHAW: Q. Will you please state what shipments of gold were received from the Pioneer Gold Mine in 1924, giving the dates? A. September the 19th, value \$2,754.79. 30

Q. Paid in by whom? A. Deposited in the name of David Sloan.

Q. Yes. The next one? A. November 4th, \$6,365.36.

Q. By Mr. Sloan? A. In the name of D. Sloan.

Q. The next? A. December 5th, \$6,412.21.

THE COURT: That is all? A. That is all?

Q. A total of— A. A total of \$15,532.36.

MR. SHAW. Thank you, Mr. Ford.

## CROSS-EXAMINATION BY MR. MAYERS:

Q. What did you receive in 1921? A. A total of \$7,476.55.

THE COURT: That is for the whole year? A. Yes, the whole year.

MR. MAYERS: 1922? A. \$12,849.34.

Q. Anything in 1923? A. Nil.

Q. These dates which you have given in 1924, the days of the months, those are the dates when you received the brick, whatever you call it? A. The dates actually received in the office, the payment out to be determined and settlement made several days later.

Q. How much later? A. One, two or three days, depending upon the amount of business in the office.

Q. Can you tell me, for instance, December 5th, you received some ore or whatever you call it, when did you ascertain the value of that, some days later? A. I could look that up, but it would not be more than a day or two later.

Q. It would be at least a day or two later? A. It would be at least one day later.

MR. MAYERS: Thank you.

(Witness aside)

MR. SHAW: Mr. Ferguson.

THE COURT: The Plaintiff?

MR. SHAW: The Plaintiff, my lord.

ANDREW FERGUSON, the Plaintiff, being first duly sworn testified as follows:

## DIRECT EXAMINATION BY MR. SHAW:

Q. You are the Plaintiff, Mr. Ferguson? A. Yes.

Q. And you are the administrator of the estate of your late brother? A. Yes.

MR. SHAW: If my friends will permit me to lead just historically leading up.

THE COURT: Go on. They will stop you when—

MR. SHAW: Q. You formed a syndicate, you and your late brother and the late Mr. Williams to purchase the Pioneer in 1909, I believe? A. Yes.

Q. Paying for it \$26,000? A. Yes.

Q. And did some development work costing about \$14,000.00. A. Yes.

Q. And in 1915 you built the mine building at a cost of about how much? A. \$40,000.

Q. And you developed the mine and operated it from 1916 to 1919, inclusive, I believe? A. Yes.

Q. During that period you took out how much gold bullion? A. \$135,000.

RECORD

In the  
Supreme Court  
of British  
Columbia

Proceedings  
at Trial

Plaintiff's  
Case  
April 10-13,  
1933.

George Neill  
Ford  
Cross Exam.

Andrew  
Ferguson  
Direct Exam.

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Proceedings  
 at Trial  
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Q. \$135,000 that was recovered in what amounts, just give it roughly the year? A. \$26,000 in 1916, \$34,000 in 1917, \$34,000 in 1918, and about \$40,000 in 1919.

Q. During these operations just tell the Court very briefly what the work consisted of, I mean, how many levels you went down and whether or not you had completed mining, what the mine was like when you completed operations in 1919? A. We had sunk the shaft to the 300 foot level and drifted in the mine about a distance of 200 feet. The ore on the 300 foot level was approximately 4 feet wide and assayed about \$20 a ton for the entire rock. 10

Q. Was there much ore left in the upper level at that time? A. The upper stopes were mostly worked out.

Q. Could you describe to the Court what type of vein is on that property? A. It was a true fissure type of vein which would go down to a great depth according to the type of vein.

Q. What about the values as it went down? A. They increased in depth as to value and width of vein.

Q. They increased. Was the vein of a perceptible nature? A. Yes. 20

Q. Clearly distinguished vein? A. Yes.

\* \* \* \* \*

MR. SHAW: Q. By the way, Mr. Ferguson, in this old company you had, I understand, 270,000 shares? A. Yes.

Q. And your brother the same? A. Yes.

Q. And Mr. Williams 195,000.

THE COURT: Your brother was Peter Ferguson? A. Yes, he has died.

THE COURT: He had died.

MR. SHAW: Q. And Mrs. Williams 15,000? A. Yes.

Q. You transferred to Mr. Wallbridge and his syndicate 275,397 shares? A. Yes. 30

Q. And you own at the present time subject to the Williams Estate's hypothecation 72,298 shares? A. Yes.

Q. And your brother Peter Ferguson, or his estate rather, 112,299?

THE COURT: Surely there is no trouble over the shareholdings.

MR. SHAW: I just want to get it on the record.

Q. In addition to which there are 30,000 shares pledged to the Royal Bank? A. Yes. 40

Q. Which are also your property subject to their claim against you personally? A. Yes.

Q. Now, at the time you left the property, what was the condition of the plant and equipment, when you left the mine in 1919? A. It was in good running order.

- Q. By the way, how much did you actually invest in that property in addition to the \$80,000 you have already told us, how much of the \$135,000 you took out was reinvested in the property?  
A. \$109,000.
- Q. Making a total investment of \$189,000? A. Yes.
- Q. With dividends paid of \$26,000? A. Yes.
- Q. From 1916 to 1919, you and Mr. Williams and your brother drew out altogether \$26,000? A. Yes.
- 10 Q. I think you have explained clearly to the Court that the rest went back into the property? A. Yes.
- Q. Now, in the summer of 1920, as you heard Mr. MacInnes open, you wished to sell the mine? A. Yes.
- Q. And got in touch with Mr. Copp? A. Yes.
- THE COURT: Who is Mr. Copp?
- MR. SHAW: I was just coming to that. Who was Mr. Copp? A. Mr. Copp was a mining man.
- Q. Speak a little louder? A. Mr. Copp was a mining man of great experience.
- 20 Q. Had he ever been employed by you? A. Superintendent of construction of the plant in 1915-1916.
- Q. Mr. Copp built the plant for you as your superintendent?  
A. Yes.
- Q. Did he do anything else for you? A. Sunk the shaft 100 feet.
- THE COURT: Q. Is that the first shaft?
- MR. SHAW: There was just one shaft. A. Yes.
- Q. Then did he do any drifting, tunnelling? A. At that time Mr. Copp went overseas and I continued the shaft to the 300 foot level.
- 30 Q. I don't think you got my question. I said did Mr. Copp do any tunnelling as well? A. No.
- Q. He just did the sinking of the shaft? A. He just sank the shaft 100 feet.
- Q. Have you anything to say of Mr. Copp's qualifications? Was he capable? A. Capable, yes.
- THE COURT: Q. Is he alive? A. Yes.
- MR. SHAW: Yes.
- Q. You told Mr. Copp you wanted to sell the mine. What happened then in regard to the Wallbridge interest?
- 40 THE COURT: Mr. Copp is not a party.
- MR. SHAW: He is not a party, my lord, no.
- A. I told him the amount of gold which had been produced from 1916 to 1919.
- Q. Told who now? A. Mr. Copp and Mr. Wallbridge.
- Q. I am not concerned with what you told Mr. Copp. What did you tell Mr. Wallbridge? A. Mr. Wallbridge and Mr. Copp.

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Q. Did you meet Mr. Wallbridge through Mr. Copp? A. Yes, once, and had conversations over its purchase.

Q. Well, Mr. Copp acted as your agent, if I may lead for a moment, acted as your agent to negotiate the deal with Mr. Wallbridge? A. Yes.

THE COURT: Q. What year was this?

MR. SHAW: The fall of 1920.

MR. MAYERS: I am not accepting that. My learned friend is making a statement of law in regard to what this witness did with Mr. Copp and Mr. Wallbridge.

MR. SHAW: I am sorry if I put words in Mr. Ferguson's mouth, but it was just to get along.

Q. What conversation did you have with Mr. Wallbridge and what representations, if any, did you make to him with respect to this mine, the work that had been done? A. That we had sunk a shaft to the 300 foot level and the vein was in sight and that we had drifted about 200 feet on the 300 foot level.

Q. What did you say about the upper workings if any? A. Pretty well worked out.

Q. Any discussion between you and Mr. Wallbridge as to what was to be done if they took over the property or anybody took over the property?

THE COURT: Mr. Ferguson, as near as you can remember substantially, just tell what happened, what you said to Mr. Wallbridge and what he said to you. That is what Mr. Shaw wants.

MR. MAYERS: Might I just mention this, my lord, no evidence against any one of these Defendants is evidence against other Defendants and I object to all similar evidence without having to repeat my objection.

THE COURT: Very good.

MR. MAYERS: That is all reduced to writing. The whole thing was subsequently reduced to writing.

THE COURT: We will find that out later. Mr. Shaw is that so? I do not know now, but if so, you can see what a lot of time we can save.

MR. SHAW: My lord, we have pleaded—

THE COURT: Just wait. Was this conversation you are about to tell me afterward reduced to writing? If it was, then the writing speaks for itself. Take your time? A. No.

MR. SHAW: No, my lord. There was a contract made, but this conversation was not reduced to writing and we say this was a complete agreement collateral to the contract that they would sink a shaft. A. That they would develop and sink a shaft in the mine.

MR. SHAW: That is the terms on which they got the money.

MR. FARRIS: Do not lead him.

MR. SHAW: I was answering the objection only.

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THE COURT: What is your question?

MR. SHAW: I was asking if he had any conversation with Mr. Wallbridge as to what was to be done? A. That he was to sink a shaft in the mine and develop—

Q. He was to sink a shaft and develop the mine? A. Yes.

Q. What conversation did you have about tailings, if any?

A. I told him the amount of tailings, 10,000 tons.

THE COURT: What did you tell him? A. 10,000 tons at \$5 a ton.

10 MR. SHAW: Q. Any discussion about a cyanide plant? A. We discussed the building of a cyanide plant at a cost of \$5,000, and \$5,000 was to go into the development and sinking of a shaft in the mine.

Q. \$5,000 was to be spent in development and sinking a shaft and \$5,000 in the cyanide plant? A. Yes.

MR. SHAW: Q. Will you produce the contract of the 6th of January, 1921?

20 MR. MAYERS: I don't know if it will save any time, Mr. Shaw, but I put all those in on his examination for discovery and I am going to put them in at the trial.

MR. SHAW: We can attend to that at noon time.

THE COURT: Yes.

MR. SHAW: Q. At any rate, you did enter into a contract on the 6th of January, 1921? A. Yes.

Q. After that contract was entered into as Mr. MacInnes stated in his opening the syndicate took charge. When did you next have anything to do with it. Let me be more definite. Were you at the mine in 1921.

THE COURT: You are up to 1921, now.

30 MR. SHAW: We have finished with 1920 and are up to 1921. A. I visited the mine in 1921.

Q. What date? A. In June.

Q. In June? A. About the 1st of June, 1921.

Q. Can you tell us what condition you found the things in?

A. Everything—the plant was running and everything in running order. They were pumping out.

Q. I beg your pardon? A. The plant was working, in running order.

Q. Who was in charge? A. Mr. Copp.

40 Q. Is that the same Mr. Copp who was in charge for you previously? A. Yes.

Q. Did you see the tailings dump? A. The tailings dump, yes.

Q. Was there any difference in the tailings dump from when you had left it in 1919? A. I didn't see any difference.

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Q. Would you say the machinery was in good, bad or indifferent condition, or would you describe the condition of the plant, as far as machinery? A. It was in good running condition as far as I know.

Q. Any complaint made to you at that time by Mr. Copp or any person as to the condition of the plant? A. No complaint.

Q. Now, then, did you take any active part in the management of the company in 1921? A. No.

Q. Who was in charge, by the way? Who was the manager of the company? A. Mr. Wallbridge. 10

THE COURT: But not of the mine? A. No, Mr. Copp was superintendent.

Q. You said manager of the company.

MR. SHAW: Q. Manager of the company; and who was manager of the mine? A. Mr. Copp was manager of the mine and Mr. Wallbridge was manager of the syndicate and the company.

Q. You met Mr. Bull and Mr. Wallbridge, I believe, some time later in the summer. What time was that?

THE COURT: 1921? A. In August, 1921, when they came down from inspecting the mine. 20

MR. SHAW: Q. Where did this meeting take place. A. In Mr. Williams' office.

Q. What discussion did you have with Mr. Bull and Mr. Wallbridge at that time? A. I asked Mr. Bull and Mr. Wallbridge how they found conditions at the mine and they said everything was entirely satisfactory to them.

Q. Did they say whether they had been up or not? A. Yes, they had just come down from visiting the mine and everything was entirely satisfactory. 30

Q. Everything was entirely satisfactory? A. Yes.

THE COURT: Were you with them when they were there? A. I went part way up with them.

Q. Were you there when they were there? A. No.

Q. So you had no talk with them up there and did not show them around? A. No.

MR. SHAW: Q. You said they came down in August. A. Yes.

Q. And you came down in June? A. I came down in June.

Q. What was the purpose of this meeting? What, if anything, was wanted at the meeting? A. They wanted \$2,000 to be raised as a loan with which to go on with developing and sinking the shaft at the mine. 40

Q. I don't quite follow your answer. They wanted—

THE COURT: I have it.



THE WITNESS: They wanted to put up \$2,000 of that amount coming from the returns of the cyanide plant and they would go on drifting and sinking the shaft.

MR. SHAW: Q. Who was to put up the \$2,000? A. Mr. Bull and Mr. Wallbridge.

Q. They would loan—. A. They had to do with the arranging of that \$2,000.

Q. Did you agree to that? A. Yes.

10 Q. When did you see them again, or did you see them again later? A. In August, 1923.

Q. No, not 1923? A. August 23rd, 1921.

Q. What happened at that meeting? A. They wanted to advance another \$5,000.

Q. What stand was taken on it by you? A. I objected to that being raised because I figured that the shaft was not being sunk and no real mining work was being done, but it was promised this would be carried on if this amount of \$5,000 was placed against the company and Mr. Williams and I allowed it to be.

20 Q. Where did this meeting take place? A. Mr. Williams' office.

Q. Who was there? A. Mr. Bull, Mr. Wallbridge, Mr. Williams and myself.

Q. Did Mr. Williams make any remark you can remember at that time? A. Mr. Williams stated this would be the last which would be allowed that the company would be held responsible for—placed against the company.

Q. By the way, Mr. Williams, what was his financial condition?

THE COURT: Well?

30 MR. SHAW: It is rather important. Do you know anything about Mr. Williams' affairs.

THE COURT: It would be hearsay. A. No, I do not.

MR SHAW: Q. When did Mr. Williams die? A. September 3rd, 1921.

Q. About a week after this? A. Yes.

Q. Now, Mr. Ferguson—oh, by the way, there was an annual meeting of the company in December, 1921? A. Yes.

Q. You were present at it? A. Yes.

40 Q. I produce to you a balance sheet of the company for 1921. Was that the balance sheet of the company for that year as presented to the meeting? A. Yes.

(DOCUMENT MARKED EXHIBIT No. 4)

Q. Now, around December there was an extension agreement given—that will be filed at noon, my lord.

THE COURT: Yes.

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MR. SHAW: Q. An extension arrangement made and given to the syndicate. Do you know anything about that or why it was given?

THE COURT: When was it?

MR. SHAW: December, 1921, at the time of the annual meeting.

MR. MAYERS: I take it I need not repeat my objection, but all this is in writing.

MR. SHAW: The reason for it—

THE COURT: You may go on. It is all subject to objection. 10

MR. SHAW: Yes, subject to objection.

THE COURT: That should not encourage you to unnecessarily enlarge.

MR. SHAW: No, my lord, I just want to lead up.

MR. FARRIS: In that case, I might join my objection to that of Mr. Mayers.

THE COURT: What is the question?

MR. SHAW: I won't even bother repeating it, my lord.

THE COURT: No. 20

MR. SHAW: Would you produce the minute book of the company, please? Oh, before I forget something,—You are the registered shareholder of a share in this company at the present time? A. Yes.

THE COURT: Is your brother's estate also?

MR. SHAW: Q. Yes, is your brother's estate also? A. Yes.

Q. You each have a share? A. Yes.

Q. There was an additional \$3,000 loaned in 1921, at the annual meeting? A. Yes. 30

Q. Did you have any comments to make on that at the meeting? A. I objected to any further loans being placed against the company on account of the fact the shaft was not sunk and no real mining work was being done.

Q. By the way, who were present at the meeting?

\* \* \* \* \*

THE COURT: Take yourself, you were there. Can you recall— A. Mr. Wallbridge—do you want me to—

MR. SHAW: Yes, tell who were there?

THE COURT: Can you recall? A. Yes.

THE COURT: Well, Mr. Shaw, do let us get on. 40

MR. SHAW: I can read it off. Mr. Wallbridge—

MR. MAYERS: Put in the minutes, I submit.

MR. SHAW: I will put in the minutes of that particular meeting. I am not putting in the whole minute book. I do not want to be bound by the whole minutes. I do not know what is in them.

THE COURT: The objection will be sustained unless you put that in.

MR. SHAW: I will put in the minutes of this particular meeting, being the minute of the annual meeting of Pioneer Gold Mine held the 30th of December, 1921.

THE COURT: Then you can put in a copy afterwards.

MR. SHAW: Yes, thank you, my lord. All I wish to show is the members of the syndicate who were present, Mr. Walsh, Mr. Bull, Mr. Wallbridge, Mr. Lloyd-Owen and Mr. Ferguson.

10 (MINUTES OF MEETING MARKED EXHIBIT No. 5)

Q. was there any discussion about the condition of the company at that meeting? A. Yes.

MR. MAYERS: I submit, my lord, the minutes have gone in and that is the evidence.

THE COURT: Are you now referring to what took place at the meeting?

MR. SHAW: Yes.

THE COURT: There are the minutes.

20 MR. SHAW: It is competent for me to show the minutes are not complete. I submit he can give evidence as to what happened at the meeting and is not just bound by the minutes. That is the only point.

THE COURT: Are you going to ask him to supplement the minutes from his memory?

MR. SHAW: Yes.

THE COURT: I suppose it is material then to read the minutes to satisfy me what is not there.

30 MR. SHAW: I am simply asking now— A. They threatened the existence of the Company unless I agreed to the extension of time and that \$3,000 being placed against the company.

Q. Who made the threat? A. Mr. Wallbridge.

Q. Mr. Wallbridge threatened to put the company in liquidation? A. Yes.

Q. Unless you agreed to let him loan \$3,000? A. Yes.

Q. Did you make any statement of that kind about sinking the shaft?

THE COURT: Q. Just say what you said to that?

MR. SHAW: What did you say?

40 THE COURT: Q. Did the threat have any effect on you? A. I signed the agreement later.

Q. Later?

MR. SHAW: Q. What did you say at the time is what his lordship asked.

THE COURT: I asked what he did and he said he didn't do anything then, but signed an agreement later. I do not know how

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long later. A. December 17th. Over the objection I raised I was forced to sign the agreement December 17th, 1921.

MR. SHAW: December 17th, 1921.

THE COURT: When was the meeting, Mr. Shaw?

MR. SHAW: The 15th, my lord.

THE COURT: Two days after.

MR. SHAW: Two days after.

MR. MACINNES: It was part of the same transaction? A. Yes.

MR. SHAW: Without going into details, I find—I think my friend will not object to this. 10

THE COURT: What are you reading from?

MR. SHAW: Notes out of the minutes, only one or two points. I notice that it appears there was \$650 borrowed from Clarke & Stuart and \$500.00 from Dr. Boucher on December 20th.

THE COURT: 1921?

MR. SHAW: Yes, and on April 4th, 1922, \$10,000 from the Union Bank. Tell the court about those loans, whether you agreed with them or whether there was any discussion, which generally comes to your mind in regard to them. A. I agreed to those loans under the condition they would go on with development of the mine and sink the shaft. Providing the money was properly expended, I had no objection. 20

THE COURT: It all had to do with the mine? A. Yes.

Q. You were not getting it yourself? A. None whatever.

MR. SHAW: Q. That is all I want on that. You agreed to these loans. Now, you were in Vancouver up until June, I believe, was it, 1922? A. June, 1922.

Q. Did you have any discussion with Mr. Wallbridge about this shaft sinking during that period from the 1st of January to the end of June? A. I went to Mr. Wallbridge's office in May. 30

THE COURT: 1922. A. 1922, and strenuously insisted on sinking that shaft to the lower level, 100 feet anyway.

Q. To get it on the record was Mr. Wallbridge a miner? A. Yes.

Q. Was he like you, a mining man? A. I always thought of—

Q. Just wait. You are a practical miner? A. Yes.

Q. Was Mr. Wallbridge? A. Yes, as far as I know. He had been manager at Surf Inlet and in charge— 40

Q. I mean as a practical miner? A. As far as I know he was.

MR. SHAW: Q. He had charge of the Surf Inlet Mine? A. Yes.

Q. Now, you left Vancouver in 1922. Where did you go? A. Seattle.

- Q. Did they know you had gone? A. Yes.
- Q. By the way, there is one point I overlooked. What was your financial condition at the time you entered the agreement with Mr. Wallbridge? A. I put all my money into the Pioneer Mine, developing and making a mine out of it.
- Q. Can you tell us whether Mr. Wallbridge knew of your condition, and if so how?
- THE COURT: Q. Did you tell him? A. I told Mr. Wallbridge the condition.
- 10 MR. SHAW: Q. Did you have any other discussion with the other Defendants about your condition at that date? A. Mr. Bull also knew I had no money.
- Q. What is that? A. Mr. Bull knew I didn't have any money.
- Q. What were your relations with the Williams Estate in 1921 financially, I mean, did you owe them money? A. Not personally I didn't owe them any money.
- Q. Were you obligated to them legally? A. To the extent of \$20,000.
- 20 THE COURT: What? A. \$20,000 which had been owing by the company and for which they held my shares as security.
- MR. SHAW: Did you know Mr. McKim well? A. I knew Mr. McKim well.
- Q. He was a member of the syndicate? A. Yes.
- THE COURT: And he was a solicitor.
- MR. SHAW: Q. Solicitor in the firm of Williams, Walsh—
- A. Yes.
- THE COURT: He was not a mining man? A. No.
- MR. SHAW: Q. I am speaking now to the question of his
- 30 knowledge of Ferguson's personal affairs. Who had your solicitor been from 1912 onward?
- THE COURT: Has that any bearing?
- MR. SHAW: Yes, I want to show personal knowledge. A. Williams, Walsh & McKim.
- Q. Mr. McKim was your solicitor up to 1922? A. Yes.
- THE COURT: In respect of all these matters or something else? A. Everything. When Mr. Williams was absent I had Mr. McKim.
- MR. SHAW: Q. You had a couple of lots on Granville
- 40 Street. What happened to those? A. I put a loan against them.
- Q. Just briefly. Have you get them yet? A. No, I was forced to sell them.
- Q. When? A. 1921.
- Q. Did these Defendants know anything about that. A. Yes.
- Q. Which ones? A. Mr. Bull and Mr. Wallbridge.

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Q. How did they know? A. I told them I was losing those lots on account of—

THE COURT: In other words, you had no money? A. Yes.

Q. And you went to them to help you out, is that it? A. Yes.

THE COURT: I have that.

MR. SHAW: Q. Now, in 1922, you sold some shares to Mr. Twiss? A. Yes.

Q. I need not trouble you with that. I can get that again.

THE COURT: Mr. Shaw, you are alleging fraud, the thread running through is fraud, fraudulent representations and so on. 10

MR. SHAW: I just want to show that he was broke. Up to June, 1922, had you received any complaint as to any alleged shortage of tailings? That is just when you left for Seattle.

THE COURT: Q. 1922? A. No.

Q. How far would this mine be from any transportation except packing? A. It was about 55 miles from a railway.

Q. Where? A. Shalalth, on the P. G. E.

Q. That is how far from Vancouver? A. About 135 miles.

Q. In unsettled country? A. Yes. 20

Q. This is about the only live thing about there for miles? A. Yes.

MR. SHAW: Q. Was there any telegraphic communication?

THE COURT: I meant about the tailings. Could these tailings be easily taken away or transported? A. No, they would not. They would be left there.

Q. So you would expect to find the tailings very much the same in 1922 as you found them when you saw them previously? A. Yes. 30

MR. SHAW: Q. Just following up his lordship's question for a moment, when you were filling those tailings, did you take any precautions to make sure they would not escape? A. We had a man there most of the time.

THE COURT: How could they escape? A. They could not. They were impounded and a bank put around them.

Q. Well, you see Mr. Shaw said escape. They would not evaporate or be washed away? A. No.

Q. They would have to be carted away to the railway station? A. They were put in a tailings pit at the mine and left there for cyanide treatment later. 40

THE COURT: Let us get on. There are certain tribunals might think this was liquid and might evaporate in the air, so we have to get things down in the stenographic report.

MR. SHAW: Q. In 1922, getting along to the fall, you were living in Seattle, you say? A. Yes.

Q. Did you have any communication from Vancouver indicating there was any claim of misrepresentation? I might assist you perhaps and shorten it down a bit. There is in the pleadings a letter of September 27th, I believe, from Mr. Walsh? A. Yes, I got that.

MR. MACINNES: Paragraph 16 of the Statement of Defence, my lord.

MR. SHAW: Q. I produce to you, Mr. Ferguson, a letter purporting to be Walsh, McKim & Housser to yourself dated  
10 September 27th, 1922, with an enclosure being a copy of a letter from Mr. A. E. Bull to Mr. Walsh. Would you indentify those documents, please? A. Yes.

Q. You identify those? A. Yes.

MR. SHAW: Then I will have them marked as one exhibit.

MR. MAYERS: Put them in separately, please.

(LETTER OF SEPTEMBER 27th, 1922, MARKED EXHIBIT  
No. 6)

(COPY OF LETTER DATED SEPTEMBER 25th, 1922,  
MARKED EXHIBIT No. 7)

20 MR. MAYERS: Are those properly signed?

MR. SHAW: No.

MR. MAYERS: They should be.

MR. SHAW: Oh, I see by signed, the typed signature. Now on receipt of that letter, what did you do? A. I wrote to Mr. Noble.

Q. You communicated with your solicitor, Mr. Noble. A. Yes.

THE COURT: Who is Mr. Noble? A. Mr. J. B. Noble.

MR. SHAW: Q. Mr. Noble, the solicitor? A. Yes.

30 Q. Of Noble & St. John?

THE COURT: Let the witness give the evidence. A. Noble & Beeston.

THE COURT: Q. Solicitor for whom? A. For me.

Q. You appointed him your solicitor? A. Yes.

MR. SHAW: Q. What action did you take on the misrepresentation alleged? A. I objected to the misrepresentation.

MR. MAYERS: I submit, my lord, if he took any action it must have been by letter.

THE WITNESS: I objected to the misrepresentation.

40 MR. MAYERS: Would you please not go on, witness, when I am addressing his lordship. He was in Seattle, not up here, so if there was any communication it would have to be in writing.

THE COURT: The letter is produced.

MR. MAYERS: I have produced any letter I know of. If there are any others they should be produced.

MR. SHAW: Q. What position did you take?

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 Proceedings  
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 Plaintiff's  
 Case  
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 Andrew  
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THE COURT: Half past two, and have ready those things which you wish to put in.

\* \* \* \* \*

Q. Just before the noon adjournment, Mr. Ferguson, we were discussing a letter which had been written to you by Mr. Walsh enclosing a copy of a letter received by him from Mr. Bull, exhibits 6 and 7? A. Yes.

Q. You remember those documents. A. Yes.

Q. Did you reply to those letters? A. I did.

Q. Is this a copy of your reply?

MR. MAYERS: To whom is this? 10

MR. SHAW: This is the original reply.

MR. MAYERS: To whom is this?

MR. SHAW: Addressed to Walter Walsh. A. Addressed to Walter Walsh.

(LETTER CONSISTING OF THREE SHEETS MARKED EXHIBIT 8)

MR. SHAW: I wish to read this to the witness.

MR. MAYERS: I have an objection to this, my lord, which can be argued afterward.

THE COURT: Q. Does he know the contents? Is it necessary for you to read it to him. 20

MR. SHAW: He can read it himself. I simply wish to ask him if the statements contained in that letter are true or not. Just read the letter, witness.

THE COURT: You recall the letter, do you Mr. Ferguson? A. That is true.

MR. SHAW: The statements contained in this letter you say are true? A. True.

Q. A letter of three sheets of paper fastened together? A. Correct. 30

Q. Now, on the 10th of November, 1922, a writ was issued by the Williams Estate against you and your brother? A. Yes.

Q. And you were served with that writ? A. Yes.

Q. I produce to you a copy. That is the writ with which you were served? A. Yes.

(DOCUMENT MARKED EXHIBIT No. 9)

MR. MAYERS: I object to that, too.

MR. FARRIS: My lord, I take it that these objections will apply to all the Defendants.

THE COURT: Oh, quite so. 40

MR. FARRIS: So that everybody will not need to bob up.

THE COURT: Quite so, yes.

MR. SHAW: Q. Now, Mr. Ferguson, just in order to keep the documents in order as they go in, there was a meeting of the



company held in November or December, 1922, a general meeting to which you gave a proxy to your solicitor, Mr. Noble? A. Yes.

Q. That will be filed amongst the exhibits to go in, my lord. Is this a copy of the balance sheet furnished to that meeting? A. Yes.

(COPY OF BALANCE SHEET AND STATEMENT OF THE COMPANY FOR DECEMBER 12, MARKED EXHIBIT No. 10)

10 Q. Now, Mr. Ferguson, on the 15th of February, 1923, you signed an agreement which will be produced with the rest of the documents, you remember the one I mean? A. Yes.

Q. Where your shares were given up? A. Yes.

Q. And you also entered into an agreement with the Williams Estate which will also be produced with reference to the hypothecation of your shares? A. Yes.

Q. Were there any other agreements with the Williams Estate after or is that the only document? A. That is the only document.

20 Q. There were no others. I think I had better put those documents in as we mentioned.

MR. MAYERS: Let me put them in. It will save a lot of time.

MR. SHAW: Very well. You have stated in your letter which you have just said is true that there was no misrepresentation and the charges against you were false. Can you explain to the court why you signed the agreement?

MR. MAYERS: How can that possibly be evidence?

\* \* \* \* \*

MR. SHAW: You signed an agreement, Mr. Ferguson, in February, 1923, an agreement with the syndicate? A. Yes.

30 Q. Or with Mr. Wallbridge? A. Yes.

Q. In your letter to Mr. Walsh you had stated you were guilty of no misrepresentation and it was all bluff on the part of the syndicate? A. Yes.

Q. In view of that letter, why did you sign the agreement in February, 1923?

MR. MAYERS: That is what I object to, my lord.

THE COURT: The objection is sustained. You have the material, they are both in. You have to do the best you can with them.

40 MR. SHAW: Q. Did you owe the Williams Estate anything at the time of the agreement. Were you liable to them. A. \$20,000.

Q. Did the Williams Estate proceed with that action to any extent? A. They issued a writ against me.

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MR. MAYERS: Well, that, of course, would be shown by documents.

MR. SHAW: If my friend wants to put in all sorts of documents I have no objection. I will put in the Statement of Claim.

THE COURT: Mr. Shaw, go on, do not forget what your pleadings are, what you are charging them with. You must not get away from that.

MR. SHAW: Q. Had you money to defend that action? A. No, I hadn't any money.

Q. Had you money to pay off the Williams Estate? A. No. 10

Q. Was this known to the Defendants in this action? A. Yes.

MR. MAYERS: This is all wrong, my lord.

THE COURT: Mr. Shaw, you don't seem to—

MR. SHAW: Yes, my lord.

THE COURT: Just wait. You do not seem to wait to hear what anybody is saying, if you do not mind.

MR. SHAW: I would rather abandon that question.

THE COURT: There are such things as rules of evidence, you know, Mr. Shaw. Very often I am sorry they are. Things would go on very smoothly. 20

MR. SHAW: Q. Mr. Ferguson, after 1922—you told us before this that you went down to Seattle in June, 1922? A. Yes.

Q. And you were away all this time? A. Yes.

Q. That I have been speaking of recently? A. Yes.

Q. Did you hear anything more about the mine prior to 1924?

THE COURT: That would be hearsay, would it not?

MR. SHAW: I asked if he got any information of any kind.

THE COURT: I heard what you asked. 30

MR. SHAW: Q. Did you ever hear in the summer of 1924 about an option being given to Mr. Sloan.

THE COURT: From whom?

MR. SHAW: From anybody?

MR. MACINNES: There will be a letter, my lord.

THE COURT: If there is a letter, produce the letter Mr. Shaw. A. I got a letter from Mr. Stephenson.

MR. SHAW: You got a letter from Mr. Stephenson, September 20th, 1924? A. Yes.

Q. Is that the letter? A. Yes.

MR. SHAW: This letter of four pages is the next exhibit. 40

(LETTER MARKED EXHIBIT No. 11)

Q. In that letter, to save time, you were informed that Mr. Sloan was working the property? A. Mr. Sloan was working the property.

Q. Had you known before that letter the value of the Sloan option? A. It had been sold for \$100,000.

Q. When did you hear that? A. I got information from Mr. Noble.

THE COURT: Q. Your lawyer?

MR. SHAW: From Mr. Noble, was it? A. Yes.

THE COURT: Who was his solicitor.

MR. SHAW: Yes.

THE COURT: Mr. Ferguson, I wish you would speak out.  
10 This is your case, you know.

MR. SHAW: Q. You got information that Mr. Sloan had bought it for \$100,000? A. Yes.

THE COURT: He wrote you a letter, did he? A. Yes.

THE COURT: If there is a letter, produce it.

MR. SHAW: There is no such letter in the file.

THE COURT: He said there was, you know.

MR. SHAW: Q. Have you that letter? A. No, I haven't the letter.

Q. It appears there was a meeting on December 5th, 1924.  
20 Do you know anything about that meeting of December 5th, 1924?  
A. No. I knew nothing about it at all.

THE COURT: Witness, were you present? A. No, I was not.

MR. SHAW: Q. Did you get any notice of it? A. No notice of it.

Q. When did you first hear there was such a meeting held, a meeting purporting to confirm the sale to the directors? A. Not until I went to see you in 1931.

Q. Did you know in 1924 that the Wallbridge syndicate or  
30 any member of it was interested with Mr. Sloan in that option.  
A. No.

Q. After 1924 when did you first learn that these defendants were still interested in the Pioneer Mine in some way? A. I met a friend of mine by the name of Mr. Steele in San Francisco and he told me.

Q. When was this? A. The fall of 1930.

Q. As a result of that did you do anything? A. I wrote to Mr. H. C. Shaw, Magistrate, to find out

THE COURT: Q. He was your solicitor, was he? A. He  
40 was my solicitor.

MR. SHAW: Q. He had been your solicitor many years before? A. Yes.

Q. Just tell briefly what happened then? A. I received a letter from Mr. Ian Shaw in which he told me—

MR. MAYERS: It would be better to have the letter.

MR. SHAW: I am not producing that correspondence.

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THE COURT: If you want to show the contents of the letters they must be produced.

MR. SHAW: I do not want the contents of the letters at all. I am only showing why there was some time elapsed before the writ was issued, purely a question of time.

THE COURT: Let him blame his solicitor.

MR. SHAW: That will be sufficient.

THE COURT: You will stand that.

MR. SHAW: I will take my risk on that.

Q. As a result of the correspondence with your solicitor what did you do? 10

THE COURT: Besides paying him his costs? A. I told him to investigate and send me reports.

MR. MAYERS: My lord, this is very difficult, because the witness insists on giving the contents.

MR. SHAW: That is not the question.

MR. MAYERS: I am objecting to the witness volunteering—

MR. SHAW: I say that is not the question I intended to ask.

THE COURT: What is the question? 20

MR. SHAW: Just a very simple point.

Q. Did you come to Vancouver? A. Yes.

Q. When? A. In July, 1931.

THE COURT: Q. Who did you see when you got here? A. I met Mr. Shaw.

Q. Senior or Junior? A. Junior.

MR. SHAW: Q. How did you spend your time, having regard to this matter from the time you arrived until the writ was issued in this action in June, 1932? A. I wanted Mr. Shaw to issue the writ at once and he told me— 30

MR. MAYERS: Is this not privileged—

A. He told me we did not have sufficient evidence.

MR. MAYERS: Wait a moment. I take the position my friend is taking the ground the correspondence between this witness and himself is privileged and now he is going on to ask what he told him.

MR. SHAW: I am not asking what he was told. I am asking what he proceeded to do or how he spent his time.

THE COURT: He got it in before Mr. Mayers and Mr. Farris noticed. The witness said the reason for the delay was due to his solicitor. Why not leave it at that? 40

MR. SHAW: I did not so understand his answer.

THE COURT: Yes, he did.

MR. SHAW: Q. At any rate, you continued to get information in this action. A. Yes.

Q. And witnesses? A. Yes.

Q. And you caused a writ to be issued? A. In June, 1932.

Q. Was there any delay on your part in having that writ issued? A. I had to find the evidence, get the evidence in connection with the case the very best I could for you.

Q. Were you attending to any other business at the same time? A. No, just this.

Q. What do you say to the suggestion of the defence you were not diligent in taking this action. You understand the question, that there was undue delay by you.

10 THE COURT: He knows what "diligence" is. A. I followed it as diligently as I could.

MR. SHAW: Q. You followed it as diligently as you could? A. Yes.

MR. SHAW: Your witness.

#### CROSS EXAMINATION BY MR. MAYERS

MR. MAYERS: Will you give him the examination for discovery. Well, his lordship will want that. My friends can furnish him with a copy, no doubt.

MR. SHAW: We have not got a copy.

MR. ST. JOHN: I have a copy.

20 THE COURT: Yes.

MR. MAYERS: Will you just follow as I read, witness, questions 1 to 63:

"Q. You are Andrew Ferguson? A. Yes.

"Q. And you are the plaintiff in this action? A. Yes."

THE COURT: Just wait. Mr. Ferguson, do not look at counsel but look at this transcript and follow as he reads. Keep your eye on that.

MR. MAYERS: "Q. You are Andrew Ferguson? A. Yes.

"Q. And you are the plaintiff in this action? A. Yes.

30 "Q. And you have been sworn? A. Yes, sir.

"Q. In 1919 you were connected with a company called "the Pioneer Gold Mines Limited? A. Yes.

"Q. You are a miner by profession, are you? A. Yes.

"Q. How long have you been mining? A. Since 1902.

"Q. And in 1919 the Pioneer Gold Mines Limited was "really yourself, your brother Mr. Peter Ferguson and Mr. "Adolphus Williams, was it not? A. Yes.

"Q. The three of you had been running the mine for how "many years? A. We purchased it in 1911.

40 "Q. Yes, and you had been operating it for how long? "A. For—until 1921.

"Q. You had been operating it from 1911 up to 1919?

"A. 1919, yes.

"Q. Your brother was what by profession? A. A "miner.

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"Q. He was also a miner. Did he take any part in the operations? A. No.

"Q. It was just you, was it? A. Yes.

"Q. Were you actually at the mine in that period from 1911 to 1919? A. Yes.

"Q. That is near a place called Shalath in Lillooet? A. Yes, Shalath in Lillooet.

"Q. Were you managing the mine? A. Yes.

"Q. Had you associated with you a man called Mr. C. L. Copp? A. Yes.

"Q. What was his position? A. Superintendent of the mine.

"Q. But you were actually up there yourself, were you? A. Yes.

"Q. Now, in 1919—by the way, did you keep any books of your operations? A. Yes.

"Q. Where are they? A. They were left with Mr. Williams.

"Q. Where are they now? A. I don't know.

"Q. In 1919 were you or your company in debt? A. We were in debt to the Royal Bank about \$20,000.

"Q. And any other debts? A. In the neighborhood of \$15,000 to merchants.

"Q. So practically you owed between \$35,000 and \$40,000—when I say you I mean you or the company? A. \$35,000.

"Q. Were those old debts ever paid? A. I was told they were paid.

"Q. By whom? A. I don't know who paid the debts. I don't know.

"Q. Don't you know that Mr. Adolphus Williams paid a large part or all of them, or at any rate a large part of them? A. He paid a large part of the note—he paid the note.

"Q. He paid the bulk of the debts, did he? A. Yes.

"Q. And it was for that reason that you hypothecated your shares to him, was it not? A. Yes.

"Q. The shares of yourself and your brother? A. Yes.

"Q. You have never paid to Mr. Adolphus Williams executors your share of the debts which he paid for you? A. No.

"Q. Now, in 1919 you too—you and Mr. Peter Ferguson and Mr. Adolphus Williams had reached the limits of your resources, had you not? A. In 1919, yes.

"Q. And I think you tried to sell the property? A. Yes.

"Q. By the way, we may as well call it the Pioneer Mine? A. Yes.

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"Q. Were there other claims besides the Pioneer claim?  
 "A. There were six adjoining claims.  
 "Q. The whole thing has always been called the Pioneer Mine, has it not? A. Yes.  
 "Q. You tried to sell the Pioneer Mine to the Mining Corporation of Canada, did you not? A. Yes.  
 "Q. Was it you who negotiated that option or was it Mr. Copp? A. I negotiated the option."  
 10 Have you got that document. We will have to have that marked. That will be an exhibit.  
 (DOCUMENT REFERRED TO MARKED EXHIBIT No. 12)  
 "Q. This is a document dated the 24th of November, 1919, between the Pioneer Gold Mines Limited and W. R. P. Parker. That is the document, isn't it? A. Yes, that is it.  
 "Q. The Mining Corporation of Canada threw up that option in the following February of 1920, did it not? A. Yes.  
 "Q. Had it ever conducted investigation? A. Yes.  
 20 "Q. Then in the summer of 1920 you instructed Mr. Copp to try to sell the mine to some people in Seattle did you? A. No.  
 "Q. Don't you remember that? A. I don't remember that.  
 "Q. Was Mr. Copp still superintendent in 1920 for you? A. No.  
 "Q. When did he leave? When did he give up the office as superintendent? A. In May, 1916.  
 "Q. Oh, as long ago as that, eh? And you had no superintendent after that? A. Mr. Boag.  
 30 "Q. Mr. Boak? A. Mr. Boag.  
 "Q. Well, in 1920, had you any communication with Mr. Copp? A. No.  
 "Q. I think you must have had? A. I don't remember having any.  
 "Q. Well, don't you remember instructing Mr. Copp to try and sell your shares—the shares of your self and brother and Mr. Williams? A. I don't remember it, no.  
 "Q. How did you come in contact with the syndicate which eventually agreed to buy part of your shares? A. That was in November, 1920.  
 40 "Q. Yes, November, 1920? A. Not the summer of 1920.  
 "Well, all right, in November, 1920, what happened in November, 1920? A. Well, it lead up to my meeting Mr. Wallbridge and getting him interested in the property.

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"Q. What led up to your meeting Mr. Wallbridge? A. He met Mr. Wallbridge.

"Q. Who did? A. Mr. Copp.

"Q. Yes, that was on your instructions? A. Yes.

"Q. That is, you had instructed Copp— A. To sell.

"Q. To sell the shares which you and your brother, Mr. Williams, had in the mine? A. Yes.

"Q. Or part of them? A. Yes.

"Q. You gave those instructions to Mr. Copp personally, did you? A. Yes." 10

You heard me read those questions and answers. Are they all correct, witness?

THE COURT: If there is any alteration or correction, now is the time to make it. Do you say that is substantially what you said? A. Substantially what I said.

MR. MAYERS: Q. And it is all correct. Is that right? A. Yes.

Q. Questions 108 and 109:

"Q. Now, in 1920, Mr. Copp put you in touch with Mr. Wallbridge, did he? A. Yes. 20

"Q. And you had interviews with Mr. Wallbridge? A. "Yes."

Is that correct? A. Yes.

Q. 116 to 118:

"Q. You knew, of course, that Mr. Wallbridge was not going to buy your shares himself, didn't you? A. Yes.

"Q. And that he was going to try to find purchasers for the shares? You knew that, didn't you? A. Yes.

"Q. And naturally you also knew that he would repeat to the purchasers what you had told him, or what Mr. Copp had told Mr. Wallbridge, as having been told by you? A. "Yes." 30

Were those answers correct? A. Yes.

Q. Questions 127 to 354:

"Q. This is an agreement—" this is quite a long passage and if you want to interrupt me at any time do so, or make correction you wish to—"This is an agreement of the 6th of January, 1921, between Adolphus Williams, Andrew Ferguson and Peter Ferguson of the one part and Adam Henry Wallbridge of the other part which will be an exhibit." 40

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 13)

"Q. You remember in this exhibit 2 (which is now exhibit 13)—that \$10,000 of the purchase price of the shares was to be paid to Mr. Wallbridge and Mr. Williams jointly as trustees. You remember that, do you? A. Yes.



- “Q. And that sum was to be expended in the installation  
“of a cyanide plant? A. Yes.
- “Q. Was a cyanide plant installed? A. Yes.
- “Q. And you continued to keep in touch with the oper-  
“ations of the mine until what point of time? A. June, 1922.
- “Q. Where were you—you came down from Lillooet,  
“did you? A. No, I was in Vancouver.
- “Q. You had been at the mine, had you? A. Once in  
“June, 1921, consulting Mr. Wallbridge’s syndicate.
- 10 “Q. Well, until June, 1921, you had been in charge of the  
“mine? A. Yes.
- “Q. And then you came down and lived in Vancouver?  
“A. Yes.
- “Q. Until when? A. Yes, I was in charge of the oper-  
“ations of the mine until 1919. I want to get that correctly.
- “Q. Then what happened between 1919 and 1921? A.  
“Well, we made a deal with the Mining Corporation between  
“that—
- 20 “Q. Yes, and didn’t you operate in 1920? A. No.
- “Q. You had come to the end of your resources at the  
“end of the mining season in 1919? A. Yes.
- “Q. And in 1920 there was nothing done with the mine  
“at all? A. There was an option given to Mr. Lloyd-Owen.
- “Q. Was that in writing? A. Yes.
- “Q. How much was the option price? The option price  
“to the Mining Corporation of Canada was \$100,000, wasn’t  
“it, less 10 per cent. commission? A. Yes.
- “Q. Was the option to Lloyd-Owen in the same amount?  
“A. I think it was, but I would have to check up the amount.
- 30 “Q. Did the option to Mr. Lloyd-Owen post-date or  
“ante-date the option to the Mining Corporation of Canada?  
“A. It was after that.
- “Q. So it would be in 1920? A. Yes.
- “Q. And that fell through, did it? A. Yes, it fell  
“through.
- “Q. Then you had left the mine in 1919 and you came  
“to live in Vancouver, didn’t you? A. Yes.
- “Q. And you lived in Vancouver for how long? A.  
“Until June, 1922.
- 40 “Q. Yes, well, during all that period you kept in touch  
“with the operation of the mine, did you not? A. Yes.
- “Q. In fact there was quite a lot of correspondence be-  
“tween you and Mr. Wallbridge about the matter, was there  
“not, up until away on in August, 1922. That is right, isn’t  
“it? A. There was some correspondence I had with Mr.  
“Wallbridge in 1922.

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"Q. Yes, and that was about the affairs of the mine and  
 "the operations of the mine? A. Yes.

"Q. And that went on well into August, 1922? A. Yes.

"Q. And you attended all the directors' meetings, didn't  
 "you? A. Up until June, 1922.

"Q. For instance, let me see if you can agree with me  
 "on all these facts. You were present at a meeting—let him  
 "have this to refresh his memory—on the 23rd of August, 1921.  
 "Yes, on the 23rd of August, 1921, you were present at a direc- 10  
 "tors' meeting and seconded a resolution to borrow \$5,000 in  
 "addition to the \$2,000 already borrowed from the Merchants  
 "Bank of Canada? A. That is right.

"Q. And on the 17th of December, 1921, you were at a  
 "meeting at which it was resolved to borrow \$3,000 from Mr.  
 "Wallbridge. Do you remember that? A. Yes, I strongly  
 "objected at that meeting to the way they were mining it. At  
 "least, they were not mining the ore and were placing debts  
 "on the company.

"Q. You were present at the meeting to start with? A. 20  
 "Yes.

"Q. That is the 17th of December? A. Yes.

"Q. Now, did you get any record of any of your objec-  
 "tions on the minutes? A. No, not that I know of.

"Q. You do remember that there was a resolution to bor-  
 "row \$3,000 from Mr. Walbridge? A. Yes, and I strongly  
 "objected to that.

"Q. Why? A. Because they were not mining the prop-  
 "erty and I figured the shaft should have been sunk and some  
 "mining done.

"Q. Well, your objection was as to what they were 30  
 "doing at the mine? A. Yes.

"Q. Were you objecting to the borrowing of money? A.  
 "Not if it was properly spent on the mine. I claimed that it  
 "was not being properly spent—they were not mining at that  
 "time.

"Q. You did not object to the borrowing of the money,  
 "but you objected to the way the money was being spent, is  
 "that right? A. Yes.

"Q. What was the nature of your objections? A. That 40  
 "they were not mining it and that they were not getting out  
 "gold. The gold was up there and they could sink the shaft  
 "and take the gold out.

"Q. What do you mean by they were not mining it? A.  
 "There was no regular mining going on.

"Q. What were they doing? A. They apparently were  
 "not doing any mining.

"Q. What do you mean by mining. A. Sinking a shaft  
"and taking out ore.

"Q. Did they sink a shaft? A. No, they didn't sink the  
"shaft.

"Q. And you say they should sink the shaft? A. Yes.

"Q. Did you point out to them where they were to get  
"the money to sink the shaft? A. Well, they were borrow-  
"ing money to sink the shaft and carry on mining.

10 "Q. They were borrowing the money to sink the shaft?  
"A. Yes, but they didn't sink the shaft with the money that  
"they borrowed.

"Q. Wait a moment. You approved of this resolution  
"for borrowing the \$5,000 anyhow? A. Yes.

"Q. That was in August? A. Yes.

"Q. And in December, you say, you approved of the  
"borrowing of the \$3,000, but you did not approve of the way  
"they were spending their money, is that right? A. I did not  
"approve of the way they were spending their money.

20 "Q. How had they been spending their money? A. The  
"money was partly spent on a cyanide plant.

"Q. That was according to the agreement, wasn't it?  
"A. Yes.

Q. You could not have any objection to that, could you?  
"A. No.

"Q. What was it you were objecting to in the way of  
"spending the money? A. They were not sinking the shaft  
"and they were not mining.

"Q. What were they doing with it? A. I don't know  
"what they were doing with it.

30 "Q. If you did not know what they were doing with the  
"money how could you object to it? A. Well, they were not  
"taking out any gold.

"Q. Is that the only grievance you had. That they were  
"not taking out enough gold? A. They were not sinking a  
"shaft and they weren't mining.

"Q. Now, don't confuse me with these terms. You say  
"they weren't sinking a shaft. Had they the money to sink a  
"shaft? A. I allowed them to borrow that \$3,000 and I ex-  
"pected that money would go to sink a shaft.

40 "Q. What did it go into? A. I don't know.

"Q. It might have gone into something that was just  
"as necessary as it was to sink a shaft? A. They were to  
"mine it and the only way to do so was to sink the shaft and  
"then mine it. The ore was there.

"Q. Stick to that. You say you didn't know, or you say  
"you didn't know how the money had been spent, is that

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"right? Is that right? A. Yes, I knew that they were not sinking the shaft on the mine and getting out ore.

"Q. That isn't an answer to my question. Just try and listen, and if you don't understand it, tell me. Did you know how the money had been spent, for what purpose? A. No.

"Q. Then why didn't you acquaint yourself with that? "Don't you want to answer that, witness? Why didn't you acquaint yourself with the way the money had been spent? "A. Well, it was partly spent on a cyanide plant.

"Q. You had no grievance about that, had you? A. No. 10

"Q. What was the method of the disposition of the money to which you did object? A. That they were placing debt on the mine, and they were not sinking a shaft or mining.

"Q. That doesn't answer my question, you see. Did you or did you not know how they had spent the money? "A. Up to that time I knew that they had spent it on a cyanide plant and on a—

"Q. On what? Let us get along, witness. If you don't know, say so? A. I don't know what they spent it on. 20

"Q. By that time you mean—what time—up to the end of the year 1921? A. December, 1921.

"Q. Do you mean to say you did not get that letter or you didn't see that letter? You saw that, didn't you, witness. A. I don't remember seeing it.

"Q. Will you deny that you saw it? A. I won't deny "I saw it, but I don't remember seeing it."

That is the letter of December 29th, 1921. It is a letter from the defendant Stuart to the shareholders of the Pioneer Gold Mines Limited, the 29th of December, 1921. I would like to read it. 30

MR. MACINNES: My friend, of course, undertakes to prove that and prove it came to the knowledge of this witness. He has not admitted it. He says he doesn't remember seeing it.

THE COURT: It was put in.

MR. MACINNES: It is marked for identification, my lord. That is not proof of the letter.

THE COURT: What is it?

MR. MAYERS: A letter from the chairman of his company to the shareholders of his company, and I will prove it was sent out in the usual way. 40

MR. MACINNES: When the witness says he does not remember receiving or seeing that letter, that is no identification at all and no proof it was ever received by him.

THE COURT: That is a matter of argument. He is cross-examining. What is your question?

MR. MAYERS: My question is do you remember seeing it? He does not deny seeing it.

MR. MACINNES: At 198 he says he doesn't remember seeing it.

MR. MAYERS: The question of the reliability of his memory would be a matter for argument.

THE COURT: What is your question now?

MR. MAYERS: I am simply putting in his examination for discovery.

10 THE COURT: I know, but what is your objection?

MR. MACINNES: My objection is my friend is—

THE COURT: Do you want—are you asking to put in the letter?

MR. MAYERS: Yes.

MR. MACINNES: I submit it cannot go in as an exhibit at the trial as having been received by Ferguson unless my friend says he is going to prove it actually was delivered to Ferguson by extraneous means.

20 THE COURT: Or the ordinary course of posting. I am not going to shut it out.

MR. MACINNES: No, I am not asking your lordship to shut it out, but suggesting it should only be marked for identification.

THE COURT: Ordinarily it would be marked for identification, but this is not Mr. Mayers' case. This is cross-examination in the course of the plaintiff's case.

MR. MACINNES: That does not charge Ferguson with the receipt of the letter.

THE COURT: I know. Proceed.

30 (LETTER READ AND MARKED EXHIBIT No. 14)

MR. MACINNES: Is that marked as an exhibit or simply for identification, my lord.

40 THE COURT: No, you see, Mr. Shaw, the witness says he will not deny that he saw it, but he will not say he received it. I have been viewing the witness so far, his manner of answering during the trial and I would construe that as yes. I would not hesitate. It is of importance in order to ascertain the witness' meaning when you observe him. I am putting that on record for use elsewhere that that is equivalent, from my observation of the witness saying yes.

MR. MAYERS: I am now at question 199. Have you that witness under your observation?

THE COURT: At the top of the page? A. Yes.

MR. MAYERS: Q. "Q. You knew, did you not, that the "water wheel had given away? A. Yes.

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"Q. You knew that that had to be replaced by a new one  
 "which was to come from Ontario? A. Yes.

"Q. You knew that the mine had to be pumped out again  
 "when that was installed, didn't you? A. Yes.

"Q. And you knew that one of the gear wheels broke?  
 "A. I don't remember about those gear wheels.

"Q. You were a director, weren't you, witness. You  
 "were a director? A. Yes.

"Q. And do you mean to say that all of this was not dis-  
 "cussed at the directors' meeting? A. No.

"Q. You say it wasn't? A. Not that I know of.

"Q. Eh? A. I don't remember it being discussed.

"Q. Do you say you didn't know one of the gear wheels  
 "broke in the autumn of 1921? A. No.

"Q. Do you say you didn't know that the mine had to  
 "be closed down in consequence? A. If the water wheel had  
 "to be put in—if they had to put in a water wheel, it would  
 "have to be closed down.

"Q. Certainly, and you know that they had to close it  
 "down, didn't you, in December, 1921?

"A. December, 1921?

"Q. Yes? A. Well, they were closed down.

"Q. But you knew in December, 1921, that they had been  
 "obliged to close the mill down, didn't you? A. Yes.

"Q. Do you say that the money that they had been using  
 "for those activities and to repair the damage I have mention-  
 "ed was not properly spent? A. Yes.

"Q. You say so? A. Yes, I say that it was not properly  
 "spent.

"Q. Well, now, very well. On the 17th of December,  
 "1921, tell me one item you can recall where the money had  
 "been spent improperly?

"MR. SHAW: Let us get ahead, witness. If you cannot  
 "answer it, say so.

"THE WITNESS: No, I don't recall any.

"MR. MAYERS: Q. Now, you were present at a general  
 "meeting on the 30th of December, 1921? A. Yes.

"Q. And the balance sheet was produced? A. Yes.

"Q. And you read it and knew all about it, didn't you?  
 "A. Yes.

"Q. Will you point out to me any entry in that balance  
 "sheet that is wrong or objectionable or dishonest. Is there  
 "anything in this balance sheet which will be marked exhibit  
 "4 that you object to?"

THE COURT: Witness, Mr. Mayers is not reading dialogue  
 between counsel. Skip all that and pick up the number.

MR. MAYERS: That was 219, you have it, witness?

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THE COURT: You have to skip all that discussion between counsel, so just follow the numbers.

MR. MAYERS: "Q. Is there anything in this balance sheet which will be marked exhibit 4 that you object to? A. No."

THE COURT: What number is it on the trial?

MR. MAYERS: Exhibit 4 on the trial, my Lord.

10 "Q. (220) Now, you were present at a meeting of directors on the 3rd of February, 1922, and you voted for a resolution to borrow \$5,000 from Mr. R. B. Boucher, did you not? A. Yes.

"Q. And you were present at a directors' meeting on the 17th of March, 1922, and you voted for a resolution to borrow \$3,000 from Mr. Wallbridge, did you not? A. Yes.

"Q. You were at a meeting of directors on the 24th of April, 1922, and you voted for a resolution to borrow \$10,000 from the Union Bank of Canada? A. Yes.

"Q. And do you remember appointing Mr. Noble as your proxy for the general meeting of the 13th of December, 1922? A. Yes.

20 "Q. He was your solicitor, was he not? A. Yes.

"Q. (225) And Mr. Noble, you know, attended the meeting? A. Yes.

"Q. You say you were in Vancouver until what time in 1922? A. June 3rd, 1922.

"Q. And then you went where? A. To Seattle.

"Q. And how long did you live in Seattle? A. Until 19—I lived there until September, 1924.

"Q. Until September, 1924—and where did you go then? A. To California.

30 "Q. How long did you live in California? A. Until 1931.

"Q. Where did you go from there? A. From California?

"Q. Yes? A. Here to Vancouver.

"Q. And you have been here since 1931? A. Yes.

"Q. 235 The syndicate which undertook to buy under that contract of the 6th of January, 1921, consisted of Mr. Wallbridge, Mr. McKim, Mr. Bull, Mr. Duff-Stuart, Mr. Boucher and Mr. Nicholson? A. Yes."

40 MR. MACINNES: Has your copy got '21 or '31 there in question 235?

MR. MAYERS: '21.

MR. MACINNES: I should be '21 my Lord.

MR. MAYERS: Has your Lordship '31.

THE WITNESS: It is '31 here.

MR. MAYERS: No. '21.

THE COURT. I have '21.

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- MR. MAYERS: That is right.
- MR. MACINNES: The copy we got from the stenographer has '31. I just wondered if it was that way in your Lordship's copy.
- THE WITNESS: It is '31 here also.
- MR. MAYERS: You know it should be '21, do you not?
- A. Yes.
- MR. MACINNES: It is agreed by everyone.
- MR. MAYERS: "Q. Well, I will call those gentlemen the "syndicate, because that seems to be the term they have used. "Now, the syndicate took over the property some time in I 10  
 "presume the spring of 1921? A. Yes.
- "Q. What time does the mining season open? A. About  
 "April,—the last of April.
- "Q. When they took it over, is this true: the water  
 "wheel had been broken; the large compressor fly wheel crack-  
 "ed, the tires on the mill worn out and the new tires taken  
 "away and the rails and tracks on the second level torn up;  
 "the mine was full of water and there was an accumulation of  
 "refuse at the bottom? A. I didn't know that at the time.
- "Q. When did you know it? If I may help you you knew 20  
 "that in December, 1921 didn't you? A. That is, I knew  
 "about the water wheel.
- "Q. Well, you knew what I read to you in December  
 "1921, didn't you? A. Well, this statement—they are claim-  
 "ing about refuse in the bottom of the mine, I don't remember  
 "that.
- "Q. Do you admit what I have read to you was known  
 "to you in December, 1921? A. Part of it was.
- "Q. Which part of it was not? A. There was the 30  
 "amount of refuse in the bottom of the mine and the fly wheel  
 "of the compressor was broken.
- "Q. Yes, what else? That is what you know, is it? What  
 "I am asking you now is what you say you didn't know of  
 "what I have put to you? A. That there was any refuse in  
 "the bottom of the mine.
- "Q. You didn't know that? A. No.
- "Q. Well, what else didn't you know. The water wheel  
 "had been broken. You knew that? A. Yes, in 1921.
- "Q. No, no. When the management took possession of  
 "the plant they found the machinery in bad condition and not 40  
 "fit to run. Did you know that? A. No, because it was run-  
 "ning all right in June.
- "Q. Don't go into a lot of explanation. Just say whether  
 "you knew it or not in December, 1921
- "249 Q. What I am asking you is what you knew of the  
 "condition of the mine at the point of time when the syndicate  
 "took over the management, which you have told me was in



"April, 1921? A. Well, I didn't know of what you speak of there.

"Q. Well, let me put it to you item by item, because we are going to prove you did know and we are going to prove it by this writing—by actual writing. When the management took possession of the plant they found the machinery in bad condition and not fit to run, did you know that? A. No, because it was running when I was up there in June.

10 "Q. You are not answering my question. The point I take—I am directing your attention to this—in April, 1921, when the management took it over—now, are you clear on that—you understand what point of time I am directing your attention to, do you? A. Yes.

"Q. That is the time when the management of the syndicate took possession of the plant. You understand that? A. Yes.

20 "Q. What I am asking you is: In December, 1921, did you know that when the management took possession of the plant in April, 1921, they found the machinery in bad condition and not fit to run.

"254 Q. Well, yes or no, would be a good answer, witness? A. Yes.

"Q. Did you know that at said point of time the waterwheel had been broken? A. In April?

"Q. Yes? A. No, I did not know the waterwheel was broken then.

"Q. When did it break? A. I didn't know the waterwheel had broken in April, 1921.

30 "Q. When did it break? A. I don't know.

"Q. Hadn't the waterwheel broken before April, 1921? A. Not that I know of.

"Q. When did it break? A. I don't know.

"Q. You knew that it was broken, don't you? A. No.

"Q. Oh, witness, two or three minutes ago you told me you did know? A. I knew as you say in December, 1921, but not in April, 1921.

"Q. That is what I am directing your attention to, your knowledge in December, 1921, of the condition of affairs in April, 1921. Are we clear on that? A. Yes.

40 "Q. Did you know that the waterwheel had been broken? A. I knew it was broken in December, 1921.

"Q. Did you know the point of time when the waterwheel had been broken? A. No.

"Q. When the breakage occurred? A. No.

"Q. You didn't know? A. No.

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"Q. So it might quite well have been broken in April, 1921? A. It might have been for all I know, I cannot tell you.

"Q. The large compressor flywheel cracked, did you know that? A. No."

MR. SHAW: What point of time?

THE WITNESS: In December of 1921.

MR. MAYERS: "270 Q. You knew that? A. You say December, 1921, not April, 1921, I didn't know.

"Q. Witness, I have tried to make it clear to you, I am asking you about your knowledge in December, 1921, of the state of affairs in April, 1921. Now, isn't that clear to you. Isn't that clear to you? A. I knew that the flywheel—

"Q. Isn't that clear to you? Answer that question? A. Yes.

"Q. Did you know in December, 1921, that the large compressor fly wheel had been cracked before April, 1921? A. No.

"Q. You knew that it had been cracked? A. Not before April, 1921.

"Q. No, but in December, 1921, you knew it had been cracked. A. Yes.

"Q. You didn't know when? A. No.

"Q. So it might have been before April, 1921, might it not? A. Yes.

"Q. The tires on the mill worn out and the new tires taken away? Did you know that in December, 1921? A. No.

"Q. You did not know that. Are you sure about that? A. Whether or not they were there—the parts were there as far as I knew.

"Q. You say you didn't know that, is that right, witness? A. Yes.

"Q. Rail and track on the second level of the mine torn up and used on the third level? Did you know that? A. They were used on the third level.

"Q. They had been torn up? A. They were taken up from the second level and put on the third level, yes.

"Q. Now all those troubles would take money to put right wouldn't they? A. Certainly they would, yes.

"Q. Do you know or can you tell me of one dollar of the money used by the syndicate in 1921 or in 1922 which was devoted to an improper purpose? A. No.

"Q. Give me the letter of the 9th of December, 1921 will you. I want you take that letter and read it and answer carefully whether that letter was not shown to you by Mr. Walsh? A. I don't remember seeing it.

"Q. Do you say you did not see it? A. I don't remember seeing it, Mr. Mayers.

"Q. Do you deny having seen it? A. Well, I have no recollection of seeing it.

"Q. Do you deny having seen it? A. Yes."  
That will be exhibit 15.

(LETTER REFERRED TO MARKED EXHIBIT No. 15).

10 "Q. Have you an agreement of the 17th of December, 1921? A. I have a copy of it anyway."  
That will be the next exhibit.

(DOCUMENT MARKED EXHIBIT No. 16)

MR. MAYERS: That is the agreement of the 17th of December, 1921, between the executors of Mr. Williams and the Fergusons—no, wait a moment, that is wrong, it is an agreement between the executors of Mr. Williams, Andrew Ferguson and Peter Ferguson of the first part and Mr. Wallbridge of the other part.

MR. MACINNES: What you call the extension agreement, Mr. Mayers.

20 MR. MAYERS: Yes, Now, witness, I got to 291.  
"Now, witness, if you never saw exhibit 5 (which is now exhibit 15), how did you come to sign this exhibit 16? A. "I signed this under—that is the time they threatened litigation in connection with the mine if I didn't sign this.

"Q. They were threatening to sue for misrepresentation, you knew that, didn't you? A. They said they would certainly put the mine into liquidation if I didn't sign it.

"Q. They were threatening to sue you for misrepresentation, didn't you understand that? A. No.

30 "Q. Do you say you didn't know? A. No, I didn't know.

"Q. What did you mean then by your statement that you were threatened with litigation? A. Liquidation—to liquidate the mine.

"Q. But you said litigation, didn't you? A. Liquidation.

"Q. Just read it please."

40 And then the question was read to you by the reporter and you said,  
"Well, I meant liquidation."

"298: "Q. He threatened that now? A. They threatened liquidation.

"Q. Who did? A. Mr. Wallbridge.

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"Q. Mr. Wallbridge threatened to do what? A. Threatened liquidation of the mine if this \$3,000 was not agreed to in this agreement.

"Q. To whom did he make the threat? A. To me.

"Q. What do you mean by liquidation? What was he going to do exactly? A. He threatened the mine company would go into liquidation if I didn't sign this agreement to borrow \$3,000.

"Q. Well, you had your shares in the company at that time, hadn't you? A. Yes, but I wanted them to go ahead and sink the shaft and mine if they were going to put up any further money against the property. 10

"Q. Well, what is it you say Mr. Wallbridge threatened you with? A. Liquidation of the company.

"Q. What did you understand by that? A. Well, that the company would be wound up.

"Q. Now, take that letter, exhibit 5, again and tell me any of the things which you now say you didn't know which are contained in that letter when you signed exhibit 6. Well, witness, you have been reading the letter for a long time. Can you say whether there was anything in that letter which you did not know? A. I haven't seen that letter. 20

"Q. I say was there anything in that letter which you did not know when you signed exhibit 6. Surely that is a clear enough question? A. I had told them here that there was 10,000 tons—

"Q. No, don't wander off into something else. Just say yes or no. Is there anything in that letter that you did not know when you signed exhibit 6? A. It was 10,000 tons at \$5 a ton. 30

"Q. There were 12,000 tons. Is there anything else in that letter that you did not know when you signed exhibit 6? A. I did not know when they took possession that the machinery was cracked.

"Q. That the machinery was what? A. Was broken when they took possession.

"Q. All right, go on? A. And that the large compressor fly wheel was cracked.

"Q. Yes? A. And \$3 per ton was all that they got out of the tailings. 40

"Q. You say you didn't know that? A. No.

"Q. You didn't know that? A. No, I didn't know that.

"Q. All right, go on? A. I knew that the waterwheel was replaced.

"Q. Don't bother with what you knew, but tell me what you say you did not know? A. I did not know that it would only assay \$4.20 a ton—the tailings."

Will you give me the letter of the 27th of September, 1921.

MR. SHAW: 1922.

MR. MAYERS: 1922. That is already in as exhibit 6 and the letter of the 25th of September, 1922, is in as exhibit 7. These are letters one addressed to you you notice. I don't think I need read it to you or these questions dealing with them, because it is simply dealing with the putting in of these letters.

I will now read question 321, or a bit of it.

10 "Noble & St. John were your solicitors in January, 1923?  
"A. J. B. Noble was my solicitor, in 1923."

Now, will you give me the letter of the 12th of January, 1923?

MR. SHAW: Is it not in in paragraph 16, page 45 of the brief?

MR. MAYERS. It may be but—

MR. SHAW: You are putting it in anyway.

MR. MAYERS: Yes.

MR. SHAW: I see.

MR. MAYERS: My Lord, I don't think these letters have been read. It might be as well for me to read them now so that I can get my story consecutively while the witness is in the box.  
20 Would you give me exhibits 6 and 7, please. Your Lordship will find these at paragraph 51 of my defence. There are several defendants but I am for the four defendants and at paragraph 51 this letter is set out. It is from Bull to Walsh, September 25th, 1922. They should have read that. I will read it now.

THE COURT: I have read it.

MR. MAYERS: Then I will go on.

THE COURT: I have read the letters in the brief.

MR. MAYERS: Then I need not read them again. Then exhibit 17 is the letter from Noble & St. John to Walsh, McKim & Housser of the 12th of January, 1923.  
30

THE COURT: What date?

MR. MAYERS: 12th of January, 1923.

(LETTER MARKED EXHIBIT No. 17)

MR. MAYERS: And the enclosure in exhibit 17, the demand dated the 12th of January, 1923, signed by the Fergusons and addressed to Mr. Wallbridge, I will put that in as the next exhibit.

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 18)

MR. MAYERS: Now, the letter of January 15th, 1923, that is in paragraph 62.

40 THE COURT: Walsh & Company.

MR. MAYERS: Yes, Walsh, McKim & Housser to Noble & St. John.

THE COURT: I have that.

(LETTER MARKED EXHIBIT No. 19)

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MR. MAYERS: February 1st, 1923, Walsh, McKim & Housser to Noble & St. John.

(LETTER MARKED EXHIBIT No. 20)

MR. MAYERS: February 8th, 1923, letter from Noble & St. John to Mr. Walsh.

(COPY OF LETTER MARKED EXHIBIT No. 21)

MR. MAYERS: Letter from Walsh, McKim & Housser to Noble & St. John, February 10th, 1923.

(LETTER MARKED EXHIBIT No. 22)

MR. MAYERS: And the contract of the 15th of February, 1923, between the executors of Mr. Williams, Andrew Ferguson and Peter Ferguson of the one part and Adam Henry Wallbridge of the other part. 10

(CONTRACT MARKED EXHIBIT No. 23)

THE COURT: There are two of that date.

MR. MAYERS: Yes, the second contract is one between Andrew Ferguson and Peter Ferguson of the first part and the executors of Mr. Williams of the other part.

(CONTRACT MARKED EXHIBIT No. 24)

MR. MAYERS: A letter from Walsh, McKim & Housser to Noble & St. John, February 16th, 1923. 20

(LETTER MARKED EXHIBIT No. 25)

MR. MAYERS: Letter from Noble & St. John to Walsh, McKim & Housser, dated March 12th, 1923.

(COPY OF LETTER MARKED EXHIBIT No. 26)

MR. MAYERS: Letter from Noble & St. John to Walsh, McKim & Housser, March 27th, 1923.

(COPY OF LETTER MARKED EXHIBIT No. 27)

MR. MAYERS: Letter from Walsh, McKim & Housser to Noble & St. John, March 28th, 1923. 30

(LETTER MARKED EXHIBIT No. 28)

THE COURT: There are quite a number, Mr. Mayers, I have read the pleadings; they could be put in at any time.

MR. MAYERS: I have got very few more.

THE COURT: Oh, I see.

MR. MAYERS: Will you go down to question 324:

"Now, you say, witness, in paragraph 7 of your Statement of Claim, that the defendants in this action fraudulently con-

“spired together so as to mismanage the company in order to acquire this property without payment. What have you got to support that? A. From 1921 to 1924 there was no mining done. They were not sinking the shaft or anything or operating the mine, and this money they borrowed in 1922 and 1923, it was spent without any mining being done—no sinking of a shaft and no mining.

10 “Q. Well, take each year by itself. Take 1921. Tell me a single item on which you say any money was improperly spent? A. I don’t know of anything in 1921.

“Q. In 1922, tell me one item on which money was improperly spent? A. There was no mining done and no shaft sunk.

“Q. Never mind about that. Tell me any item in 1922 on which money was improperly spent. If you don’t understand the question, always tell me, but don’t answer a question which I have not asked. A. I don’t know of any item.

“Q. In 1923 tell me one item on which money was improperly spent. A. I don’t know.

20 “Q. In 1924 tell me one item upon which money was improperly spent? A. I don’t know.

“Q. You keep on repeating that they did not sink the shaft. Do you know? A. Yes.

“Q. Did they do anything in the way of sinking the shaft during those four years? A. From 1921 to 1924, no.

“Q. How much money had they available for the sinking of a shaft? A. They had the money raised that they borrowed in 1920—

30 “Q. How much money had they available for sinking a shaft? A. There was \$15,000 that they raised at those two meetings.

“Q. You say the money available for sinking a shaft was the \$15,000 raised at the three meetings. Is that what you say? A. Yes.

“Q. You say that? Are you saying that? A. If that money had been spent—

40 “Q. No, just answer that question. You have volunteered the assertion that the \$15,000 borrowed by the authority of these three meetings was available to sink a shaft. Are you sticking to that? A. That is what I wanted to be done.

“Q. Are you sticking to your assertion that the money was available for sinking a shaft? A. It must have been if they raised it there.

“Q. Well, do you know what they did spend it on? A. No.

“Q. If you don’t know what they did spend it on, how

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"do you say it was available to sink a shaft? A. They could  
 "have used it for sinking a shaft on the mine.

"Q. Do you know what they did spend it on? A. No,  
 "but that is the way I say they should have spent it—to sink a  
 "shaft.

"Q. Never mind. Let us stick to one question at a time.  
 "You agree that you don't know what they did spend it on?

"A. No.

"Q. Are you really saying that, witness, are you, what  
 "they spent the \$15,000 on in 1921 and 1922? A. In 1922 10  
 "they raised that money at these meeting and I don't know  
 "what they spent it on.

"Q. Although you saw the balance sheet? A. No, not  
 "in 1922. I was away from Vancouver in June, 1922.

"Q. Didn't your solicitor send you the balance sheet?  
 "A. No.

"Q. Didn't you take any interest in getting it? A. No.

"Q. Do you mean to say you took so little interest in  
 "this concern you didn't find out what they had spent the 20  
 "money on in 1922, although you continued on at the direc-  
 "tors meetings until June, yes or no, witness, I don't care what  
 "you say? A. Well, I objected strongly—I wanted them to  
 "sink the shaft in 1922.

"Q. Do you say you did not know on what this money,  
 "the \$15,000 was spent, although you continued on as a direc-  
 "tor and were in Vancouver? A. Up to June, 1922, I did not  
 "know what they did. I wasn't here in 1922 to know what  
 "they did spend the \$15,000 on.

"Q. Are you saying now you did not know on what that  
 "\$15,000 was spent? A. I didn't know what they spent it on 30  
 "in 1922.

"Q. You are saying so. If you didn't know on what they  
 "spent the money, how can you say that any of it was avail-  
 "able to sink the shaft? A. It was all available that they  
 "raised in 1922 to sink a shaft if they wanted to go ahead and  
 "do it.

"Q. That is your answer, is it? A. Yes.

"Q. You say it was available, although you don't know?  
 "A. They raised the \$15,000.

"Q. Don't wander on. Let us get the answer and I want 40  
 "to see if you will stick to what you are saying. You say it  
 "was available to sink a shaft. Do you say that? A. As far  
 "as I know, it was available.

"Q. Well, that is a very different thing, witness, because  
 "you don't know in the least what it was spent on according  
 "to you, isn't that right? A. Yes.



“Q. And although you had not the least idea on what the money was spent you still say it was available to sink a shaft, do you. Now, let us have your answer yes or no, witness, please, for a change? A. I don't know that it was available.”

You have heard all that. Is that correct. A. Yes.

Q. Questions 362 to 371. 362 refers to the notice of the 8th of August, 1924, which will be exhibit 29.

10 “362. Q. And you received that, did you, witness?  
“MR. SHAW: I don't want to interrupt or presume to give answers for the witness, but probably he doesn't recollect how he got that. I have checked up how that came to him. It was sent to Noble & St. John, and sent to him through them.”

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 29)

Now, 363:

“Q. Now, 1922 you were willing to sell your shares at 15c a share, were you not? A. Yes.

20 “Q. And in fact you were pressing Mr. Wallbridge to try to sell the whole property, were you not? A. I wasn't pressing him to sell.

“Q. You were suggesting to him that he should sell weren't you? A. Yes.

“Q. In fact you told him that the only way of getting his and your money out of it was to sell the property. You told him that? A. I had in view they were doing nothing in the way of mining up there and they had better sell it.

30 “Q. That is what you told him—the only way that you could get yours and his money out of it was to sell to a company that had capital to develop the mine. That is what you told him? You remember you did tell him that, don't you? A. Yes.

“Q. Do you know the efforts he made to sell? A. No.

“Q. You know nothing about that and you never heard about it? A. I didn't hear of it in 1922.

“Q. But you did know at some point of time, witness, that he had made efforts to sell? A. Yes.”

Is that all correct? A. Yes.

Q. Question 376 to 390:

40 “Q. When did you first hear that the Pioneer Gold Mines Limited had given an option to Mr. David Sloan? A. I knew in September, 1924.

“Q. By the way, your brother lived at Saanichton, didn't he? A. Yes.

“Q. How long was he living there? A. He lived there right along.

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"Q. All through these years 1919 up until his death, is that right? A. Yes.

"Q. Did you ever stay at Saanichton? A. No.

"Q. You were in communication with your brother during all those years, weren't you? A. No, I wasn't.

"Q. During which years weren't you? A. All of those years.

"Q. You were never in communication with your brother during all those years, is that what you say? A. No, I wasn't.

"Q. You never spoke to him? A. I wasn't here to speak to him.

"Q. You never wrote to him? A. No.

"Q. And you never communicated with him in any way? A. No.

"Q. How did he come to sign these agreements, the agreement of September, 1921—(September should be December) and of February, 1923? A. They were sent to him.

"Q. And he never communicated with you about it at all? A. In 1923?

"Q. Did your brother ever communicate with you at all, because you have told me he didn't and it seems to me to be very extraordinary and I want to give you an opportunity of reconsidering that? A. There was no communication between us in 1924.

"Q. Then you had communications up to that time? A. Yes."

Is that all correct, witness? A. Yes.

Q. Questions 407 to 421:

"Q. Now, you knew about the option to Sloan in December, 1924, you have told me, is that right? A. I knew of a bond to Sloan.

"Q. Well, all right, call it a bond, if you like. And you knew of it in December, 1924, is that right? A. Yes.

"Q. How did you come to know about it? A. I got a letter from a friend of mine who told me there was a bond to Sloan.

"Q. Where is the letter? A. It may be that I can locate the letter.

"Q. You will be able to locate the letter. A. I will try to locate the letter.

"Q. What did the letter say? A. He said Mr. Sloan is a bondholder of the mine. That is all I remember him saying.

"Q. He had a bond? A. He was a bondholder working the mine.

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“Q. What you call a bondholder is a person who takes  
“an option on it and goes in and works the mine for the pur-  
“pose of seeing whether or not the option is worth being exer-  
“cised? A. Yes.

“Q. And you knew of that, of course? A. I knew he  
“had bonded the mine.

“Q. You knew he was going on to work the mine? A.  
“Yes.

10 “Q. For the object of seeing whether it was worthy of  
“buying, didn’t you? Well, what else, witness, does one take  
“what you call a bond for? A. It is to work the mine and  
“take the gold out of it.

“Q. Yes, certainly, and to see if there is enough value  
“in the mine to make it worth while to exercise the option?  
“A. Yes.

“Q. And you knew that? A. Yes.

“Q. You knew that that was what Sloan was doing? A.  
“Yes.”

Is that all correct, witness? A. Yes.

20 Q. 441 to 444. These are letters again, a letter of the 9th of  
August, 1922, from Mr. Wallbridge to the witness which will be  
exhibit 30.

(LETTER MARKED EXHIBIT No. 30)

Q. By the way, where is that letter of the 5th of August.  
Have you got a copy of it, Mr. Shaw, from this witness to Mr.  
Wallbridge?

MR. MACINNES: You would have the original of that,  
would you not, Mr. Mayers?

MR. MAYERS: We should have, but do not appear to have.

30 MR. SHAW: Yes, I have the letter.

MR. MAYERS: May I have it?

MR. SHAW: There are two letters, the letter and the one  
in reply.

MR. MAYERS: This is your letter of the 5th of August,  
1922, which has not yet been proven. That is your signature, is  
it? A. That is my signature.

Q. This letter says—this will be exhibit 31. Will you mark  
it.

(LETTER MARKED EXHIBIT No. 31)

40 Q. It says “I received your letter today—” (that is the letter  
from Mr. Wallbridge)—“I cannot state price and terms for  
“the mine as you are in closer touch in the developments at  
“the mine than I am. Large bodies of rich ores will be found  
“in depth at the Pioneer Mine, but it will require more capital  
“than you can raise in Vancouver to develop them, so I would

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“strongly advise, if you can, sell the mine at a fair price to do  
 “so. Let me know price and terms, for my part, I will accept  
 “any reasonable offer.”

And the letter of the 9th of August, 1922, which is exhibit 30, is a  
 letter from Mr. Wallbridge to you, witness, which starts, “Your  
 “favour of the 5th instant, duly came to hand.”

Then the next exhibit will be a letter of the 11th of August,  
 1922, from you, witness, to Mr. Wallbridge, and you say, “You  
 “have not paid for your shares, so I will not agree to turn back  
 “into the treasury 250,000 shares. You have worked the mine for 10  
 “two seasons and have not cleared expenses. Surely you can see  
 “by this time that there is only one way of getting your money  
 “and mine out of it and that is to sell out to a company with capital  
 “to develop the mine. The way you are mining is lost time and  
 “money wasted. The sooner you face these facts the better it will  
 “be for all concerned. I will agree to sell the mine for \$125,000 as  
 “stated in your letter if you get a cash payment and the balance  
 “in payments extended over a reasonable period.”

(LETTER MARKED EXHIBIT No. 32)

The next is a letter of August 19th, 1922, from Wallbridge to 20  
 the witness.

(LETTER READ AND MARKED EXHIBIT No. 33)

The next is August the 27th, 1922, a letter from this witness  
 to Mr. Wallbridge which will be exhibit 34.

(LETTER READ AND MARKED EXHIBIT No. 34)

And the next are the proxies. This is a proxy dated the 9th of  
 December, 1922.

MR. SHAW: Are there two of these? One seems to be miss-  
 ing, but we admit there was a similar one—one for Peter Ferguson  
 and one for Andrew Ferguson. 30

(PROXY MARKED EXHIBIT No. 35)

MR. MAYERS: This is the proxy of the 9th of December,  
 1922, from Peter Ferguson to Mr. Noble appointing him his proxy  
 for that meeting and my learned friend states there was a similar  
 proxy for this witness.

The next is a letter of August the 11th, 1924, from Walsh,  
 McKim & Housser to J. B. Noble. I can read that at a future time.  
 It is fairly long.

(LETTER MARKED EXHIBIT No. 36)

Now, witness, will you turn to question 454 to 456: 40

“Q. When did you know of the nature of Mr. Sloan's  
 “operations in the mine? A. I knew that he commenced oper-  
 “ations in the mine in September, 1924.

“Q. What is that? A. In September, 1924.

“Q. In September, 1924, is when you knew that he had performed certain operations in the mine, is that it? A. “Yes.”

Is that all correct, witness? A. Yes.

Q. To go back to your instructions—

THE COURT: Does that finish the discovery?

MR. MAYERS: Yes, my lord.

10 Q. To go back to your instructions to Mr. Copp, you remember when you instructed Mr. Copp in the autumn of 1920 to try and sell the shares of yourself, your brother and Mr. Williams. You remember that? A. I remember negotiations between Mr. Copp and Mr. Wallbridge in connection with selling a 51 per cent. interest.

Q. You had instructed Mr. Copp, had you not? A. As to negotiating with Mr. Wallbridge, yes.

20 Q. And you had told Mr. Copp among other things that you had from 10 to 12,000 tons of tailings which would average \$5 or \$6 a ton, you remember that? A. I told Mr. Copp there was 10,000 tons of tailings at \$5 a ton.

Q. And you knew, of course, that he passed that information on to Mr. Wallbridge? A. Yes, I expect that he did.

Q. You expected that he did. You also expected that Mr. Wallbridge would pass that on to the people who were to buy the shares? A. Yes.

Q. Now, this morning you were talking about some meetings at which the question of borrowing money for the company was discussed? A. Yes.

Q. You remember that? A. Yes.

30 Q. Those were directors' meetings were they not? A. Yes.

Q. And you knew that when you spoke this morning? A. Directors' meetings, yes.

Q. I would like to put in the minutes of those directors' meetings. If my learned friends will follow me, I do not propose to read all this. It will take some time. I do not propose to read them all, but I will put in as exhibit 37 the minutes of directors of the 23rd of April, 1921.

(MINUTES MARKED EXHIBIT No. 37)

40 Q. Minutes of a meeting of the directors of the 17th of December, 1921.

(MINUTES MARKED EXHIBIT No. 38)

And the Minutes of a meeting of shareholders of the 30th of December, 1921.

(MINUTES MARKED EXHIBIT No. 39)

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MR. SHAW: That is, in, I think, Mr. Mayers, already.  
 MR. MAYERS: It doesn't do any harm to put it in again.  
 MR. SHAW: All right.  
 MR. MAYERS: Minutes of a meeting of directors of the  
 30th December, 1921.

(MINUTES MARKED EXHIBIT No. 40)

Minutes of a meeting of directors of the 3rd of February, 1922.

(MINUTES MARKED EXHIBIT No. 41)

Minutes of a meeting of directors of the 17th of March, 1922.

(MINUTES MARKED EXHIBIT No. 42)

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Minutes of a meeting of directors on the 24th of April, 1922.

(MINUTES MARKED EXHIBIT No. 43)

Minutes of a meeting of shareholders of the 13th of December, 1922.

(MINUTES MARKED EXHIBIT No. 44)

\* \* \* \* \*

Q. In 1924 you got this letter from Mr. Stephenson, did you not? A. Yes.

Q. And you knew exactly what Sloan was doing, did you not? A. Yes.

Q. He was just sinking on the shaft that you had always operated? A. Sunk a shaft from the 300 foot level. 20

Q. On the same vein? A. Yes.

Q. And that was the natural and obvious thing for him to do, was it not? A. Yes.

Q. Did you say before lunch that Mr. Wallbridge was mine manager at the Surf Inlet Mine? A. I understood he was, yes.

Q. I suggest to you you were wholly wrong, witness, and I am giving you an opportunity of correcting your statement, do you want to? A. If I am wrong, yes.

Q. Are you wrong? A. He certainly was manager of the Surf Inlet Mine when it was in the development stage. 30

Q. Don't you know that the manager was a man called Wells? A. I didn't know that.

Q. Did you know that Mr. Wallbridge was merely the treasurer of the company? A. I didn't know.

Q. What information had you which led you to say Mr. Wallbridge was mine manager? A. I only heard he was.

Q. What is that? A. I am not sure. I only heard he was manager of the Surf Inlet Mine.

Q. You know he was not a practical mine engineer, do you not? A. He was not an engineer. He was in the mining business for years. 40

THE COURT: Was he a practical miner in the way Mr. Davidson is. That is what I asked you before? A. No.

MR. MAYERS: You knew that.

THE COURT: He says he was not a practical miner.

MR. MAYERS: And you knew that perfectly well? A. I know he was not a practical miner.

THE COURT: Well, Mr. Ferguson, you knew Mr. Wallbridge—everybody did. I was surprised when you said he was mine manager, in the way we talk about mining? A. No, he was not a miner.

10

Q. You had reference to the business end of it? A. Yes, I had reference to the business end of it.

MR. MAYERS: Q. I think you said Mr. McKim was your solicitor up to some time in 1922, did you not? A. Yes.

Q. Up to the end of 1922? A. 1921.

Q. Which is it, witness. You said 1922 before. What do you say now? A. Well, I had not changed from Mr. McKim—I went to Seattle and I had no solicitor then.

20

Q. Is this not true? Mr. McKim was your solicitor up to the time Mr. Noble became your solicitor? A. Yes, until I changed to Mr. Noble.

Q. You say you got information from Mr. Noble by letter, where are those letters? A. I have not any letters. As far as I know that is where I got the information, but I have no letters.

Q. Have you looked for the letters? A. Yes.

Q. And you have not been able to find them? A. No.

Q. You do know you did get information from Mr. Noble from time to time throughout the time he was your solicitor, do you not? A. Yes.

\* \* \* \* \*

30

Q. I want to ask you a few questions about the Mining Corporation of Canada. You remember the option which you gave? A. Yes.

Q. The Mining Corporation paid to you or your company \$5,000, did it not? A. That is correct.

Q. And it bought about \$3,900 worth of supplies from you? A. Yes.

Q. And they were working up there for some months, were they not? A. They had just commenced work when the weather got very cold and they had to quit.

40

Q. Do you remember how long they were working up there? A. They worked until—just commenced in November and the weather got cold and they had to stop operations.

Q. I suggest to you that they were working up there for some months, is that right? A. About a month.

Q. And then they threw up the option? A. No, they asked for an extension of time in January and February.

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Q. When did they throw it up? A. February.

Q. February of 1920? A. Yes.

Q. Or 1919? A. 1920.

Q. February of 1920? Now you said something about the money that the old company under your management had spent. I think you said that you had bought the property for \$26,000, is that right? A. In the prospect stages, yes.

Q. And you took out \$26,000 in directors' fees, didn't you, and salaries? A. \$26,000.

Q. That is right, isn't it? A. Yes. 10

Q. In fact you had no profits, had you? We had profits of \$26,000.

Q. Well, you took out \$26,000 in directors' salaries, didn't you? A. That was profits during that operation of the mine, in dividends.

Q. Well, you did pay \$26,000 in directors' salaries, didn't you? A. Yes.

Q. You say that you spent \$40,000 for machinery and plant? A. Yes.

Q. And you left the mine in debt to the extent of \$35,000, didn't you? A. I produced \$135,000 worth of gold. 20

Q. Just answer the question. You left the mine, or the company, in debt to the extent of \$35,000 didn't you? A. Including the loans that we got.

THE COURT: Well, say yes or no, and then you can explain.

MR. MAYERS: Q. That is right, isn't it? A. Including the bank loans and \$13,000 to the creditors, that is \$35,000.

Q. Those were all debts of the company? A. Yes.

Q. So that you did leave the company in debt to the extent of \$35,000? A. Yes. 30

Q. And those two amounts of \$26,000 and \$40,000, were the only moneys that you ever put into the old company, isn't that right? A. Yes.

Q. Now, the only shares that were registered in your name was one share, wasn't it? A. I had 270,000 shares.

Q. Yes, but the only share that was registered in your name was one share? A. 270,000 shares.

Q. Do you say that? Because the books show differently. Don't you know perfectly well that all your shares except one were registered in the names of Mr. Williams' executors; you know that, don't you? A. From the commencement? 40

Q. From the time when you hypothecated your shares? A. Yes.

Q. You knew that. You knew that, didn't you? A. From the time I hypothecated I only had one share left, yes.



Q. And your brother had only one share registered in his name? A. Yes.

Q. And all the other shares, of course, were voted upon by Mr. Williams' executors, weren't they? A. Yes.

Q. When you were here in 1922 you had a large house in Shaughnessy, hadn't you?

THE COURT: Really, has it any relevancy? That should not be a circumstance against him, at that time. It is now, probably.

10 MR. MAYERS: It may be. But I have a purpose which your lordship will see later on.

Q. Is that so, witness? A. Yes.

Q. Now, do you say that you are better off now than you were in 1922? Because you would be a very singular and fortunate individual. A. Well, I was forced to dispose of those properties on account of the way the Pioneer Mine was handled.

THE COURT: Q. I don't hear you. A. I hadn't any money left with which to protect my properties at that time, and I lost them all.

20 MR. MAYERS: Q. Are you better off, or were you better off in 1932 than you were in 1922? A. Just about the same.

Q. You know a gentleman called Mr. Twiss, do you? A. Yes.

Q. Did you sell him some of your shares in the Pioneer mine in May, 1922? A. Yes.

Q. You sold him 30,000 shares, didn't you? A. Yes.

Q. At 5c a share? A. Yes.

Q. And he has never forgiven you, has he? A. I don't quite catch your question, Mr. Mayers.

30 Q. Well, was he pleased—has he been pleased over the purchase? A. I did not hear him make any remark to me one way or the other.

Q. He has never complained about it? A. Not to me personally.

Q. To anybody? To anybody, to your knowledge. A. He did not, to me personally, about me selling him the shares.

Q. Well, has he complained to anybody to your knowledge?

THE COURT: Q. What did you hear he said? Did you hear any thing? A. I don't remember.

40 MR. MAYERS: Q. When you were giving Mr. Copp instructions to sell your shares—You remember that time in 1920 don't you? A. Yes.

Q. You did tell him, did you, that the machinery was adequate and in good condition? A. I said that the machinery was in good running order.

Q. Good and adequate for its purposes? A. Yes.

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Q. And you did tell him that the mine was properly developed, did you? A. I told him it was developed down to 300 feet level, and developed underground.

Q. Did you tell him it was properly developed? A. I told him the extent in which I developed it.

Q. Well, witness, tell, me, did you tell him that the mine had been properly developed or improperly developed? A. Properly developed up to the stage which I—up to the 300 foot level.

MR. MAYERS. Thank you. There are one or two things that I want to put in just at this point, my lord. I want to put in the minutes of the directors' meeting of the 23rd of August, 1921, which will be Exhibit— 10

(MINUTES PRODUCED MARKED EXHIBIT No. 45)

And the minutes of the directors' meeting of the 3rd of February, 1922, which will be Exhibit 46.

(MINUTES PRODUCED MARKED EXHIBIT No. 46)

MR. MACINNES: These I take it can be extracted from the copies in the book.

MR. MAYERS: Letter of the 15th of December, 1921. I will put that in when I get it—the letter of 15th of December, 1921, from A. E. Bull to Mr. Walsh, and it will be exhibit 47. 20

MR. MACINNES: Is that the one referred to in your defence, Mr. Mayers?

MR. MAYERS: I am not sure if it is in the defence, but I think it is. Yes, it is in paragraph 52.

(LETTER PRODUCED MARKED EXHIBIT No. 47)

MR. MAYERS: Then the contract of the 10th February, 1921, between the Fergusons of the one part, and Mr. Williams' executors—no, Mr. Williams himself, of the other part, dated 10th February, 1921. It is the agreement whereby the Ferguson's transferred to Mr. Williams all their interest in the January contract. 30

(DOCUMENT PRODUCED MARKED EXHIBIT No. 48)

MR. MAYERS: And the letter from Mr. Wallbridge to Mr. Ferguson of the 4th of August, 1922.

(LETTER PRODUCED MARKED EXHIBIT No. 49)

RE-EXAMINATION BY MR. SHAW:

MR. SHAW: I wish with your lordship's permission, to re-examine. In the correspondence which has been submitted by my learned friend there are three letters which I also wish to put in. Copy of letter, dated January 12th, 1923, Noble & St. John, to Walsh, McKim and Housser. You can just identify the three of them together. 40

Andrew  
 Ferguson  
 Re-Exam.

MR. MAYERS: That has gone in.  
 MR. SHAW: Did the original go in?  
 MR. MAYERS: Yes, Exhibit 17.  
 MR. SHAW: I believe there must be two letters of that date.  
 Will you look up Exhibit 17.  
 MR. MAYERS: Well, you can look up all these and segregate any—  
 MR. SHAW: Well, I think it is a different letter.  
 MR. MAYERS: I suggest that we can clean these up later.  
 10 THE COURT: I think that will be better. It saves such a lot of time. You can readjust all that.  
 MR. SHAW: Q. You were asked, Mr. Ferguson, by my friend, about the Mining Corporation, and you started to give an answer which I did not think you quite finished, as to whether the Mining Corporation had given up the option. Just explain to his lordship why they gave it up? A. They wanted an extension of time and it was not granted to them, in February, 1922—February, 1920.  
 Q. Who refused to grant it? A. Mr. Williams.  
 20 MR. SHAW: Thank you, Mr. Ferguson.  
 THE COURT: I suppose Mr. Farris has no questions.

(Witness aside.)

THOMAS M. DAVIDSON, a witness called on behalf of the plaintiff, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. SHAW:

Q. Mr. Davidson, you are a miner? A. Yes.  
 Q. How long of an experience? A. Thirty-five years in British Columbia.  
 Q. Thirty-five years experience in various mines all over the Province, I take it? A. Yes.  
 30 Q. What positions have you held in different mines. A. Shift boss, foreman and superintendent.  
 Q. Any special qualifications you have in connection with mining, any special kind of work you have done? A. No, just general mining.  
 Q. Do you ever take contracts? A. Yes.  
 Q. For what, chiefly? A. Contracts for shafts, really anything.  
 Q. Do you recollect getting in touch with Mr. Copp early in 40 1921, C. L. Copp? A. Yes.  
 Q. What arrangements were made at that time with you? A. Copp arranged in town with me to go up and sink a shaft.  
 Q. Did you meet Mr Wallbridge? A. Yes, I met Mr. Wallbridge after that, after I came back.

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Q. Before you went up, I mean? A. No, I didn't meet Mr. Wallbridge.

Q. Where were you to sink the shaft from? A. On the No. 3 level.

THE COURT: When was that?

MR. SHAW: Q. How far? A. About 100 feet.

Q. Where was this to be sunk?

THE COURT: When? I take it it was at the Pioneer, but when was it?

MR. SHAW: Q. When did you make that arrangement, what year, what month? 10

THE COURT: He said 1921. Mr. Davidson, face this way and speak up. A. In January, 1921, I think.

MR. SHAW: Q. It was early in 1921, at any rate? A. Yes.

Q. And this was at the Pioneer Mine? A. Yes.

Q. When did you first meet Mr. Wallbridge in connection with your work up there? A. I think Mr. Wallbridge came into the mine while I was there that time.

Q. While you were there in the summer?

THE COURT: How long were you there, Mr. Davidson, all that year? A. No, I was only there—I went in in May and came out in September. 20

MR. SHAW: Yes, now you have told us you were going up there intending to sink a shaft? A. Yes.

Q. What conversation, if any, did you have with Mr. Wallbridge with reference to sinking this shaft, and when? A. I didn't have no conversation only when he was there and I asked him if he was going to sink and he said, yes, he thought so.

THE COURT: Q. Did you sink a shaft? A. No.

Q. No, you did not, not in 1921? A. Not in 1921. 30

THE COURT: That finishes that.

MR. SHAW: Q. You left then, you say, in August or September, 1921? A. Yes.

Q. By the way, before I leave that, what sort of condition were the upper workings of the mine at the time you were there with reference to ore reserves and so on? A. The mine was worked out that far.

Q. The mine was worked out that far? A. Yes.

Q. From your experience as a miner, what would you say about the type of mine. Was it a sinking proposition or a drifting proposition? A. They had a chance to drift, but they had a better chance to sink. 40

Q. Could you judge, from your experience, whether that is what they call a true fissure mine? A. Yes, as far as I could make out, it was a fissure.

Q. And a fissure vein in mineral parlance means what? A. Sometimes you would have values and sometimes you will not.

Q. But it goes down, that is the point? A. Yes.

Q. Was there any ore exposed, to your recollection, on the bottom of the No. 3 level? A. No, not with the exception of the pillars.

Q. With the exception of the pillars? A. No, not in No. 2 vein.

Q. You were simply looking around the mine in No. 2 vein and did some stoping? A. No, I did no stoping in 1921. I unwatered the mine and put in rails and fixed it up to go ahead.

10 Q. By the way what was the general condition of the mine at that time, the machinery? A. I don't know anything about the machinery. The hoist is all I had to do with. It was pretty badly broken up. It was mended, but it was good enough to sink.

Q. Do you remember how long after you got up there it took you to get the mine running? A. No. It was running when I went there.

Q. And that was in—

THE COURT: May, he said. A. May.

20 MR. SHAW: Q. Now, in 1924. I understand you were up again at the mine? A. Yes.

Q. Who employed you at the time? A. Mr. Sloan.

Q. When was that? A. In 1924, July.

Q. July, 1924. What were you employed to do? A. Sink the shaft.

THE COURT: Q. Did you go up and sink a shaft? A. Yes.

MR. SHAW: Q. Were you on a contract? A. Yes, we had a contract.

Q. What was the contract price? A. \$30 a foot.

30 Q. And powder supplied? A. We supplied the powder out of the \$30.

Q. Where did you get the powder? A. It was at the mine, Mr. Sloan supplied us with the powder for a stipulated amount.

Q. The powder was mine supplies that were up there? A. He supplied the powder and we paid a stipulated price for the powder.

Q. You were charged for the powder out of your \$30. A. Yes.

40 Q. By the way, what difference, or was there any difference in the conditions at the mine the time you went up in 1924 to the time you were there in 1921? I am referring now to the underground work. A. Yes, I noticed a difference between 1921 and 1924, the number 2 vein was worked considerably.

Q. Considerable work done in No. 2 vein? A. Yes.

Q. Had any sinking been done? A. No sinking as far as I recollect.

Q. When did you start sinking? A. We started sinking some time in September.

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THE COURT: Q. 1924? A. 1924.

MR. SHAW: Q. How far did you sink? A. Approximately 148 feet.

Q. Yes, and when you reached the 148 feet what did you do then? Were you in the vein or what? A. We started cross cutting for the vein.

Q. Just explain to his lordship so as to get it clearly what the situation was. Perhaps to make it clear I might lead you. The shaft was alongside the vein, not right in it, and when you got down this 148 feet you had to cross cut to get into it? A. Yes, we had to cross cut about 25 feet. 10

Q. When did you reach the vein at the level of 148 feet below the 300 foot level, that is the 4th level, whatever it is, what date? A. I can't give exact dates. It was about the middle of November.

Q. The middle of November.

THE COURT: I thought you came out in September.

MR. SHAW: That was September, 1921.

THE COURT: Oh, yes, and he went back in July, 1924.

MR. SHAW: July, 1924, to the middle of November. 20

Q. You hit the vein 25 feet in this cross cut from the 148 foot? A. Something like that.

Q. Do you know how wide the vein was at that point? A. I couldn't say exactly. The vein was broken. You would strike soft ground, but it is fairly good as I thought.

Q. Can you give any estimate of the width of the vein at that point from your observations? A. To be within reason, it would be about 4 feet.

Q. About 4 feet, about the same width as above? A. Oh, yes. 30

Q. By the way, had Mr. Sloan been taking out any gold prior to the time you left there—perhaps I am a little bit ahead of myself—leave that for the moment and go back to the other question. When you struck the vein was Mr. Sloan there? A. No, Mr. Sloan was not there.

Q. When did he get there? A. Some time after we hit the vein.

Q. How long after? A. I couldn't exactly say. It was some little time. I was sinking on the shaft when Mr. Sloan came back.

Q. Was it a couple of days or a couple of weeks, give me roughly? A. Possibly a week. 40

Q. A week after you hit the vein? A. Something like that.

Q. Did you call to the attention of Mr. Sloan the fact you had struck the vein? A. Yes.

Q. What did Mr. Sloan do? A. He was not down in the shaft when I was there. He was down on another man's shift.

Q. You and a partner were working? A. Yes.

- Q. What was your partner's name? A. I can't remember his name now.
- Q. What did you call him? A. John.
- Q. Big John? A. Yes.
- Q. Were you up there at the time Mr. Sloan produced any gold from that property, any brick? A. I believe so, but I didn't see it.
- Q. You don't know about it personally. All right. When did you leave the mine? A. I left the mine the latter part of 10 November.
- Q. When did you arrive in Vancouver, is what I want? A. The second day of December.
- Q. Are you quite clear on that date? A. I am quite clear on that.
- Q. Who was with you? A. My son and John and the hoist man.
- Q. Big John, your partner? A. Yes.
- Q. You all arrived in Vancouver? A. Yes.
- Q. By the way, just in passing, I notice in my brief here a 20 notation—do you remember having a discussion with Mr. Wallbridge in 1921? A. Yes.
- Q. Can you recollect what that discussion was? A. I was always after Mr. Wallbridge to sink and everytime I would come to town, being an old friend of mine, I would drop in to see him and give him another jolly about it.
- THE COURT: Of course, you wanted the job, too. A. Yes.
- MR. SHAW: Q. Did you recommend going any particular distance? A. I told him if he could get any money together at all to sink it.
- 30 Q. How far? A. 100 feet at least.
- Q. When you got back to town, did you see Mr. Wallbridge? A. Not that day.
- Q. No, but when did you see him?
- MR. FARRIS: This is in 1924 again.
- MR. SHAW: 1924, pardon me. A. About a week or ten days after I got back.
- Q. What discussion did you have with him at that time? A. We were discussing the same thing, the mine in general. I always did that when I went in to interview him.
- 40 Q. Did you discuss the results which had been obtained by Mr. Sloan? A. The what?
- Q. The results, what had happened from Mr. Sloan's operations? A. No, I don't believe I did.
- Q. In case my question is not clear, I am referring to the fact that you sunk the shaft and hit the vein. Was that discussed? A. I couldn't exactly tell you what discussion we had. There

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was always a general discussion on the mining business when I went in to see Wallbridge.

Q. That is true, no doubt, but I am just trying to bring your recollection, perhaps if I mention a box of cigars to you it will bring back to you what I have in mind? A. Yes.

Q. What was that? A. I offered him a box of cigars, made a bet it was better at the fourth level than it was on the third and he took me up on the bet, but there were never any cigars passed on the bet.

Q. Was it as good at the bottom? A. I couldn't say. It was broken. I told you I am not assayist. 10

Q. You did not assay it yourself? A. No, no.

Q. But from your experience as a miner, would you say that was milling ore. You can get some idea of the value of ores from your experience? A. Yes.

Q. From the appearance of the ore, would you say it was a continuation of the vein above? A. I would say it was pretty good looking stuff.

Q. What effect would that strike have on the value of the mine, if any? Let me put my question clearly. I do not want to lead your answer, but I want you to get clearly what I am asking. There is a mine which you go up to, which is practically worked out, you tell me, to the 300 foot level and an ore showing body of a true fissure vein and a shaft was sunk 148 feet and cross cut to 25 feet to the face of the vein. In view of that fact does that mean anything to you as to the value of that mine, the future prospect of that mine when you hit that vein? A. It indicates the ore is still going down. 20

Q. Does it indicate anything as to the value of the mine? A. Yes, I should say it would. 30

Q. Just tell the court? A. When you don't know how the ore assays you cannot make any estimate. It might be good or it might be bad.

Q. Not an estimate of the value, but whether it is an indication whether the mine has or has not improved in value? A. Well, I couldn't say. As long as you hit the ore you know it is going down. It must be just as good as above, that is, as a rule, but it is not always the case.

Q. In this case you said it was fairly good looking ore? A. Yes. 40

Q. Have you any opinion which you can offer, from your experience, as to whether that would make the mine of any value or not? A. Yes. I would say it would.

THE COURT: In a mining term, what would you say Mr. Shaw is doing now?

MR. SHAW: That is all I wish to ask the witness.



## CROSS-EXAMINATION BY MR. MAYERS:

- Q. Let me see if I am right, witness. In 1924, you had sunk the shaft an additional 142 feet, is that right? A. Yes.
- Q. And you were not on the vein? A. No.
- Q. And when you got down 142 feet you cross cut for a distance of 45 feet? A. 25.
- Q. And then you struck some ore, is that right? A. Yes.
- Q. And that is the extent of your knowledge, is it not? A. Yes.
- 10 Q. And after that you went on and sunk a sump for about 8 feet? A. Yes.
- Q. Now, you say you saw Mr. Wallbridge some time about the 12th of December? A. Yes.
- Q. And he bet you that your development would not improve the value of the mine, isn't that right? A. I don't remember the discussion that Mr. Wallbridge and I had on that.
- Q. So you have no recollection at all of what he said or what you said, is that right? A. Just in a general way. We always talked mining.
- 20 Q. But beyond that you have no recollection, is that right? A. That is right.
- Q. Have you discussed your evidence at all with Mr. Ferguson before you came to court? A. Did I do what?
- Q. Have you discussed with Mr. Ferguson what you were going to say when you came to court? A. No, no.
- Q. Never at all, is that right? A. No, I never discussed what I was going to say, because I was here to tell the truth.
- Q. Did he suggest to you anything to say? A. No.
- Q. Never? A. No.
- 30 Q. Did he try to get you to sign any document? A. About two years ago he asked me to sign up what I told him about the contract and the shaft.
- Q. But recently has he asked you to sign any document about what you were going to say? A. No.
- Q. Or anybody else? A. Nobody else.
- Q. By the way, in 1921, you saw the conditions at the mine, did you? A. Yes.
- Q. Would you say that mine had been gutted? A. Yes.
- 40 Q. It was quite a difficult shaft, was it not? A. Yes.
- Q. That is the skip had to run on guides, did it not? A. Yes.
- Q. And that made it quite difficult, is that right? A. The shaft was not lined, that is what made it difficult.
- Q. Well, the shaft was very nearly vertical, at any rate, an angle of about 80 degrees? A. Something like that.
- Q. And the inclination varied from point to point of the shaft, did it not? Perhaps you can understand this: After the shaft had gone down a distance at 80 degrees it would then go al-

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most vertically, the angle would change, that is right? A. It changed from No. 3 to No. 4.

Q. And above that even there were several places where the shaft changed in its angular direction? A. Yes.

Q. The hoist was quite a troublesome piece of machinery, was it not? A. Yes.

MR. MAYERS: Thank you.

(Witness aside)

MR. SHAW: I call Mr. Boulger.

HERMAN DENHAM BOULGER, a witness called on behalf of 10  
 the Plaintiffs, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. SHAW:

Q. Mr. Boulger, what is your occupation? A. My occupa-  
 tion was millman, cyanide man.

Q. What experience have you had in that work, cyanide  
 plants? A. I had between 12 and 13 years experience in Western  
 Australia.

Q. Did you work for any companies of any size? A. I was  
 for two years with the Lake Hancock, Western Australia, first as  
 \_\_\_\_\_, and subsequently as boss in the cyanide treat- 20  
 ment plant. I then left there and I was appointed foreman of the  
 treatment plant on the Golden Horseshoe estate, a plant of 100  
 stamp capacity, and ten mills, where we treated about 20,000 tons  
 a month. Subsequently I rose from that to mill superintendent,  
 which I was for over six years.

THE COURT: Q. This is in Australia, this is all in Aus-  
 tralia? A. All in Western Australia. After that I was with the  
 Gold Vein Gold Mine, Western Australia, in charge of the cyanide  
 plant, and subsequently manager of the sampling mill.

MR. SHAW: Q. These were what kind of properties—gold 30  
 or silver, or what? A. All gold.

Q. Are you familiar with the cyanide process? A. I worked  
 in the very early stages of the cyanide process.

Q. Now, in 1921, did you meet Mr. C. L. Copp? A. Yes,  
 he came to see me in North Vancouver.

Q. And what did you do as a result of meeting Mr. Copp?  
 A. He told me that I had been recommended to him as a quali-  
 fied cyanide man, and asked me if I was willing to go up to the  
 Pioneer Mine, and take charge of the mill and cyanide plant.

Q. Did you have any meeting with Mr. Wallbridge at any 40  
 time? A. I subsequently met Mr. Wallbridge, Mr. Copp, and I  
 think a Mr. Freeman, in the Hotel Vancouver.

Q. Just tell the Court about that meeting. What was said  
 as far as you can recollect? A. They discussed the mine. They

told me that they had some 10,000 tons of tailings there which they understood were suitable for cyanidation, and a mill, and that if I went up I would take charge of the mill and the cyanide plant, treat the cyanide, while a shaft was to be sunk.

Q. Any talk of how far the shaft was to be sunk, or anything of that kind, as far as you recollect? A. As far as I recollect I understood that the mine had been worked out in the 300 foot level and they contemplated sinking the shaft a further 100 feet.

10 Q. And you would put in the cyanide plant while the shaft was being sunk. Any talk of the estimated cost of the work on the cyanide plant and the shaft. A. I knew nothing about the shaft. I am not an underground man.

Q. Was there any estimate of the cost of the cyanide plant that you recollect? A. I have no recollection. It is the initial cost of the cyanide plant—

Q. Very well. You went up to the mine and had the mill arrived when you got there—the cyanide plant, I mean? A. No, it hadn't arrived. It came up, you know, in parts.

20 Q. What did you do yourself when you went up there—what work? A. While the cyanide plant was arriving, and had been erected, I, at Mr. Copp's request, I sampled the dump for quantities—the cyanide dumps for quantities and values—that is, the tailing dumps.

30 Q. Now, will you tell the court what method you used for measuring and sampling that tailing dump? A. Well, it is the usual method, I believe, that is adopted all over the world—taking the dump wall of around 10,000 tons, you divide your dump into squares, that is, you take a line from one end of your dump to another, and then you go 40 feet and put in another peg, and then do it at right angles; and that cuts your dump into 40 foot squares; and at every intersection of that square, or every corner, you bore a hole from the top to the bottom of your tailings, and you enter on your plan the depth of each hole. The rule then is: Length by breadth, by average depth, will give you the cubic capacity in feet, and divided by 27 will give you the cubic tons—the cross cubic turns at each square. From that a moisture sample should be taken and you will have the weight of the dry tailings in each square.

40 Q. Will you tell the court what weight of dry tailings you found at the Pioneer Mine? A. Well, I cannot give you the actual number of tons. I drew a plan of them, and it should be on file, but I know it was between 10 and 11 thousand tons—the odd tons I cannot remember.

Q. Did you make a report in writing? A. Yes.

Q. Will you please produce the report made in writing by Mr. Boulger.

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MR. FARRIS: We have no such report.

MR. SHAW: When did you make this examination? A. We got up there early in May.

THE COURT: What year? A. 1921, and I don't know exactly, but I was about three weeks to a month sampling those two dumps, and I would say the report was filed sometime in June.

MR. SHAW: Q. And what do you say is your closest recollection of the number of tons? A. Between 10 and 11 thousand—over 10, but I cannot remember the exact figures.

Q. And you made a written report, do you say? A. I filed a plan of the two dumps. 10

THE COURT: Q. With whom? A. With Mr. Copp, on the mine.

MR. SHAW: Q. Did you file one copy? A. I put one copy of the two dumps—the estimated values and the estimated tons—

Q. Now, what were the values? By the way, did you do this work yourself—this assaying? A. I did it all myself.

Q. And what values did you get in that dump on an average? A. A little over \$5.00 a ton on an average.

Q. You have measured up tailing dumps before, I presume in the course of your previous experience? A. Yes. 20

Q. What would you estimate—that is a fair question—would be the possible error that might be made by a person using that test? Could you be 1,000, 2,000 or 5,000 tons out, or how much?

A. Well, if you were 500 tons out in a 10,000 ton dump I would say you could not be any more.

Q. There is a suggestion in this case that there were only 4,000 tons in that dump instead of 10,000; in other words there were 6,000 tons short. What do you say about that? A. There weren't when I was there, I might remark that you could tell a 4,000 ton dump from a 10,000 ton dump by a glance of the eye. And it would not be necessary for an expert to tell the difference between 4 and 10. 30

Q. Were these tailings in the proper place or scattered all over the place? A. There were two dumps—an upper and a lower.

Q. Had they any bank, or dam behind them to hold them in? A. Yes, you have to have dams when you are running them out, to impound them.

Q. You were working at this time for whom? A. I was engaged by Mr. Copp and Mr. Wallbridge, I understood. 40

Q. And what was the company you were working for? A. I don't know what they called themselves. I really could not say.

Q. Did you know Mr. Ferguson at all? A. I met him up there at the mine when he came up.

Q. Yes, had you known him before that? A. I had met him once, I believe, many years before—only the once that I am aware of.

- Q. Had Mr. Ferguson anything to do with this report of yours? A. Nothing at all.
- Q. Did you ever make a report to him? A. No, I wasn't engaged by Mr. Ferguson.
- Q. Now, did you see Mr. Bull or Mr. Wallbridge at all while you were employed by this company? A. I beg your pardon?
- Q. Did you see Mr. Bull or Mr. Wallbridge at any time in the summer of 1921? A. Yes, they came up—I think it was in June—I am not quite sure of the month, but they were up there anyway.
- 10 Q. Had you your report made when they were there? A. Of the tailing dump?
- Q. Yes? A. Oh, yes.
- Q. Well, will you say it had been filed? A. It had been filed.
- Q. By the way, where were these documents filed—was there an office of any kind? A. Yes, there was an office adjoining the assay office.
- 20 Q. Did you meet Mr. Bull or Mr. Wallbridge personally while you were there? A. Yes.
- Q. Which one? A. I met them both.
- Q. How long were they there? A. Oh, I think about ten days—I am not sure how long—they were there between a week and ten days.
- Q. And where did they sleep—did they have a lot of accommodation? A. They slept in the office.
- Q. And where did you sleep? A. I slept in the assay office.
- Q. Adjoining— A. Just adjoining
- 30 Q. Now, you made test runs of these cyanides—what they call bottle tests, did you not? A. Yes.
- Q. Did you keep any records of that? A. Yes, I have the records here of those tests.
- Q. Just tell us about those tests? A. Well, I couldn't from memory, but I think I have got them here.
- Q. Well, we will file this record.
- THE COURT: Are you putting that in?
- MR. SHAW: I was going to ask your lordship for the privilege of extracting the pages that are material.
- THE WITNESS: They are my own private notes—they
- 40 were just—
- THE COURT: Are there extracts there, because I could not carry them in my mind?
- MR. SHAW: I will have a copy made, and will file it.
- Q. Just tell me the result—they are rather technical figures—but I will file that later.
- THE COURT: What was your question?

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MR. SHAW: Q. I was going to ask him—did you make bottle tests of the cyanide treatment? A. The usual method.

THE COURT: Q. Did you make them? A. Yes.

Q. Have you got them there bound up in that little book. A. Yes.

THE COURT: It will not help me to hear him read them.

MR. SHAW: I don't want him to read the whole thing—just the general result—because it is all technical. Can you tell the court very briefly—never mind your pounds and that—what was the value of the tailing samples and what recoveries were got? A. In a 48 hour treatment on the upper dump—assay value of \$4.90 with 48 hour treatment—with a pound of one per cent. solution tailings went \$4.90 before treatment and 50 cents after treatment, showing an extraction of 89.7 per cent. I tried again with a longer contact. I have it here somewhere. By giving it the same strength of solution, and the treatment in all of 52 hours, the extraction was 91.8 per cent.—the upper dump went \$4.90 and these tailings I dried and the lower went \$5.20.

Q. Without filing it—that is all I want of it—it was \$5.20 in the lower dam? A. Yes, and \$4.90 in the other.

Q. Now, those assays that you took the tests from, were they representative of a dump, or just grab samples? A. No, they were the quarterings down from the borings—from the borings that I took from the dump for quantities and values.

Q. Well, how many samples did you have eventually from each dump? A. Oh, several hundred, but they were all added together and quartered down. You keep quartering down.

Q. Yes, I understand. I produce to you, Mr. Boulger, or perhaps I had better produce it to my learned friend first—you have Boulger's report there.

MR. BULL: That isn't a correct copy.

MR. SHAW: If this is not a correct copy, will you let me have yours, please, and I will find out what the difference is?

THE COURT: Well, Mr. Shaw, those are the originals, are they?

MR. SHAW: They are both originals, as far as I can see. Mine is an original as well, but I called it a copy by error. In any event, I will produce these—first of all these are documents I am producing from the custody of the defendants. Are those reports made by you, Mr. Boulger in the operation of the cyanide plant?

MR. MAYERS: Which is it you are showing him?

MR. SHAW: Yours.

Q. You might look at that.

THE COURT: You need not read the whole thing. Do you recognize it? A. Yes, those are mine, but I want to identify it to make sure.

MR. SHAW. Those are your reports, and that will be the next exhibit.

(REPORTS MARKED EXHIBIT No. 50)

Q. Mr. Boulger, I notice in that exhibit some reference to concentrates. How much concentrates were there on hand up there when you got there approximately? A. About 35 tons, I think, as far as I remember.

Q. They were not tailings? A. No.

Q. What gold content would they have? A. They went  
10 about \$90.00 a ton.

Q. Yes, and what recovery value? A. Well, they really were not suitable for cyanidization, but I was given to understand the cost of sending them down to the smelter was so excessive that if it was possible to get a reasonable extraction it would pay better, so I ran experiments with them, and I found out if I were given sufficient time to treat them I could get in the neighborhood of 60 per cent. extraction.

Q. And did you actually treat any? A. Yes, I treated the  
20 30 or 35 tons that were there, or partly treated them.

Q. Did you ever extract any gold from them? A. I extracted some gold.

Q. Do you know how much? A. I can't recollect.

Q. When was this document prepared that I am now showing you. It is apparently similar to your previous report, but showing the estimated extraction?

THE COURT: Is that the one that Mr. Bull says is not correct?

MR. SHAW: Yes, that is the one he says is not correct, and I am asking this witness about it.

THE COURT: You called it a copy, but you say now it is  
30 not—

MR. SHAW: It is an original document of some kind.

Q. Is that document signed by you? A. Yes.

THE COURT: Mr. Shaw, why not get the other one.

MR. SHAW: There is a distinct difference.

THE COURT: Because my attention has been drawn to the fact there is a difference. I do not know anything about it. Perhaps the witness can say.

MR. SHAW: I just wish him to explain the difference.

THE COURT: Well, give him the other one.  
40

MR. SHAW: Q. Mr. Boulger, this is Exhibit 50.

THE COURT: You have been looking at it.

MR. SHAW: And the next one will be Exhibit 51.

THE WITNESS: One is simply a copy of the other—I did them in duplicate.

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Q. Keep them straight. Exhibit 50 is in your left hand and the next one will be 51. Just describe the difference between them?  
 A. They are evidently duplicates. The only difference is in this Exhibit—the one in my right hand, it gives the estimated value of sludge and precipitate. I could not run it down—

Q. And the documents are identical except the Exhibit which is to be 51 in that you have estimated the value of the gold sludge? A. Yes.

THE COURT: Is it the same date? A. Yes.

Q. Why did you make the second one? A. I could not say, my lord. 10

Q. Why did you not add it to the other? A. I might have been asked to do it in duplicate. I could not remember that this date.

MR. SHAW: Were those documents made at the same time, or at a different time? A. Made at the same time, apparently—they are both of the same date.

Q. I mean that right hand document was not prepared recently? A. No.

Q. What was the recovery per ton that you estimate there— how many tons and how many dollars? A. There 503.38 tons. 20

THE COURT: You are reading from the exhibits? A. Yes, from the exhibits.

Q. And will the exhibits show that? A. Yes.

MR. SHAW: I think they will be plain enough to understand, but I just want to get his explanation.

MR. MACINNES: It is a technical report, and we just want to get to it in plain language.

THE WITNESS: Number of vats treated, 15; Total number of tons 503.38; giving a gold precipitate value weighing 75 pounds; estimated value of the precipitate 2250; estimated value 440: total 2690. (Reading Exhibit 51). 30

THE COURT: You see the witness is just reading from the report.

(REPORT MARKED EXHIBIT No. 51)

MR. SHAW: You left the plant, I understand, around September, was it? A. September, yes.

Q. For what reason? A. I could not get what I required to carry on with. I did not consider that the cyanide supply was suitable for what I needed, and I could not get sufficient lime and I had not the forms or acid and the general conditions were not satisfactory. 40

Q. I don't want to encumber the record—but you were not discharged? A. No, I resigned.

THE COURT: You were not discharged.



MR. SHAW: No, he was not discharged. I am sorry, my lord.

THE COURT: But you resigned? A. Yes.

MR. SHAW: Q. By the way, in the cyanide process, assuming that it is not handled by an expert man, is there any great difference in the recovery which one operator would get, from another? A. Well, yes. Naturally, if a man had no experience he might have considerable difficulty—especially in the precipitating boxes.

10 Q. As a matter of fact, I think I might ask you this—in this particular plant do you know whether they experienced any difficulty after you left? A. I could not say.

Q. Did you meet Mr. Wallbridge at any time after you came back to town? A. I met him once after I came back to Vancouver—a month or so after I came down.

Q. Yes. Did you have any discussion with him then about the plant? A. He told me—he asked me how it was we were not getting any extraction up there, and I told him I was sure I did not know, I wasn't there.

20 Q. As a matter of fact, what was the reason, in your opinion.

MR. MAYERS: Well, my lord, he has told us he was not there, so he could not possibly know what was going on.

MR. SHAW: All right.

Q. When you went up to the mine originally, what would you say the condition of the mill and machinery was? A. Well, it had been lying idle, I understood, for a year or so, and naturally took a good deal of brushing up. The flume was in poor condition because it had been exposed to the sun, and it took a good deal of work to fix it up, and the copper plates, of course, took a lot of dressing. The shoes—or the tires, I think you call them, on that class of mill, were somewhat worn, but we were able to make it run. The compressor—I believe the fly wheel had a crack in it, but we worked it all the time, and supplied the air for the cyanide plant.

30

Q. Speaking generally of the condition, was it better or worse than machinery which had been used for a number of years?

MR. FARRIS: I object to that question.

THE COURT: Well, if he does not know—wouldn't you call that cross examination?

40 MR. SHAW: Well, I won't press it, your lordship, if you rule against it.

THE COURT: Just wait a minute. Put your question again, and witness, if you do not catch it, he has to repeat it for you. What is your question?

MR. SHAW: I just asked him—speaking from his experience generally of mines and of mining property, was the machinery

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in worse or better condition normally, for a mine that had not been operated for some years.

THE COURT: Speaking of a mine of that sort—had you experience in mines of this kind in Australia? A. Am I to answer that?

THE COURT: Yes; had you experience of this kind of mine and equipment? A. Yes.

THE COURT: You might ask him to compare it with other he knows and then we would know something about these others.

MR. SHAW: Do you allow the question to be answered, my lord? 10

THE COURT: I have said nothing.

Q. Is it the same kind of mill? A. I considered that the mill was in as good condition as you could expect under the circumstances.

THE COURT: You see he had already answered it.

MR. SHAW. Q. You mentioned the tires in the mill, which were referred to in one of those letters. Are those tires parts that you would expect to wear or not? A. Oh, yes, they must wear—you grind with those things— 20

Q. Were there any other tires there other than on the machinery? A. Yes, I believe there was another set down at Cunn Creek. At least that is what I understood.

Q. Do you know whether they got those and put them on while you were there? A. Not while I was there.

Q. Are these tires replaced regularly when the mill is working—like a grindstone? A. Oh, when they get too thin they are removed, and a fresh set of tires is put on.

Q. But they are expected to wear? A. Oh, yes, they have to wear. 30

MR. SHAW: Your witness.

#### CROSS-EXAMINATION BY MR. MAYERS:

Q. Are you sure you were not discharged, witness? A. I beg your pardon?

Q. Are you sure you were not discharged? A. Sure.

Q. Did you get on with Mr. Copp? A. Oh, reasonably so.

Q. Well, that doesn't convey very much to me. Did you get on with him well or not? A. No, not very well.

Q. He was dissatisfied with your work, wasn't he? A. He never expressed himself so to me. 40

Q. Well, you knew that he was? A. I knew that I could not get what I wanted.

Q. You knew he was dissatisfied with your work? A. No, I didn't. He never said so to me.

Q. Didn't you know that? A. No.

Q. Sure? A. Sure.

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- Q. Who took your place? A. A man called Shepherd I believe.
- Q. You were having difficulty with the solution you were using, weren't you? A. With the aero cyanide?
- Q. Yes? A. Yes.
- Q. Was that something new in your experience? A. No.
- Q. You had used it before, had you? A. Yes—not aero cyanide, no.
- 10 Q. But you knew what I was asking you? A. No, I didn't catch it.
- Q. Well, potassium cyanide is always used in cyaniding, isn't it? A. Yes.
- Q. But this aero cyanide was a special brand? A. Yes, a new discovery.
- Q. And it was new to you? A. Yes.
- Q. And you were placing in the solution from the bottom of the banks, were you? A. No.
- Q. What were you doing? A. I charged from the top.
- 20 Q. And was that successful? A. So long as I was there it was, but for the most part I did not use very much of the aero cyanide because when I went there I was supplied with Castle's sodium cyanide.
- Q. And when you used the aero cyanide were your results successful? A. Yes, but I found difficulties, but I off-set them.
- Q. What were the difficulties? A. It precipitated cyanide on these shavings.
- Q. That is, you had a very much larger precipitate than was necessary? A. Yes, you got a larger precipitate.
- 30 Q. And a skilful man would have avoided that, wouldn't he? A. No, he could not have avoided it.
- Q. And you don't know that it was avoided by your successor? A. Not that I know of.
- Q. However, that was one ground of complaint that Mr. Copp had against you, wasn't it? A. He never said so to me.
- Q. Well, what did he say to you when you parted company? A. I beg your pardon?
- Q. Well, what did he say when you parted company? A. He didn't say anything.
- 40 Q. Now, how long did you spend in measuring these two dumps? A. Between three weeks and a month.
- Q. Yes, and what were the approximate dimensions of each one? A. The approximate measurements?
- Q. The approximate dimensions of each dump? A. I could not tell you without the plan.
- Q. You don't recall, is that right? A. I cannot recall at this time.

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Q. And had you any knowledge at all of the condition of the bottom of the dump? A. Nothing beyond the borings.

Q. Beyond your borings of course you had no idea? A. I bored the dump—I cannot exactly follow you, sir.

Q. Did you know the contour of the ground under the dump? A. I could not see under it. I just bored it.

Q. Well, you could not see the contour of the dump by the boring? A. No, I only bored it.

Q. And I think you allowed 27 feet to a ton, did you? A. Yes.

Q. And what percentage of moisture content was there? A. Well, I really cannot recollect what the moisture content was. I could not tell you.

Q. Very well? A. It would be on that plan.

Q. Do you know how much gold your 503 tons actually produced? A. I don't—I didn't treat it.

Q. These exhibits 50 and 51, of course, show nothing of the actual gold out-turn, do they? A. No.

THE COURT: Thank you.

(Witness aside)

Charles L.  
 Copp  
 Direct Exam.

CHARLES L. COPP, a witness called on behalf of the Plaintiff being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. SHAW:

Q. Mr. Copp, what is your occupation? A. Miner.

Q. How long have you been engaged in that business? A. Since '96 in British Columbia.

Q. What experience, very briefly, have you had in mines in British Columbia or elsewhere? A. Well, I have mined pretty well throughout the whole Province, I think.

Q. Just speak to his lordship. You have mined all over the Province. Working in what capacities—starting at what—the beginning? A. Starting with the shovel.

Q. And then what? A. Miner and shift boss, foreman and superintendent.

Q. You are familiar with hard rock mining, I understand? A. Yes, mostly side rock.

Q. Are you familiar with the district in which the Pioneer Mine is situate? A. Quite.

Q. I mean with the local district around there? A. Yes, I went in there in 1911 first.

Q. What were you doing then? A. Opening up the adjoining property to the Pioneer.

Q. What is the name of that? A. It is called the Coronation.

Q. And you worked there how long? A. About two and a half years, I think.

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30

40

Q. Were you familiar with the Pioneer in 1911 at the time Mr. Ferguson went there? A. Yes. He was my neighbor and we visited every week or so—oftener, I guess.

Q. You did not, however, work with him at that time? A. No.

Q. You were at the Pioneer Mine in 1915 or 1916, or I believe 1915, was it? A. Well, I went up there in August of 1915 to the Pioneer Mine.

Q. In what capacity? A. Superintendent.

10 THE COURT: Working for whom? A. Mr. Ferguson.

MR. SHAW: Q. That is for the old Pioneer Gold Mines Limited—for the old company, was it? A. Yes.

Q. And in your work up there did you do any shaft sinking? A. We sank about 100 feet after we got the plant in operation.

Q. Roughly what does it cost to sink a shaft 100 feet in that property? A. Somewhere around \$30.00 a foot with the overhead.

20 Q. Somewhere around \$3,000.00? A. Yes, it might have been approximately done for a little less, but those are the figures it would work out at.

Q. Are you familiar with the veins that are on the property? A. Yes, they are a continuation of the veins on the Coronation.

Q. What, in your opinion, as a mining man, are those veins—how would you describe them correctly? A. They are true fissures in the diorite.

Q. What would that indicate to a mining man? A. Well, if they have long continuity it suggests considerable depth.

Q. It suggests depth? A. Yes.

30 Q. Do you know of your own knowledge—if you don't, don't answer—whether the vein—or rather how the values had gone in the Pioneer vein from the top and as you went along? A. Well, we had an average at the Cadwallader—that would be at what you call the Number 1 level—we got an average there of \$15.00.

Q. Now, just confining yourself to the mining for a moment and then I will go back to the start—you went up there in 1921? A. Yes.

Q. In what condition did you find the workings of the mine at that time? A. Well, they were mined down to what they called the 300 foot level, but I believe exactly it is 266 feet.

40 Q. Do you know of your own knowledge anything about what the Old Pioneer had produced, and what tailings dumps there were? A. Well, I got those particulars from Mr. Ferguson.

Q. All right. You don't know that of your own knowledge. Now, then, in the fall of 1920, Mr. Ferguson has stated he got in touch with you. I will cut some of this down because we have had this already. He got in touch with you and through you there

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were negotiations with Mr. Wallbridge? A. Yes, after a considerable time—probably a month or six weeks.

Q. What information did you give Mr. Wallbridge with reference to the mine—with reference to the development that had been done at that time and what had to be done in future—just tell the court in your own language what happened at those interviews between yourself and Mr. Wallbridge and the meetings, incidentally, with Mr. Ferguson. A. Well, I gave him all the particulars that we had prepared on the trip that I made to Seattle. That is, I got the gold production; the amount of tonnage and the amount of work done. 10

Q. Where did you get the amount of tonnage from? A. From Mr. Ferguson.

Q. Do you recollect whether or not you showed Mr. Wallbridge the statements made of the operations of the old mine? A. Oh, yes. Yes, we had everything, all the particulars.

Q. Do you recollect any document of that type being shown to him or not. Or if you can remember the actual document, very well, just state it? A. Well, that would be one of them, I presume.

Q. Well, did you show him a series of those? A. Yes, we had all of those. 20

Q. You had the reports of the old mine? A. Yes, and we also had a copy of Smith's report which was made before they put the plant in.

(DOCUMENT MARKED EXHIBIT No. 52)

Q. You showed him the reports of the old mine of what had been done there, and what else did you tell him? A. Tell Wallbridge?

Q. Yes? A. Well, he wanted to get my opinion on the property when he called me into the office, and of course my opinion was pretty good of it. 30

Q. Yes? A. So he suggested to form a syndicate to go into it.

THE COURT: You gave him your opinion, did you? A. Yes, and also a copy of Smith's report that was made in 1915.

MR. SHAW: Q. You haven't a copy of that, have you? A. No, I haven't. This data was all prepared for a man in Seattle.

THE COURT: By whom? A. By me—that is the data and particulars of the property, and these were copies of all these various reports—that was what I turned into Mr. Wallbridge—what we had used. We had taken these from Seattle—from Mr. Irving and I, and \$5,000.00 prevented the deal going through. Mr. Ferguson wanted \$5,000.00 down, and it was getting late in the fall of the year, and they would not pay that much and they thought probably it would keep—and there was no deal made in Seattle. 40

Q. Well, then, is there anything else that occurs to you which you should tell us about these preliminary negotiations. Was there anything said about the shaft sinking or anything of that kind? A. Well, I guess there was a month or six weeks' bartering between myself and Wallbridge and Ferguson, and Ferguson was not keen on turning over 51 per cent, and after considerable time why he consented to do so.

Q. What was his objection to turning over 51 per cent.? A. Well, he wanted to try to sell the whole property outright so as to get sufficient money to protect his city property here.

Q. Yes. Did you have any conversation with Mr. Wallbridge with respect to Ferguson's personal financial condition? A. Well, I told him that he was sacrificing the mine in order to save his city property.

Q. At the time of going into it was there any discussion about the old debts of the mine?

THE COURT: Pardon me?

THE WITNESS: Mr. Ferguson wanted to get \$5,000.00 to satisfy—

20 THE COURT: Would you kindly stop the noise outside, I want to hear the evidence. Yes, proceed. What was the question again?

MR. SHAW: Q. Was there any discussion about the old debts of the mine? A. Yes, there was—that is, with regard to the local creditors—the grocery man, I believe, and there were some wages.

Q. Yes. Did you meet any of the other members of the syndicate, which has been referred to in the evidence. You have heard the evidence, by the way, in this case, have you? A. Yes, 30 I have.

Q. Did you meet any of the other members prior to— A. Well, I met Dr. Boucher and Dr. Nicholson.

Q. Yes? A. And I met Mr. Bull, but I am not sure whether it was after the deal was completed or not.

Q. No, I am talking of before—or just at the time the agreement was signed? A. Well, really I cannot recall those details.

Q. Do you recall whether you met Dr. Nicholson or not? A. Oh, yes, I met Dr. Nicholson and Dr. Boucher in Dr. Nicholson's office.

40 Q. Yes. Did you discuss with them any of these matters that we are talking of now? A. Well, the object of the meeting was to get them to come into the syndicate.

Q. Yes, were they interested in what the mine was producing and so on? Did you have any discussions about the property? A. Well, I told them what I thought about it. They were picking up something off a bargain counter, in my opinion.

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Q. What discussion was there about these tailings that we have heard so much about? A. Well, the only discussion there was, was as to the amount of the tailings. There was nothing discussed as to what would be done with them—not at that time. It was only to show what the mill had milled.

Q. Yes. And when did this discussion come up about the cyanide plant? A. After the syndicate was formed.

Q. Yes. Was there any estimate made between you or any conferences between you and any of the syndicate members? A. I didn't get the question. 10

Q. Were any conferences between you and any of the syndicate members giving an estimate as to the cost of the cyanide plant and how much you would recover from the dump? A. Well, the cost was figured on the cyanide plant. There was \$10,000.00 to be provided to sink the shaft, and put in the cyanide plant, but we thought the cyanide plant would be put in at nearer \$4,000.00.

Q. And how much did you figure you were going to recover from this tailing dump? A. Well, that wasn't known. I advised Mr. Wallbridge to get some tailings down and have a test made of them here in Vancouver. 20

Q. Was that done? A. Yes.

Q. And what was the result of the assay test on those tailings? A. Well, the average test, I think—

THE COURT: Have you the assay report? It is material, I suppose for you.

MR. SHAW: I think I have it.

THE COURT: Well, go on.

MR. SHAW: I think I have it, just a moment. There is one.

Q. I produce to you a letter from G. S. Eldridge & Company to yourself. 30

THE COURT: Who are they?

MR. SHAW: They are assayers, my lord.

THE COURT: What is the date of it?

THE WITNESS: 24th February, 1921. This is a copy.

MR. SHAW: That is a copy—

THE COURT: Of the assay.

MR. SHAW: Of their report on the tailings.

THE WITNESS: Yes. One of the reasons for this was to get the sieve tests or screen analysis.

Q. Will you refer to that letter. What were the assay values given by Mr. Eldridge to you? 40

THE COURT: Well, it is all contained there, is it not?

MR. SHAW: Yes, my lord.

THE COURT: If you are putting it in, you need not take up the time reading it.

(DOCUMENT MARKED EXHIBIT No. 53)



MR. SHAW: At any rate, that ran over \$5.00 a ton? A. Yes, \$5.20 a ton, I believe.

Q. The assay report is dated the 24th of February, 1921.

THE COURT: That is Eldridge & Company's report.

MR. SHAW: Yes, my lord, G. S. Eldridge & Company's report.

Q. At any rate, to cut this matter down a little shorter, you went up to the mine after getting that report and after you decided to build the cyanide plant? A. Well, it was decided on that test, and on information that Mr. Wallbridge got from a man named Freeman to go ahead and put it in.

10

Q. At an estimated cost of \$5,000? A. Yes, we thought it could be done for a little less.

Q. And what was to be done with the other \$5,000? A. That was to sink the shaft.

Q. Did you get in touch with Mr. Davidson at all? A. Well, he got in touch with me.

Q. Was he taken up there? A. No, he didn't go up at the time we went up.

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Q. But later on he went up? A. Yes.

THE COURT: Well, Mr. Davidson, you heard his evidence? A. Yes, your honour.

MR. SHAW: Now, what representations, if any, had been made by Mr. Ferguson to you, and by you passed on to the syndicate, with reference to the condition of the plant and equipment.

THE COURT: As of what date?

MR. SHAW: Well, I will say January 6th, 1921—at the time the contract was entered into or before that, what representations were made? A. Well, I got all the particulars that I could get from Mr. Ferguson as to what was necessary to start up again.

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Q. What did he say to you about the condition of the equipment? A. Well, the condition of the plant was all right with the exception of one of the—

Q. I don't think you got my question.

THE COURT: He is asking you about Mr. Ferguson, witness.

MR. SHAW: Q. What did Mr. Ferguson tell you and what did you pass on to the syndicate about the condition of the plant before you saw it? A. Well, the condition of the mine was all right, and he told me what replacements we were to make and what stock they had on hand for the mill. I had all those particulars.

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Q. And did you not pass those particulars on to Mr. Wallbridge? A. Oh, yes, sure.

Q. When you got up there in the spring, how did you find the plant—in what condition, and what have you to say as to its condition in accordance with the representations which were made

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to you? A. Well, the flume was in bad shape, but we expected that as it had been idle for a year or more—a flume 1700 feet long—a four-foot flume—and we fixed that up and on examination of the waterwheel we found one of the buckets—a piece of it had been broken off; and I reported that to Mr. Wallbridge, but that presumably had been done by the mine corporation. That was caused by taking the rack out of the flume.

Q. Well, speaking generally what condition was the machinery and plant in? A. It was in fairly good condition.

Q. I want to read to you a paragraph out of a letter referred to in paragraph 51 of the Statement of Defence, written by Mr. Bull, I believe it was—no, by Mr. Wallbridge to Mr. Walter Walsh, which says this. 10

“That when the management took possession of the plant  
 “they found the machinery in bad condition and not fit to  
 “run.”

What have you to say as to that? A. Well it did not take us long to get it running after the flume was fixed.

Q. How long did it take you to get it running from the time you went up there? A. Well, I cannot say. We gave the plant a general overhauling. 20

Q. And was it a matter of weeks or months? A. Probably three or four weeks, but we gave the plant a general overhauling. That is we rebabbitted anything which needed to be rebabbitted. It is the logical thing to do—to overhaul the plant.

Q. Was the plant in a worse condition than you expected? A. No.

Q. Continuing the letter:

“The water wheel had been broken and the large com-  
 “pressor fly wheel cracked. The tires on the mill worn  
 “out and the new tires taken away.” 30

What about those statements? A. Well, we had plenty of tires.

THE COURT: That is not the question.

MR. SHAW: Are those statements correct? A. We found a new set of tires there.

THE COURT: No, take this one at a time—just take my copy and see what I have marked there.

MR. SHAW: Q. Just take them item by item in that letter.

THE COURT: Is that so? Just read that?

MR. SHAW: Do you see the page? 40

THE COURT: He has the right one—that is, if you gave me the right page.

MR. SHAW: It is paragraph 51—I don't know what page it is in your record—I think it is page 32 of your record.

THE COURT: Is that not what you are asking him?

MR. SHAW: Yes, my lord.

THE WITNESS: Well, I see they say here—

THE COURT: Just take your time. Read it and understand it and then wait for the question. Now, then, what is your question?

MR. SHAW: The statement that the water wheel had been broken and the large compressor fly wheel cracked—are those statements correct? A. Well, there was a bucket broken on the water wheel.

THE COURT: Well, Mr. Copp, it will save such a lot of time if you will just answer the question. You are not interested  
10 in the case, are you? A. No.

Q. And you are not a party to the action? A. No.

Q. Well, all you need to do is to answer the question and answer it carefully. Take your time, because Mr. Shaw will ask you a lot more questions and the other gentlemen will not let you alone either. Now, what is your question, put it to him again.

MR. SHAW: Q. "The water wheel had been broken—" is that correct? A. There was just a bucket off it.

Q. Was that a serious matter? A. No.

Q. How much would it take to repair it? A. It could not be  
20 repaired. There would have to be a new runner for the wheel.

Q. Well how much would that cost? A. Well, when that went out, I think it cost \$350 or \$400 approximately.

Q. Approximately? A. Yes.

Q. Was it in working condition? A. Yes.

Q. "And the large compressor fly wheel cracked—" Is that allegation correct? A. Yes.

Q. It was cracked? A. Yes.

Q. Did the compressor work with that wheel cracked? A. Yes, it is working yet as far as I know.

Q. How long was it before that was repaired? A. Why we  
30 repaired it just as soon as we started overhauling the mill.

Q. How much did that cost? A. We shrunk the band—

THE COURT: What did it cost? That is all you are asked?  
A. \$5 or \$10.

MR. SHAW: "The tires on the mill worn out and the new "tires taken away." What about those statements? A. The tires on the mill—yes, they were worn out, but the other tires had been moved just off the property line.

Q. Did you get them back? A. Yes.

Q. Do you agree with Mr. Boulger in his statement made recently that these tires are supposed to wear anyway like grind  
40 stones? A. Yes, they have to wear from the crushing.

THE COURT: Have you finished with that?

MR. SHAW: Yes, the rest I can read from here.

Q. "The rails and track on the second level of the mine torn "up and used in the third level." Was that a matter of importance?

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A. No, the ore had been stoped out of that level and so they moved their track down to the next level.

Q. Is that unusual in mining? A. Well, it is not unusual where steel rails cost so much as they did there.

Q. The mine was full of water. Was there anything else expected? A. No, we knew that when we left here.

Q. And there was an accumulation of refuse at the bottom? A. Well, there was an accumulation of mud.

THE COURT: Would you call it refuse? A. Well, it is slime.

Q. Would you call it refuse, say yes or no? A. Yes.

MR. SHAW: Q. And was that to be expected? A. Well, yes, with the water going down there.

Q. How much would it cost to move that refuse at the bottom level? A. I think there were two men working three or four days gathering that up.

THE COURT: "The mill and other machinery in such condition that a lot of money had to be expended on them." would you agree with that? A. No, I wouldn't, your honour.

MR. SHAW: Always I take it in mining, there is a certain amount of expense in running a plant—in your experience—there is always an expense? A. It has always to be kept up.

Q. Mr. Davidson went up there for what purpose? Well, I think you have answered that.

THE COURT: And then Mr. Davidson has told us about that. Have you anything to add to or take from Mr. Davidson's evidence. If you have not, you might tell us that.

MR. SHAW: Q. You heard Mr. Davidson's evidence. I am referring now to the first part of it. Have you anything you want to add or take away from that? A. No, I don't think so. He went into the agreement, of course, with Davidson—he was to sink the shaft—and we decided not to sink it and he came down.

Q. And that is why he quit? A. Yes.

Q. You started dewatering the mine and had it cleared some time in July—I believe that is understood? A. I think it was some time in July.

Q. Were Mr. Wallbridge and Mr. Bull up there at the mine during that summer of 1921? A. Yes, I think they were there in July.

Q. Oh, by the way, just before I come to that—Mr. Ferguson says he was there in June, is that correct? A. Yes, I would take it it was in June he went up. He went further up the creek and he stayed with us overnight.

Q. And Mr. Ferguson stated there had been no complaints made to him while he was there? Is that correct? A. Not as far as I know.

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THE COURT: Did you make any complaints to him? A. No, sir.

MR. SHAW: Wallbridge and Bull were up there in 1921—in what month, do you recollect? A. I think it was in the first part of July or maybe the middle of July.

Q. How long were they there? A. I think it was only a week, I am not sure about that.

Q. Did they make any complaints at that time about misrepresentation or anything?

10 THE COURT: In your presence?

MR. SHAW: Yes, to you or in your presence, I mean? A. No. not any.

Q. Did you have any discussion about the tailings with Mr. Wallbridge or Mr. Bull? A. Well, I told him I thought we would only be able to recover half of them—probably 5,000 tons would be the limit that we would be able to recover.

20 Q. Why wouldn't you be able to recover them all? A. Well, on account of the way they were scattered around and the amount of slime that was in it could not be treated in that type of cyanide plant.

Q. Is it necessary when treating tailings to form a bed for them? A. Well, in that case we left the dyke to be formed to take care of future tailings.

Q. By the way, what did you figure you were going to get out of those tailings in actual cash? A. We figured the cost of construction was going to run a dollar a ton.

THE COURT: Was that a guess or an estimate? A. No, that was from figures we had worked out before we left here.

30 MR. SHAW: Q. \$1 a ton for extraction and you expected to extract how many tons? A. Well, from Eldridge's test we thought we would recover 75 per cent.

Q. And how many tons did you expect to get out of the dump? A. I thought we would recover 5,000 tons.

Q. You heard Mr. Boulger state here—You heard him say he made a report? A. Yes.

Q. That document was in writing? A. Yes.

Q. What did you do with it? A. That was filed in the office and I think a sketch plan was sent down. The result of it was sent down to Wallbridge and I think that sketch plan.

40 Q. Did you differ with the report made by Boulger at that time? A. Well, I didn't differ about values, but I differed about the tonnage. I questioned whether his tonnage might be a little high.

Q. How high did you think it would be? A. Well, that is—what I differed with was what we would recover.

Q. What amount you would recover? A. I didn't question

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his measurements, but I did question what we would recover in those two pits.

Q. And you were not so optimistic as he was about the total value? A. No.

Q. Now, did you have any discussions with Mr. Wallbridge or any other member of the syndicate during 1921 about sinking a shaft? A. Well, when they were up there, Mr. Bull and Wallbridge in July, Mr. Wallbridge told me I would have to go into the old stopes because they didn't have the money to sink—the money had been used up.

Q. And what did you say about that? A. Well, I didn't like the idea of it.

Q. Why? A. Well, the mine had been under water and from my examination there was very little to get in those old stopes outside of one or two pillars and there was only one pillar that I thought could be extracted from and leave the wall safe.

Q. Did you do any sampling in the 300 foot level? A. Oh, yes. I sampled the pillars, but I didn't sample the floor.

Q. Well, from the result of your sampling the pillars did you make any recommendations—I mean in the 300 foot level? A. Well, the recommendation was to sink and go down and get another block of ground.

Q. Yes. By the way, in that letter that I have just been referring to you in the Statement of Defence, from Mr. Wallbridge to Mr. Walsh, referring to the statement that there were 12,000 tons of tailings at \$6 a ton, what have you to say about that? A. That never was mentioned.

Q. Now, there was a breakdown that you had in September, I believe? A. Yes, I think it was about the middle of September—the runner of the water wheel went out.

Q. Was that any fault of Mr. Ferguson's? A. No.

Q. And there was a freeze up, I believe, at that time? A. Well, that occurred around about the 20th of December.

Q. The 20th of December? A. Yes it was 40 below zero.

Q. Well, when did you come to town in 1921? A. We were here right after Christmas—about two days I think after.

Q. And did you at that time meet Mr. Wallbridge or Mr. Bull or any other member of the syndicate? A. I met Mr. Wallbridge.

Q. Well, was there any discussion about misrepresentation with him at that time? A. Not any.

Q. Now, in the spring of 1922 you went back to the property again? A. Yes.

Q. Did you have any discussions with Mr. Bull, or Mr. Wallbridge, or any other member of the syndicate before you went up there? A. Yes, with regard to my arrangement for the work or the programme of the work for that year—Mr. Wallbridge told

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me I would have to go back and find some ore in the old levels and I objected to that and he said, well, we will go up and see Bull and Bull had a hard luck story too, and he asked me if I thought I couldn't make the mine break even and I told him I did not think it was possible.

Q. Yes? A. And he asked me if I could not get enough out of the cyanide plant and I did not think that was possible. I figured it was worth \$5,000 to sink the shaft at that time.

10 Q. Was there any meeting of the syndicate called, do you know? A. Not at that time.

Q. By the way, during 1921 and 1922, did you take any supplies into the mine? A. Well, I took quite a lot in in 1921—that is sufficient to carry us over the winter and early spring. There was 10 tons of powder went in and the necessary ammunition for that.

Q. Well, perhaps I am a little bit ahead of this story. I will pick that up a little later. Just a moment. Did you do any sinking in 1922? A. No.

20 Q. What work did you do that year? A. I drifted about 100 feet east on the 200 foot level and that was practically all the new development that was done that year. The rest of the time was spent in scratching around the old stopes.

Q. How much gold did you produce altogether out of the mine apart from the tailings in the four years that the company was operating? A. In 1921, I—

THE COURT: Is there a record of it?

MR. SHAW: I think we have that already. I think I should let that go, because we have that, my lord.

30 Q. Did you discuss the sinking of the shaft with any member of the syndicate in 1922 after the early conversations you have told us about? These, by the way, were in what month, the ones you have just been speaking of? A. It would be in April—the latter part of March or the 1st of April.

Q. Now, did you have any discussion with Mr. Wallbridge later that year about sinking a shaft? A. Well, I had. He came up to the mine, I think, in the latter part of June and stayed probably about three weeks. I cannot recollect how long. I wanted him to let me close down the quartz mill and sink then, because we were going behind. We had got so much crushed wall rock it cut the average down from 4 to \$5 a ton.

40 Q. Had you been getting any timber ready for this shaft? A. Yes, I had started to put four or five men in the woods to cut timber and to build roads and get in timber for the wall supports.

Q. What was roughly the value of the supplies and ammunitions you had in in the fall of 1922, at the mine—at cost? A. I think it would be around \$7,000.

Q. \$7,000 worth of equipment—that is supplies, I mean? A. Supplies.

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Q. What did Mr. Wallbridge say to you when you discussed sinking the shaft with him in July? A. When he left there, he told me he would take it up with the syndicate when he got down there, or would take it up with Mr. Bull.

MR. SHAW: Mr. Mayers, will you please produce the synoptic of the Pioneer Gold Mines Limited?

MR. BULL: You mean the journal, do you?

MR. SHAW: Well, you may call it the journal, I don't know.

THE COURT: It would be the synoptic?

MR. SHAW: Synoptic is what I call it, but I am not sure, it may be a journal. 10

Q. I am reading now, Mr. Copp, from the document which is a journal of the Pioneer Gold Mines Limited which was operating this property—it is the journal for 1922, and I find that about—well, taking it in round figures on the 1st of July, the wages which had been spent amounted to \$4,000 and I find that at the close of the operations in that year there had been spent for wages \$18,000—a difference of \$14,000 spent in wages after the 1st of July—would that sum have been sufficient to sink the shaft? A. Yes. 20

Q. What were those wages spent on? A. It was mostly by the mill—for men—mill men, hoist, and the blacksmith and crew—for them to operate.

THE COURT: Well, those moneys were properly spent, were they? A. Yes, outside of the stoping, I did not consider the stoping to be properly spent.

MR. FARRIS: Are you putting that in?

MR. SHAW: I did not want to put that in to encumber the record. I have all I want out of it unless you want it in.

Q. Now, you came back to town some time in August or September, 1922, was it? A. Yes. 30

Q. Why did you come back? A. Well, I came back for to either quit or to get them to sink the shaft at that time.

Q. Yes? A. That is, to get the syndicate together when I got down here. But we met Mr. Bradshaw, the manager of the Belmont-Surf Inlet and interviewed him and he agreed to go up and examine the mine and I felt satisfied if he did he would take it.

Q. Now, in September you had a temporary shut down? A. Yes, we broke one of the gear wheels.

Q. Was that any fault of Ferguson? A. No. 40

Q. Did you receive instructions about your continuing operations? A. Well, I think I got word to close down and get the pump out of the mine some time in October.

Q. What reason was given to you for closing down? A. Well, Wallbridge wrote me and told me he would not sink the shaft until he made another settlement with Ferguson.



Q. When you got back to town, did you have any discussion with Wallbridge or any other member of the syndicate? A. Well, just with Wallbridge.

Q. Just with Wallbridge? A. Yes.

Q. What was that conversation? A. Well, I objected to letting the mine get full of water and I told him so.

Q. Speak out a little louder? A. I was through if he was going to let the mine fill full of water again—I was through—I wouldn't go back any more.

10 THE COURT: Q. Did you go back again? A. Yes, I went back the following spring under a new arrangement.

MR. SHAW: Q. Did you have any discussion with Mr. Wallbridge with reference to Ferguson, with respect to any misrepresentation or anything of that kind? A. Well, he told me they weren't going to pay him any more for that 51 per cent.

Q. By the way, had you finished the tailings at that time? Had you finished milling or what happened? A. There were some tailings left—I could not tell you how many, because we were still cyaniding when the mill broke down.

20 Q. Did you have any discussion with Wallbridge about the tailings? A. Nothing in particular. I told him when I was up there—that time that I was leaving, it would be false economy to remove that if they were going to impound future tailings. That was discussed up at the mine.

Q. Did you have any discussion with Wallbridge about any new deal he was trying to make with Ferguson? A. Well, he told me the deal he was going to make. He wasn't going to pay him any more than \$5,000 and for putting up the cyanide plant—he was through.

30 Q. Did he tell you any more than that?

THE COURT: Do not cross-examine him, because it is just repetition.

MR. SHAW: I don't want to cross-examine him.

Q. What else did he tell you? A. He told me he could put Ferguson up against a stone wall, so that he could not fight back and he was going to enforce this new agreement. That was the sum and substance of the story at that time.

Q. Did he mention Mr. Williams at all? A. He said Mr. Williams was out of the say.

40 THE COURT: Was he alive at the time? A. No, he had passed on.

Q. He was dead? A. Yes.

MR. SHAW: Q. Did he mention Mr. Walsh? A. Well, he said he could handle Walsh.

Q. Did you personally know anything about the contract which finally was signed or made? A. I knew nothing of

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any of the agreements, I didn't know anything—that is, I had got no information as to what the agreements were.

Q. In 1923 did you go up to the mine again? A. Yes, I went back about May.

Q. Did you do any sinking that year? A. No.

Q. What was done that year? A. Well, we repaired the flume up and unwatered the mine and under the arrangement that they were going back, I advised them to get an option on the adjoining property which I went over.

THE COURT: Did you get it? 10

MR. SHAW: Well, that is not material, my lord.

THE WITNESS: It belonged to Victoria people.

MR. SHAW: I did not mean to interrupt your lordship.

THE COURT: No, I am afraid I was interrupting you. That was adjoining property, was it? A. Yes, and I had worked for these Victoria people years before that, so I recommended them to buy that property.

MR. SHAW: Well. You went up there, you say, and there was no mining done. You unwatered the mine—I will just make this very brief—you unwatered the mine and you and the watch- 20 man were there on a salary all year? A. Yes.

Q. And nothing was done? A. No.

THE COURT: Is there any difference between dewatering and unwatering?

MR. SHAW: Well, everything is being dewatered and demoted these days, it seems.

THE COURT: But is there anything new in that?

MR. SHAW: There is very little more I want to ask this witness:

Q. Mr. Sloan was up there, was he not, in 1923? A. Yes, 30 he came up and sampled the Pioneer, and also sampled the Coronation Group which I recommended.

Q. Yes, and what were Mr. Sloan's recommendations? A. Well, they were very good.

Q. His recommendations, I mean, what were they actually? What did he say to do? A. Oh, to sink.

THE COURT: Can you remember them? A. Yes.

Q. Well, just tell it quickly? A. Well, the recommendation was to sink. I think they have those reports—they are available.

Q. You see, you are a mining man, and tell us, who are not 40 mining men, as clearly as you can about it. What did you say? A. What is your question?

MR. SHAW: Q. I just asked you what Mr. Sloan's report was, and what his recommendations were.

THE COURT: Q. Did Mr. Sloan make that report in writing? A. That was in writing.

THE COURT: I am just asking you that question.

MR. SHAW: It was made in writing, my lord.

THE COURT: Well, he cannot tell us about it—don't take up any more time on that.

MR. SHAW: Did he make any report to you auxiliary to his report—verbally, I mean? A. Yes, we talked the mining situation over practically every night.

THE COURT: Well, would you call it a report? A. No.

Q. Then he made no report? A. No.

10 Q. Why didn't you say so at first—that you simply had talks.

MR. SHAW: What did he tell you about the mine apart from his written report? A. He thought the property was good from the sampling of the lower level.

Q. Did you have any talk with the syndicate members about those conversations later? A. Nothing other than Mr. Sloan had reported to them a better report than his written report was.

THE COURT: Mr. Shaw, I will take it, and I think we can all take it that when Mr. Copp came down here to see them they were talking probably all the time about it.

MR. SHAW: Yes, I am probably laboring it too much.

20 THE COURT: Will you wait a moment. I am not calling it anything, but it is hardly fair to ask a question of the witness like that when they were talking all the time about it, because it was the big thing in their mind then, and unless you have some particular aspect of it that you want recorded—why not put some specific question leading the witness' mind to it. This was the only thing they were talking about or thinking about, you see.

MR. SHAW: Very well, my lord.

30 Q. When you came down in 1923, you took an option on the property, or a bond on the property yourself, did you not? A. Yes, I took that for the late E. L. Hagen.

THE COURT: Are you putting that in?

MR. SHAW: No, my lord.

THE COURT: Well, why bother with it then?

MR. SHAW: I just wanted to ask one question about it.

Q. What price did you agree to pay for these supplies under your option? A. I think it was \$7,000.00.

THE COURT: That is all contained in a written document that is not in, but there is no objection to it, so go on.

40 MR. SHAW: Q. Now, after Mr. Lands, the engineer, had been in there, the mine had been dewatered—the mine had been dewatered in the spring of 1924? A. Yes.

Q. And you were up there and finally came down and you had nothing more to do with the property, I understand? A. No, not after that.

Q. Now, there is just one further point to elucidate that. You were familiar with this mine, and you have heard the evidence

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given in Court by Davidson, that Mr. Sloan sunk a shaft 142 feet, or cross-cut to the vein 21 feet, and struck the vein there with apparently good milling ore. From your knowledge of the mine, and of mining generally, what effect on the value of the mine did that work done by Sloan have? A. Well, in my opinion the mine was proven beyond doubt then. That was always just what we were fighting for.

Q. What would you estimate, from your previous knowledge of the mine, would be the probable value of the ore indicated by that strike? A. Well, I would say at the time we were reporting, that 100 feet would be worth \$100,000.00. Of course, I know from records it was better. So it is a hard question for me to answer properly. 10

Q. It was one hundred thousand? A. Yes.

Q. How much would that be of profit, in ordinary mining? A. Well, there would be between 5,000 and 6,000 ton there, and it would take between \$5 to \$6.00 to mine it.

Q. And the value that would come out—you said \$1,000.00 a foot—and how much would it cost to mine it? A. I think we figured up our costs then—and they were high—between \$5.00 and \$6.00. 20

Q. A ton. A. Yes.

Q. By the way, did you ever have any discussions with Mr. Wallbridge about what could be got out of that property, just as a protective measure? A. Well if the property was to be gutted, there was \$20,000 to \$30,000 worth of value in the shaft and pillars and another \$20,000.00 out of the floor of the tunnel.

Q. What kind of mining would that be called? A. Under-hand stoping.

Q. And abandoning your shaft pillars— A. Yes, but they were estimated as an asset. 30

Q. And you could get out of that \$40,000 or \$50,000? A. Yes.

Q. Now, Mr. Copp, I want you to direct your mind to the winter of 1924—particularly to the months of November and December? A. Yes.

Q. Do you recollect having any conversation with Mr. Wallbridge about that period with reference to this strike? A. Well, I met Davidson's partner.

Q. What was his name? A. Well, it was a European name—an unpronounceable sort of name. We always called him Big John. 40

Q. Big John? A. Yes.

Q. Where did you meet Big John? A. I met him here in town the morning he came in. I don't know what date that was.

Q. Mr. Davidson told us, if my recollection is correct, it was the 2nd of December? A. It might have been.

Q. You don't remember the date, but what happened then? What conversation did you have? I cannot ask you that, but what did you do? A. Well, Big John was pretty busy for that day, but I was with him pretty well all day to get the information.

Q. I am not interested in Big John, but what did you do with Mr. Wallbridge? A. Well, I went in to see Mr. Wallbridge about this big strike. He told me they had struck five feet of ore.

Q. Who did? A. Big John.

MR. MAYERS: I am objecting to what Big John said.

10 THE COURT: I will ignore it. What is your question?

MR. SHAW: What did you tell Mr. Wallbridge?

MR. MAYERS: Well, that is improper—if there is any point in this evidence, the foundation would have to be laid for it, by showing what this gentleman called Big John told this witness.

THE COURT: Well, I understand he has dropped Big John now.

MR. SHAW: Yes, I have dropped Big John.

THE COURT: Well, drop everything in connection with him—what is your question?

20 MR. SHAW: I am asking the witness what conversation he had with Mr. Wallbridge.

MR. MAYERS: Well, I object to that, because it is evidently an attempt to get in what Big John was supposed to have told this witness.

MR. SHAW: I am not interested in that.

THE COURT: He has dropped Big John, as I understand it. Well, really, Mr. Shaw, it will avail you nothing anyway.

MR. SHAW: Yes, my lord, there is a point in it.

30 Q. Will you just tell us about that, subject to his lordship's direction.

THE COURT: I am not directing anything. I am trying to regulate—

THE WITNESS: Well, really the substance of the conversation was—

THE COURT: Just take your hand down from your mouth.

MR. SHAW: Q. What conversation did you have with Mr. Wallbridge. A. Well, I told him I thought the mine was made now.

40 Q. What did he say? A. Well, he said us miners get up in the air pretty easy if there is a little ore strike, and he did not seem to get enthused over it.

Q. Can you tell us—

THE COURT: Now, you cannot cross-examine your own witness, and you cannot squeeze your client—you see they are hard boiled miners.

MR. SHAW: Well, I just wanted to—

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THE COURT: Do not tell me what you want, because I know what you are wanting, so do not form your question so that it will be objectionable, and do not cross-examine your own witness.

MR. SHAW: Q. At that time did Mr. Wallbridge have any knowledge of the strike? A. Well, I presume he did.

THE COURT: What you should ask him is what Wallbridge said, and then it is for me to name whether he had knowledge or not.

MR. SHAW: Q. What did Wallbridge say to you. 10

THE COURT: Just to go back a moment—have you finished with what the conversation was between you and Mr. Wallbridge on this occasion? Take your time. Have you? A. Well, we had quite a long conversation.

Q. Will you answer my question if you can? A. Yes, your lordship.

Q. Have you finished with the conversation to which reference has been made between yourself and Mr. Wallbridge? A. Yes.

MR. SHAW: Well, that finishes that. 20

THE COURT: Have you finished, Mr. Shaw?

MR. SHAW: Yes.

THE COURT: Your witness.

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#### CROSS-EXAMINATION BY MR. MAYERS:

Q. You had a voluminous correspondence with Mr. Wallbridge during the time you were up at the mine had you not? A. Yes, I had to report to him every week.

Q. And you certainly had a lot of grief with the machinery, had you not? A. Well, we had considerable at different times.

THE COURT: Well, you have been sitting here during the past two days, and I think you have heard me more than once giving pointers to the witness. There are two words that you can use—if you would only use them—yes or no—instead of doing all this talking. I did not think miners talked so much. I thought they were working men and not talkers. 30

MR. MAYERS: Q. You had a considerable amount of grief with the machinery? A. Yes, considerable.

THE COURT: Do start out by saying yes or no and then you can explain it later if necessary.

MR. MAYERS: Q. Running throughout the whole period 40 of your encumbancy, isn't that right? A. No.

Q. Let me direct your attention to one or two of the things that you complained about. In September, 1921, the piston hammer of the big stoping drilling machine broke didn't it? A. Possibly it did, yes.

Q. Well, you know it did, don't you? A. Well, we didn't have any big machine—

THE COURT: Q. Well, do you know? A. No, I don't know.

MR. MAYERS: Q. You say you don't know that the piston hammer of the stoping drilling machine broke? A. Well, we were getting repair parts.

Q. Well, do you know that? A. Possibly it did.

10 THE COURT: Witness, I am going to tell you again—just answer yes or no—because you are apparently an intelligent man, and there is no jury, and I am the judge of the facts, and one of the aids in determining facts is the way a witness answers questions, and his appearance and things of that kind, and you do take an unconscionable time before answering questions which you should find no difficulty in answering one way or another. And I am afraid I may form a wrong opinion when it comes to a question of credibility, because there is contradictory evidence here—and I am telling you this for my own sake—it helps me out, and I am giving you a fair chance. I do not know you at all, but I confess  
20 when people answer questions the way you are answering them, I am liable to think you are not telling what is right. A stranger would say “what is the matter. He is keeping things back.” And when you hesitate like that it does not appear in the stenographic notes. Now this may help you.

MR. MAYERS: In May, 1922, the pipe from the compressor receiver was poorly connected. You discovered that, did you? A. Yes.

Q. And you discovered it had been poorly connected when it was put in? A. Well, it was the motion—

30 Q. Is this right—the pipe from the compressor to the receiver was poorly connected when it was put in? A. Yes.

Q. And the compressor continued to give trouble, didn't it; Is that right? A. Well, no, I don't think it gave any trouble in 1922.

Q. And on July 13th, 1922, you say “I had some trouble with the compressors.” Was that true? A. Yes.

THE COURT: Q. Is the compressor an important part of the equipment in a machine? A. Yes, your honour.

40 MR. MAYERS: Q. It was very important in this case, because your hoist was driven by compressed air, wasn't it? A. Yes.

Q. And then you did make a report on the 12th of December 1922, didn't you? A. Yes.

Q. And you said “The compressors gave us considerable trouble during the past summer.” Is that correct? A. Yes.

Q. I also notice in your report you say “we found the water wheel, compressors and machinery—and mill machinery had been

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badly wrecked." Is that true? A. Are you reading from my original report?

Q. Yes, is that true? A. What is the question again?

Q. I read to you from your report "We found the water wheel, compressors and mill machinery had been badly wrecked." Is that true?

MR. MACINNES: My lord, I understand there is some dispute as to the existence of any report made by Mr. Copp. There is some correspondence, but I think there is a dispute about it, and I think my learned friend should produce to this witness the written report. 10

THE COURT: No, would it make any difference what Mr. Mayers calls it? I might not call it the report; but if the witness wrote that in any form, as long as it was in writing, with which he can be confronted, all Mr. Mayers is asking now is if you wrote that—is that true?

MR. MACINNES: Well, I suggest my learned friend should produce the original document he is reading to the witness.

THE COURT: If it is not there, then you can see the difficulty that Mr. Mayers is in, and I do not wish to interfere with the cross-examination at this juncture unless you say there is no such report and no such writing, and then Mr. Mayers should not put it to the witness. 20

MR. MACINNES: I am instructed there is no such report.

MR. MAYERS: I do not care whether you call it a report or not.

THE COURT: The name means nothing. It is a question of whether he wrote—

MR. MAYERS: Did you write on the 12th of December, these words "We found the mill machinery had been badly wrecked." A. No. 30

Q. Give me that piece of paper, will you?

MR. MACINNES: I am objecting.

THE COURT: Well, I do not think you should interfere with the cross-examination.

MR. MACINNES: This is all new to me.

THE COURT: If this is all new to you, it should not be, because you have had every opportunity of getting discovery.

MR. MACINNES: Yes, my lord, and we question this—

THE COURT: Registrar, will you kindly take that from his hand— 40

MR. MACINNES: This is not an original document. It purports to be a copy.

THE COURT: Look at it. You must apparently have seen it before. You apparently know something about it.

MR. MACINNES: It is a typewritten copy with a typewrit-



ten signature, and my instructions are that this was never prepared by the witness.

THE COURT: Let Mr. Mayers ask him about it—and let the witness say that.

MR. MAYERS: Q. Will you just look at that and read it, and say if you know anything about it?

THE COURT: Does it purport to be signed?

MR. MAYERS: No, my lord.

THE COURT: That looks like something written on it at  
10 the bottom.

MR. MAYERS: It purports to be a true copy of his original writing, with the signature typed in.

THE COURT: Now, witness, look at that carefully and do not forget, witness, you are on oath, and you are in court where counsel can investigate and interrogate you—so take your time. And you are not a party to this suit, as you have told me.

MR. MAYERS: Q. Well, witness, is that a document written by you, and your own construction, or composition?

THE COURT: Of your knowledge.

THE WITNESS: I am not satisfied with it—it not being  
20 over my signature.

MR. MAYERS: Q. What is that? A. I am not satisfied with it. There seems to be something missing, and it is not complete and there is possibly a little added.

Q. Well, now, just pick out what you say is not yours. We will go through it bit by bit, and you can tell me which is, and which isn't—

THE COURT: Have you a copy there.

MR. MACINNES: No. Might I make this clear, or prob-  
30 ably my learned friend will make it clear. This document itself—the physical document—has the witness ever seen it, or did he compile it.

THE COURT: Well, Mr. MacInnes, the witness has looked at it. Apparently it is a copy, because the signature is typed, but it is suggested, as I take it, that that is his composition. You see it is up to him to say whether it is or not. He has looked over it, and he has taken his own time about it, and he is looking at it now again, and he acknowledges that he thinks it is with his additions and subtractions—and he is not satisfied that it is completely his  
40 writing, but I take what his answer is is yes—he should have said “Yes, it is mine, but there is something added or something left out,” but his answer really is yes. Now, Mr. MacInnes, what have you to say to that? That is the way I am taking the answer—“Yes, it is mine, but I am not satisfied—I think there is something added or left out.” And now Mr. Mayers says “Point out what is added, or what has been left out.”

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MR. MAYERS: Q. Now, will you just follow me, witness.  
"I beg to submit the following report—"

THE COURT: Just wait until he gets his glasses. Really witness, you do not seem to take the questions seriously.

MR. MAYERS: Q. "I beg to submit the following report for the work done for 1922." Do you remember on December 12th, 1922, submitting a report for the work done in 1922? A. Yes.

Q. "Six men were taken in during the last week in March on making repairs to the flume, which had been badly strained owing to the extreme cold weather." Is that your sentence? A. 10  
Yes.

Q. "I also cut down the spillway on the dam 15 inches for a distance of 45 feet to take care of the high water and protect the head gate and flume." Is that your sentence? A. Yes.

Q. "A small flume, 400 ft. long, was built to carry water to the Cyanide plant. 190 ft. of 6 in. stave pipe was also put in to convey the water from the penstock to a 4 ft. water wheel, which we built on the job to take the place of a small steam engine which was connected to the solution pump in 1921, which was driven by compressed air, but did not prove very satisfactory during cold weather and used up as much air as one of the machine drills." Is that your sentence? A. Yes. 20

THE COURT: What page is it?

MR. MAYERS: It is not paged, my lord.

THE COURT: Have you got a copy of it?

MR. MACINNES: No, I haven't

MR. MAYERS: Q. "However, the engine was in stock when we took the property over, and we made use of it until lumber could be cut to put in the flume." Is that your sentence? A. Yes.

Q. "About 200 ft. of trestle was built and tracked to the lower tailing pit. Also trestle and foundation built to set a 5 x 5 Jincke's Hoist on, which was used for hoisting the tailings from the lower pit. In all about \$600 was added to the Cyanide plant. The hoist I have listed as stock on hand." Is that your sentence? A. Yes. 30

Q. "2100 Tons of old tailings were treated." Is that your sentence? A. Well, I am not quite sure about those figures.

Q. Well, how do you suggest that they got there, witness?  
A. Well, I don't want to say they are correct.

THE COURT: Just wait. Do not hesitate, witness—just wait a minute. You cannot evade it that way, if you do not mind my saying so—I am trying to help you too—you can say whether that is your writing or not. A. Well, I will say those are correct. 40

THE COURT: Well, say yes or no. Do not hesitate about it.

MR. MAYERS: Q. Is that your sentence? A. Yes.

- Q. "Heads averaged \$4.40 per ton." Is that your sentence?  
 A. Well, I presume so.  
 Q. Well, it is, isn't it?  
 THE COURT: I take it his answer is yes.  
 MR. MAYERS: Q. "This cleaned up the balance of old tailings, making a total of 3500 tons." Is that your sentence? A. Well, I thought it was 3900, to be frank.  
 Q. Is that your sentence, witness? A. Yes.  
 Q. "1200 tons of new tailings were treated; average head  
 10 \$3.30 per ton, tails \$1.86 per ton." Is that your sentence? A. Yes.  
 Q. "The lower head assay on the new tailings and extraction is accounted for by the fact that the ore mined was stoped from the crushed area along the fault plane, between the 200 and 300 ft. levels, which could not be hand sorted." Is that your sentence?  
 A. Yes.  
 Q. "The rock wall rock sulphide does not appear to amenable to cyaniding unless crushed to 80 or 100 mesh." Is that your sentence? A. Yes.  
 Q. "We were crushing to 40 mesh." Is that your sentence?  
 20 A. Yes.  
 Q. "The estimate given of 10,000 tons was found to be short about 6000 tons." Is that your sentence? A. Yes.  
 Q. "There is left in the two pits about 500 tons of slimes that cannot be treated in the present plant." Is that your sentence?  
 A. Well, I thought 700 tons were left.  
 Q. Well, isn't that your sentence, witness. You might have been wrong about it, but that is what you put down, isn't it? A. Well, I thought it was 700.  
 Q. Well, you might have been wrong, but isn't that what  
 30 you put down? A. Yes, it must have been.  
 MR. MACINNES: Well, which is it?  
 MR. MAYERS: I object to my learned friend interrupting me at this stage.  
 THE COURT: One of the objections to that, Mr. MacInnes, is shown by the fact that the witness inadvertently has to think over his answer and you are giving him a suggestion—you see just the difficulty. Particularly to the attitude the witness has taken to this document and after all I have to consider his credibility when he is through. Just proceed.  
 40 MR. MAYERS: Q. "The lower pit was put down amongst boulders, logs and brush, which made them rather hard and expensive to pick up." Is that your sentence? A. Yes.  
 Q. "The plant treated a total of 3300 tons, producing \$9,122.41. Owing to the extreme cold weather and low water, pumping was not commenced until the 25th of April. The water at the time was within 14 feet of the Number 1 level. The water from No. 1 to No. 2 level was taken out with an air lift. From No.

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2 to No. 3 the pump was used. When the water got below the 200 ft. level I started a machine drifting east on the No. 1 vein. 100 ft. of drifting was done, the vein increasing in width from 6 in. to 2 ft. in places and narrowing down again to 6 inches. Samples taken about every 100 ft. showed an average of \$14.00 per ton. About 300 tons were stoped from this piece of ground. Stoping was carried up for about 50 ft. to where the vein narrowed down to about 1 ft." Is that yours?

THE COURT: Do you say anything there?

THE WITNESS: Yes, I do, your honour.

THE COURT: Well, just say what you have to say about it?

A. It speaks of sampling every 100 fet, and it should be every 10 feet.

MR. MAYERS: Well, might have been your mistake, but that is your sentence. A. Well, it is 10 feet on this.

Q. Well, I read it wrongly, perhaps, but that is your sentence, is it not? A. Yes, that is correct.

Q. That is your composition? A. 10 feet was what we were sampling at that time.

THE COURT: Never mind what Mr. Mayers is reading. 20  
 Just keep your eye on that copy, because that is what he is asking you about, because he may have some typographical error on his copy, but you keep your eye on that.

MR. MAYERS: Q. "896 tons was milled from the 300 ft. level; 500 tons from the No. 1 vein east and 396 from the No. 2 vein west, making a total of 1196 tons milled." Now, all that was your sentence, wasn't it? A. Yes.

Q. "\$3,826.41 was recovered on the plates; tailings assayed \$3.30. Between 300 and 400 tons was left in the stope, which should mill between \$8 and \$10 per ton. The last sample taken 30  
 from the back of the stope for a distance of 50 ft. averaged \$13.00 per ton. The foot wall in this stope was sheared and softened and considerable of it came with the ore and could not be sorted out. The last ten ft. of stoping done showed the wall to be getting harder as we got away from the faulting and shearing." That is all your composition? A. Yes.

Q. "The ore stoped from the No. 1 vein east of the shaft was very disappointing. The wall rock faulted and sheared, came down with the ore and could not be sorted out. The vein at this particular stope averaged \$30.00 per ton. The vein was only about 40  
 1 ft. wide and continued about the same through to No. 2 level, where I broke through for better ventilation from the No. 3 level and to let the water from the No. 2 level drain down instead of continuing to the shaft. The present faces of the No. 1 vein on the 300 ft. level assay \$20.00 per ton. West face is about 14 in. and east face 6 in. wide." Now, that is all your composition, isn't it? A. Yes.

Q. "The face of what is known as the No. 2 vein west side assayed \$6.00. There is the possibility that this vein is another vein than what is known as the No. 2 vein west side 200 ft. level. If so, there should be another block of ground to mine from the 200 ft. level. However, this could not be positively known until it is stoped through to No. 2 level from No. 3, and it would not be wise to report this as being the case, as no survey has been made of the underground working." Now, that is all your composition? A. Yes.

10 Q. "No. 1 vein on the 300 ft. level has been opened up for a distance of 225 ft.: west of the shaft 150 ft., east of the shaft 75 ft. The vein varies in thickness from 1 ft. to 5 ft. No sampling was done along the floor of the tunnel, but taking the figures of the old company and the amount of gold sold while mining the block of ground on the 300 ft. level, it would be safe to say that the ore will average over \$20.00 per ton. The reason for not sampling the floor was that it would necessitate tearing up the track and relaying again, and it was a case of getting some ore out as soon as the mine was unwatered." That is your composition, isn't it? A. Yes.

20 Q. "On the No. 2 level the No. 1 vein has been drifted on for 550 ft. showing the ore shoot to be that length with the usual pinches and swells. The No. 1 vein on the 300 ft. level west of the shaft should be drifted on for another 100 ft. No. 1 vein east should be drifted on for another 200 ft. Cross cuts should be driven on the 300 ft. level to cut what is known as the No. 2 vein. If sufficient money can be raised the shaft should be sunk another hundred feet or more. This would necessitate putting in a station pump on the 300 ft. level and a larger hoist. On the 300 ft. level there is 50 feet of stoping ground left to be stoped on the No. 2 vein which should produce about 350 tons; average samples at the back when we closed down gave an average of \$13.00. This and 300 tons broken in the stope and 50 tons in the ore bin is about all the ore that can be reported as being in sight at the present time." Now, that is all your composition, isn't it? A. Yes.

Q. "The gear wheels and shaft for water sheet have been hauled to the mine, ready to be installed. There is at the mine over \$5,000 worth of supplies." That is your composition, isn't it? A. Yes.

40 Q. "The compressors gave us considerable trouble during the past summer and they should be rebabbitted before starting up again. Some lumber should be cut to repair a portion of the flume near the mill. 200 logs have been cut, hauled out of the woods and skidded, ready to be hauled to the sawmill. Enough other timber has been cut and hauled to do the mine for fuel and mine timber for next year." That is your composition? A. Yes.

Q. "Owing to the scarcity of men all summer I was unable

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to get machine miners and was short of men, consequently did not get the development done that I had anticipated." A. Yes.

Q. That was your composition? A. Yes.

Q. And that was true, was it? A. It was true I could not get men, but I am not prepared to say what was the cause.

Q. "The other mines raised the wages about midsummer. I did not think it advisable to do it. If the wages should drop again at the other mines we would have trouble getting the wages down again. Owing to the cost of getting them into the mine I think something should be done in the way of absorbing some of the transportation cost. During the summer this could be done by putting our own truck into commission." Is that your composition? A. Yes. 10

Q. "In conclusion I would recommend putting the property on the market at a reasonable figure, and my reasons for this recommendation are"—Is that your composition? A. Yes.

Q. "Insufficient working capital to put it on a paying basis so that the ore can be mined and milled economically." Is that your composition? A. Yes.

Q. "There is not sufficient power developed to mill and mine much deeper and no other power can be added without a large expenditure of capital. We found the water wheel, compressors and mill machinery had been badly wrecked, the foundation had been cut away from the compressors, and this will always give more or less trouble until rebuilt. The flume will not last much longer, probably 3 or 4 years with the usual repairs each spring." Is that your composition? A. Yes. 20

Q. "There should be an auxiliary plant to keep the mine pumped out, in the event of a very cold winter. If a station pump should be put in on the 300 ft. level it would not be advisable to let the mine fill with water." Is that your composition? A. Yes. 30

Q. "When the mine is properly developed it will warrant a 50 or a 100 ton mill. The capacity of the present mill is 20 tons per day. The overhead charge is about as much as it would be for a 100 ton mill. There is also a loss of \$1.00 per ton in the tailings after cyanide treatment, which could be recovered by finer grinding, which we are unable to do under the present arrangement. If further development is undertaken I would recommend only milling what ore is encountered during development, unless some very high grade ore is found." Is that your composition? A. Yes. 40

Q. "By installing a larger hoist the present power and plant would be sufficient to develop the mine to a depth of 700 or 800 feet, which would be deep enough to decide on what capacity and type of plant to install." Is that your composition? A. Yes.

Q. "I look upon this property as one of the best small gold mines in British Columbia and one which will go down to great depth, but handicapped as we are with the debts of the old com-

pany and for the above stated reasons, I think it would be advisable to dispose of the property." Is that your composition? A. Yes.

Q. So that the whole thing is your composition, isn't it? Isn't it, witness? A. Well, practically, yes, I think.

Q. Well, not practically, but it is actually in detail? A. Yes, I shall have to say it is.

THE COURT: Why do you have to say it is? Why do you put it that way? Is it because you have to tell the truth or not?

10 A. Yes, I must tell the truth.

Q. Otherwise you wouldn't? A. No.

MR. MAYERS: Q. Now, witness, we come back to where I started from. "We found the water wheel, compressors and mill machinery had been badly wrecked." That was true, was it? A. That is what I objected to there. They were not badly wrecked, and I do not think I used that term in my report.

Q. Well, you just told me three minutes ago that that was your composition.

20 THE COURT: Well, why go over it again because I have that.

MR. MAYERS: Q. Are you saying that that was something new to you, in December, 1922, and that you only discovered then that the machinery had been wrecked? A. Well, we were the cause of wrecking some of it.

Q. You were? You were? A. Yes.

Q. Was that your fault? A. No.

Q. Now, in May, 1922, had you done any wrecking of the machinery? A. No.

30 Q. You hadn't. Well, now, perhaps you will be able without difficulty, to recognize your signature there, will you, and your writing?

MR. MACINNES: What is the date of that, Mr. Mayers?

MR. MAYERS: May 19th, 1922.

THE COURT: You have all these, Mr. MacInnes.

MR. MACINNES: Yes, I have copies, my lord.

THE COURT: Just look at it to identify it.

MR. MAYERS: Q. Are you in a position to tell me if that is your writing or your signature? A. Yes.

40 Q. I notice in that letter you say "We have built up a lot of wrecked machinery." A. Yes.

Q. But you had done the wrecking, is that it? A. Some of it, yes.

Q. Why did you wreck the machinery? A. Well, we got a gear wheel cast in town here and sent out there, that is laying up in that yard yet.

Q. That does not answer the question. Why did you wreck

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the machinery? A. We had no reason for wrecking it. It just broke.

Q. Well, that isn't what I understand by talking of wrecked machinery. What do you understand by wrecked machinery? A. Well, when it is broken—when you break it I guess it is wrecked.

Q. When it is broken and damaged and not in good condition it is wrecked, isn't that right? A. Yes.

Q. And you had built up that kind of machinery? A. Well, this gear wheel that we had cast down here—

Q. No, answer the question. You had built up that kind of machinery? A. Well, just repeat it again. I am not sure. 10

(Question read by reporter to witness.)

Q. "We had built up a lot of wrecked machinery." That was true, was it? A. Yes.

Q. Now, let us go back to the compressors. Did they give continuous trouble? A. No, we got good service out of the compressors. We took as much service out of them as the old company did, but in 1922 they had run down and needed re-babbitting, and that was why I mentioned that.

Q. What do you mean by "The foundation had been cut away from the compressors."? A. That was one piece of ground that was taken away from one part of the mill, and I thought it would give some trouble, but it didn't. 20

Q. But you say here "And this will always give more or less trouble until rebuilt"? A. Well, I thought so, but it didn't give any.

Q. It didn't give any? A. No.

Q. Then in June, 1923, the compressors were still giving trouble, were they? A. In June, 1923?

Q. Yes? A. Well, that spring we re-babbitted them. We overhauled them. 30

Q. And in June, 1923, the compressors were still giving trouble, weren't they? A. I cannot recall that.

Q. You say in your letter of the 9th of June, 1923, to Mr. Wallbridge: "A sand hole in the cylinder of the old compressor between the cylinder and water jacket blew through Thursday and we had to shut down and take the compressor apart and filled it with babbit. It is going O.K. again." A. Yes.

Q. Then your water line drill caused trouble, didn't it? A. That would be back in '21? 40

Q. In '22? A. In '22. We took in repair parts for this machine when we went in.

Q. Well, isn't it true in September, 1922, your old water line drill was giving trouble, and would not work? A. Yes.

Q. And in September, 1922, your water wheel gear broke, didn't it? A. Yes.



Q. Now, the pump was a cause of sorrow to you on many occasions, wasn't it? A. Well, we used the pump so much we wore it out—and in pumping that mine out five different times—well, I had better not talk about the pump.

Q. Well, I would like you to. On May 19th, 1922, you had pumped it out how often—only once, hadn't you? A. Do you mean up to 1922?

Q. On May 19th, 1922 you as the officer of the new company, or the new management, had pumped it out once, hadn't you? A. 10 We had pumped it out twice in 1921.

Q. You had pumped it out twice in 1921? A. Yes, because the mine was only partly full when we got started again.

Q. Well, you really pumped the mine out once in 1921, although you might have done it in two instalments? A. No, we pumped it out complete when we started.

Q. What time was that? A. In May or June, 1921, and we broke down in the fall, and we hung up five or six weeks before we started pumping again.

Q. Well, that is what I understood. You started to pump it 20 out in May, 1921, and you pumped continuously until when? A. Until we broke down.

Q. When was that? A. Well, I cannot recall the date we broke down in 1921.

Q. Well, the pump did break down in 1921, didn't it? We know that? A. Not the pump.

Q. What was it? A. The runner of the water wheel went out, and that put us out of business.

Q. And now in 1922 the engine running the pump gave you trouble again? A. We ran the engine that year.

Q. Well, did the engine running the pump give you trouble 30 in May, 1922? A. I think you have reference to the compressors.

Q. I am reading your own language.

THE COURT: This is your letter he is reading from.

MR. MAYERS: Q. "The engine running the pump gave us some trouble." Was that true when you wrote it? A. There was no engine running the pump. I beg your pardon.

Q. I am going to put these letters in, and I will give you an opportunity of explaining them. I am using your own language, and— A. Will you give me a chance to explain that. That was 40 a little engine running the solution plant. It was freezing up at the time.

Q. But it was part of the machinery? A. It was part of the cyanide plant that we put in. That had no connection with the old plant. That is what it has reference to.

Q. Oh, I see.

THE COURT: You see, witness, if you would only remember what I said to you—if you would answer yes and then go on

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and explain and instead of that you do not respond to the question—all you have to answer is yes or no—do not forget those little words. I need not say anything more. I am just reminding you.

MR. MAYERS: Q. The pump, in fact, gave trouble right up to 1923 didn't it? A. That is the pump at the cyanide solution.

Q. That is the pump that was giving you trouble in 1923? A. We didn't use it in 1923.

Q. Then what do you mean by this? "I was having trouble with the pump and the water was gaining." A. That would be the pump at the mine. 10

Q. So the pump was giving trouble up to 1923? A. The plunger was worn out. We wore that plunger on the pump out.

Q. Well, that was part of the machinery that you got from Ferguson? A. Yes.

Q. Now, you were the expert for these mining people, were you not? A. No.

Q. Is that not so. Had they any other practical engineer except you? A. No.

Q. And they relied on you for the expert knowledge to run the mine, didn't they? A. Well, from the mining end of it I was responsible to Mr. Wallbridge. 20

Q. Isn't that true, witness, that they relied entirely on you to supply the expert engineering knowledge to run the mine? A. I was not in charge of it. I was only the superintendent of it. I wasn't the manager.

Q. Well, couldn't you answer that question? A. I think I have.

Q. Did you know that they relied on you to supply the expert knowledge to run the mine? A. They relied on me to do the work—whatever work they suggested. 30

Q. Now, I am going to read you some of the letters, or part of some of the letters that you wrote to Mr. Wallbridge as to the conduct of affairs at the mine, and you can tell if what I read is correct. In the first place, you knew, of course, throughout, that they were very badly pressed for money, didn't you? A. Yes, they told me that in July, 1921.

Q. Yes. And that you would have to do everything you could to mine as economically and as successfully as possible? A. Yes.

Q. Now, on the 19th of May, 1922, you write Mr. Wallbridge as follows: "We are a month late getting started owing to low water and weather conditions, and it is worrying me. Our financial conditions are such that I will not be able to do much development this season, which means that we will not have any ore reserves for next season." Is that correct? A. Yes. 40

Q. "I would advise putting the property on the market."

That was your advice, wasn't it? A. That was what I advised when I went back in 1922.

Q. What was that? A. I advised that when I went back in May, 1922, when they told me they hadn't money enough to sink the shaft, and I told them to think it over—if they had better get rid of it.

Q. And then on the 1st of June, 1922, you write: "The ledge has narrowed up in the East End, but looks tonight as though it was going to widen again. I do not think I have drifted far enough to get the ledge Ferguson has reference to. I think the best ore is still ahead yet, or maybe in the No. 2 vein. I am going to try and keep that drift going if possible." Do you remember writing that? A. Yes.

Q. And on the 13th of July, 1922, you write: "The stope on the 200 has pinched and I have started timbering and pulling in chutes on the No. 2—300 ft. level, and will put a machine to work there in a few days." Do you remember writing that? A. Yes, something to that effect.

\* \* \* \* \*

Q. I am going on with the correspondence, witness, so that you can explain anything you want to explain. I have got down to the 20th July, 1922, where you wrote Mr. Wallbridge and said this: "I am having hard scratching to keep the mine going a double shift. The stope on the 200 pinched and is too small to stope. The stope on the 300 foot east continues good and I have hopes of it holding good to the next level. Have started a machine on the No. 2 300 foot level west. The clean-up in the mill for the month is going to be small owing to have to pick up so much poor ore, but for the balance of the season we should be able to make a good average clean-up each month." Do you remember that? A. Yes. I would like to see my original letters if you have them.

THE COURT: Q. You see, you may assume, unless you have reason to suspect, you may assume those are the originals. All these letters have been in. A. This is going back 10 years.

MR. MAYERS: Q. You can tell me if you want to explain anything I read to you if it is not correct.

THE COURT: Q. You have the right to see the originals if you choose, but you have counsel.

MR. MAYERS: Q. Is there anything you want to explain about what I have just read? A. I don't think so.

Q. On the 24th July, Mr. Wallbridge writes to you: "I look for about \$2,000 from the Cyanide plant for July and from the mill a much larger amount, around \$4,000. I have promised the bank to clean up our overdraft and pay the heavy creditors a portion of their accounts, and it will take around \$6,000 to carry out this plan and provide for our July payroll. The bank expects to have their over draft paid about the 10th August, so you will have to clean

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up the Cyanide plant and mill on the 1st, so as to get the stage leaving on the 3rd August for Shalalth. The Syndicate are very anxious to know how you are getting on in the mine proper. They are satisfied that the outside work is all right, but wonder if you have enough miners in the mine. After all, these are the eyes of the whole proposition up there, and if we do not go after that portion of our property we will not succeed very far, so I hope you are bending every effort to getting out the ore and doing your best inside the mine." Do you remember getting that letter? A. Yes.

Q. You replied to that on the 27th July, 1922, and said this: 10  
 "I am having hard scratching to keep the mill going. The stope on the 300 foot east is up to the fault and is pinched down to less than a foot. Cannot say how far we will have to go before we are above the fault. It may be only a few feet. The ore was good on the 200, and I hope to get some good ore above the fault. I have started stoping on the 300 No. 2 west, but will not be able to draw any from there for several days, owing to so much having been stoped by the old company and no timber put in.

"I cannot understand where you got the idea that you are going to get \$4,000 from the mill. I only wish we could or had a block of ground to go to for it. I cannot seem to make you and the Syndicate understand that the eyes were picked out of this property as far as they went; and then closed down—for what reason?" Do you remember saying that? A. Yes. 20

Q. Did you ever find out for what reason? A. I knew before I went up there.

Q. Why did you put that interrogation in it? A. To bring it back to their memory.

Q. You did know on July 27th, 1922, that the eyes had been picked out of the property? A. It was before we went in there. 30

Q. On the 4th of August, 1922, you wrote to Mr. Wallbridge: "I am having a rather pleasant time at this end. The stage came up without any fresh meat and no snuff, and I can see another bad week ahead. The stopes is still in broken up ground. The east end looks better today and looks as though we have the ledge in place and may have it in place up to the 200 foot level, which will give 50 or 60 feet of stoping ground. If the west end does not improve I may have to quit it and start drifting on the 300 foot level. I only got between \$1,300 and \$1,400 from the mill cleaned up on the 30th—put through 405 tons. The cyanide product should run around \$2,000 and will go down next mail. The mill heads were going as low as \$5 per ton. Will send the mill log down next mail. But do not use it. It would not be doing the mine justice. No one but a practical mining engineer on the ground would understand what I am up against. I am forced to continue the stopes where the old company had to quit and have to go through the crushed and broken part of the ledge to get to 40

the ledge in place, and one never knows how far it is until you are through it. I was in hopes that you would get the Syndicate together and act on the proposals that I made to you in reference to selling or re-organizing before the season gets too far advanced." Do you remember writing that? A. There is one part that don't sound correct. I would like to see the letter.

Q. All right. Give me the original letter of the 4th August, 1922. Will you give that to the witness. Tell me what it is that is not right.

10 THE COURT: There is something on the back. Did you read that?

MR. MAYERS: I only read a portion of it, my lord. A. Yes, that is right.

Q. What I read to you is correct, is it? A. Yes.

Q. Then on the 31st August, 1922, you say in your letter to Mr. Wallbridge: "The mill was disappointing, around \$700 only. Mill 340 tons mostly from No. 2 vein west stope where Ferguson claimed would not plate." Do you remember writing that? A. Yes.

20 Q. On the 7th September, 1922, you again wrote to Mr. Wallbridge: "Both the miners quit the other night. Hanson has been the only one mining for nearly a week. I have between three and four hundred tons broke in the stope on the west side 300 foot level, but I cannot draw it until the stope is through only to shrink while they are stoping." Do you remember writing that? A. Yes

Q. You say, "It is out of the question trying to get any development done at present. I cannot keep miners enough to do the stoping. So when that stope is worked out I will have to shut the mine down." Do you remember writing that? A. Yes.

30 Q. And on the 11th September, 1922, Mr. Wallbridge wrote to you a long letter, part of which I will read: "The mill run is frightfully disappointing. It seems to me we might better forget the mill, for at that rate it certainly does not pay expenses. You also state that this ore is from the No. 2 vein west, which Ferguson said would not plate. I guess he was right because from the returns it does not seem to be plating very well, and unless you can uncover something better in that stope it is not much use running it through the mill." You remember getting that letter? A. Yes.

40 Q. In the same letter he says to you: "We have to pay spot cash for our supplies; our credit is exhausted and the directors and the syndicate are getting tired of putting up money constantly. We have been running at a loss up there for a long while, hardly one month has met your wage bill, and as you are quite heavily interested in the success of this mine, both financially and for your reputation, it is up to you to get a very great hustle on and get better results, even if you have to take your coat off and go to

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work in the mine. The mill and the cyanide plant should be able to run without a great deal of attention on your part. In fact, all the miners who have come down here say that your absence from the inside of the mine is quite noticeable. Porritt said that he only saw you in the mine three times. No one was kicking about the grub or lack of supplies. I am just giving you this information for what it is worth to you; desperate conditions must make desperate moves in getting this mine in shape and saving your reputation. You are most vitally interested in the success of the mine, and you should leave no stone unturned, even to tackling a shift in the mine, to make it go. Lots of people have to do things that they don't want to do, and think they have graduated from doing. I know I am in the same fix myself and will have to get out and rustle very soon now. I do not want you to go up in the air at the criticisms I am making, but I tell you I hear them from all sides, and these criticisms have come to the ears of our creditors, which makes it harder still." Do you remember getting that letter? A. Yes.

Q. Then you reply on September 15th, 1922— A. What date was that last letter that you read from Mr. Wallbridge? 20

Q. That was September 11th, 1922, from Wallbridge to you, and you acknowledge it on September 15th, 1922. You say: "Your letter of the 11th to hand and contents noted."

Further down you say: "The worry here has broke me down. I told you in May that we had to try and get the property off our hands or re-organize. When I saw in August that I could not get miners here to do some development work, I went to thinking I could get something lined up that would relieve the situation here, but no results came of it." You remember writing that? A. I do. Why not read all the letter? Why excerpts from it? 30

Q. You can have the letter and put in anything you like. What else do you want to extract? A. There may not be anything.

THE COURT: Q. You see, Mr. Copp, if I give this letter any consideration at all I shall read the whole thing. There is no doubt about that. A. That is fair enough.

Q. You may assume Mr. Mayers is not trying to trap you, or leave anything out, or put in anything not to do with the case. A. 10 years is quite a while.

Q. Have you been in court before? A. No, sir. 40

Q. I thought perhaps you had. This is an experience. You may rest your mind. I am taking it these letters are your letters and he is putting in what he thinks is essential to the case.

MR. MAYERS: Q. On October 12th, 1922, you wrote to Mr. Wallbridge and said among other things: "If we have to close down we must try and pay up the local accounts. Note what

you say re report. The mine is in bad shape to make a report on owing to not having any ore blocked out. However, I shall make you a report later." You remember writing that? A. Yes.

THE COURT: Q. You see, counsel all have copies of these. It is not new to them, and apparently not to you. It is to me. A. It is going back 10 years, and it is quite a long time.

Q. I do not know that Mr. Mayers need be reading them. They are your letters. I shall have to struggle with that

10 MR. MAYERS: Q. On October 16th, 1922, Mr. Wall-  
bridge wrote to you and said among other things: "The mine  
has been terribly disappointing to us, and when you consider what  
we have advanced, about \$30,000, besides the \$10,000 we put up in  
the first place, and the money that has been taken out of the mine,  
20 \$20,000 odd, it does not seem to me that we have very much value  
in sight for the expenditure, and if you look over the ground your-  
self you will come to the same conclusion." You remember that?  
A. Yes.

Q. "What we have got to do is to cut expenses, and cut them  
pretty quick. We have all along been too generous with our ex-  
penditure, as you will realise when you figure how much we have  
spent in there already. I appreciate your position in the matter and  
know you have had a lot of bad luck, but sometimes this bad luck  
can be avoided." You remember that? A. Yes.

Q. "The directors have to dig up \$11,000 in payment of the  
note at the bank before the end of the year. And this is going to be  
very hard on us unless we can succeed in disposing of some stock, if  
we get Ferguson fixed up." You remember that? A. Yes.

Q. Then in November, 1922, Mr. Wallbridge wrote to you:  
"We had to borrow \$4500 from bank to pay accounts that were  
pressing. The Giant Powder threatened suit, as also did Kelly  
Douglas & Company, and we had to give them \$1,000 each, making  
a balance due to Giant Powder of \$1100, and to Kelly of \$963. We  
also owe others around town, the largest being Wood, Vallance &  
Leggett, \$960. In fact I am in trouble financially over this mine  
and will have to sacrifice Surf Inlet stock to meet my share of  
notes in bank, which now amount to \$11,000. This amount we  
will have to pay at end of year. Besides there is an additional sum  
of \$3,500 which has to be paid to creditors right away. Can you  
help us out? If you have any Amalgam on hand report and send  
it down. What we need is a great big clean-up and that right  
away. One like that 70 tons of ore that produced \$3,500." Do you  
remember getting that letter? A. Yes.

Q. You knew, of course, that Mr. Wallbridge was trying  
to carry out your recommendation and sell the mine, didn't  
you? A. Well, I recommended trying to dispose of it in May, 1922,

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and when I got back and thought the situation over, I thought the best thing to do was to unload it.

Q. You knew that Mr. Wallbridge was trying to carry out your recommendation and sell the mine? A. Yes.

Q. You knew it all through 1922 and 1923? A. Yes. In August, 1922, we made an effort.

Q. In 1923 he was still making an effort? A. I made efforts in August, 1922, when I came down.

Q. In 1923, did you know that Mr. Wallbridge was endeavouring to sell? A. Yes.

Q. And was endeavouring to sell to, among other people, Mr. Trites and Colonel Leckie? A. Yes.

Q. You knew all that? A. Yes.

Q. And you knew his efforts went on all through July and August and September, 1923, didn't you? A. Yes.

Q. And in June, 1924 you received this letter from Mr. Wallbridge, did you not, saying amongst other things: "We have asked the Williams Estate and the rest to stand an assessment of 2c a share on their stock for the purpose of raising enough money to go ahead and sink the shaft down a 100 feet at least and put the mine in better shape for a larger price. From our first interview I do not think they will comply with our request and as there is some doubt as to when we will get started, we feel that it would be unfair to keep you up there for an indefinite period and another thing we cannot afford to pay you \$200 a month." Do you remember getting that letter? A. Yes.

Q. Now, from time to time you did give advice to your employers, didn't you? A. Yes, that is in regard to selling and in regard to development.

Q. What is that? A. In regard to development work and in regard to selling.

Q. All that I can find in the way of advice from you is that you were advising them to sell? A. After May, 1922, I did.

Q. You began in May, 1922, did you? A. Yes.

Q. And from then on you advised them to sell? A. Yes, we could not raise the money to sink—

Q. Do you say there is any words in the correspondence at all where you recommended them to sink? A. Well, I am not sure about that.

Q. Haven't you read your correspondence recently? A. No.

Q. I suggest to you, witness, and you or your counsel can correct me that there is not a word in your correspondence that we got that contains any recommendation to sink? A. There is a recommendation in that report I wrote in 1922 to sink.

Q. You refer to that, do you? A. Yes.



Q. Do you remember what you said about sinking then?  
A. Well, if they could raise the money to sink, I guess—

Q. Is that what you said? A. I am not sure, that is ten years ago.

THE COURT: So you do not know.

MR. MAYERS: Isn't what you said this: That in order to sink you would need a larger hoist and different equipment?

A. Not necessarily to sink, but to mine. To sink, they had equipment on the ground for seven or eight hundred feet.

10 Q. You read your report with me this morning? A. Yes.

Q. You said this: "If sufficient money can be raised the shaft should be sunk another 100 feet or more. This would necessitate putting in a station pump on the 300 foot level and a larger hoist." A. Probably I said that; we did not need the hoist. We did need the pump.

Q. Why, if you did not need it, would you say that they had to get it? A. It would be the logical thing to do if they were going to do deep mining.

20 Q. Isn't it true they always thought they would not sink with that hoist? A. I am satisfied that they could go another 300 feet.

Q. Do you remember having a conversation with Mr. Sloan on this subject in July, 1923? A. Not in connection with the hoist, but I did about the station pump.

Q. In connection with the sinking of the shaft, did you have a conversation with him? A. Yes.

Q. What did you say? A. It was just a matter of putting the station pump and cutting the station they were sinking on.

30 Q. Didn't you say in July, 1923, it was impossible to sink and mill at the same time? A. I did not think it was logical.

Q. Didn't you say to Mr. Sloan that it was impossible? A. No, they had done it down to that level. They could do it for another level if they wanted to.

40 Q. I want to recall it to you again so that you will have every opportunity of explaining your report. You say that sinking another 100 feet would necessitate among other things putting in a larger hoist, and I suggest that you told Mr. Sloan in July, 1923, at the mine that it was impossible for you to sink and mill, that is, to mine at the same time. Do you want to give any explanation about those two circumstances? A. Well, I did not say it, because I figured that we could sink with that present hoist 800 feet, sink the shaft, but I did not think it was practical to mine at that depth with the present hoist.

Q. Now, I recall to you another matter which may have a bearing on this subject. On May 23rd, 1923, Mr. Wallbridge wrote to you and among other things said, "Macdonald, the hoist man,

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offered to sink that shaft for \$18 a foot, we, of course, supplying the powder and power and also the hoist man. We suggested that we put the pocket on the 200 foot level and take the waste from the shaft up to the 200 foot level and from there dump into the old stoping ground. What do you think of this proposition?" Do you remember getting that letter? A. In May, 1923?

Q. Yes? A. Macdonald and a man named Mackenzie came for the contract because they thought we were going to sink the shaft.

Q. Do you remember getting the letter? A. Yes.

10

Q. Did you ever reply to it, what you thought? A. I was awaiting the order to sink.

Q. Did you reply telling Mr. Wallbridge what you did think of the proposition? A. I would turn it down.

Q. Couldn't you answer the question?

THE COURT: It would save you a lot of trouble.

MR. MAYERS: Q. Did you reply to Mr. Wallbridge and tell him what you did think of the proposition? A. I cannot recall.

Q. I suggest that you did not? A. Possibly I would ignore a thing like that. We don't let contracts that way ordinarily to supply companies. I don't think any man who knows anything about mining would do it.

20

THE COURT: Q. You would say no and give the reason if you are not sure. Why do you hesitate?

MR. MAYERS: Q. You knew what Boulger's samples assayed at, didn't you? A. I cannot recall the exact average.

Q. I will tell you. In your letter to Mr. Wallbridge of the 26th of May, 1923, you say that his samples ran 4.20, is that correct? A. I would not know what section of the dump that would be from now.

30

Q. You remember telling Mr. Wallbridge that? A. I have written it apparently, yes.

Q. I think you told us this morning that in conversation with Mr. Wallbridge and Mr. Bull you told us these gentlemen were expecting to get only 50 per cent. was it of the tailings? A. About 5,000 tons.

Q. That is what you told them some time in the winter of 1920, is it? A. No, that was when they were up in 1921.

Q. You therefore expected to get 5,000 tons, is that right? A. That was in July, 1921, when they came up.

40

Q. That was your expectation? A. Yes.

Q. Is that your signature and your writing in a letter dated the 15th of December, 1922, to Mr. Wallbridge?

THE COURT: Look at the signature and the writing, that is all? A. Yes.

MR. MAYERS: Q. Now, you notice in that letter you say, "when I found out that the tailings were—" A. This is September 15th, 1922.

Q. Yes, give it to me and I will point out the passage. It is the 7th line from the bottom of that page. "When I found out that the tailings were 6,000 tons short I realized that something had to be done to raise the money to do some development work." Do you remember writing that? A. Yes.

10 Q. Do you think that sounds as if you only expected to find 5,000? A. There was nearly 1,000 tons slime that you could not treat through the cyanide plant.

Q. You say that you told Wallbridge and Bull that there were 10,000 tons at the mine and you only expected to get 5,000 tons and now you see in September, 1922, you are expressing certainty at finding the tailings 6,000 tons short and I am asking whether you consider those two statements are inconsistent? A. What I meant, they were short of what we could put in the cyanide plant.

Q. You got 4,000? A. Around 4,000 we treated.

20 Q. And therefore the 6,000 tons short was the difference between the 4,000 tons you got and the 10,000 tons that Ferguson said were there? A. Yes.

Q. Do you think or don't you think you are expressing disappointment on the 15th of September, 1922, that you were 6,000 tons short? A. Well, yes.

Q. You were disappointed were you? A. Well, I was disappointed in those slimes. We expected to recover another 1,000 tons and that proved to be slime.

30 Q. Do not tell me about slime. We may get stuck in it. I am asking were you disappointed in finding 6,000 tons short in the tailings? A. I was disappointed in 1921 when I looked them over.

Q. Then you were not disappointed in 1922 because it was exactly what you expected? A. They were expecting too much from that cyanide plant.

Q. Never mind what they were expecting. Do you say in September, 1922, you were getting exactly what you anticipated? A. No, I was disappointed, because I did not get what I expected.

Q. You were disappointed at being 6,000 tons short, weren't you? A. Yes.

40 Q. Whereabouts were you in the autumn of 1924. When did you leave the mine in 1924, or were you there at all?

MR. MACINNES: Is my friend through with that letter? I would like it marked.

(LETTER REFERRED TO MARKED EXHIBIT No. 54)

MR. MAYERS: Q. Where were you in 1924? A. I went and pumped the mine out in the spring of 1924.

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Q. When did you leave? A. It is hard to say the correct date.

Q. I am not asking for the day of the month. Tell me approximately when you left? A. Probably the latter part of June.

Q. From June, 1924, until the end of the year were you at the mine at all? A. No.

Q. What was the depth of each of the tailing dumps when you went up there in 1921? A. From nothing up to 7 or 8 feet.

Q. What was the highest point in either of them? A. I could not tell you that.

10

Q. You don't know? A. No.

Q. What was the contour of the ground underneath those dumps? A. It was an old creek bottom.

Q. Quite irregular and sloping? A. Not so sloping as irregular. There was brush and logs in it.

Q. I suggest that it was quite impossible for those two tailing dumps to contain more than 4,000 tons. What do you say to that? A. I know they did contain more.

Q. And I take it that you did everything that a skillful miner could do in order to get all there was in the dump? A. Outside of leaving a dyke around the dams. Wallbridge wanted me to break them and I would not do it in July, 1922.

20

Q. Wouldn't you do everything that a skillful miner would do to get everything you could out of the dumps? A. I figured it was economical to leave them when the bottom brush was up.

Q. Did you do everything that a skillful miner would do to get everything out of the tailings dump. A. Yes, by leaving that dyke in. Probably others would take it out, but I would not.

Q. You heard Mr. Ferguson telling us what instructions he gave you when he was trying to negotiate with Mr. Wallbridge and his people? A. He did not give me any instructions to negotiate with Mr. Wallbridge.

30

Q. Did you tell Mr. Wallbridge that there were ten or more thousand tons of tailings? A. That is the report we had, that there was 10,000 tons milled.

Q. You passed that on to Mr. Wallbridge? A. Yes.

Q. What did you tell him as to value? A. Ferguson reported 5.20.

Q. Did you pass that on to Mr. Wallbridge? A. Yes.

Q. Did you tell him that the machinery was in good order and running condition? A. Yes.

40

Q. Did you tell him that the mine had been properly developed? A. We had discussed that pretty thoroughly.

Q. Never mind what you discussed. Did you tell Mr. Wallbridge the mine had been properly developed? A. I cannot fol-

low you, frankly, and tell you what you mean by properly developed.

Q. You do not know what "properly developed" is? A. A mine properly developed has some ore in sight. This did not.

Q. Did you tell Mr. Wallbridge and Mr. Bull that the mine was properly developed? A. It had been developed to 300 feet.

Q. Would you please answer. Did you tell Mr. Wallbridge and Mr. Bull that the mine had been properly developed. A. I cannot follow you.

10 THE COURT: You can say, "I don't know," or "I do not understand you," when you say you do not follow that question. Ask the question again and then when you say you do not understand the question, he will have to stop.

MR. MAYERS: Q. Did you tell Mr. Wallbridge or Mr. Bull the mine had been properly developed? A. I cannot answer that question because I cannot follow you not in our terms of mining and development.

20 THE COURT: I am afraid that you are not really following the question. You seem to have something else in your mind. I am quite sure that you are not following the question. It is so simple. Perhaps it could be simplified for you. You may be tuned up to something. Do not be afraid that he is trying to trap you. That is what I am here for, to prevent that. As I told you I have to decide this on the evidence and I have to recall the witnesses and how they gave their evidence. I told you that before. In my opinion it is a simple plain question and it surprises me that you cannot answer.

MR. MAYERS: Q. Were you down from the mine at any time in the autumn of 1921? A. In 1921? I can not recall.

30 Q. Did you see Mr. Wallbridge in that autumn? A. I cannot recall whether I was down in 1921 or not. I was down in August, 1922, after I went up.

Q. Did you see Mr. Wallbridge between the time you left the mine in 1921 which I think you said was July and the end of the year? A. In 1921?

Q. Yes? A. We came down about—

THE COURT: Q. Did you see him? A. I cannot say positively, I am under oath.

40 Q. Then say you do not know? A. I am under oath and I won't say unless I do know.

THE COURT: I would expect you to tell the truth whether you are on oath or not. You were asked whether you saw Mr. Wallbridge or not and all that you can say is yes or no, or that you do not remember?

MR. MAYERS: Q. All I want to know is whether you saw

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him or did not see him, or that you do not remember. A. I don't remember whether I saw him before December or not.

Q. All the information Mr. Wallbridge possessed must have come from you because you were the man at the mine? A. Usually letters, yes.

Q. All Mr. Wallbridge's information came from you? A. He was getting a lot of information from every man that came down.

Q. All the information he got was from you or somebody at the mine? A. Mostly from men leaving there and coming down. 10

Q. How is it that there are so few letters from you in 1921? A. There was a weekly letter.

Q. Where are they? A. I don't know.

Q. Did you keep copies of your letters? A. Copies at the mine, yes.

Q. You did not take anything away with you? A. We used to clean up the files—

Q. Did you take the correspondence that you had with Mr. Wallbridge in the fall of 1921? A. I don't think so.

Q. I see, we have everything there is, is that so? A. So far as I know, yes. 20

Q. You were down here in September, 1921. You brought a brick down, didn't you? A. That is right, yes. That is when we broke down, I guess.

Q. And you saw Mr. Wallbridge when you were down here on September 26th, didn't you? A. Yes.

Q. Necessarily? A. Yes.

Q. And you told him everything there was about the mine? A. There was a meeting of the syndicate that night that I came down. They were not all there. I remember Dr. Boucher. 30

THE COURT: Q. Were you there? A. Yes.

MR. MAYERS: All the information they got was from you? A. Yes.

Q. I think you said you saw Dr. Nicholson in 1920 or 1921 some time, didn't you? A. There was a meeting the time the wheel went out.

Q. While you were negotiating for the sale of Ferguson's shares you told us this morning that you met Dr. Boucher and Dr. Nicholson in Dr. Nicholson's— A. Yes, that would be in 1921, possibly, or 1922. I am not sure of the day. 40

Q. If it was before the sale of the shares necessarily it would be in 1920? A. Yes, I am not sure of the date, because the two dates run in very close together.

Q. We know that you said it was before the sale of the shares, while you were negotiating for the sale of them? A. Yes, I think so.

Q. What doubt have you, because you hadn't any doubt this morning? A. After the agreement was signed, there was a lot of rushing around to get men.

Q. Do I understand you to adhere to what you say, that you saw Dr. Nicholson in the winter of 1920 and 1921? A. Yes.

Q. I suggest to you that you are entirely wrong. Do you stick to it? A. I stick to it that I am right.

Q. I suggest to you the first time you ever saw Dr. Nicholson was when you went to his office in 1920 to sell him some shares?

10 A. My goodness, man, Dr. Nicholson and Dr. Boucher, I talked to them in Nicholson's office about putting that money in.

THE COURT: Q. When? A. Around the end of the year, December possibly.

MR. MAYERS: Q. I suggest that when you went into his office in 1925 you introduced yourself, because he did not know who you were? A. I cannot recall that I had to introduce myself. I met him in Victoria and he knew me over there.

Q. When was that? A. In 1923.

20 Q. I think you also said that you took an option from Pioneer Gold Mine in 1923, did you not? A. Yes.

Q. Did I understand you to say you undertook to pay \$7,000 for the supplies? Did you say that, witness this morning? A. Wallbridge and I figured out there was about \$7,000 against us.

Q. Did you say this morning that you undertook to pay \$7,000 for supplies? A. Yes, one-half down and the balance in six months.

Q. Couldn't you answer that, you did say this morning that you undertook to pay \$7,000 off? A. Half to be paid at the time and the balance—

30 Q. Half of what? A. On the supplies.

Q. Half of the \$7,000? A. Yes.

Q. That was in the contract? A. Written in March.

Q. \$7,000? A. \$3,500 paid when we started and the balance in six months.

Q. All you undertook then was to pay \$3,500 and anything over in the values in store, isn't that right? A. We figured out about \$7,000 for the supplies. In the written contract, all we undertook to do was to pay \$3,500 on the balance of the values.

40 Q. There at the prices laid down at the time, isn't that right? A. We had to pay the balance. At first it was assumed about half. That was the arrangement between Wallbridge and I.

MR. MAYERS: We will put your contract in.

(CONTRACT REFERRED TO MARKED EXHIBIT No. 55)

I would like to put in the report of December 12th, 1922.

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 56)

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Q. You were to get a commission of \$5,000 if you sold Ferguson's shares? A. Yes.

Q. And you undertook to share that with Mr. Wallbridge, didn't you? A. Yes, I did, but I do not want to go into that part of it. I explained that to Mr. Bull and I would rather that would be dropped.

Q. I think you told us that merely knowing that the vein had been struck 142 feet below a certain level would enable you to say that the mine had been improved to the value of \$140,000, is that right? A. Yes.

Q. Do you happen to know that sometimes there are faults? A. I am quite familiar with them, yes.

Q. Do you happen to know that sometimes the vein pinches out to almost nothing? A. Yes.

Q. Do you happen to know there may be a completely barren space between one level where the vein appears and the next level where it also appears? A. That occurs in some types of ore.

Q. Do you happen to know that it occurs in this very mine? A. The values are pretty consistent there.

Q. Do you happen to know what I asked you? A. I did not find no blank places.

Q. Do you know that very thing happened in this mine? A. It did not happen in our sampling.

10

20

Charles L.  
 Copp  
 Re-direct  
 Exam.

REDIRECT EXAMINATION BY MR. SHAW:

Q. Just one question in re-examination, would you produce, please, the record of the inventory at the mine. I think it is 1922 or 1923.

MR. MAYERS: (Produces)

THE COURT: Inventory of what?

MR. SHAW: Of all the material at the mine, the various supplies at the mine.

THE COURT: What year?

MR. SHAW: I was checking this up. It appears to be 1921, 1922 and 1923. I want to check it before I ask the question, my lord.

Q. Mr. Copp, would you examine these documents I am showing you which appear to be inventories and tell the court whether you can tell—

THE COURT: If it is material, why not put it in.

MR. SHAW: I want to make sure.

THE COURT: Why not try the other way. There seems to be no trouble. A. This seems to be a detailed report of everything on hand, supplies and everything at the mine.

MR. SHAW: Q. As of what year?

40



THE COURT: There is no dispute, you have the year there.

MR. SHAW: December, 1923, it shows.

THE COURT: There is no trouble at all. Why not put it in.

(INVENTORY REFERRED TO MARKED EXHIBIT No. 57)

THE COURT: Have you finished, Mr. Shaw?

MR. SHAW: I have.

THE COURT: Thank you.

(Witness aside)

MR. SHAW: I want to point out before calling the other  
10 witnesses—

THE COURT: I do not want anything pointed out. I really do want to hear the witnesses.

WILLIAM JAMES TWISS, a witness on behalf of the Plaintiff, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. MACINNES:

Q. You live in Vancouver? A. Yes, sir.

Q. For how many years? A. 44 years.

Q. Your occupation? A. Insurance underwriter, life insurance underwriter.

Q. Are you a shareholder in the old Pioneer Mine Limited?  
20 A. I was at one time.

Q. When did you acquire these shares? A. May, 1922.

Q. From whom did you purchase them or through whom did you purchase them? A. From the late A. H. Wallbridge.

Q. Do you know whose shares they were you ultimately got?  
A. They were a man named Ferguson.

Q. Did you know Ferguson at that time or did you see him?  
A. I never met him.

Q. When did you first meet Ferguson? A. On or about  
30 October last year, 1932.

Q. How many were there? A. 30,000.

Q. When you were canvassed by Wallbridge to purchase these shares, what did he tell you about them?

MR. MAYERS: My lord, is this material?

MR. MACINNES: It is quite material, my lord.

MR. MAYERS: We are not trying Mr. Twiss' affairs. Might I ask my friend to what point in the pleadings is this directed.

MR. MACINNES: The point in the pleadings—

THE COURT: Which paragraph? You are not a party to  
40 this?

MR. MACINNES: No.

THE COURT: Q. You are not suing anybody or contemplating that, Mr. Twiss? A. No, my lord.

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THE COURT: It might be useful if you were going to launch a suit on behalf of Mr. Twiss, otherwise I do not see why we should be bothered with it. Well, Mr. MacInnes, have you many witnesses?

MR. MACINNES: This is the last witness. There is a continuous statement of complaint throughout the statement of claim.

THE COURT: What paragraph is it? What paragraph? You know it has to be.

MR. MACINNES: Paragraph 7.

THE COURT: I am looking at paragraph 7 in which you allege fraud and conspiracy in which Mr. Twiss is not involved 8, 9, 10, 11 and 12. 10

MR. MACINNES: 9, my lord.

THE COURT: All material times the defendants well knew that the plaintiff and the said Peter Ferguson, deceased, were financially unable to bear any part of the cost of mining—

MR. MACINNES: Yes, my lord.

Q. It was Andrew Ferguson's shares that Wallbridge was selling to you? A. Yes.

Q. What did he tell you about Andrew Ferguson or Peter Ferguson? 20

MR. MAYERS: How does that concern me what he told Twiss.

THE COURT: Is there any dispute that Ferguson had not sufficient money? The reason that he came to Mr. Wallbridge and these people was that they had no money. They had this hole in the ground called a mine and he came to them in the ordinary way, and Mr. Wallbridge and Mr. Bull have had hundreds of people, I should imagine, coming to them in the same way. Your objection is sustained if that is it. Did I take it wrong? I understand that no suggestion that Ferguson had a cent of money. They came to Mr. Wallbridge. Are you trying to make out they had not and Mr. Wallbridge knew that they had not and Mr. Twiss they had not? Is that the idea? Aren't you trying to fasten knowledge of Mr. Wallbridge that Ferguson hadn't any money? 30

MR. MACINNES: Yes, and further—

THE COURT: I could tell you that I did not know them.

MR. MACINNES: And further, Mr. Wallbridge's intentions as regards Ferguson.

Q. What did Mr. Wallbridge tell you at the time of the negotiations for the stock? 40

THE COURT: In respect of what allegation in the pleadings is this? I would not think it was relevant to paragraph 9. Is there anything that you are trying to get at the mind of Mr. Wallbridge, having regard to the fact that your action is founded on fraud. You allege it repeatedly—fraud and conspiracy. I am

afraid you are overlooking that. The gravamen of the suit is based on fraud—fraudulent conspiracy. It cannot be taken lightly. Then you call Mr. Twiss who so far has disclosed his only association with this matter, for the purpose of showing the fraudulent intent of Mr. Wallbridge. Is that what you are seeking to do?

MR. MACINNES: Yes, under paragraph 7.

THE COURT: That is the reason I am particularly watching this.

MR. MACINNES: Under paragraph 7. "Prior to the 6th  
10 day of January, 1921, the Pioneer Mine had been operated and developed by the plaintiff and his associates and required only the installation of a cyanide plant and the sinking of a shaft to continue as a valuable gold producer. It was understood and agreed between the plaintiff and his associates and the defendants at and prior to the giving of the aforesaid option that the defendants would proceed forthwith to sink a shaft on the Pioneer Mine. The defendants fraudulently conspired together so to mismanage the company as to acquire its property without payments and eventually to defraud the minority shareholders of their interests." The  
20 evidence I am instructed this witness can give is directly in support of that allegation in paragraph 7.

THE COURT: That is Mr. Wallbridge told—

MR. MACINNES: The statements made by Mr. Wallbridge in canvassing for this stock would support that allegation of conspiracy to get control of this company.

THE COURT: Unless supported by the rules of evidence I am not going to be astute to aid you in attempting to elucidate from Mr. Twiss who shows his association with this, unless I am  
30 obliged to do so. That is a most serious charge and cannot be taken lightly.

MR. MAYERS: There is no jury here and therefore I am quite prepared to let my friend go ahead. I can object to the evidence and your lordship can ultimately dismiss it from your mind.

THE COURT: That may be. At the same time I can understand your position, although you have for forensic purposes objected and you are playing safe by allowing that in. Yet, I think I must have regard to the litigants who are here and that they may not likely—that evidence may not likely be admitted that would  
40 discredit them when ultimately it would turn out that even the form of the question is not a proper one.

MR. MAYERS: Quite true. There is to be considered Mr. Wallbridge and his death, but rather than have trouble over the matter I would raise my objection. Now, I can ask your lordship to rule at a subsequent occasion, in the course of argument and it can be struck out of the records if necessary.

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THE COURT: What makes me accede to that, I am sure that Mr. MacInnes would not haphazardly formulate a question without some consideration, so I take it that you have regard to the seriousness of the allegation.

MR. MACINNES: I have, very good, on that footing.

MR. MACINNES: Q. When Mr. Wallbridge canvassed you to take the 30,000 shares in the company, what did he say to you as to Ferguson and taking an interest in the stock of the company. Tell us as near as you can the words Mr. Wallbridge said to you? A. He intimated that these were Ferguson's shares, a man whom they wanted to get rid of, a thorn in their flesh, who was always bucking them, words to that effect.

10

Q. What effect would the acquisition of these 30,000—

MR. FARRIS: Please do not lead.

MR. MACINNES: Q. What effect would the acquisition of these 30,000 shares have on the affairs of the company as told to you by Mr. Wallbridge? A. He led me to believe—

THE COURT: Just wait. Take your time. You are not a party to this and I am not in a hurry, are you? A. Not in the least.

20

Q. Take your time before answering the question and exhaust your memory, if you can. Recall substantially what Mr. Wallbridge said. That is all that you should do. I will draw the inference and do not give your conclusions from what you said? A. He stated that the 30,000 shares would give them control and asked for my proxy which I gave him.

MR. MACINNES: Q. What reason did he give you for seeking control of this company? A. Primarily to get rid of Ferguson.

THE COURT: Q. You have already answered that he was a thorn in their flesh? A. He was a thorn in the flesh.

30

MR. MACINNES: Q. You bought—you acquired the shares? A. Yes.

Q. And that was in May, 1922? A. Yes.

Q. Did you attend the general meeting of that company held in December, 1922? A. Some time in the fall.

Q. Did you see the balance sheet of the company? A. It was shown on the table there, some document.

Q. What did you say about that at the meeting? Or what was said about the balance sheet at the meeting? A. There was very little said.

40

Q. Yes? A. I cannot recall what was said. There was very little said.

Q. What was said about the disposition of the company or the future of the company? A. I have learned for the first time they were involved to the extent of \$40,000. At the time I bought

the shares there was no claim for debts or liabilities against the property when I bought.

Q. Having learned of the condition of the company at this meeting, what complaint did you make and to whom? A. I made complaint to Wallbridge and also to Bull.

Q. When with respect to this meeting, how long after the meeting? A. Oh, shortly after.

Q. What was the nature of the complaint you made? A. Well, I was disgusted with it, that is all.

10 Q. What did they reply to your complaint? A. They told me that they would protect me.

Q. Now, did you have any further discussion with Mr. Wallbridge about the affairs of this company?

THE COURT: When was that, exactly what year?

MR. MACINNES: 1922, my lord.

THE COURT: Keep repeating the year.

MR. MACINNES: Q. Did you have further discussions with Mr. Wallbridge as to your connection with the company? Was any request made to you to loan money to the company?

20 THE COURT: He has not answered. A. I am just taking my time.

Q. Yes, take your time? A. Subsequent to that Wallbridge made an offer to me to become a creditor.

MR. MACINNES: Q. How? A. To put some more money into it which I refused.

Q. For what purpose? A. To protect my interest I presume and I was so disgusted I would not put a cent in it.

Q. Now, did you know that in 1923, Mr. David Sloan made an examination of the property and reported on it? A. No.

30 Q. Did you hear about it afterwards? A. No.

THE COURT: Q. Did I catch your answer as no that you were not interested after that? After you refused to come in as a creditor you were not interested in the thing after that? A. I was not.

Q. And you did not charge your memory with anything particularly? A. I was a pretty busy man in those days. I was disgusted and let it die.

MR. MACINNES: Q. Did you know Mr. Sloan? A. Yes, for many years prior to this.

40 Q. Did you have any discussion with Mr. Sloan in 1924 about this property? A. Yes, Sloan approached me in the summer, in August or September of 1924.

Q. For what purpose? A. To take a quarter interest. He offered a one-quarter interest for \$5,000. He informed me that he had an option, that he was going to buy an option for the Pioneer and wanted me to become a partner of his.

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Q. With him? A. With him.

Q. What did he tell you about the future of the property?

A. He said that it was a real mine or words to that effect, but I was not interested.

Q. At this time what did you know of the syndicate being interested with Mr. Sloan in this option to purchase of his? A. I had no knowledge of the detail.

Q. Were you at the meeting of the shareholders of the company held in December, 1924? A. Yes.

Q. How long did that meeting last? A. I suppose about a few minutes, twenty minutes, not more than half an hour I should imagine. 10

Q. What knowledge was conveyed to the shareholders of the situation of the property at the time of that meeting? A. I had no recollection of it.

Q. What report was made as to the operations, Sloan's operations.

MR. FARRIS: If he has no recollection, how could he give a further answer.

THE COURT: That is postulating there was a report. What was done? 20

MR. MACINNES: Very well, my lord.

THE COURT: What was the question?

MR. MACINNES: He said that he had very little recollection. The meeting was short.

MR. FARRIS: No recollection of it.

MR. MACINNES: No recollection of it.

Q. Did you see Mr. Wallbridge at any time in 1926 about this property? A. Yes, in the fall of 1926.

MR. MAYERS: What can this be directed to? The pleadings stop in 1924. 30

MR. MACINNES: It is a statement that was made by Mr. Wallbridge as to what took place that I want to get.

THE COURT: Where, in the mine or here? Clearly, having regard to the gravity of the allegation, you must deal with particularity, otherwise I will have to disallow the question, in view of what the witness has been saying. Formulate the question—it is not formed with particularity. Of course, he might think that he was talking of something in the mine or in somebody's office in Vancouver. Really, Mr. MacInnes— 40

MR. MACINNES: Q. Did you complain to Wallbridge in 1926 about his having got you into this company, into the purchase of these 30,000 shares? A. Yes.

Q. What was his answer to you then in 1926 when you complained again? A. He suggested for me to see Mr. Bull.

Q. Did you see Mr. Bull? A. Yes.

Q. With Mr. Wallbridge or alone? A. Alone.  
 Q. When did you see Mr. Bull? A. In his office.  
 Q. What took place between you and Mr. Bull? What did you tell Mr. Bull about? A. I told Mr. Bull that Wallbridge asked me to see him and I produced a memo that Wallbridge gave me at the time that I purchased the shares from him.

THE COURT: Have you got the memo?

MR. MACINNES: He has it in his pocket, my lord.

THE COURT: You produce it. Have you the memo?

10 MR. MACINNES: I was asking, what did Mr. Bull tell you? You produced a certain memo. to Mr. Bull. Have you the memo. you referred to? A. I have the whole file here. I have also the certificate if you wish to see that.

Q. No, just that memo. Now, you produced to Mr. Bull this memo. which I will put in.

THE COURT: In whose writing, who made it?

MR. MACINNES: Q. Whose writing is this memo, made in? A. The late Mr. Wallbridge's.

MR. MACINNES: It is a memo. enclosed in an envelope.

20 MR. FARRIS: I have never seen this.

THE COURT: Look at it, Mr. Farris.

(DOCUMENT PRODUCED AND MARKED EXHIBIT  
 No. 58)

MR. MACINNES: This is a memo. contained in an envelope. You told me this is in Mr. Wallbridge's handwriting and was handed to you? A. Yes.

Q. When you went to Mr. Bull at Mr. Wallbridge's suggestion you produced that memorandum exhibit 58 to Mr. Bull? A. Yes.

30 Q. Tell us what took place between you and Mr. Bull at that time? A. Mr. Bull ignored it and said, "That is a matter between you and Mr. Wallbridge."

Q. What was your complaint to Mr. Bull? What were you complaining about to Mr. Bull?

THE COURT: Q. What did you say? Really, Mr. MacInnes—

MR. MACINNES: Yes.

40 Q. What did you say to Mr. Bull and what did he say to you? A. I told him that the whole case had been misrepresented to me at the very commencement.

THE COURT: By whom, did you say? A. By Wallbridge.

Q. You said that to Mr. Bull? A. Yes.

MR. MACINNES: Q. What did Mr. Bull tell you? A. Oh, he was non-committal.

Q. Did you see Mr. Wallbridge after that, after this non-

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 Direct Exam.  
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committal interview? Did you go back to Mr. Wallbridge? A. I saw Wallbridge a few days later and I told him I was going to take legal proceedings against him.

Q. What did he tell you? A. Well, his reply was not very complimentary.

Q. What did he say? A. He said—

THE COURT: Now, Mr. Twiss, unless it is necessary— A. He said I am not afraid of any damn lawyer in town. Those are the words that he used.

THE COURT: That is very mild. You rather frightened 10  
 me. A. Well, there are ladies present in court.

MR. MACINNES: Q. There was a suggestion made in the examination of Mr. Bull and Dr. Boucher in discovery that you were given an opportunity to come in with the syndicate, to join in with them. By whom was that made to you? A. Wallbridge and Bull.

Q. Both of them? A. Yes.

Q. What were the terms upon which they offered to take you in, what were they to do? A. Well, just to become one of the 20  
 creditors.

Q. What good would that do you? A. Well, I don't know.

THE COURT: You did not become a creditor? A. No.

MR. MACINNES: Q. Was it ever referred again in subsequent conversations between you and Mr. Bull and Wallbridge, the offer to become a creditor? A. Mr. Bull, in a letter—in 1927, I instructed a lawyer, who is now deceased, Robert Smith, to take proceedings against Mr. Wallbridge, and in a letter from Mr. Bull he intimates—

Q. Produce the letter.

MR. FARRIS: I think I should take this position on behalf 30  
 of the Wallbridge Estate at this stage—one does not like to shut things out as it rather suggests a mystery. I should be at liberty afterwards, supposing the proof is not forthcoming. So far my friend has failed in his undertaking that it had anything to do with the charge, and it would seem to be a private disagreement with Mr. Wallbridge and has nothing to do with this case.

THE COURT: Have you seen the letter. It may be entirely innocuous. I don't know.

MR. MAYERS: That is all right.

(LETTER REFERRED TO MARKED EXHIBIT No. 59) 40

MR. MACINNES: The letter is dated the 12th of May, 1927.

THE COURT: Are you going to read it now?

MR. MACINNES: I might as well.

THE COURT: You are going to refer to it later. It would be advantageous—by the way, Mr. Twiss, have you any objection



to parting with the letter? A. Oh, no, not in the least. It is no use to me.

MR. MACINNES: Your witness.

MR. MAYERS: I want to make my position plain. I have abstained from objecting for the reason my learned friend Mr. Farris expressed, but now that the evidence has been given, it is quite obvious to what this gentleman deposes to is a private disagreement of his own with Mr. Wallbridge in respect of shares which this witness bought from Mr. Ferguson and it has nothing to do with the case and I shall eventually submit that it should be struck out.

MR. FARRIS: I associate myself with that. I want to ask one question.

CROSS EXAMINATION BY MR. FARRIS:

Q. When Mr. Wallbridge sold you these shares, 30,000, you said, Mr. Twiss, that he asked you for a proxy? A. Yes.

Q. That was after he made the statement to you which induced you to buy the shares? A. Yes.

Q. And after he had spoken to you about Ferguson? A. Yes.

Q. And I take it you considered it a perfectly honourable thing to do. When you gave him the proxy did you consider that was an honourable and proper thing to do? A. Well, he was a friend.

Q. Or do you want to suggest that was not an honourable and proper thing? A. Yes, it was an honourable thing.

Q. All right.

(Witness aside)

MR. MACINNES: My lord, I am putting in some discovery.

\* \* \* \* \*

EXCERPTS FROM EXAMINATION FOR DISCOVERY OF DEFENDANT SALTER

EXAMINED BY MR. SHAW:

1. Q. Mr. Salter, you are one of the Defendants in this action? A. Yes.

2. Q. And you have been sworn? A. Yes.

3. Q. When did you first become associated in any way with Pioneer Gold Mines Limited? A. I was appointed auditor in 1922, I think it was.

4. Q. 1921, possibly? A. Perhaps 1921.

5. Q. The report of 1921 is the exact time? A. Well, it was 1922, I was really appointed, but I audited for 1921.

6. Q. I see. Who appointed you? A. The shareholders at a shareholders' meeting of the Pioneer Gold Mines Limited.

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William James Twiss Cross Exam.

Excerpts from Exam. for Discovery of Defendant Salter

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7. Q. What shareholder had you particularly known before that time? A. Mr. Wallbridge.

8. Q. You are familiar with the group of men that for convenience I am going to refer to throughout as the Wallbridge syndicate? A. I am.

9. Q. Consisting of the Defendants in this action and Mr. McKim? A. Yes.

\* \* \* \* \*

26. Q. That is all I wanted, thank you. And the same applies I presume to the 1922 balance sheet. (Handing document to witness.)

10

MR. ST. JOHN: Are you going to mark that?

MR. SHAW: Yes, I will. I will mark the two of them. Perhaps I had better take them one at a time to keep the thing in order.

(DOCUMENT MARKED No. 1 FOR IDENTIFICATION)

A. Yes.

(1922 BALANCE SHEET MARKED No. 2 FOR IDENTIFICATION)

\* \* \* \* \*

50. Q. Who approached you to become liquidator of the Company? A. Mr. Wallbridge.

20

51. Q. When? A. Well, I couldn't say the exact date, but it was just prior to my appointment.

52. Q. It would be some time, I presume, in July or August—early August, 1924? A. Some time in August, I think, but I wouldn't be sure.

\* \* \* \* \*

56. Q. Mr. Wallbridge, as a matter of fact, was the—what shall I call him—leading spirit in the Wallbridge syndicate? A. Oh, yes, he was manager of the company.

57. Yes, and of the syndicate? A. Well, I don't know of the syndicate, but I mean he was manager of the company and I saw him practically all the time.

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\* \* \* \* \*

68. Q. Who were the creditors of the company at the time of liquidation? A. They were largely—the syndicate who advanced the money, they were the biggest creditors.

\* \* \* \* \*

MR. SHAW: 72. Q. At any rate, I am correct in saying in round figures that there was somewhere in the neighborhood of \$45,000 of creditors of the company, of which approximately \$40,000 were shareholders? A. Approximately, yes.

73. Q. And the only other creditor of any size was the Union Bank? A. Yes.

40

74. Q. The balance being very small amounts of two or three hundred dollars? A. Correct.

75. Q. The Union Bank, as a matter of fact, had a guarantee from the syndicate? A. Yes.

76. Q. And they were not pressing for their account at the time, were they? A. Not to me, they hadn't, no.

77. Q. When you were appointed liquidator, did you have any valuation made of the assets of the company that you were liquidating? A. No, I just—the only thing I went by was what I had in the books.

78. Q. What you had in the books and what you were told by Mr. Wallbridge and the syndicate? A. Yes.

\* \* \* \* \*

81. Q. You know, of course, that a liquidator is supposed to be trustee for all parties concerned, shareholders and creditors? A. Certainly.

82. Q. I see. What steps did you take to protect the interests of your cestui que trust, the shareholders, by making an investigation as to the value of the assets that you were administering? A. Well, I had the books of the company to go by, which were audited up to the end of 1922. The accounts had been passed by the shareholders at their meetings showing the assets and liabilities of the company and there was nothing in my mind that would change these assets from 1922 until the date of liquidation.

83. Q. Well, of course, the assets in 1922 were shown as \$750,000 or more than that, I think—\$811,000. You don't suggest they were ever worth that, do you? A. They might have been on paper.

84. Q. Well, that is what I say. What investigation did you make to see what they really were worth? A. I didn't make any further investigation except through the books of the company and information I got from Mr. Wallbridge.

\* \* \* \* \*

91. Q. Now, you decided to sell the assets of the company. When was that decision arrived at? A. After I was appointed liquidator.

92. Q. It was intended even before you were appointed liquidator, was it not? A. Well, not that I know of.

93. Q. You hadn't any discussion with Mr. Wallbridge? A. No, not—

94. Q. Well, after you were appointed liquidator what did you do—have a meeting of all parties concerned to discuss the sale or what? A. Had a meeting, yes.

95. Q. Who was at the meeting? A. I would have to look up the records.

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96. Q. If you can't tell me, refer to anything you wish? A. At the meeting of creditors on the 26th day of September, 1924.

97. Q. Yes? A. Present: J. Duff Stuart, A. H. Wallbridge, Dr. F. J. Nicholson, A. E. Bull, H. C. N. McKim.

98. Q. All those parties whose names you have read, of course, are members of the Wallbridge syndicate? A. Yes.

99. Q. These gentlemen had the controlling interest in the Pioneer Gold Mines Limited? A. Yes.

100. Q. And three of them at least were directors of the company were they not—Wallbridge, Bull and Duff Stuart? A. Yes. 10

101. Q. Were directors of the company? A. Yes.

102. Q. Had you no informal meeting with anybody before that formal meeting of creditors? A. Not that I remember of.

103. Q. As a matter of fact, did you have anything really to do yourself personally with the decision to sell or was that arranged by Mr. Wallbridge? A. I can't remember really. The chances are it was arranged by Mr. Wallbridge.

104. Q. Now be frank, you were a servant of these people and were doing what you were told, were you not, throughout this liquidation? A. I was doing what the creditors advised me to do, and also the shareholders. 20

105. Q. You were following the instructions throughout, I suggest, of Mr. Wallbridge and his associates. Now, if that is not correct, tell me? A. Well, I was following the directions of the shareholders—no, I will put it this way: I was following the directions of the creditors at certain meetings, and the shareholders at certain meetings.

106. Q. Yes, did you not have other meetings with parties concerned in this case other than shown in this minute book which you have in front of you. I might say I mean meetings with Mr. Bull, Mr. Wallbridge and Mr. McKim and possibly the others? A. No, I don't remember of any such meetings. I certainly discussed the thing with Mr. McKim. He was solicitor for the—he was my solicitor. 30

107. Q. Yes? A. And I might have discussed—very likely did with Mr. Wallbridge.

108. Q. Who drew the notice of sale of the property? A. Mr. McKim.

109. Q. Who appointed Mr. McKim as solicitor for liquidator? A. Well, naturally I appointed him as solicitor. 40

110. Q. Why did you choose Mr. McKim? A. Well, he was a lawyer and I knew him very well—and I think he was the lawyer of the company before that. I am not quite positive of that fact; but anyway he was in the company and he was a friend of mine. I had known him ever since boyhood.

111. Q. Yes. Did Mr. Wallbridge have anything to do with suggesting the appointment of Mr. McKim? A. Not that I know of.

112. Q. Did it occur to you that it was rather a peculiar thing to have a solicitor who was concerned throughout as a member of the Wallbridge syndicate and a creditor of the company?

MR. ST. JOHN: I object to that style of question. It is an argumentative question, and it should not be introduced on an examination for discovery. You may ask him as to any fact.

10 MR. SHAW: 113. Q. Did you consider the question at all, of the propriety, or did you simply say that you appointed him as a boyhood friend. Is that all? A. Well, I mean I knew him—I would not say it was altogether as a boyhood friend. I knew he knew all about the company for one thing.

114. Q. Did you ever read over the notice of sale before you published it—the notice of advertisement for sale? A. I am pretty sure I did. I saw the notice before it went out.

115. Q. How many times was that actually published? A. I really couldn't tell you.

20 116. Q. I will save time by telling you the resolution says it shall be published twice a week for three weeks—three times a week for two weeks? Was that so, do you know? Was that done? A. Well, that was done as far as I know.

117. Q. You did not personally attend to that, did you. A. Mr. McKim did.

118. Q. Handled by Mr. McKim? A. Yes.

\* \* \* \* \*

135. Q. But that was the only proposition that was put to the public to buy this mine, was it not? A. It was the only proposition.

\* \* \* \* \*

30 141. Q. As a matter of fact, the sale that was originally made for something in the neighborhood of \$60,000 or \$70,000 was not actually paid up for four years after that, was it: It was not until 1928 that they finally paid off? A. Yes.

142. Q. So it took finally four years? A. Yes.

143. Q. Not thirty days? A. Yes.

40 144. Q. I don't want to be repeating myself, but did you tell me this, that you never had any discussion or heard any discussion between members of the syndicate or with members of the syndicate where they considered purchasing the assets until you had an actual meeting and Dr. Boucher made this offer? A. I did not.

145. Q. Had you seen Dr. Boucher at any time before he came into that meeting and made the offer of—I think it was \$45,000? A. I might have seen him at meetings. If he was at any

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meetings, I would have seen him, but I never met him personally outside of meetings, no.

146. Q. Well, there was a meeting—what are those dates now—there was a meeting here on the 26th September, that is when it was offered for sale. I will just follow this down. Then on the 22nd October an offer was made by Dr. Boucher for \$45,000? A. Yes.

147. Q. And at that meeting there were present Mr. Duff Stuart, Wallbridge, Nicholson, Bull, McKim, Mr. Walsh and yourself? A. Yes.

148. Q. All these, with the exception of Mr. Walsh, being members of this syndicate? A. Yes.

149. Q. And did you think that was a good offer to take—\$45,000 for the assets of that company? A. That was the only offer we had.

150. Q. Yes, I say, did you think that was a fair offer to accept? A. Well, I had nothing to—to show that it was not.

151. Q. And you made no investigation to find whether it was, I think you told me that? A. Yes.

\* \* \* \* \*

157. Q. There was a meeting of this company called for December 5th, 1924. You called that meeting? A. I did.

158. Q. Why? A. I will get the notices here. This meeting was to confirm the action of the board of directors in granting a working bond containing an option to purchase all the mineral claims and buildings.

159. Q. Well, you need not read it. You can mark it and identify the documents.

MR. SHAW: 160. Q. Would you mark this notice. This is a notice convening a meeting of the shareholders of the Pioneer Gold Mines Limited, dated November 13th, 1924, and attached to it is a copy of letter from A. H. Wallbridge.

(DOCUMENT MARKED No. 4 FOR IDENTIFICATION)

161. Q. Now, as I said, why did you call this meeting? A. The notice says what it was called for—

162. Q. Yes, I know, but to put it another way, who told you to call the meeting? A. Well, I should think it was Mr. McKim, but I wouldn't be positive—just to have the shareholders confirm.

163. Q. Had you any discussion with Mr. McKim or Mr. Wallbridge as to the calling of this meeting or that it was necessary or anything else? A. I couldn't tell you off hand. I very likely had.

164. Q. Well, you had no interest in calling the meeting, had you? A. No.

165. Q. It was nothing to do with the liquidation except insofar as it governed the sale? A. Correct.

166. Q. This meeting confirming a sale to directors of a company did not concern you in any way personally or as liquidator? A. Well, I can't think of anything just at the present moment.

167. Q. Did you discuss the calling of this meeting with Mr. Wallbridge or Mr. Bull? A. I don't remember discussing with Mr. Bull. I very likely discussed with Mr. Wallbridge and  
10 Mr. McKim.

168. Q. Did you read this letter signed by Mr. Wallbridge which was attached to the notice sent out? A. I did.

169. Q. When were these notices actually mailed to shareholders? A. Mailed on—registered post November 14th, 1924.

170. Q. That is the day after they were drawn—November 14th? A. Yes.

171. Q. Were those sent to all shareholders? A. Yes—all shareholders who were on the register of the company.

172. Q. You knew there were a lot of English shareholders?  
20 A. I did.

173. Q. You knew there would be no possibility of them attending the meeting and protecting their interests at all under the notice you gave? A. Well, I didn't think they were very much interested. They had never in any way shown any interest whatever as far as I knew.

174. Q. I think that your statement of defence or particulars show that the notices sent to Mr. Andrew Ferguson, the plaintiff in this action were returned by the post office. That is correct? A. Yes.

\* \* \* \* \*

180. Q. Now, all this time that you were liquidator, from  
30 August until December, you knew that David Sloan was operating the mine, did you not? A. I did.

181. Q. Did you make any inquiries of any kind as to what progress he was making? A. Excepting—do you mean outside of Sloan himself?

182. Q. Yes, I mean anywhere? A. No, I just spoke to Sloan when he came down with his gold.

183. Q. When he came down with his gold? A. He came  
40 down off and on. He came down pretty near every time he brought in a brick.

184. Q. When did he bring in a brick from 1924? A. I had better look up this record and see.

185. Q. I think you will find it at page 17? A. The first brick he brought down was on October 2nd, 1924, at least, that is—no, September 21st, 15 per cent.—15 per cent. of \$2,754.79.

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186. Q. Yes, September 21st. When did he bring the next down? A. November 11th, \$954.80; December 29th, \$961.83.

187. Q. Yes, well, by November 11th, then he had brought down in the neighborhood of \$9,000 worth of gold? A. Correct.

\* \* \* \* \*

193. Q. Yes. Well, I don't need to get precise details, what I am getting at is this, you knew that in four years the mine had only produced 20,000 or thereabouts—some such figure? A. Yes.

194. Q. And you knew that Mr. Sloan in about two or three months had produced \$9,000? A. Yes.

195. Q. Didn't that give you any pause as to whether or not you should be allowing a letter to go out stating this mine was a hopeless proposition and putting up to the shareholders that they should confirm the sale to the directors of the company? A. Well, I don't remember the circumstances at the present time.

10

\* \* \* \* \*

202. Q. You knew they were sinking a shaft up there? A. I knew they were working the mine; whether they sank a shaft, I didn't know.

203. Q. You paid no attention to what they were doing? A. No—as long as they were getting the gold out and bringing it down, that was all I was interested in.

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\* \* \* \* \*

208. Q. At the meeting on December 5th, 1924, was there any thing said to the shareholders present at that meeting of the progress that had been made by Mr. Sloan? A. Well, I don't remember taking it up myself. There might have been some discussion there.

209. Q. Do you recollect any discussion of that kind at all? A. No, not personally. All my meetings are called for a specific purpose and that there was not—

\* \* \* \* \*

226. Q. Did Mr. Sloan ever tell you during that fall how much he did on the mine? A. I couldn't tell you offhand. All I was asking him, how was it coming on. I mean as a rule he would say it was coming on very good ;and he told me what he thought about it—no, I didn't know very much.

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\* \* \* \* \*

228. Q. Did Mr. Wallbridge ever discuss with you about the proposition? You knew he was in it, of course? A. Yes.

229. Q. You knew he was in with Sloan? A. Yes.

230. Q. Did he ever discuss with you the question of how they were getting on up there? A. He might have— he might have, but I wouldn't—I mean the chances are he did say something about it, but any way—I never was interested very much in how

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they were going at the thing, all I was interested in was the liquidation.

\* \* \* \* \*

234. Q. As a matter of fact, when did you find out that they had struck a rich body of ore in that mine? A. It was not till practically the next year when they were bringing it out in larger quantities that I heard of the—

235. Q. You didn't know anything about it when they sank the shaft? A. I did not, no.

236. Q. You made no inquiries about that? A. No.

10 237. You concede, of course, that if you had known of such —known the mine was of more value than it appeared to be, that you would have held it your duty to bring it to the notice of the shareholders. A. You mean before the liquidation?

238 Q. No, before December 5th, when they confirmed this at the meeting? A. Well, I should have thought so, yes.

239 Q. Yes, it would seem reasonable? A. Yes.

\* \* \* \* \*

242. Q. Did you have anything to do with drawing the agreement of January, 1925—the actual sale to these directors, I mean to the syndicate, of the assets of the Pioneer Gold Mines Limited? A. Do you mean that I had drawn it myself?

243. Q. No, did you have anything to do with drawing it? Did you give instructions for it at all? A. In 19—

244 Q. In 1925 there was an agreement.

MR. SHAW: Perhaps you have that agreement, Mr. Bull, January 21st, I think it, or 23rd, 1925.

(Document produced by Mr. Bull)

MR. SHAW: 245. Q. I produce to you a document from Mr. Bull's file.

(Handing document to witness)

30 A. Oh, this is the sale—

246. Q. I was just asking you, did you have anything to do with drawing that document or giving instructions for it? A. Well, I took it up with McKim—to draw the document—I mean there is no doubt about that, but—

247. Q. Well, did you discuss the terms of it, to fix these terms, or did Mr. McKim simply draw it and bring it over to you and say sign it? A. This was the offer made and the agreement was drawn up in accordance with the offer.

\* \* \* \* \*

40 255. Q. All I am interested in in the meantime, the document speaks for itself as Mr. St. John says, but I am interested in knowing, do you know anything about it at the time it was drawn did you give instructions for it? A. Well, I said I remembered

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of the occasion giving instructions to McKim to draw it in accordance with the offer made.

256. Q. Whose idea was it that these people would pay as and when received? A. It must have been theirs.

257. Q. By theirs, you mean whom? A. By the people who made the offer.

258. Q. Yes, so anything whatever they put up, it was all right with you. You made no objection to it? A. No. It was passed by Mr. McKim, as solicitor, and there was no objection to it.

259. Q. Passed by Mr. McKim, as solicitor, and a member of the same syndicate. A. Quite so.

\* \* \* \* \*

290. Q. . . At the meeting of December 5th Mr. Wallbridge voted all of the syndicate shares, did he not. Your records will show that.

MR. ST. JOHN: The minutes might show that. A. Yes.

MR. SHAW: Yes, he voted all the syndicate shares? A. Yes, or he voted 382,499 shares, and I presume that is the syndicate.

291. Q. Well, that is approximate, yes. Did Mr. Wallbridge at that meeting make any statement of the progress that was made by himself and Mr. Sloan about the plans of the syndicate? A. Well, I don't remember of him doing so.

#### EXCERPTS FROM EXAMINATION FOR DISCOVERY OF DEFENDANT BULL

EXAMINED BY MR. MACINNES:

1. Q. Mr. Bull, you are one of the Defendants in this action? A. Yes.

2. Q. And you have been duly sworn for the purpose of this examination? A. Yes.

3. Q. I understand that in December, 1920, a syndicate was formed composed of the late A. H. Wallbridge, yourself, General Duff-Stuart, Dr. Boucher, Dr. Nicholson, and the late H. C. McKim? A. Yes.

4. Q. Those were all the members, were they not? A. Yes.

MR. MAYERS: Well, the thing is in writing, of course.

MR. MACINNES: But a syndicate was formed first.

MR. MAYERS: I do not know if that is so.

MR. MACINNES: I was just asking Mr. Bull.

5. Q. Who was the negotiator who handled the formation of the syndicate? A. Mr. Wallbridge.

6. Q. Mr. Wallbridge, and the result of the negotiations was set out in a written agreement, was it not? A. Yes.

Excerpts from  
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7. Q. That is, I think, the 20th December, 1920? A. It was around the 20th or 29th, I am not positive.

8. Q. The 29th of December. It is referred to in paragraph 32, I think, of your defence.

MR. MAYERS: Is it not set out in full in the defence?

MR. MACINNES: I don't think it. It is referred to in paragraph 32, that, I take it, was in reference to the syndicate agreement. A. Yes.

10 9. Q. This document you now produce I will have marked Exhibit 1.

MR. MAYERS: It is a true copy, is it not?

MR. MACINNES: It looks like it.

MR. MAYERS: That is my writing.

MR. MACINNES: It is all in one hand.

MR. MAYERS: That is my writing. It is a true copy.

(DOCUMENT MARKED No. 1 FOR IDENTIFICATION)

MR. MACINNES: Are you producing the original instead of the copy?

MR. MAYERS: Yes.

20 MR. MACINNES: Better have that marked instead of the other.

(ORIGINAL MARKED No. 1 FOR IDENTIFICATION)

10. Q. Exhibit 1 now marked is one of the original copies of the agreement referred to in paragraph 32 of the statement of defence? A. Yes.

11. Q. And the purpose of this document, Mr. Bull, is to acquire a 51 per cent interest in the Pioneer Gold Mines Limited as it then stood? A. Yes. The document speaks for itself.

30 12. Q. And I see by the document the purchase price for that 51 per cent. interest was \$50,000.00 payable on the terms set out in the document? A. Yes.

13. Q. How much of that \$50,000 was actually paid on account of the purchase price? A. \$15,000.

14. Q. And no further payments were made on account of the purchase price under this agreement? A. No. A new agreement was entered into.

15. Q. I mean, as far as this is concerned \$15,000 was the total amount paid? A. Yes.

\* \* \* \* \*

40 54. Q. Having gone into the syndicate in this way, the \$15,000 was paid up in cash? A. Yes.

55. Q. Within a reasonable period of time? A. Yes.

56. Q. Part of the purpose being the establishment of the cyanide plant for the separation of the sulphite and mixed ores in the dump? A. Yes.

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57. Q. The syndicate having been formed, the agreement for the purchase of this half interest was then entered into, I take it? A. Yes.

MR. MACINNES: Have you the original copy of that, Mr. Mayers. Mine is an original too, but perhaps we had better keep them on your file, and then we will have them handy. The 6th of January, 1921? A. There is a copy of it. These are both copies.

58. Q. We have an original? A. Yes, that is a duplicate original.

(DOCUMENT MARKED No. 2 FOR IDENTIFICATION) 10

59. Q. Now, this agreement, Exhibit 2, I see is taken in the name of A. H. Wallbridge alone? A. Yes.

60. Q. As purchaser? A. Yes.

61. Q. Notwithstanding that it was taken on behalf of the syndicate? A. Yes.

\* \* \* \* \*

106. Q. Was it not realized by both you and Wallbridge, the proper way to operate that property was to sink? A. Certainly, we expected we would have to sink if Copp would get on with the work.

107. Q. When the syndicate took over the 51 per cent. interest they were to have certain directors in the company, were they not? A. I have forgotten what the agreement says. 20

108. Q. I have forgotten too, but I know there is something about it. On Page 4, "In order to qualify three nominees of the purchasers to act as directors, the vendors shall cause to be transferred to the said nominees sufficient shares of the capital stock." That was done? A. Yes.

109. Q. So at all times you had three directors on the board? A. Yes.

110. Q. Or more? A. No, just three. 30

111. Q. You always had three? A. Yes.

112. Q. And you had control of the stock? A. We had control of the stock later on. It was not transferred to us at the time. Under the new agreement it was.

113. Q. But you had control of the management and operations? A. Yes, I mean the directors had. We had the majority of the directors.

\* \* \* \* \*

120. Q. A shaft was subsequently put down in 1924? A. Yes.

121. Q. To the lower level? A. Yes. 40

122. Q. At a cost of about \$3,000.00? A. No, no, more than that.

123. Q. How much more? A. \$27.50 a foot and it was sunk 142 feet, under contract.

124. Q. That would be \$4,000.00? A. And we supplied the—

125. Q. Powder? A. No, we supplied the sharpened steel, the timber, and ran the hoist.

126. Q. That would be roughly \$5,000.00? A. Oh, I don't know what that did amount to.

\* \* \* \* \*

128. Q. Do you remember what the debts of the company were at that time? A. Of course there was a large bank indebtedness which apparently the Williams Estate looked after, but the  
10 wholesale creditors, the commercial creditors around town amounted to \$13,507 and they were after us to pay.

129. Q. After the company to pay? A. Yes, going to sue the company if we did not.

130. Q. The company did ultimately pay them? A. The company?

131. Q. Or the vendors, which? A. No. The \$5,000.00 which we put up on January 6th went to pay part of it. They made it so hot for us during the next year or so that we had to pay \$3,600.00 ourselves that the Plaintiffs Fergusons and Williams  
20 were to pay and agreed to pay under the agreement. Then later on the Williams Estate paid the balance, but that was away down in 1924.

132. Q. So that the debts which were existing at the time you got in your interest were ultimately paid by the vendors or on behalf of the vendors? A. No. We paid \$3,600.00 ourselves.

133. Q. I see, \$3,600.00? A. Yes.

134. Q. So that you became creditors of the company to the extent of \$3,600.00? A. No. The company paid that with money we put up for the purpose.

30 135. Q. And the company in the meantime had been taking out some gold, making some recoveries? A. Yes.

136. Q. And the purchasers still owed \$35,000.00 under the agreement, Exhibit 2? A. At what stage are you talking about.

137. Q. Up to the time you got that concession wiping out the \$35,000 in 1923?

MR. MAYERS: Well, concession, of course, is a matter of opinion.

MR. MACINNES: Perhaps we had better call it extortion.

MR. MAYERS: The whole thing is in writing.

40 THE WITNESS: The \$30,000.00, because the \$5,000 commission was waived so there was a balance of \$30,000 coming to them, but when we found out the misrepresentations in the fall of '22, we wrote them that we would throw up the option and sue them to recover our money back, and as a result of that there was a new agreement made.

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MR. MACINNES: 138. Q. But I am getting now to the amount of the company's debts that the syndicate or the purchasers paid. You say they did pay \$3,600.00? A. Yes.

139. Q. That was paid out of the company treasury? A. Yes, we had to lend the money to the company to do that.

140. Q. You lent the money to the company to do that? A. Yes.

141. Q. And thereby became creditors of the company to that extent? A. Yes.

142. Q. That is the first money you lent to the company, is it? A. No, well, there may be—I think we started lending them in that summer, and I don't remember the time that first money was paid to McWilliams and Dunsmuir. 10

\* \* \* \* \*

144. Q. Now, that money that was loaned by the syndicate to the company in this way, and for other purposes, what interest did it carry? A. Eight per cent.

145. Q. And those loans have ultimately been paid off? A. Yes.

146. Q. With the interest on them? A. Yes, all but the \$3,600.00. That was never paid. Under the agreement the Plaintiff and Williams Estate are still liable, I think, for that \$3,600.00. 20

147. Q. No counter-claim, is there? A. No.

\* \* \* \* \*

182. Q. Mr. Adolphus Williams who, with his wife, owned the stock with the Fergusons which is comprised in your purchase had died in August, 1921? A. I don't remember what time, sometime in the summer.

183. Q. Midsummer of 1921? A. Yes.

\* \* \* \* \*

203. Q. This statement of facts which you have produced to me was evidently prepared in August, sometime? A. Yes. After Sloan had made his report in July, 1923, we had a consultation with Sloan and got up this statement of facts for the purpose of trying to get money to finance the company. 30

(DOCUMENT MARKED No. 5 FOR IDENTIFICATION)

204. Q. Who was to do the stock selling? A. Wallbridge was undertaking it.

205. Q. And he was managing director of the company? A. Manager.

206. Q. Manager of the company? A. Yes.

207. Q. And this document which I will now have marked Exhibit 6 bearing Wallbridge's name on the front in print is evidently a document prepared by him for the same purpose as Exhibit 5, for distribution to the public? A. I think so, yes. I don't know when that was— 40

208. Q. There is no date on it, Mr. Bull, but one thing I did notice that it refers to Sloan's report in July? A. Yes. It was after July.

\* \* \* \* \*

215. Q. Exhibit 5 was undoubtedly got up for the purpose of selling stock in the company? A. Selling these shares that the Plaintiff and ourselves had made available for the purpose.

216. Q. That was stock in the company? A. Yes, that is not new stock, but stock we put in shape that it could be sold. We were not selling new stock in the company.

10 217. Q. But it was stock for the benefit of the company, not stock for the benefit of individual owners? A. Oh, no.

\* \* \* \* \*

238. Q. That is the agreement of the 15th of February, 1923, is set out in paragraph 67 of the Statement of Defence. A. Yes.

239. Q. Now, in between the 25th of September and the 15th of February you had a good many interviews with Mr. Walsh, executor of the Williams Estate? A. I wouldn't say a good many.

20 240. Q. You had several? A. I had several interviews with him, yes.

241. Q. And were bringing pressure to bear on him along the lines set out in your letter of September 25th. A. Yes, we would not go on. We would simply throw up the thing and sue for our money.

\* \* \* \* \*

245. Q. Was the agreement in paragraph 67 of the Statement of Defence carried out by acquiring from the vendors one-half of their then holdings? A. No actual transfer was made of the shares. They were held by Mr. Walsh, and he was prepared to carry it out. I don't know the percentage.

30 246. Q. It is 193,000 and some odd? A. I don't know about that.

247. Q. The shares which are set out and specified in the agreement itself, is what I mean? A. Walsh had all these shares, his own, the Williams Estate and Ferguson, all in his own name and he was going to carry out that agreement if we could sell them. There was no necessity to transfer them until we could get a sale.

40 248. Q. Those shares were for all practical purposes taken over by the company for the benefit of the company, for the purposes of the company? A. You know, as a lawyer, you cannot buy your own shares. They were just left that way to be sold, the proceeds to be turned over to the company.

249. Q. Yes. If the shares were to be sold and the proceeds

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turned over to the company, the benefit of the sale was going to the company, isn't that right? A. Yes.

\* \* \* \* \*

287. Q. During 1923 did you not keep the shaft dewatered?  
 A. What year?

288. Q. 1923? A. Yes.

289. Q. Throughout the whole of the year? A. Throughout the summer.

290. Q. I mean the season, and you did the same in 1924?  
 A. Land pumped it out at his expense and we kept it dewatered.

291. Q. You kept it dewatered? A. Until July.

10

\* \* \* \* \*

296. Q. Now, Mr. Sloan had examined that property in July, 1923, and in the spring of 1924 he had carried on the negotiations with Land? A. Yes.

297. Q. Sloan's report was quite encouraging in 1923? A. Fairly so. It was not optimistic. Well, it speaks for itself.

298. Q. You have the report? A. Yes, somewhere. He said it warranted spending money on it.

299. Q. That would make you feel good? A. Yes, if we had it to spend. That is it.

(DOCUMENT REFERRED TO MARKED No. 11 FOR IDENTIFICATION)

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300. Q. When did Sloan appear in the office as a purchaser on his own behalf? A. We were trying to load it off on Sloan from the year before, after his report.

301. Q. You were trying to load it off on to him. A. Yes.

302. Q. Had he any interest in the syndicate at any time?  
 A. No.

303. Q. Never had? A. No.

304. Q. When did you finally succeed in enticing him in?  
 A. In July, early in July, 1924.

30

\* \* \* \* \*

309. Q. Now, before that option was executed, was there an understanding as to the participation of certain members of the company with Sloan in the purchase? A. Yes, which was culminated in this.

310. Q. And culminated in that? A. Yes. We wanted Sloan to take over the property, offered it to him at \$100,000 and had several interviews with him and finally he came back and said he would take a working bond on it if you people will take a half interest with me—that is the syndicate, put up half the money and assume half the responsibility.

40

311. Q. Who negotiated that deal with Sloan? A. Wall-bridge did and I.

312. Q. You were the individuals? A. Yes.



313. Q. Who were you representing in that, the company?  
A. No, the syndicate. He said if you six fellows will go in with me and take a half interest—we had a meeting, when we got him up to that point or almost that point, we had a meeting at Wallbridge's house and he made the definite offer then and we decided what share to take.

314. Q. And the syndicate alone was to be interested with Sloan and the rest of the company was to be left out? A. He was buying from the company.

10 315. Q. He was buying from the company, yes, but the syndicate alone was to share in the profits or the grief of the venture? A. What?

316. Q. The syndicate alone as distinct from the company was to share with Sloan in the new venture? A. Yes. We were taking a half.

317. Q. And the company was to be left on the outside as the vendor of the property? A. Yes, vendors. We had asked the other people to put up some money to finance before this, just the month before, and they would not do it.

20 318. Q. Who did you ask? A. Walsh, and we wanted to raise \$14,000 or \$15,000 and we offered to bear an assessment of 2 cents a share if they would do the same, put that up to Walsh and his associates, Twiss, I suppose, Walsh, particularly, and they would not put up any money at all, and later on we offered Walsh and these other people to come in on the same ground as we were in this option, but they wouldn't do it.

MR. MAYERS: 319. Q. In the Sloan option? A. In the Sloan option.

30 MR. MACINNES: 320. Q. Did you ever make that offer to the Fergusons? A. We didn't know where Mr. Ferguson was. He disappeared in 1922.

321. Q. Then I take it you did not make them the offer? A. No, except through Walsh. He had his shares. He was supposed to be representing him.

40 322. Q. At this meeting at Mr. Wallbridge's house when the syndicate decided to go in with Sloan 50-50, how was that carried out? A. We had a good deal of backing and filling. It took about two weeks to get an agreement to suit everybody, the company, the syndicate and Sloan. He had his own lawyer; Walsh, McKim & Housser represented the company and I looked after the syndicate.

323. Q. And the deal as finally hammered out in the way you have stated was then submitted to the directors of the company? A. Yes.

324. Q. Who were the directors of the company at that time? A. Walsh, General Duff Stuart, Wallbridge and myself.

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325. Q. Only four directors? A. Four.

326. Q. Three of whom were syndicators? A. Yes.

327. Q. And when the Sloan deal was submitted to the directors constituted as you have stated, who voted on the option? A. Well, it was just put to the meeting that there was this agreement and there was no opposition and it was just declared carried. I can't say if we actually voted but if we did it was just those entitled to be counted.

328. Q. In other words, it went through unanimously? A. Yes, it was. Walsh was particularly delighted to get the thing through. 10

329. Q. The matter went through unanimously. Was not Ferguson on the board of directors at that time? A. No. He had left in 1922, no, I don't think in 1923 he was re-elected. I am not sure. He was not here anyway.

330. Q. And you tell me the board of directors consisted of four? A. Yes.

331. Q. It was not a case of an absentee. It was a full board of directors? A. I don't know if he was re-elected in 1923 or not. He never attended any meetings after the spring of 1922 anyway. 20

332. Q. Well, is this beyond all doubt, three of the four directors who carried that resolution were directly interested in the purchase? A. Yes, of course, but those four directors represented about 89 per cent, of the company.

333. Q. Was there any notation made in the minutes that the interested directors were voting or not voting? A. No.

\* \* \* \* \*

335. Q. In the Sloan option was anything paid for the supplies? A. Yes.

336. Q. How much? A. \$2,580, I think.

337. Q. That is over and above the \$100,000 purchase price? A. Yes. 30

338. Q. Or was it included in that? A. No, no, over and above.

\* \* \* \* \*

342. Q. Yes. The agreement that you made with Sloan is what is called a working bond? A. Yes.

343. Q. That is, he took charge of the property and operated on the terms of the option? A. Yes.

344. Q. The company simply backed out and turned the property over to him for operation purposes? A. Yes.

345. Q. Do you know what Sloan did as soon as he got in charge of the property? A. Well, he took some men up and started operating, mining and starting to sink the shaft. 40

346. Q. The sinking of the shaft was one of the stipulations in the contract? A. Yes.

\* \* \* \* \*

349. Q. Having entered into this agreement with Sloan as purchaser, what was done with the company? A. In the following month we applied to wind it up, the company went into voluntary liquidation.

350. Q. The company went into voluntary liquidation under the Companies Act? A. Yes, that was August or September.

\* \* \* \* \*

10 352. Q. How much money did the syndicate put up in their agreement with Sloan? A. We agreed to put up—The two of us agreed to put up \$16,000 and the syndicate were to put up half of it.

353. Q. The syndicate would put up \$8,000 then? A. Yes.

354. Q. Sloan was to finance the rest? A. Yes, Sloan and his associates.

355. Q. Sloan and whoever he had with him? A. Yes.

20 356. Q. How much did the syndicate put up? A. Half of that, \$4,000. We were to put up each \$2,000 a month as required and we put up \$2,000 in August and \$2,000 in September. He did not call upon us for the next payment.

357. Q. In other words, from the time Sloan took over, apart from that payment of \$8,000, which was contributed by you all, there was no money required to operate the company? A. No. Oh, there was money required, but he did not call upon us. He financed it.

\* \* \* \* \*

30 360. Q. So that the company then at the time of its liquidation was the owner of its property subject to this option to Sloan and the owner of the supplies and the supplies were covered by the option to Sloan, that, is the total physical assets of the company were comprised in the sale to Sloan? A. Yes.

\* \* \* \* \*

363. Q. In regard to the liquidation of the company that fall, what was done with regard to the assets of the company? A. They were advertised for sale.

364. Q. That is, this, barring the possibility of getting \$102,000 from Sloan it would have to come back to the company? A. It would not be \$102,000, it would be \$100,000 because part of these supplies had been paid for before it went into liquidation. The company had collected \$1,152 from Sloan before it went into liquidation.

40 365. Q. On account of the \$2,500? A. Yes. At the time we owed Sloan \$380 for his report. He deducted that out of the

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supplies, so the liquidator got \$1,050 balance of supplies and part of that, I think was paid before, I couldn't just say.

\* \* \* \* \*

374. Q. When the liquidator decided to sell the assets that we have mentioned on whose authority did he act? A. He acted on instructions of the creditors.

375. Q. Instructions of the creditors? A. Yes.

376. Q. Who were the creditors of the company at the time of the Sloan option? A. Well, they were all the members of the syndicate, the Union Bank, the Williams Estate, David Sloan, Williams, Walsh & McKim, and my own firm, I think that is all I can remember.

10

377. Q. Now, the syndicate roughly were creditors to the extent of \$45,000. A. No, about \$40,000.

378. Q. The Union Bank had \$4,200 owing? A. Yes.

379. Q. That was money borrowed by the company operating through the syndicate? A. Yes, used to pay—

380. Q. And there was a matter of \$300 owing to Williams? A. \$300 odd.

381. Q. Legal fees, I suppose? A. No. They paid the insurance. He had to get somebody to help pay and finally got Walsh to advance \$300 odd to pay the insurance.

20

382. Q. So that the total liabilities were about \$45,000? A. Roughly about \$45,600.

383. Q. Of which the syndicate were creditors to the extent of \$40,000? A. Just under \$40,000. Oh, there was another liability, General Stuart. We borrowed \$600 from him, it might have been at that time, or it might have been later, the liquidator paid him \$400. When we got very hard up, we would go and try and get a little out of him.

384. Q. The selling of the assets of the company as it then stood was directed by these creditors as you have outlined? A. Yes.

30

385. Q. What advertising was done with regard to that? A. We advertised, the directors directed at least, I mean the creditors decided we advertise three times a week for two weeks, and the liquidator put it in the Sun.

\* \* \* \* \*

396. Q. As a result of the advertising of these assets what tenders did you get? A. Nothing except our own.

397. Q. Nothing except your own? A. No.

398. Q. What do you mean by your own? A. Dr. Boucher, one of the syndicate.

40

399. Q. Dr. Boucher made an offer? A. Yes.

400. Q. What was his offer? A. \$45,000.

\* \* \* \* \*

410. Q. That was ultimately settled on the 5th of December? A. Yes.

411. Q. Not until that time? A. Not until that time. Our idea was they were to call a meeting and have the shareholders decide it.

412. Q. The 5th of December was the meeting of the shareholders? A. Yes. \* \* \* \* \*

431. Q. Now, the meeting of shareholders convened by the liquidator was held on the 5th of December? A. Yes.

10 432. Q. And the shareholders were asked to and they did ratify and confirm the only transaction which was being discussed? A. Yes.

433. Q. And wound up the company? A. Yes.

434. Q. And selling the assets for \$65,000 odd? A. A little over \$70,000.

435. Q. Was there any disclosure at that meeting made of Sloan's operation? A. No, I didn't know any. Didn't have any.

20 436. Q. So the shareholders were asked then to vote on the sale of the assets for \$70,000, taking a definite loss of \$32,500, without any disclosure of what was actually doing? A. They knew about as much as we did.

\* \* \* \* \*

442. Q. Who voted the syndicate shares at that meeting? A. Wallbridge.

443. Q. He was empowered to do so by the syndicate? A. They were in his name. They were never transferred. He held them in trust.

\* \* \* \* \*

450. Q. Was that letter exhibit 13 seen by you and the other members of the syndicate before it was sent out? A. Seen by me, yes. Wallbridge drafted it and brought it up to me.

30 451. Q. And you approved of it? A. Yes.

\* \* \* \* \*

455. Q. Now, throughout this whole transaction, Mr. McKim was a member of the syndicate, was he not? A. Yes.

456. Q. He was? A. Up to that date, yes. He sold out the next year.

457. Q. He sold out the next year and has died since? A. Yes.

458. Q. He was also a member of the firm of Walsh, McKim and Housser? A. Yes.

40 MR. MAYERS: Wasn't it Williams, Walsh, McKim—

MR. MACINNES: Mr. Williams was dead.

THE WITNESS: Yes, and after his death it was Walsh, McKim & Housser. They were solicitors for the company and for the liquidator.

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459. Q. That firm were solicitors for the syndicate? A. No.

460. Q. Who was solicitor for the syndicate? A. I was.

461. Q. You were? A. Yes.

462. Q. Walsh, McKim & Housser were solicitors for the company? A. Yes, and later for the liquidator.

463. Q. And they were also creditors of the Fergusons personally, the Williams Estate was? A. I understand so, I didn't know anything about the details.

464. Q. Did you not know in your negotiations in 1921 and 1922 with Mr. Walsh, that the Williams Estate had the Ferguson stock in pledge for an indebtedness of some \$15,000 or more? A. I knew the stock was turned over to them. I didn't know the details of their transaction. 10

465. Q. Did you know anything about the writ issued by the Williams Estate against the Fergusons on this debt? A. No, I did not. I didn't know what they were doing. We were pressing Walsh for some show down, what they were going to do. I may have had an idea what he was doing, but I didn't know anything about what he was doing.

466. Q. Of course, Mr. McKim, as a member of the syndicate knew all about their relations? A. Oh, I suppose he did. 20

467. Q. As being a member of the Walsh firm? A. I suppose so.

468. Q. And did he not report to the syndicate the condition of things there? A. No. We were pressing them as to what they were going to do with regard to the misrepresentations and they apparently were pressing the Fergusons. I found out after, but I didn't know then. McKim did not report to me.

\* \* \* \* \*

473. Q. Now, a summary of the whole situation comes down to this, does it not, Mr. Bull, that the syndicate instead of paying \$50,000 for the half interest, actually paid \$15,000? A. Well, we only paid \$15,000 on that original agreement, but under the amended agreement, we paid all that was coming and in addition we paid \$3,600 which under both agreements they agreed to pay. 30

474. Q. That has never been repaid you? A. No, it was never repaid. The company—It was included in money we lent the company, but we are entitled to 51 per cent. of that from these people.

475. Q. But you got that debt paid in the liquidation? A. Yes, I say we got the money we lent, but 51 per cent of that should never have gone. They should pay us back 51 per cent. of that. We are entitled to 51 per cent of that money the company paid for their debts, so there is \$1,861 coming to us of that. 40

EXCERPTS FROM EXAMINATION FOR DISCOVERY OF  
DEFENDANT BOUCHER

EXAMINED BY MR. MACINNES:

1. Q. Doctor Boucher, you are one of the Defendants in this action? A. I am.

2. Q. When did you first become interested in this Pioneer Mine? A. December, 1920.

3. Q. December, 1920. As a member of the syndicate composed of the co-defendants? A. Yes.

\* \* \* \* \*

10 61. Q. You said the company was liable at the time you took over for somewhere about \$14,000 or \$15,000 of liabilities. A. Yes.

62. Q. They must have been paid at some time or other, were they not? A. I presume they were, yes.

63. Did the syndicate pay them? A. No.

\* \* \* \* \*

90. Q. Yes, and that company was controlled by your syndicate? A. We had three directors on it.

91. Q. Three directors on it? A. I don't think anything was controlled by anyone. We had three directors on it.

20 92. Q. That was three out of five? A. Yes, that gave them control if they wanted to be mean about it.

93. Q. And the company then, with the directorate constituted in that way, put Copp on to carry on on behalf of the company? A. I think so.

\* \* \* \* \*

105. Q. Did you personally make inquiries from the men actively engaged in the operation on the property? A. I got my information from Wallbridge and Bull chiefly.

106. Wallbridge and Bull? A. Yes.

30 107. Q. So you personally were attending to your own practice and getting your information from your associates. A. Absolutely.

108. Q. You didn't take any personal direct— A. No,—  
Q. Interest? A. —in the running of the property?

\* \* \* \* \*

110. Yes? A. No.

\* \* \* \* \*

218. Q. And any information you got about the operation of the property was from Wallbridge? A. Was from Wallbridge and Bull in conversation with them.

\* \* \* \* \*

267. Q. Did you ever see this document? A. I did.

268. Q. What is that document. What is it for? A. This

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is a prospectus issued, or purported to be issued by A. H. Wall-bridge as broker and financial agent.

269. Q. Broker and financial agent for whom? A. For himself.

270. Q. And financial agent? A. Financial agent for anyone who would employ him, I guess.

271. Q. And what was it he was dealing with in this prospectus? A. In this prospectus?

272. Q. Yes? A. He was dealing with the Pioneer?

273. Q. With the Pioneer? A. Yes.

\* \* \* \* \*

324. Q. Did you discuss the matter with Sloan? A. I did afterwards, yes.

325. Q. When? A. 1923.

326. Q. In 1923? When did the company first negotiate with Sloan as a purchaser? A. We were—as a purchaser.

327. Q. Yes? A. We were after Sloan first in 1923.

328. Q. In 1923? A. Yes. We wanted Sloan to take an interest in the mine and go ahead, which he would do under certain conditions, which we were not able to fulfil.

329. Q. And those negotiations fell off, did they? A. Yes, they fell off in 1923. We approached Sloan at different times—twice in 1923, I think, to see if we could get him interested.

330. Q. And did you finally get him interested? A. In 1924.

331. Q. In 1924? A. Yes.

332. Q. At what time? A. It was sometime, I think—it was after the Land option fell out—I think it was sometime in July, 1924.

333. Q. I see. Now, the Land option that you refer to was an option to a man by the name of Land or Lands, wasn't it? A. Yes.

334. Q. Land or Lands? A. Land, I think.

335. Q. The option price to Land was what, do you remember? A. \$100,000.00.

336. Q. Was there anything special about the supplies or the equipment? A. No, not at that time. That is what you mean?

337. Q. Yes, in the Land's option? A. Except that any supplies that would be in there, I expect Land would pay for.

338. Q. You weren't a party to the negotiations personally? A. No.

339. Q. When did you first get Sloan interested as a purchaser? A. 1924.

340. Q. In 1924. And the result of getting him interested was what? A. The result of getting Sloan interested was that he would only—we tried to get Sloan by all possible means, and he

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would only come into the proposition if we would come in with him.

341. Q. That is, the syndicate? A. Yes.

342. Q. And that means the Defendants in this action? A. Yes.

343. Q. Including Wallbridge? A. Yes.

MR. MAYERS: 344. Q. And McKim? A. And McKim, yes.

10 Yes. MR. MACINNES: 345. Q. The original syndicate? A.

346. Q. It wasn't a case of the company? A. No, Sloan stipulated that he would not go in at all unless we went in with him, that is, the syndicate.

347. Q. And that option was given to Sloan on that understanding? He bought it on behalf of himself and the syndicate? A. Yes.

\* \* \* \* \*

399. Q. How much money did the company put up with Sloan? A. We agreed to put up half of \$16,000.00, and we actually put up—I think it was \$4,000.00.

20 400. Q. That is, your obligation was to put up \$8,000.00? A. Our obligation was to put up \$8,000.00 and we put up \$4,000.

401. Q. And then the property carried itself from that time on? A. Yes, it went on—we went into debt in the bank—We didn't put up any more, but we obligated ourselves to the bank.

402. Q. And that was all paid out of the proceeds of the property? A. Ultimately?

403. Q. Yes, ultimately? A. Yes.

\* \* \* \* \*

30 408. Q. Yes. Did you offer to buy the assets of this company in liquidation from the liquidator? A. We put in a protective bid.

409. Q. No, but didn't you make an offer? A. Myself.

410. Q. Yes, yourself personally? A. For the syndicate?

411. Q. For the syndicate? A. Yes.

412. Q. Anything you did was for the syndicate? A. Absolutely. I made the offer for the syndicate.

413. Q. And the offer was what? A. The exact amount of our indebtedness, \$45,000.00

414. Q. That is, the amount of money that had been spent by your syndicate on this property at that time showed \$45,000.00?

40 A. Plus the bank indebtedness—plus the bank indebtedness—approximately that.

415. Q. And that is the amount you offered the liquidator for the assets? A. That was the amount of our bid.

\* \* \* \* \*

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419. Q. The assets weren't sold for \$45,000.00, were they?  
 A. How do you mean?
420. Q. They weren't sold for \$45,000.00. Your offer wasn't accepted for \$45,000.00 A. Our offer wasn't accepted? Our offer was not accepted?
421. Q. Yes? A. It was accepted once, and then we made another proposition.
422. Q. When did you make the second proposition? A. After some—I think it was at a meeting of the directors or a meeting of something where Walsh—a meeting of directors or creditors or something where Walsh offered some objections. 10
423. Q. To you people buying for \$45,000.00? A. As he said he didn't think it was enough.
424. Q. And as a result of that you gave up your bargain of \$45,000.00? A. By increasing it to \$65,000.00, of which \$20,000.00 was to be divided among the old shareholders.
425. Q. Yes, and as events turned out the Sloan option was taken up? A. Yes, the Sloan option was taken up. That is correct.
426. Q. So the syndicate got \$106,000 or \$107,000 (whatever the odd figures are) under the Sloan option for their \$65,000 purchase price? A. They got how much? How much do you say? 20
427. Q. They got the Sloan money, whatever it was? A. Yes.
- \* \* \* \* \*
442. Q. I know. You, as purchasers from the shareholders represented by Mr. Williams and the Fergusons, agreed to pay \$50,000.00 for 51 per cent. of the outstanding stock. A. Yes.
443. Q. And you got your outstanding stock. You got that 51 per cent. of the outstanding stock? A. Yes. 30
444. Q. You had that delivered to you? A. Yes.
445. Q. And you then became shareholders in the company for whatever stock you got, did you not? A. Yes.
446. Q. And when the company was in liquidation, the syndicate, of which you were a member, along with the other Defendants, then bought from the liquidator the entire assets of that company for \$65,000.00. That was the bargain, wasn't it? A. Yes.
- \* \* \* \* \*
459. Q. How did the syndicate pay the \$65,000.00 that they were to pay the liquidator for the assets of the company? A. That ran over a time—from the 15 per cent. return of the ore. 40
460. Q. Well, when the liquidator got the \$65,000.00 in that way, what was done with the remaining \$35,000 that still had to be paid on the bond? A. I presume some it came to the syndicate—the original syndicate.

461. Q. Do you know? A. I know that there was a small dividend. It didn't amount to very much.

462. Q. To the syndicate? A. Yes.

463. Q. I am speaking of the syndicate as distinct from any shareholders of the company? A. Well, by the time that the syndicate got that \$65,000.00 which was paid up, the Company was defunct for a long time.

464. Q. There wasn't any company? A. No.

10 465. Q. And there were no shareholders? A. There couldn't be if there was no company.

466. Q. Now, is that all the light you can shed on that \$35,000 discrepancy? A. Yes. It ultimately came in—ultimately must have come into the syndicate.

EXCERPTS FROM EXAMINATION FOR DISCOVERY OF DEFENDANT DUFF-STUART

EXAMINED BY MR. MACINNES:

1. Q. You are one of the Defendants in this action, General Stuart? A. Yes.

20 2. Q. And you were one of the members in the original syndicate? A. Yes.

3. Q. The syndicate was formed for the purpose of purchasing a controlling or 51 per cent. interest in the then issued capital stock of the old Pioneer Mine Company? A. Yes.

\* \* \* \* \*

47. Q. Did the directors meet with Copp the mine manager from time to time; how did they keep in touch with him? A. I never saw Copp at a directors' meeting.

48. Q. You never saw Copp at a directors' meeting? A. No.

30 49. Q. Then how did the directors get information as to the affairs of the company and how things were proceeding? A. Through Mr. Wallbridge.

50. Q. Through Mr. Wallbridge? A. Yes.

51. Q. And was that duty imposed on Mr. Wallbridge by the directors, to look after the operation? A. Yes, he was appointed managing director.

52. Q. Managing director? A. Managing director.

53. Q. And the board then left the operation and conduct of the mine to the managing director and to the mine manager? A. Yes.

\* \* \* \* \*

40 81. Q. Did the syndicate ever put up at any time any more than the \$15,000 on account of the syndicate purchase price? A. No.

82. Q. Any other moneys which were put up by the syndi-

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cate, apart from the original \$15,000 was put up by way of loans or advances to the company. A. Yes, that is right.

83. Q. And the syndicate never paid the vendors anything further on account of the \$50,000 purchase price? A. No.

\* \* \* \* \*

117. Q. That is vendor's commission? A. Vendor's commission. After that was turned down, we all felt pretty blue about the whole proposition. As I say I never met Sloan personally, but I think it was Wallbridge or some of the other members, at least, I can't state, I shouldn't say what I think, they got in touch with Sloan, and the first time I met Sloan was at a meeting of the syndicate with Mr. Sloan when he agreed finally to go on with the development of the property on condition the syndicate would put up half the amount he was willing to spend. That is the first time I met Mr. Sloan.

10

118. Q. That was somewhere in the spring, May or June, possibly, of 1924? A. 1924.

119. Q. That was at a meeting of the syndicate. I am speaking of the syndicate as distinct from the company. A. It would be a meeting of the syndicate, yes.

120. Q. A meeting of the syndicate? A. Yes.

20

121. Q. Not a meeting of the directors of the company? A. No, it was absolutely informal, that discussion.

122. Q. No record kept of it, I presume, that you know of? A. There was no record kept of the meeting.

123. Q. And was that tentative suggestion afterward carried out? A. It was. It was framed up and submitted to the company.

\* \* \* \* \*

132. Q. So it would be in July as Mr. Mayers suggests. Who was authorized by the syndicate to make this offer to the company? A. Sloan made the offer to the company.

30

133. Q. And in making that offer he was making it on behalf of the syndicate as reconstituted? A. Yes.

134. Q. And that offer was to purchase that property for \$100,000 plus some adjustment with regard to supplies. A. Yes.

135. Q. And the option was to be in the form of the usual working bond, he was to have a certain time to investigate the property and make certain returns out of the ore he recovered? A. Yes.

136. Q. And ultimately pay the money if he decided to purchase? Now, anything that Sloan did in the way of taking this option or working it out was on behalf of himself and the syndicate as reconstituted? A. Yes.

40

137. Q. Now that proposition was submitted in concrete form to the creditors of the Company? A. Yes.

138. Q. Who were present at the meeting of directors who dealt with that? A. Well, I don't remember exactly. There are the minutes of the meeting and I think they will tell you.

139. Q. There would be yourself and Mr. Bull? A. Myself and Mr. Bull and Mr. Wallbridge and Mr. McKim.

140. Q. And Mr. Walsh? A. And Mr. Walsh, that is right. There were only four directors at that time. Mr. Ferguson had dropped out, not being re-elected.

10 141. Q. The result was the syndicate as then constituted made the option agreement with the directors of the company as the board was then constituted? A. Yes.

142. Q. After that deal was closed, Sloan took charge of the property? A. Yes.

143. Q. I presume he was made mine manager? A. Well—

MR. MAYERS: He could not be made mine manager, because he was the whole thing. A. He was the whole cheese.

MR. MACINNES: 144. Q. Being the whole cheese, as you put it and my friend Mr. Mayers so nicely put it, he was in charge of the property on behalf of the purchasers? A. Yes.

20 145. Q. The purchasers being the reconstituted syndicate as we have just stated? A. Yes.

\* \* \* \* \*

149. Q. What became of the company on the giving of this option to Sloan? A. The company went into liquidation.

\* \* \* \* \*

155. Q. Now, at the time of going into liquidation, who were the creditors of the company? A. Mostly the syndicate members.

156. Q. There were no creditors of any consequence outside the syndicate, were there. A. There were a few.

157. Q. Small ones? A. Yes.

\* \* \* \* \*

30 166. Q. Were the shareholders informed at that meeting that Sloan had at the end of November struck ore at the lower level after sinking the shaft? A. I never heard of it at all.

\* \* \* \* \*

176. Q. And the shareholders present at that meeting were not given any information as to the possibility or probability of the Sloan option being carried out? A. They knew the option was there and they knew they had a chance to come in on it if they wanted to, but they wouldn't put up any money.

177. Q. When was that chance given to them? A. During the summer.

40 178. Q. To whom was that chance offered? A. The Williams Estate, Mr. Twiss, I think.

\* \* \* \* \*

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213. Q. Did the creditors decide to accept that offer? A. There was a resolution put to the meeting to accept it and nobody objected, so it was carried.

214. Q. Without objection? A. It was put to the meeting and Mr. Walsh objected.

215. Q. Yes? A. He objected.

216. Q. Do you remember what his objection was? A. I think he said it didn't seem enough, or something.

217. Q. And as a result of that objection, what happened? A. We took no further action. When the resolution was passed we let that lie for a month or so and then I think Mr. Walsh or somebody got after us again to see what could be done and made some further arrangements,—a new offer was made whereby we would increase the offer by \$20,000. 10

218. Q. Making it \$65,000? A. If the mine proved successful.

219. Q. If the mine proved successful? A. Yes.

220. Q. If the mine proved successful? A. I mean if the bond was carried out. \* \* \* \* \*

223. Q. The option was taken up as a matter of course? A. Yes, it was duly taken up. 20

224. Q. When was it taken up, do you know? A. There was some payments made over two, three or four years. It was not up for five years, I think, four or five years.

225. Q. I see. Now, the syndicate paid the \$65,000 for the assets I presume according to the offer? A. Yes.

226. Q. What became of the \$35,000 remaining out of the \$100,000 purchase price? A. That was, I suppose, distributed to the shareholders of the company.

227. Q. The shareholders of the company would have nothing to do with that. They would have only the \$65,000 the syndicate were offering them. Did the syndicate get the \$35,000 which was left? A. I presume they did, yes. 30

228. Q. Do you know whether it was paid or not? A. I guess it was paid.

229. Q. Did you get any part of it? A. Yes.

230. Q. You got a part of it? A. The payments came in regularly for the creditors of the company.

231. Q. I know, but they would come from Mr. Salter, the liquidator? A. Yes.

232. Q. When he completed the sale at \$65,000 the only funds he would have to distribute to the creditors of the company would be the \$65,000, isn't that right? A. Yes. 40

233. Q. He would have nothing to do with the remaining \$35,000 coming from Sloan under the option, would he? A. No, I guess that would come to the purchasers of the property.

\* \* \* \* \*

MR. MACINNES: I would like to get from my friend Mr. Sloan's report made some time in 1923. There was only one report, isn't that right? This is Mr. Sloan's report.

(REPORT REFERRED TO MARKED EXHIBIT No. 60)

MR. MACINNES: I would like to get the prospectus or draft prospectus prepared in 1923.

MR. MAYERS: There is no such prospectus.

MR. MACINNES: There is a document that was prepared and referred to in Mr. Bull's discovery, a draft of the prospectus or draft statement of facts in the prospectus with an application  
10 for purchase of shares attached.

MR. MAYERS: Yes, there are the two documents. You might put them in separately.

MR. MACINNES: Separately?

MR. MAYERS: Please.

MR. MACINNES: They are part and parcel of the same thing.

THE COURT: Yes, mark them, identify them.

(DOCUMENTS REFERRED TO MARKED EXHIBITS 61A  
20 and 61B RESPECTIVELY.)

MR. MACINNES: I am putting in the prospectus prepared by Mr. Wallbridge at the same time as the last exhibit and used on the examination for discovery.

(DOCUMENT REFERRED TO MARKED EXHIBIT 62).

MR. MACINNES: I would like the agreement from my friends for the formation of the new syndicate in July, 1924, referred to in paragraph 92 of the statement of defence.

MR. MAYERS: 61 is the statement of facts.

MR. MACINNES: 61A and B with application form attach-  
30 ed.

MR. MAYERS: 62 is what?

MR. MACINNES: The current prospectus proved on Mr. Bull's examination for discovery. He said that was prepared by Mr. Wallbridge.

MR. MAYERS: I think you will find that Mr. Bull did not know anything about that document.

THE COURT: You can check that up.

MR. MACINNES: All right, my lord.

MR. MAYERS: That is not proved and I am objecting to it  
40 and unless you produce—

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THE COURT: That, you know, is a thing that has gone in.  
 MR. MAYERS: If it has gone in, it should be taken out. I understand it has not been proved. If my learned friend says that it has been proved, perhaps he will point out the number of the question proving it.

THE COURT: You could check that up later.

MR. MACINNES: It was referred to directly on Mr. Bull's discovery.

MR. MAYERS: It had better not go in until we settle this question.

THE COURT: Yes.

MR. MACINNES: Can we go on and leave that open.

MR. SHAW: Can you turn that up?

MR. MACINNES: Give me the syndicate agreement of July, 1924, referred to in paragraph 92.

MR. MAYERS: It is, to be accurate, a declaration of trust by Mr. David Sloan.

MR. MACINNES: It was not produced on discovery. I might as well have it in.

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 63) 20

THE COURT: This was put in on discovery.

MR. MACINNES: It is produced on Mr. Bull's discovery. Now, the resolution to wind up is in what minute. Do you know the date of the minute?

MR. MAYERS: I think that has gone in.

MR. MACINNES: The resolution to wind up. It is referred to in paragraph 96 of your defence. There is the first meeting—

MR. SHAW: The resolution was the 22nd of August, 1924, and September 9th is the confirmatory resolution.

(WINDING UP RESOLUTION MARKED EXHIBIT No. 64) 30  
 (CONFIRMATORY RESOLUTION MARKED EXHIBIT  
 No. 65).

MR. MACINNES: On page 25 of Mr. Bull's examination this was marked for identification.

MR. FARRIS: Mr. Bull did not admit it, my lord.

MR. MACINNES: Questions 205 to 209.

THE COURT: Down to 212.

MR. MAYERS: It is quite clear that it was not proved.

THE COURT: Mr. Bull said, "I didn't know Mr. Wallbridge was going to have it printed. In fact he mentioned about having one printed and I rather dissuaded him, I didn't know he had done so." 40

MR. MAYERS: 212, my lord.

THE COURT: "—I looked to see if there was any charge



for paying for them. I couldn't find any charge for printing and I have only seen this since this suit commenced." And then it is marked for identification.

MR. MACINNES: And then there is Dr. Boucher.

THE COURT: Leave it until you come to it again. Mr. Shaw might look it up and see if he can get the discovery on that.

MR. MACINNES: I would like to get the list of shareholders or contributories as settled by the liquidator and the list of contributors as settled by him in the winding up referred to in  
10 paragraph 95 of the defence.

MR. BULL: There were no contributories.

MR. MACINNES: The list of shareholders. They are called contributories in the winding up, I understand; whether they have anything to contribute or not, I do not know.

MR. BULL: Here is the list of shareholders.

MR. MACINNES: With the individual holdings and addresses and particulars?

MR. BULL: I think so, yes.

MR. MAYERS: Their addresses are not here.

20 MR. MACINNES: That is what I want to get.

MR. MAYERS: You will have to take it out of the book. The register of members is here.

MR. MACINNES: I have a list here that was prepared, if my friend will agree.

THE COURT: Mr. MacInnes is offering it. Put it in, there will be no objection.

MR. MAYERS: There is a list with the addresses. Perhaps it contains the rest of the information.

THE COURT: You can check it up later.

30 MR. MAYERS: Here is the list of creditors.

THE COURT: Without addresses?

MR. MACINNES: It is the list of shareholders with addresses that I asked for, the official list as settled by the liquidator of the shareholders of the company and of the creditors of the company.

THE COURT: You began with the shareholders, why not finish with that.

MR. MAYERS: Here is the list of shareholders as settled by the Liquidator.

40 (DOCUMENT REFERRED TO MARKED EXHIBIT No. 67)

MR. MACINNES: I am tendering that other document with the addresses.

MR. MAYERS: I want to check that.

MR. MACINNES: That will be one exhibit.

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MR. MAYERS: I do not like that. When I have checked those, then that can go in.

(LIST OF SHAREHOLDERS MARKED EXHIBIT No. 66A)

(LIST OF STOCKHOLDERS MARKED EXHIBIT No. 66B)

MR. MACINNES: I would like to get the advertisement for the sale of the assets of the company in liquidation. It is set out in the particulars, my lord.

THE COURT: Yes, I thought it was in.

MR. MACINNES: No, it has not gone in.

(ADVERTISEMENT FOR SALE OF ASSETS BY THE LIQUIDATOR DATED 22<sup>nd</sup> OF OCTOBER, 1924, MARKED EXHIBIT No. 68)

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MR. MACINNES: It is in the minute book, my lord. Anyway, it is set out in the particulars on the record. The next is Mr. Bull's letter of the 28th of November, 1924, referred to in paragraph 101, whether that has gone in or not.

MR. MAYERS: Here is a copy of it, the 28th of November, 1924.

MR. MACINNES: That is the proposition referred to in paragraph 101, yes, that is it.

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(LETTER REFERRED TO MARKED EXHIBIT No. 69)

MR. MACINNES: I want to get the new offer, the second offer for the assets of the company, dated December 5th, 1924, referred to in paragraph 6 of the Defence.

MR. MAYERS: (Produces copy.)

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 70)

MR. MACINNES: I want the indenture of the 21st of January, 1925, made between the company by its liquidator and the Defendants in regard to the sale of the assets. It is set out in the particulars furnished by the Defendants.

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(DOCUMENT REFERRED TO MARKED EXHIBIT No. 71)

MR. MACINNES: I want the notice calling the general meeting of December 5th, 1924, with the letter attached to it of Mr. Wallbridge's.

MR. MAYERS: Yes, I should like these to go in separately.

MR. MACINNES: I submit they should go in as A and B.

MR. MAYERS: It is very inconvenient. Why not have separate numbers.

THE COURT: It is only a question of convenience. Number them in the usual way.

40

(NOTICE DATED 13th NOVEMBER, 1924, MARKED EXHIBIT No. 72)

(LETTER ACCOMPANYING NOTICE MARKED EXHIBIT No. 73)

MR. MACINNES: I want the minutes of the meeting of creditors at which the offer of \$45,000 for the assets of the company was accepted, referred to in paragraph 99 of the Defence.

MR. MAYERS: October 22nd.

MR. MACINNES: Yes.

10 (MINUTE REFERRED TO MARKED EXHIBIT No. 74)

MR. MACINNES: Was the option to Mr. Sloan of the 16th of July, 1924, put in?

MR. MAYERS: No.

MR. MACINNES: Certified copy from the office of the Registrar of Companies.

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 75)

I am putting in a certified copy from the Registrar of Companies of a transfer by David Sloan to the Pioneer Gold Mine of British Columbia Limited of the 30th of March, 1928.

20 MR. MAYERS: What is this?

MR. MACINNES: Transfer from Sloan to the new company of the property under the option.

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 76)

MR. MAYERS: I should like the original to go in instead, because there is some point in having the actual signature.

MR. MACINNES: I am quite content. I am putting in a certified copy of an agreement dated the 30th of March, 1928, from the Registrar of Companies from David Sloan to the Pioneer Gold Mines of British Columbia Limited and A. E. Bull and these Defendants along with other people.

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(DOCUMENT REFERRED TO MARKED EXHIBIT No. 77)

MR. MAYERS: I do not know what it is. I may be permitted to object to it later on. These we have never seen.

THE COURT: The original is here?

MR. MAYERS: No.

MR. MACINNES: These Defendants are parties to it. I put in the certified copy of the return of allotment of shares in the new company.

(DOCUMENT REFERRED TO MARKED EXHIBIT No. 78)

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MR. MACINNES: I want the letter of October 6th, 1922, Wallbridge to Copp.

(LETTER PRODUCED MARKED EXHIBIT No. 80)

The next is October 16th, 1922, Wallbridge to Copp. These are all letters Wallbridge to Copp.

(LETTER MARKED EXHIBIT No. 81)

Letter October 23rd, 1922, Wallbridge to Copp.

(LETTER REFERRED TO MARKED EXHIBIT No. 82)

Then October 27th, 1922, Wallbridge to Copp.

(LETTER PRODUCED MARKED EXHIBIT No. 83) 10

Letter November 6th, 1922, Wallbridge to Copp.

(LETTER MARKED EXHIBIT No. 84)

Now, the 1923 letters, May 23rd, Wallbridge to Copp.

(LETTER PRODUCED MARKED EXHIBIT No. 85)

July 26th, 1923, letter Wallbridge to Copp.

(LETTER REFERRED TO MARKED EXHIBIT No. 86)

Letter October 18th, 1923, Wallbridge to Copp.

(LETTER REFERRED TO MARKED EXHIBIT No. 87)

Letter June 6th, 1924, Wallbridge to Copp.

(LETTER REFERRED TO MARKED EXHIBIT No. 88) 20

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MR. MACINNES: That is the case, my lord.

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DEFENDANTS' CASE

MR. MAYERS: My lord, I have a number of applications to make with regard to examination for discovery, but I would like to postpone that until the end of my case, so that the witnesses can be called and finished with.

THE COURT: You are calling witnesses?

MR. FARRIS: I will call Mr. Shepherd, my lord.

ERNEST R. SHEPHERD, a witness called on behalf of the Defence, being first duly sworn, testified as follows: 30

DIRECT EXAMINATION BY MR. FARRIS:

Q. Mr. Shepherd, at one time you were employed at the Premier Mine? A. Yes.

Q. At the Pioneer Mine rather? A. Yes.

Q. What is your occupation? A. Superintendent for the Bridge River Exploration Company.

THE COURT: Q. Are you an engineer, or just a business man? A. Miner.

MR. FARRIS: I am just going to bring that out, my lord.

Q. And when was it you were employed at the Pioneer? A. 1921 and 1922.

10 Q. Now, at that time what was your experience; what were your qualifications?

THE COURT: Q. As a miner? A. From 1912 to that period my life had been spent entirely round mines and mills. I made my living in that manner, usually in charge of operations.

Q. Operation of gold mines? A. Of gold mines and mills.

Q. This kind of mining? A. Yes, sir. Two years training by the Aero Cyanide Company.

MR. FARRIS: Q. Anything else you want to state? A. Well, the normal operations, usually in charge of mills from that time on.

20 Q. Now, what was the work that you were to do at the Pioneer? A. I was to treat by leaching by the cyanide process a certain tonnage of ore, of tailings.

Q. Who was in charge up to the time you took it over? A. Mr. Boulger.

Q. Had he left before you got there? A. He was there when I was there.

Q. He was there when you got there and you replaced him? A. Yes.

30 Q. That is what you went there for? A. That is what I went there for.

Q. Did you complete the cyaniding operation? A. I completed that, yes.

Q. What period did that take you? A. They took me until the following year, September or October, 1922.

Q. Did you keep records? A. Yes, I kept a record and submitted a report at the end of the—

Q. Are these your records? (Showing documents) A. Those are mine, yes.

40 Q. They are dated respectively what dates? A. The first one is October 30th, 1921, and the second September 30th, 1922.

MR. FARRIS: I tender those as exhibits. 1921 first.

(DOCUMENT MARKED EXHIBIT No. 89)

MR. FARRIS: Give me the other one Mr. Shepherd, please. That will be 1922.

MR. MACINNES: Exhibit 90 will be 1922?

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MR. FARRIS: Exhibit 90 will be 1922, yes.

(DOCUMENT MARKED EXHIBIT No. 90)

Q. What do your records show—there are a lot of things in there that we are not concerned with—as to the amount of tailings? A. My records show here that we treated, 1921, 924 tons.

Q. Yes. A. In 1922 we treated 3300 tons; 2100 of which were old tailings and 1200 tons were new tailings; a total of 3300.

MR. FARRIS: That includes the new tailings as well.

THE COURT: Q. Do I get you right—1921 is 900 tons? A. Yes.

Q. And 1922—? A. 2100 tons.

MR. FARRIS: Q. What do you mean by old tailings as distinguished from new? A. The new tailings as spoken of here were delivered to me directly from the mill that was running there. We were not concerned with the tailings laid down.

Q. The old tailings were there? A. Which I went to treat.

Q. Now, what values do these records show as to these tailings? A. The record shows an average of \$4.40.

Q. Does that record account for all the tailings that were— A. An estimate of 500 tons of slimes and tailings not possible to recover.

MR. FARRIS: Your witness.

CROSS- EXAMINATION BY MR. MAYERS:

Q. You went up there in August, did you witness, of 1921? A. Yes.

Q. You were sent up by Mr. Wallbridge? A. By Mr. Wallbridge.

Q. When you got up there had you any conversations with Mr. Copp? A. Yes.

Q. What did he say with regard to Mr. Boulger?

MR. MACINNES: Is this witness' statements of what Copp told him evidence against the plaintiff?

THE COURT: Of Boulger?

MR. MACINNES: Yes. You see, Boulger was the employee of the company.

THE COURT: Not of the plaintiff?

MR. MACINNES: Not of the plaintiff. The plaintiff was not in charge, not responsible for Boulger. Copp was an employee of the company not responsible to Ferguson, and nothing to do with Ferguson at that time and from that time on. I object to the relation of any statement made by Copp.

THE COURT: About—?

MR. MACINNES: About Boulger; unless the Fergusons were present.

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MR. MAYERS: This is cross-examination, my lord. I am entitled to cross-examine this witness, and I am entitled, I submit with respect, to show that Mr. Boulger was incompetent. That is a very material issue.

THE COURT: I suppose one would have to recall the examination and cross-examination of Boulger. Recalling the examination and cross-examination of Boulger, and the cross-examination particularly, laying a foundation for some subsequent reference to him and his evidence; and I apprehend that what Mr. MacInnes  
10 is now doing—have you laid the foundation in your case in cross-examining Boulger as to his competence and perhaps veracity?

MR. MACINNES: I cannot see, my lord, where or how any course of conduct of my learned friend during the plaintiff's case can make that evidence which is not evidence namely, statements made by one party not in interest, to another party not in interest, and for whom our clients are not in any way responsible.

THE COURT: Well, Mr. MacInnes, you should see, Mr. Boulger may be the turning point we will say, in your case; the material witness of the same thing. Then as to his credibility and  
20 his veracity and his competence, I would have to consider that, and what value I could attach to his evidence which may have an important bearing on the case. Now, surely Mr. Boulger can be impugned and attacked and set aside if possible in his evidence. Are there any rules of evidence that if—I am only assuming that Bougler is not a witness of truth and is not a competent witness, and he is called by you, and you are relying on his evidence and you are asking me to rely on his evidence, and I have to determine the issues involved on his evidence. Is not that the situation?

MR. MACINNES: No, I do not protest your lordship's proposition or contest it. I think my learned friend is at liberty to  
30 attack the credibility of any witness in any way permissible within the rules of evidence. But my point is that this witness cannot come here and at the solicitation of my friend tell what Copp said about Boulger, because we are not responsible for Copp's statements in any way, and could not be held responsible for them.

THE COURT: Mr. MacInnes, Mr. Copp is also a material witness whom you called and upon whose evidence you rely. And you see the only avenue by which the defence can attack Boulger is through what might occur between Mr. Shepherd and Mr. Boulger's master, his boss, his employer. Is not that so? You have to  
40 consider the whole picture.

MR. MACINNES: No, my lord, I concede this: that if Mr. Shepherd were asked to testify as to what he did, and the facts that came under his knowledge, I think he would be quite competent to give evidence; but when my learned friend asks him

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"What did Mr. Copp tell you about Mr. Boulger," then my lord, that is introducing hearsay evidence of the worst kind.

THE COURT: No, Mr. MacInnes, I apprehend that of course Mr. Mayers is eliciting evidence from men who are competent to give an estimate of Mr. Boulger in respect to this particular operation. Mr. Copp employed Mr. Boulger, got him there to do this work, and who it may be shown he dismissed on account of one reason and another. Well, this is just a link in the proof of that. It may not be of much value, and I may not attach much importance to it.

MR. MACINNES: I can see that, my lord. What I say is this; in seeking to establish that link, that link must be established by evidence which is admissible and proper in a court.

THE COURT: That is what I am dealing with. Just wait. Do not get away from it. You are getting away from the point. That is whether the statement Mr. Shepherd is about to make in response to the question, is admissible.

MR. MACINNES: My contention is, if I understand my learned friend he has asked this witness "What did Mr. Copp say to you about Boulger."

THE COURT: Having reference to his work and so on.

MR. MACINNES: Well, my submission is, I say that it is not admissible because that is hearsay evidence; that statements made by a person who is not a party to the action, for whom we are not in anyway responsible or of whom we were not in charge.

THE COURT: Mr. MacInnes, you stated to the contrary; see if I am right, subject to your correction. He was responsible to Copp; he was employed by Copp. Correct me if I am wrong. Who was Boulger in respect to this work he was doing at this mine? Who was he?

MR. MACINNES: Who was Boulger? He was an employee.

THE COURT: So if I am right, was not Boulger an employee of this syndicate?

MR. MACINNES: Employed by the syndicate, by the company.

THE COURT: Boulger was employed by the company. And what relation was Copp to Boulger?

MR. MACINNES: Fellow employees of the company.

THE COURT: Was not Copp the manager under whom Boulger was working, and Mr. Copp was responsible for him to the syndicate. Upon whom did the syndicate rely, Boulger or Copp? They were not practical mining men. They were furnishing the money, and they were in the hands of the men whom they sent up. They had to rely upon him. I do not think any one of the syndicate would know just what these men were doing—

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MR. MACINNES: May I state my objection this way, and then be done.

THE COURT: Yes.

MR. MACINNES: I admit my learned friends are entitled to get proper evidence. What I say is this: that the evidence as to what Mr. Shepherd, an employee of the company, said to Mr. Copp, another employee of the company, about Boulger, another employee of the company.

THE COURT: Well, it is what Copp said to Shepherd.

10 MR. MACINNES: What Copp said to Shepherd about Boulger is not proper evidence in any sense.

THE COURT: Oh, yes, I understood what your objection was, but I wanted you to just show me why it was not admissible.

MR. MACINNES: I was afraid you did not get me right, my lord.

THE COURT: What do you say, Mr. Mayers.

MR. MAYERS: My lord, I submit clearly the best way to show whether Boulger was competent, is to test the opinion of his own employer who was responsible for him.

20 THE COURT: Was I right in taking it that Copp was the employer of Boulger?

MR. MAYERS: Undoubtedly. Of course he was.

Q. You had conversation with Mr. Copp about Mr. Boulger, had you not?

MR. MACINNES: Is the objection over-ruled?

THE COURT: Yes, having regard—assuming I have my facts right.

30 MR. MAYERS: Q. Now, what did Mr. Copp say with regard to Mr. Boulger and his work? A. Mr. Copp asked me when I was going down to take charge of the plant, asked me if I thought I could handle it. I stated if inside of two days, if I could not handle it, I would go to Vancouver, and then he said "Well, you had better get on deck." So I asked him about Mr. Boulger, told him it would probably be an embarrassing situation there two men down there ostensibly in charge, and he stated at the time that he did not know much about the cyanide proposition business, but he knew enough to know that he was not getting the results that he wanted, and told me to go down and take charge.

40 Q. What was it that Mr. Boulger was doing that caused the trouble?

THE COURT: Well, Mr. Mayers, it occurs to me also on this point I cannot recall now the line of cross-examination, particularly of Copp. It may well be in that cross-examination a question of the credibility of Copp would arise, and on that ground may be permissible.

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MR. MAYERS: It is all concerned with this question of the quantity of tailings.

MR. MACINNES: I would object to it on that score too. It is objectionable.

THE COURT: Of course, I am only doing it, not recalling exactly what the cross-examination was.

MR. MAYERS: Q. What was it that was wrong with Mr. Boulger's methods? A. I would say—

THE COURT: As observed by you.

MR. MAYERS: Oh, yes, of course.

MR. MACINNES: No foundation again, my lord. No foundation laid. I understand Mr. Shepherd succeeded Boulger.

THE COURT: Well, I began by asking Mr. Shepherd as to who Mr. Shepherd is. I did not know him, and I sort of anticipated that objection, and I told him to particularize, which I thought he did.

MR. MACINNES: I understood from Mr. Shepherd that he came there to take Boulger's place, and that he was not working with Boulger at all.

MR. MAYERS: You understood inaccurately.

Q. You were observing Mr. Boulger's methods, were you?  
 A. For several days before I took charge.

THE COURT: Q. Would that be a sufficient period of time to enable you to form an accurate estimate of his working of the mine? A. Yes, sir.

MR. MAYERS: Q. What was it he was doing which was wrong? A. According to at least my opinion, he should never have introduced his solution to the bottom of his filter, because he was using the new cyanide, the Aero cyanide, which was new in America at that time. It was not very well understood.

Q. As I understand it you take the pure potassium cyanide and introduce it from the bottom so that it is below the charge, is that right? A. Yes.

Q. And is that what Boulger was doing? A. That is what I observed him doing.

Q. Now this particular brand of potassium cyanide was called Aero, was it not? A. Yes.

Q. And it had a heavy precipitate of its own? A. And it had a heavy residue left as insoluble residue.

Q. And the result of that would be that you would get a very much larger and coarser precipitate than you wanted? A. Yes.

Q. What did you do to remedy that course of conduct of Boulger's? A. In the absence of filter press I introduced the solution to the top of my charge and so filtered in the residue of my charge rather than introduce it to the bottom of my filter. It would be later carried as an insoluble into the precipitate.

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Q. Of course, what you were doing that with is a cyanide tank? A. Yes.

Q. And your charge is the tailings, is it not? A. The charge is the tailings, the sands.

Q. And the object of your and Boulger's operations was to get the precipitate which would contain gold to sink in the cyanide? A. Yes.

Q. And what he got in addition to that was a heavy residue from the Aero brand of potassium cyanide? A. Yes.

10 Q. And you remedied that by your method of filtration? A. Yes.

Q. Now, having made this discovery, did you discuss it with Mr. Copp? A. What discovery was that?

Q. The discovery of the wrong method of Mr. Boulger? A. Probably did not.

Q. And the ultimate result was what? A. The ultimate result was that our precipitation became clean and back to normal and the way it should be.

20 Q. What did Mr. Copp do in order to place you in Mr. Boulger's position? A. Well, I am not quite sure what he did, but he sent me out and told me to take charge, and the next day Mr. Boulger left, so I presume he settled that.

Q. Now, your method met with success, did it? A. Yes, sir.

Q. You have shown by your reports that you got 924 tons of tailings in 1921, and 2100 tons of tailings in 1922, from the two old tailings dumps? A. Yes.

Q. Did you get all the tailings that were available on these dumps, say 500 tons? A. Yes.

30 Q. Did any tailings escape while you were in charge of the operation, from the dumps? A. While I was in charge?

Q. Yes? A. None whatever.

Q. What methods of measurement did you adopt in order to ascertain how much tailings you were getting? A. By calculation of the interior measurement of the cars, giving me a cubic content, which was later checked upon by making a box one foot square, filling it loosely with tailings, weighing it, and deducting the amount of the box from the gross amount, and weighing ten such boxes and taking the amount. That gave us a check upon our measurement.

40 Q. So that you had a check by weight and by measurement? A. We had a check by weight. We used 20 cubic feet to the ton. We found that to be not only the mathematical figure but also the practical one.

Q. You actually demonstrated to yourself that 20 cubic feet did go to the ton of these tailings? A. As nearly positively as you can make it in milling.

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Q. What was the nature of the ground under these tailing dumps? A. Very bad for tailing ponds. It was very rough.

THE COURT: Q. Level? A. No, sir, it was very irregular: large boulders and stumps. In fact, there had been no effort whatever to level the tailings' pond as a tailings pond should be level, particularly where valuable tailings are to be deposited.

MR. MAYERS: Q. What was the angle of the gradient at the bottom of the tailing pond? A. Well, I never took the exact angle, I would say 20 degrees at the upper end.

Q. Now, with a substratum of that kind what do you say as to Mr. Boulger's method of measurement? He took 40 foot squares as I understood him. Does that give you any indication at all, any probable indication? A. From the nature of the bottom, it is entirely inadequate, could he foresee that condition. 10

Q. What should he have done? A. Well, had he known the bottom had been as rough and as soaking as it was, he should have taken a much smaller square of that. That is, I would have done so.

Q. You took into consideration the moisture content, did you? A. Yes. 20

Q. And you deducted that? A. 7% as an average.

Q. During the time that you were up there had you conversations with Mr. Copp as to his work? A. Oh, yes, in a casual way. We talked over naturally—

Q. You used to meet in the evenings I suppose? A. We bunked together in the same cabin.

Q. What used Mr. Copp to say about the machinery?

MR. MACINNES: May I take it that is subject to the same objection, for the same reasons given previously.

THE COURT: This has nothing to do with Boulger. 30

MR. MACINNES: This is general statements by Copp.

THE COURT: That is controversy between Copp and this witness; Copp being the man in charge having full control of the working.

MR. MACINNES: The objection is made, not because he was in full charge, but the statements made by a third person for whom we are not responsible, and used against us, are not admissible.

THE COURT: Is he a third person? He was the principal one, the only man who knew anything about these works. It is Copp we are talking about. Do not forget who Mr. Copp was. 40

MR. MACINNES: He was not the principal one.

THE COURT: He was in charge of the mine. Is not that so? You are just putting the general objection, but recalling who the parties are, the witness on the one hand and Copp on the other, and the question is directed to the condition of the mine and how it is worked.

MR. MAYERS: I submit it is a very simple question. I have all along tried to gather from Mr. Copp his admission that he found the machinery in very bad condition. He would not admit that, in spite of his correspondence, and now I am asking this witness what Copp said on the subject, and surely that is part—

THE COURT: Would there be any point in asking this witness whether he observed the machinery?

MR. MAYERS: Well, I don't know. He is not a mechanic. He is a cyanide man.

10 THE COURT: Well, he would know whether a fly wheel was cracked. That I think was admitted, the fly wheel was cracked.

MR. MAYERS: I just wanted to get, without going into details, Copp's general view of the matter at the material time.

MR. MACINNES: I say that is hearsay evidence and is not admissible even for the purpose my learned friend suggests now. He says now "I want to get the statements made by Mr. Copp to Mr. Shepherd during the course of their casual talks up at the works, in order to show that the evidence which Copp gave yesterday is not to be believed." Now my learned friend did not lay the  
20 foundation for that. Because if he intended to produce Mr. Shepherd to contradict any statements made by Copp in the box, he should have put the time, place and circumstances to Mr. Copp fairly, that he was going to contradict. He cannot do it now. It is objectionable in the first place because it is hearsay, and in the second place it is not properly introduced, and no foundation is laid for it.

MR. MAYERS: My learned friend is appealing I submit, to the wrong rule. I am not concerned with any actual words that Copp said, but his general view at that time of the character of the  
30 machinery which he is now, or yesterday was, trying to uphold.

THE COURT: But his views would be reduced to words, and expressions that would convey to an ordinarily intelligent man the condition of the machinery. For instance, "the wheel was not cracked"; then the condition of the other bits of equipment were so and so, and so and so. Then should not you have said "Well, you know Shepherd. Did you not tell him this, and this, and this." Is not that the rule? And that is what Mr. MacInnes is relying on.

MR. MAYERS: I would think not, but I would bow to any decision your lordship makes.

40 THE COURT: Well, I give effect to that.

CROSS-EXAMINATION BY MR. MACINNES:

Q. Mr. Shepherd, how old are you? A. 45.

Q. And that was in 1921 and 1922 you were up there? A. Yes.

Q. You were then 35. What experience had you had? How many years altogether? A. Well, since 1912.

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Q. Cyaniding? A. A lot of cyanide work, yes.

Q. From 1912? A. Yes.

Q. What is your technical qualification? A. Well, my technical qualification is four years training at one of the best engineer's in the southwest, Frank H.—

Q. Have you a school— A. I have no certificate. I am not a registered mining engineer.

Q. You are what we call a practical man? A. No, that is not necessary for the cyanide process.

Q. You are not a certificated man or a man with any kind of degree? A. No. 10

Q. You are simply a man of experience? A. Yes.

Q. The same as Boulger? A. Yes.

(Witness aside)

ALFRED EDWIN BULL, a Defendant herein, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. MAYERS:

Q. You live in Vancouver? A. Yes.

Q. And you have the misfortune to be a solicitor? A. Yes.

THE COURT: And a defendant. 20

MR. MAYERS: Q. How long have you practised that profession? A. Practised in Vancouver over thirty-six years.

Q. As his lordship states, you have also the misfortune to be a defendant? A. Yes, sir.

Q. What firm was yours in 1919 and onwards? A. Harris, Bull & Mason.

Q. When did you first come in contact with this matter which is being discussed here? A. In December, 1920.

Q. Who brought the matter to your attention? A. The late A. H. Wallbridge. 30

Q. By the way, what were your relations with Mr. Wallbridge? A. I have known Mr. Wallbridge ever since I have been here, thirty-six years, until the time of his death; very closely associated with him. We lived together in the same hotel before we were married, in Vancouver.

Q. That ought to be a bond? A. Yes.

Q. And what was Mr. Wallbridge's profession? A. In 1920 he was a broker, I think.

Q. Had you at that time any practical experience with mining? A. No. 40

Q. Now, did Mr. Wallbridge bring Mr. Copp to see you at any time? A. He brought him in twice.

Q. That would be at what period of time? A. That was in December, 1920. He came in himself first, and then he brought—

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Q. Briefly, what did Mr. Copp tell you about this matter? A. Well, he outlined—

THE COURT: Q. Did you know who Mr. Copp was? A. I had never met him before.

Q. Did you know who he was, what he was? A. Oh, yes.

Q. What did you understand he was—lawyer or doctor? A. No, he was a mining man.

MR. MAYERS: Q. Well, by a mining man you mean a practical mining man? A. Practical. I do not think he was an engineer, although I think he had a course at the University here after he came back from overseas.

Q. Mr. Wallbridge brought him in as a mining expert, I suppose? A. Yes.

Q. Now, what did Copp tell you—briefly? A. Wallbridge had outlined a proposal to me before. That we could acquire a 51% interest in the Pioneer Mine for \$50,000. Then he outlined what there was to do and brought in Copp, and he represented, told us that there was 10,000 to 12,000 tons of tailings there that would average, assay, from \$5 to \$6 a ton, and by putting up a cheap cyanide plant those were to be treated and enough money obtained to go on with the operation of the mine.

Q. And what else? A. And that the machinery of the mine was in good shape for operating; the mine had been developed to the third level and considerable gold had been taken out by the Fergusons and Williams, in managing the old company, some one hundred and thirty odd thousand dollars.

Q. You know that he was representing the Fergusons and Mr. Williams? A. Oh, yes, he was the agent, trying to sell us this stock.

Q. Now, what significance did you attach to any one or more of those statements? A. At least I attached the greatest significance—the greatest consideration was the question of the tailings. The mine was full of water so that we could not see in the mine, what was down below in the mine, and of course the tailings were covered with snow; that was in December. He represented if we put a small cyanide plant on there we could get perhaps \$50,000 out of it, and with that money we could operate the mine. So that looked to me— The first time I told him I would consider it, and they came in the second time to get my answer. That looked to me as if we would have enough money on hand to operate the mine, to go on; as we called it that was our bank account. That looked to be a sure thing if the statements were correct, that we could get out perhaps \$50,000 in cash as working capital for the company, and we were not taking much risk then. And we were to put up \$15,000 cash before we saw the plant, and the balance was over a term of years.

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Q. And you subsequently signed an agreement to that effect on the 6th of January, 1921? A. The 6th of January. I think the first draft agreement was sent over to me by the firm of Walsh & McKim by the middle of December.

Q. And the disposition of that \$15,000 was set out in that agreement? A. Yes, \$5,000 was to go to the Fergusons and Williams, and the \$10,000 was to be paid to Mr. Williams and Mr. Walsh and Mr. Wallbridge as trustees to put in the cyanide plant, to erect a cyanide plant.

MR. MACINNES: Q. Do you say the \$5,000 was to go to the Fergusons, or pay the debts of the old company? Q. No, to go to Fergusons and Williams. They used it to help pay the debts of the old company. 10

MR. MAYERS: Q. And that was a term of the agreement, that they should pay the debts of the old company? A. Yes, they were to pay the debts of the old company.

Q. Was that carried out, that agreement with regard to the debts of the old company? A. No.

Q. What happened? A. Well, creditors—there was a lot of wholesale people, and there were two trustees in connection with these wholesale houses, trustees for the creditors, and there was about \$3,500 owing to them. They were crowding us right along during 1921 and 1922, to pay these; they threatened to sue the company or wind it up if we did not pay them, although the agreement provided that Ferguson and Williams were to pay them. Finally towards the end of March, 1921, we had to pay \$2,500 to keep them quiet, and then later on next year, we paid them another \$1,100. We paid \$3,600 towards the debts of the old company, which they had agreed to pay and indemnify us. 20

Q. "They" being the Fergusons and Williams? A. Yes. 30

Q. Did you meet Mr. Ferguson before the signing of the contract of the 6th of January, 1921? A. Yes, I had several interviews with him in Mr. Williams' office.

Q. Did he say anything of this mine which Mr. Copp had told you about? A. I could not say definitely that he did. We were discussing more the terms of the agreement.

Q. Was there any agreement made with regard to sinking a shaft? A. No, certainly not. The mine was full of water. We didn't know there was anything down at the bottom. All the agreements we made were put in the written agreement. 40

Q. There was nothing at all outside that written agreement between you and the company? A. No.

Q. Then after you had signed the agreement, I think you retained Mr. Copp as the mine manager? A. Yes.

Q. On whose recommendation did you take Mr. Copp? A. I could not say. It was part of the understanding that he was to take charge of the mine. When we went into it—when we made



this agreement, that was the understanding between all of us, that he was to take charge.

Q. By "all of us", do you include Ferguson? A. Oh, yes, Ferguson and Mr. Williams.

Q. Did you know anything of Mr. Copp, or even of his existence before this occasion? A. No.

Q. So that all you knew of Mr. Copp must have come from Mr. Ferguson? A. Yes.

10 Q. By the time you went up to the mine—which I think was in July, 1921? A. Yes.

Q. Had the mine been pumped out by that time? A. No. When I got up there at the end of July—or the last week in July—it was only pumped out to the second level. The bottom level, 300 feet level, was full of water.

Q. Did Mr. Copp ever get that mine pumped out that year? A. I think he got it pumped out by the 1st of September.

THE COURT: Mention the years. A. 1921. That is from what I understood, because he started mining and milling.

20 MR. MACINNES: A great deal of Mr. Bull's evidence must of necessity be hearsay. I do not want to take objection all the way through. Now he was not on the ground. He is dealing with representations, statements made to him and all that sort of thing.

THE COURT: By Mr. Copp.

MR. MACINNES: By Copp and by Wallbridge and by everybody.

THE COURT: You jump the stile before you get there. Are you objecting to this question? It would help me if I am confronted with the objection when it arises.

30 MR. MACINNES: Mr. Bull is a solicitor, and if he will make it perfectly clear as he goes along, what the statement was—

THE COURT: Mr. MacInnes, I assume that Mr. Bull's answers will be in response to the questions that are asked. But if the question is not objected to, I am assuming, you see until the contrary appears, that the answer will be in response to the question, which is quite all right.

MR. MAYERS: Q. During that year of 1921, after you had returned from the mine—which I think was in August, was it not? A. About the end of the first week in August.

40 Q. Did you see Mr. Copp subsequently? A. Yes, he was down in September.

Q. Now, when you saw Mr. Copp on any of these occasions did he complain at all about the machinery?

THE COURT: Now, Mr. MacInnes, I take it you are objecting to conversation between Mr. Copp and Mr. Bull?

MR. MACINNES: Oh, yes.

THE COURT: You are recording your objection now to Mr.

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Bull reciting anything that occurred between himself and Mr. Copp?

MR. MACINNES: Yes, my lord, hearsay—objectionable, contrary to rule.

MR. MAYERS: Q. Will you tell me whether during any of this period Mr. Copp said anything about the machinery? A. Well, when he came down in September the water wheel had broken down; we had to get a new one. The whole works and the whole operation had stopped. Of course, it was general knowledge to us. We knew. And before that, when we were up he complained about having an awful lot of trouble in fixing up the flume in the first place, and he had trouble about the pumps. The pumps would freeze up, and also the towers were worn out. He told us a story that afterwards we sent out to the others.

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THE COURT: You say "us"? A. Wallbridge and I.

Q. Would you include in this recitation the plaintiff Ferguson? He was one? A. He was one of the directors.

Q. He was one of "us"? A. He was one of "us".

Q. When you say "us" would you include Ferguson? A. Well, I don't know. He must have known because he was here in the city.

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A. And a director? A. And a director.

THE COURT: You see Mr. MacInnes, they were all an entity.

MR. MACINNES: That is the objectionable part. Mr. Bull says that Ferguson must have known because he was in the city. Now, Mr. Bull does not know whether Ferguson did know these details.

THE COURT: That is the reason why I asked. The point of my question was to ascertain where in the meantime was the plaintiff Ferguson. The plaintiff Ferguson was associated with the defendants; with Mr. Bull and with Mr. Wallbridge; but apparently it was Mr. Bull's and Mr. Wallbridge's money which was going into this. So far I do not understand that any of Ferguson's did, but he was associated as being an interested party in this mine, and he was one of the group, and surely Mr. Ferguson—not that he ought to have known—must have known. He was one of the group and apparently for some time, for some convenient period Mr. Bull and Mr. Wallbridge could go away to take a look over this. Mr. Ferguson might just as well have been there—may have been there, perhaps should have been there. But this is all one entity, one group. I think this evidence is according to the rules of evidence.

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MR. MACINNES: Well, I would object formally that one witness seeks to give testimony as to particular reports made by Copp about the work to Mr. Wallbridge, or to both of them—

THE COURT: Do you mean written or otherwise?

MR. MACINNES: The written reports to the company, I presume, would be responsible and he should see them. But when particularly reports verbally made by Copp when talking to Mr. Bull and Mr. Wallbridge, surely they cannot be evidence against Ferguson's unless they were there. That is the objection I am making.

THE COURT: Yes, very well.

MR. MAYERS: Q. Have you concluded what you have to say about Copp's complaints about the machinery in 1921? A. 10 Yes, I think. That was as far as these troubles had developed at that time.

Q. Now you remember that letter of the 9th December, 1921. It is in paragraph 51 of the defence? A.. Yes.

Q. Who drafted that letter? A. Mr. Wallbridge drafted it.

Q. And did you see it? A. He brought it up to me and we went over it together and revised it, and I had it typewritten and signed and sent.

Q. What was the only source of information of either you or Mr. Wallbridge with regard to matters stated in that letter? A. 20 Well, they had come from Mr. Copp.

Q. Passing on now to this question of the money that was borrowed from time to time by the company. As a matter of fact, the company did borrow on numerous occasions from these six associates? A. Yes.

Q. By the way, I will just pause there for a moment. That association has been called a syndicate. In fact, it was nothing more than six gentlemen who bought shares in the thing?

MR. MACINNES: I object to my friend putting it that way. The syndicate agreement, whatever it is, is in. 30

THE COURT: It is all in writing?

MR. MAYERS: It is all in writing, and I am asking this witness whether it wasn't the fact that the only association of these six gentlemen was that they joined together to buy shares in the Pioneer Gold Mine Limited.

MR. MACINNES: I am objecting to that for these reasons: In the first place, the association is of record and the writing is an exhibit in this trial and speaks for itself.

THE COURT: You say it is reduced to writing?

MR. MACINNES: It is reduced to writing and filed as an exhibit—exhibit 5, I think. In the first instance, I object to my 40 learned friend formulating a question in the way he was doing, to put in this witness' mouth a statement in which he seeks to get the witness to concur. In other words, my learned friend is preparing the evidence.

THE COURT: I would be very much surprised if Mr. Bull would accede to any procedure of Mr. Mayers'. If he were dealing with another type of witness—

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MR. MACINNES: Your lordship knows that the worst witness in the world is a solicitor.

MR. MAYERS: Then that would appear to be my misfortune, but wouldn't it be better if my friend now takes an objection to every question I ask?

THE COURT: Yes, I understand that is what he really intended. He was rather modest about it. You are objecting to Mr. Mayers being here at all, Mr. MacInnes?

MR. MAYERS: Well, it won't hurt my feelings, my lord.

MR. MACINNES: The point is, my lord, with Mr. Mayers' ability and his experience, I certainly object to him formulating a question, preparing the answer for the witness, particularly when we have a witness who is thoroughly conversant with the affair and thoroughly familiar with the rules of evidence. 10

THE COURT: Yes, and not at all susceptible of being taken in by the blandishments of counsel who may be examining him.

MR. MACINNES: But who is a party to the action.

MR. MAYERS: Q. Was there ever a syndicate manager? A. No.

Q. Was there ever a syndicate business to manage? A. No. This document, exhibit 5, contains our relationship in connection with the purchase of that share, so, for designation, we probably called it a syndicate, but what it is—that document speaks for itself. 20

Q. Now I want to deal with these moneys borrowed from time to time by the company or members of this association. You heard Mr. Ferguson say that at the meeting of August, 1921, in particular, and I think other meetings, he objected to any money being borrowed unless you would promise to sink a shaft. What have you got to say to that? A. Oh, that is all nonsense. That is not true, because we only borrowed money to pay debts that had already been incurred. For wages or supplies, we did not borrow money in respect to the work; we only borrowed money when we had to pay our debts, and we did not make any agreement as to sinking a shaft. 30

Q. When you went into the matter, where did you suppose your working capital was coming from? A. From those tailings. That is what we went in for. I would not have bothered—

Q. You were present at all these director's meetings at which money was authorized to be borrowed? A. Yes. 40

Q. Now did Mr. Ferguson at any one of these meetings make it a condition of consent that the money must be spent in shaft-sinking? A. No.

THE COURT: Q. You are quite distinct about that? A. Oh, yes. He grouched about borrowing money some times.

Q. You mean complaining? A. Complaining, yes.

MR. MAYERS: Q. On whose opinion were you relying in regard to the plan of operation of developing or working this mine? A. We had to rely on Copp altogether. He was the only practical man in charge of the work.

THE COURT: Q. Was Mr. Wallbridge a practical man in any sense? A. No.

Q. As a miner? A. No.

Q. At any time? A. No.

10 MR. MAYERS: Q. You have read this correspondence between Mr. Wallbridge and Mr. Copp? A. Yes.

Q. Can you find any instance in the correspondence where Mr. Copp ever suggested shaft sinking? A. No.

Q. You recall his report of the 12th December, 1922, do you? A. Yes.

Q. And you recall there that in order to sink it would be necessary to have a larger hoist? A. Yes.

Q. Did he ever depart from that attitude? A. No.

20 Q. You remember that letter which Mr. Wallbridge wrote on the 23rd May, 1923, to Copp, asking Copp whether he should accept Macdonald's offer to sink? Do you remember that? A. Yes.

MR. MACINNES: I object, my lord.

MR. MAYERS: I thought you objected to everything.

30 MR. MACINNES: No, I object to that being in. I object to that. My learned friend is relating now a statement made by a co-defendant—at least, by a man who now holds the place of co-defendant if he had been here; a statement made by Mr. Wallbridge in 1921 and 1922. Now as a rule of law I understand admissions or statements made to a person cannot be used as support of his legal position. The statement can be used against him, but not in his favour. Now when my learned friend tried to get in statements of Mr. Wallbridge favourable to the defence, tries to get those in as evidence for the defence, then they are not admissible. We can use them if they are against them, but they cannot use them in their favour.

MR. MAYERS: My learned friend did not wait to hear what my question was.

Q. My question was, first, whether you had seen this letter—I take it that that is not improper. A. Yes.

40 Q. The 23rd May, 1923. You remember that letter from Mr. Wallbridge, asking Copp whether he should accept Macdonald's suggestion to sink? A. Yes.

Q. Now can you find in the correspondence any reply from Copp to that question at all? A. No.

Q. There is another small incident in 1922, which I would like to ask you about. You heard Mr. Twiss, I think, saying that Mr. Wallbridge had wanted Mr. Twiss to buy Ferguson's 30,000

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shares in order that he, Wallbridge and his associates might get control? You heard that? A. Yes.

Q. What have you to say about that suggestion? A. Well, we had control of the company at the time, so that we did not need those shares. We owned 51 per cent. of the shares.

Q. Did Mr. Wallbridge know that? A. Yes, the shares were in his name, most of them.

Q. Now in September of 1922 you got this letter from Mr. Copp revealing for the first time that there was a shortage of 6,000 tons in tailings. You remember that? A. Yes.

Q. That letter is the 15th September, 1922. What was the position of you and your associates with regard to the money part of it at that time? A. We had been putting up money, lending the company money right along. That is, we had had to finance the company. We could not get anything from the owners of the 49 per cent of the shares; we could not get them to put up any money. The result was we put the money up ourselves, and we financed money from time to time, as we had to do it to pay the liabilities, until at that time we had quite a total amount. I don't know just how much, but things were looking blue then.

Q. Do you recall roughly at the end of 1922 how deeply you and your associates were in? A. We had at least \$22,500 in it.

Q. And was there any amount to the bank at that time? A. We had endorsed notes to the bank for \$11,000 at that time.

Q. So far you stood in then about \$35,000—\$33,000. A. Yes.

Q. Now what was the effect on your mind of this letter of Copp's with regard to the tailings?

MR. MACINNES: Is that evidence?

THE COURT: Some learned judge says that the condition of a man's mind is just as much evidence as the condition of his stomach.

MR. MAYERS: I do not propose to deal with that feature, my lord. But these gentlemen are accused of being fraudulent conspirators. Now if ever there was a case where the state of a man's mind would be material, I should think it would be the case where he was accused of fraudulently conspiring. I submit I am quite entitled to show what actually was the state of mind of these gentlemen in 1922.

THE COURT: There is a difference, which Mr. Farris may not have observed, between Mr. MacInnes' gestures and his objections. This is just a gesture. Therefore, you may proceed. A. The result of that is that we concluded that we had been taken in, had been played for suckers. We expected to get \$50,000 out of the tailings with which to operate the company, and when we heard that we would only get \$12,000—we treated 3200 tons of tailings instead of 10,000 to 12,000 tons, and we only got \$12,000 out of that instead of \$50,000. The result was that we had lent

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money to the company and we considered that the thing had been so misrepresented to us that we would not go on any further. So that we wrote the Williams estate, to Walsh, who represented he had the shares of the Williams estate, and the Ferguson shares, and told them that we would not—

MR. MAYERS: Q. That letter is in? A. Yes. We had conversations with them and told them we would not go on with that. We would throw up our option and sue them for damages for misrepresentation.

10 Q. This matter was discussed between you and your associates? A. Yes.

Q. And it was also discussed between you and Mr. Walsh, as representing the estate— A. Yes.

Q. You made a complaint to Mr. Walsh, of what exactly? A. Well, we went over all those misrepresentations in there so far as these tailings, and told them, with such misrepresentations as that, we would not go on with the thing; we would simply throw it up and sue them.

20 Q. And then I think you kept a docket or you made entries in a docket with regard to your activities in regard to this matter, did you not? A. Oh, yes, I made my daily entries.

Q. I see in January, 1923, you had some interviews with Mr. Noble? A. Yes.

Q. Who was Mr. Noble representing? A. Mr. Noble was representing the Fergusons.

THE COURT: Q. In what capacity? A. As their solicitor, my lord.

MR. MAYERS: Q. As solicitor for the two Fergusons? A. For the two Fergusons.

30 Q. Now the date of that January interview—or there were two January interviews, what was the date of the first one? A. 16th January.

Q. 1923? A. 1923.

Q. Who were present, by the way? A. Mr. Noble on behalf of the Fergusons, the two Fergusons, and Mr. Walsh on behalf of the Williams estate, and myself on behalf of our associates, myself and associates.

Q. What was the discussion at this meeting? A. These representations as to the—

40 THE COURT: Q. By whom? A. By the Fergusons. Misrepresentations made to us, anyway, both from the Fergusons and Mr. Williams; and that the amount of the misrepresentations and what we had got out of it, and misrepresentations as to the machinery and the development of the mine—all those things. The whole thing was gone into as referred to in that letter of September, and also the previous letter of December of the previous year, 1921.

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MR. MAYERS: Q. December 9th, 1921? A. Yes.

Q. Then Mr. Noble after that went away, did he—away from that meeting? A. Yes. We were there two hours discussing that thing, and I put it up plainly that we would drop the thing and sue them if they did not agree to our proposal.

Q. Then Mr. Noble left, did he? A. He left, and the next word we got was on the 22nd, six days later. Mr. Noble said that the Fergusons had decided that they would agree to our proposal.

Q. That was what Mr. Noble said at a personal interview with you? A. Yes.

Q. Just pause there for a moment. That would bring us up to this contract of February, 1923? A. Yes, that contract was the result of our negotiations.

Q. Now I want to read to you from the statement of claim.

THE COURT: What paragraph?

MR. MAYERS: Paragraph 7 of the statement of claim.

Q. I have already asked you this, but I will ask you again—

THE COURT: Q. Have you got a copy of it, Mr. Bull; paragraph 7, on page 5? A. (Witness refers to document).

MR. MAYERS: Q. "It was understood and agreed between the plaintiff and his associates—"

THE COURT: Where are you beginning, Mr. Mayers?

MR. MAYERS: The fifth line, paragraph 7.

Q. "It was understood and agreed between the plaintiff and his associates and the defendants at and prior to the giving of the aforesaid option that the defendants would proceed forthwith to sink a shaft on the Pioneer Mine." Is there any truth in that? A. No. I might say with reference to that—the money regarding the tailings, we would go on developing the mine, whatever that meant.

Q. Of course, you wanted to develop the mine? A. Certainly; that was what we went in for, because there was not anything in the tailings except capital.

THE COURT: Q. What you called your bank account? A. What we called our bank account. That was the term we used at the time.

MR. MAYERS: Q. By the way, you did not know, of course, much about the proper development of the mine at that time? A. No.

Q. Did you anticipate from what you had heard from Mr. Ferguson that the mine had been gutted? A. No, certainly not. We knew that so much had been taken out and it was developed down to the third level, but we did not think the mine had been gutted.

Q. "The defendants fraudulently conspired together so to mismanage the company as to acquire its property without payment and eventually to defraud the minority shareholders of their



interest." What do you say about that? A. That is a contemptible lie, that is what it is.

Q. Was there ever any such idea in your mind, or as far as you know, in the minds of your associates? A. No, absolutely nothing was further from my mind, and as I know my associates, further from their minds. That is a rotten allegation and I resent it very strongly. I have been living here 36 years, and I thought I had a fairly reputable character. I carried on a business practise of law, and at this stage, a thing like that to be brought up, I resent it very strongly.

Q. "The defendants in furtherance of their design wrongfully refused and neglected to do any proper mining or development work." Now did you refuse and neglect to do any proper mining or development work? A. No. We were at Copp all the time to get on with his work. It was in his hands. We did not ask the details of the work.

Q. And is that shown abundantly by Mr. Wallbridge's correspondence? A. Yes, the letters to Copp from Wallbridge shows that he was on his back all the time to make him get ahead and do something to get out gold.

Q. Did you repeatedly refuse and neglect "to sink said shaft"? A. No.

Q. Now I also direct your attention to this that you "systematically loaned money to the Company in order to make it insolvent"? A. That is another contemptible lie. We did not lend any money until we had to. We had to lend money to keep the company out of liquidation—at least, not only our own creditors, but the old creditors were on us all the time to pay the debts and we only borrowed money when we had to pay the payroll and supplies that Copp incurred and ordered.

Q. "The funds of the company, including the moneys loaned, were dissipated by the defendants in various manners, such as paying salaries." Now what about that? A. We did not pay any salaries, other than men at the mine working. Copp got \$200 a month and Boulger got \$200 a month for the time he was there, and Shepherd was last. Wallbridge got no salary.

THE COURT: Q. Would you call paying salaries dissipating money? A. Well, I would not think so.

MR. MAYERS: Well, I take it that is directed to these defendants.

Q. Did any of these defendants get any salary. A. No. I worked for all these years without getting a dollar for my services, other than legal expenses incurred. And Mr. Wallbridge, under the agreement he was allowed \$250 a month during operations as manager. He did not draw that, and it was not until 1924 that he was allowed for his salary for 43 months.

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Q. Yes, as I understand it, his salary then amounted to over \$10,000? A. Yes, and we compromised at \$3,250 for 43 months; about \$90 a month; and he did not get that before he died. He was entering a claim against the company and he never got it before he died.

Q. Now I had better go on: "The funds of the company, including the moneys loaned, were dissipated by the defendants in various manners, such as paying salaries and acquiring miscellaneous equipment which was placed on the property but not used until after the Pioneer Mine was wrongfully acquired by the defendants in the manner hereinafter alleged." Did you acquire any miscellaneous equipment than what Copp called for? A. No; carried out his orders. 10

Q. Did you yourself know anything about what equipment was required? A. No.

Q. Or any of your associates? A. No.

Q. Who was the man who told you what to get? A. Copp.

Q. Paragraph 8: "From January, 1921 to July, 1924, the defendants, being in full control of the said company, fraudulently conspired together to refrain from mining and producing gold and so to bankrupt the company." What do you say to that? A. That is absolutely false. We tried to get all we could out of the mine and kept after Copp. Even told him to take off his coat and go down the mine himself and work. And we did not advance any money unless we had to, to keep the company out of being sued. 20

Q. You borrowed from the bank, in the name of the company, and you and your associates guaranteed the loans? A. Oh, yes, we had to endorse the notes. Any money we got from the bank we had to endorse.

Q. Did the bank exert pressure from time to time? A. Pressing us all the time. We had to go in and try to get— 30

THE COURT: Q. Which was the bank? A. The Union Bank.

MR. MAYERS: Q. Now in 1923 do you recall what your advance amounted to? A. What date?

Q. 1923, say by May or June? A. I think they amounted to about \$25,000. The particulars will show that.

Q. Well, that is correct; that is shown on the particulars. A. \$25,000, besides the liability to the bank.

Q. And the liability to the bank was what? A. I think it was about \$8,000 at that date. 40

Q. Well, it was \$9,000. That is shown in the particulars. Is that it? A. Yes.

Q. Now what did you and your associates attempt to do when you found that your working capital had vanished in 1923? A. Well, in 1922 and 1923 we tried to sell the mine.

Q. And you continued those efforts in 1923? A. Yes. We tried the Premier people, and Woods & Trites, and Colonel Leckie. We tried the company operating at Surf Inlet, and we tried people in Southern California, and a fellow named Errington, representing some English company, I believe; tried to get him in, and A. B. Smith, the mining engineer, tried to get him in, and A. E. Davis, who used to be engineer for the government in that district. We tried to get everybody in sight, tried hard with anybody.

Q. And in addition was there any attempt made to sell  
10 shares to raise capital? A. Yes, in 1923 we got Mr. Sloan to come up in June, 1923, to make a report on the mine. We were trying to get him interested in the company as well. And he went up and made a report, came down—he made his report on the 10th July, 1923. Then we had—under that agreement with Ferguson of the 15th February, I think it was, 1923, Ferguson, Williams and ourselves agreed to turn in about 250,000 of our shares to the benefit of the company, to be sold to finance the company. So that in August, July and August, 1923, we confirmed—we and Fergusons agreed on a plan to try and sell those shares of 250,000 at 25 cents  
20 a share and raise capital to operate the mine. We had a meeting at Mr. Wallbridge's house one evening, and Mr. Sloan was there, and he said if we would raise \$30,000, if we could sell enough shares to raise \$30,000, he would take a block of shares and put in \$10,000, and he would take charge and operate the mine on this. It would take \$25,000 of that to operate the mine. So as a result of that Wallbridge and I got out that statement of affairs, which I think was put in. I don't know what exhibit that is. He drafted that out and brought it up to me, and we revised it and settled on the terms. And then we drew up a little memorandum, subscription  
30 list, and on that Mr. Wallbridge worked some time, trying to get people to buy these shares. I have had financial people tell me afterwards he approached them and wanted them to buy shares, but he couldn't get a dollar, could not sell anybody those shares. So that dropped.

Q. Mr. Sloan's report is in, I think. I just want to call your attention to one paragraph in it, where he says capital is necessary for development and \$25,000 should be spent on the Pioneer in development before any attempt is made to mill. Now had you that \$25,000 to put in, you and your associates? A. No, we had  
40 put in all the money we could practically raise at that time.

Q. Then I think you said just now that you tried to get Sloan to take the matter in hand in 1923? A. Yes.

Q. How many attempts did you make with Sloan? A. Well, we were working on him so that he went up to make an inspection, and after he came back—in fact, I had to get him to go up—

THE COURT: Q. Who was Mr. Sloan at that time? A. David Sloan. I had not met him before.

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Q. Who was he? A. He was a mining engineer.

Q. Experienced? A. Experienced. I think he was out in Ontario. We heard that he made a success of some mines in Ontario, and he came to us well recommended.

Q. Introduced to you as an experienced, practical mining engineer? A. Yes, as a practical mining engineer.

Q. And you dealt with him on that basis? A. Yes.

MR. MAYERS: Q. Did you manage to get him in in 1923? A. No. We could not get any money from the public and we made the proposition to Mr. Sloan that he buy the mine for \$100,000, and that we would take \$25,000 on what the company owed us and take a quarter interest with him, put that in, and that he was to raise about \$50,000, \$25,000 for development and \$25,000 for a new plant. And he asked Wallbridge to help him to try and organize a syndicate or a few associates to carry that thing through. But neither of the two of them got anywhere with it, so that fell down.

Q. Then I think in the winter of 1923 the company gave an option to Mr. Copp, did it? A. Yes, at the end of 1923, Copp—I think he represented he thought he could sell it to somebody.

Q. And did he succeed? A. No. We gave him an option to try to sell it, but he did not succeed.

MR. MACINNES: Q. He was not the prospective purchaser himself? A. Oh, no; he had no money. I think he gave us to understand he had somebody in view. He was to get a commission, I think, out of it.

MR. MAYERS: Q. In 1924, did your condition improve? A. No. Through Mr. Sloan's efforts, Mr. David Sloan, during the winter of 1923-24 he interested a man named Land from New York, whom he had done business for in Northern Ontario, with the result, I think, he negotiated an option with R. R. Land to take this for \$100,000. That was dated the 1st April, I think it is, for sixty days. The condition of that was that he was to send out \$1,000 to de-water the mine, to have them de-water the mine, and then he and his three companions came out from New York, which cost them quite a bit more, I suppose, and went up to look at the mine.

Q. He and his engineers? A. Yes, he had an engineer and one associate; I think there were three altogether. They went up and looked at the mine in June, 1924, and came back and turned it down flat.

Q. What effect did that have? A. Well, we thought we were up against it then. At that time we had \$60,000 in the property and no chance of getting it out. And on this option to Land, Sloan was to get \$10,000 commission. That left \$90,000 for the company. Now at that time we owed \$45,000; there was \$45,000 loaned to the company, loaned to us, and for which we were liable

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—approximately, that is. We had \$15,000 in stock and shares, but one would not be liable to get that \$15,000 out—so instead of getting that we had to get another \$30,000 to get our money, which would be \$75,000—would be nearly \$80,000, and we could not get \$90,000 from the men who had money, and spent \$2,000 or \$3,000 investigating. So it looked as if our money was gone.

10 THE COURT: Q. Where was the plaintiff Ferguson all this time? A. He had left some time in June, 1922 and that is the last, outside of a few letters in 1922 from Seattle, we heard of him or from him. I think he turned up here last year, nine years afterwards.

MR. MAYERS: Q. Then I understand in Mr. Wallbridge's letters, one of his letters to Copp, that there was some attempt to get the other shareholders to submit to an assessment on their shares? A. When this last option—things looked pretty blue when the last option was turned down. Next month, in June, we made a proposal to the minority shareholders. We got in touch with Mr. Walsh, representing his own and Ferguson's shares and Twiss, to agree to an assessment of two cents a share. We said we  
20 would put up two cents a share if they would do the same, to operate the mine, and they turned it down. They would not put up a dollar. That was in June, 1924.

Q. Then you turned back to whom—to Sloan? A. Then we took another crack at Sloan. We put the proposition up to Sloan that he buy the property, and we offered it to him for \$100,000, and we had quite a bit of negotiation, both myself and the late A. H. Wallbridge, trying to get him to take it over. So he afterwards came and put a proposition. He said, "If these people will come in with me, take half interest in it and put up half the money and take half the responsibility, I will take a working bond on it  
30 for five years at a purchase price of \$100,000."

Q. Was that discussed between you and your associates?

A. Yes.

Q. Was there any enthusiasm about putting up this new money? A. No. I thought that was just the last chance of saving our money and getting the thing operated. We had to guarantee to raise \$16,000. We were to raise \$8,000 and Mr. Sloan and his associate the other \$8,000.

40 Q. And that was finally agreed upon by you? A. Finally agreed upon. We had a meeting at Mr. Wallbridge's house, when Mr. Sloan definitely made that statement, proposition, and then we agreed. The point was then how we were going to divide. Mr. Wallbridge and I had been carrying the load. In the original syndicate there were tenths.

Q. Tenth parts? A. Tenth parts. I had two-tenths, Mr. Wallbridge had four-tenths, and the others had one-tenth each. So that at that Mr. Wallbridge and I were carrying more than

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half the load. The thing looked so black that we said, "We won't do that. We will take an equal share," so that the new arrangement with Mr. Sloan was that we each took a one-twelfth interest in the property. He would have to bond himself and operate the mine, take full charge. We had nothing to say about it at all. He would hold it in trust for us on half interest. So the thing looked so black that we wanted to get out as easily as we could. We would not take a heavier responsibility than we were carrying.

Q. The document with Mr. Sloan was drawn up by you, was it? A. Yes.

Q. And submitted to this meeting of directors on the 16th July, 1924? A. Well, it had been gone over by Walsh, McKim & Housser for themselves and the Fergusons, and by Mr. Sloan's solicitor, Mr. Johannson, and finally all of them—it took us a week or ten days to lick it into shape, and then we had a meeting on the 16th July, 1924, a directors' meeting.

Q. Who were present? A. Walter Walsh, General Stuart, the late Mr. Wallbridge and myself, and Mr. McKim. It was in his office. He was present, but he was not a director. The four directors—all the directors of the company were there.

Q. By the way, did Mr. McKim attend at these directors' meetings? A. Oh, yes. They were nearly all held in Mr. McKim's or Mr. Walsh's office.

Q. And who took the notes of the minutes? A. Usually Mr. McKim—sometimes Mr. Walsh did—as he was secretary of the company. I am under the impression Mr. McKim took most of them.

Q. And afterwards he reduced them to typescript? A. Yes.

Q. What happened on this meeting of the 16th July, 1924? A. I think first there was resolution passed to confirm recent borrowings of the company. That is, that year we had to pay a small amount, had to pay debts, and there was no note taken, so that was confirmed by the directors. Then the bond was submitted. The bond was already drawn up, and explained that we got Sloan to agree to this proposition.

MR. MACINNES: I suppose the minutes are the best evidence.

MR. MAYERS: They are not the only record, I submit. A. The bond was gone over. I explained the bond myself to them. I didn't read it word for word, but went over the principal items, and we, Wallbridge and I, explained that Sloan would take this up if we took a half-interest in it ourselves and assumed half the responsibility and put up half the money.

Q. "We" being whom? A. That is the six members of the syndicate.

Q. And those six members, of course, included Mr. McKim? A. Yes.

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Q. Who was present? A. Who was present.

Q. And a partner of Mr. Walsh? A. A partner of Mr. Walsh.

Q. And who, of course, knew all about it? A. Oh, yes, because it had all been gone over in their office, so they must have known all about it.

Q. But apart from Mr. McKim's knowledge, you discussed with Mr. Walsh everything there was to be discussed? A. Oh well, we explained the situation, that we could only get Sloan in on that arrangement. The resolution was then passed. Those directors owned—were registered owners of 89 per cent of the company.

Q. The option was executed by the company following that meeting, was it? A. Yes.

Q. And then what happened? A. Then I took it over to my office, and it was executed by Mr. Sloan, and a declaration of trust executed by Mr. Sloan.

Q. Sloan executed the option in your office, did he? A. Yes.

Q. Was he present at the meeting? A. Oh, no. I don't know that he knew anything about the meeting. He had nothing to do with the company, you see. He did not take any interest in the company at all.

Q. Then, following on from that, what happened? A. Well, the bank, the Union Bank, was still pressing us. There was a note of \$4200 which was falling due in a few days, and did fall due. They were pressing us for that. Sloan went up and took possession of the mine and started operating. He was to pay for the supplies under the agreement, the supplies up there, and he paid us \$1152 on account that summer before the winding-up.

Q. Then just about these supplies. Did you get everything you could get for them? A. Oh, yes, we had quite a tussle with him on that. We wanted to get as much money out of Sloan as we could to pay our debts, and we gave him an inventory, and I have not been able to find that, and neither has he since it has gone, but my memory is that finally, after a lot of backing and filling, we got \$2530 out of it. The reason was that the biggest item was powder; \$2600 worth of powder, and when he went up and saw it he said it was four years old, dated October, 1920, and he said it wasn't worth much; some of it he wouldn't use in the mine at all. So he cut us down and he only gave us \$2580.

Q. Then following on that there was these meetings to wind up the company? A. Yes. Then we went into liquidation.

Q. I direct your attention to paragraph 14 of the statement of claim: "In further pursuance of the said conspiracy, the defendants . . . by a winding-up resolution passed on August 27th, 1924, placed the company into voluntary liquidation." Is that true?

A. No. The shareholders placed the company in voluntary liquid-

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ation in August or September, but there was no conspiracy, absolutely no conspiracy.

THE COURT: Q. Was it necessary to conspire? A. No.

Q. I mean as a solicitor, the authority was there? A. Yes, the legal work—

Q. All parties appeared? A. Yes. Ferguson admits getting the notice of that meeting to wind up. It was sent to Seattle. He said afterwards he left the city for California in September.

MR. MAYERS: Q. Was there any necessity at all to go in for this conspiracy? A. Why, no. The company was at the end of its resources. 10

Q. Were you and your associates aware that you were conspiring? A. Well, when this action commenced was the first we ever heard of it or thought of it.

Q. Explain to us shortly what was the reason or necessity for the winding-up? A. We were anxious to get our money to pay the bank off. They were pressing us, and to get our own money back. At that time we had about \$39,000 or \$40,000 owing to us by the company, and to the bank was \$42,000, and then there was a couple of thousand dollars more of outside creditors. And our idea was to go into voluntary liquidation as the easiest way of doing it. There was so much publicity in this as well. That bond of Sloan's was new, and we had been turned down so often, we did not have much faith that he would go through with it, and we thought the best thing to do was to sell the purchase money and get the liabilities paid up, and get all we could for the share holders. Consequently we went into voluntary liquidation and offered the purchase money for sale, that is, the money given in Sloan's bond. 20

Q. The only asset of the company was at that time Sloan's bond? A. Sloan's bond; and there was \$100,000 coming in over the period of five years if it was a successful option. If there wasn't, he would drop it as soon as he saw the mine wasn't any good. So there was a mix-up there, and we were rather anxious to get our money out of it if we could, to get somebody to take over. In real estate times, when a man sold a piece of property he very often discounted the agreement of sale at a discount of 15 to 20 per cent. That was in the same line. 30

Q. You had in contemplation, I notice, by the notice which you sent out, an alternative method of proceeding? A. Yes. We had the alternative of going into bankruptcy. 40

Q. Was there anything whatever to prevent you petitioning to obtain adjudication in bankruptcy? A. Oh, no. There was all this liability overdue and we could apply for bankruptcy at any time, but we did not wish to do so if we could help it. We thought we could run it along without publicity, to get the most of it for ourselves and our shareholders.



Q. I see at the end of paragraph 14 the allegation; "The property was improperly and insufficiently advertised for sale, being offered subject to an option." How else could you offer it?  
A. We advertised for six insertions in the Vancouver daily paper, and offered it for two per cent cash deposit and the balance in 30 days.

Q. Well, what I was directing your attention to was this. How else could you have offered the property in view of the fact that Sloan had an option on it? A. Nothing else. That is all the company had to sell. The company had to sell a vendor's interest in the bond, that purchase money.

Q. It was not the mine that you were selling? A. No.

Q. He would not have to pay so much money if the mine turned out well? A. Yes. That is, he got \$100,000 charge on Sloan's option at a discount.

Q. Paragraph 14 goes on: "And was intended by the defendants to be and was unattractive to bona fide purchasers." What have you got to say about that? A. There was not any chance of mining men taking it over.

Q. Did you intend it to be unattractive to bona fide purchasers?

THE COURT: Just read that, below, the last two lines,—  
"was intended."

MR. MAYERS: Q. Did you intend? A. No, certainly not. The creditors—at least—yes, the creditors decided how it was to be advertised, and that was—

Q. As I gathered from you just now, what you wanted was the money? A. The money.

Q. And if you wanted the money you could scarcely intend to make it unattractive to the person who was going to supply the money? A. No. We put a true statement of the facts in connection with the mine, endeavoured to get a purchaser.

Q. You see paragraph 16, do you? In the last sentence of that paragraph it is alleged that "said supplies were of the value of approximately \$12,000." What have you got to say about that? A. That is absolutely untrue. It is absurd. The inventories that were put in by plaintiff's counsel here for 1921 and 1922 only ran about \$5,000, and take that last—I have forgotten the amount. It was supplies on hand in 1921-1922—were in the neighborhood of \$5,000.

MR. MACINNES: Q. And 1923? A. 1923, I don't think was put in. I would like to see it if it is.

MR. MAYERS: Q. I believe you did not get any more supplies in 1923. A. We had a list, of course, that had been used up in taking care of the property in those years.

Q. You did not get any offers for what was in effect Sloan's

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option, did you? A. No.

Q. Then what did you do? A. The last day for the tender—we put in a bid for the mine, bidding to the liabilities of \$45,000. That is to prevent the property being sold for liabilities. That was put in Dr. Boucher's name, because \$900 had to be put up in a marked cheque, and he was the only man apparently that had any such cash at that time.

MR. FARRIS: Q. Not being a lawyer? A. Not being a lawyer.

THE COURT: Q. You found Mr. Sloan rather hard to get money from. A. Yes. 10

MR. MAYERS: Q. Well, it was really just an upset price bid Dr. Boucher was putting in? A. Yes.

MR. MACINNES. I object to this continual cross-examination and this suggesting continually and getting Mr. Bull to give his assent to it.

THE COURT: I am afraid you are putting much of a problem to Mr. Bull. As I said before, with another sort of witness that might have some force, but I am taking it that, having regard to who Mr. Bull is, and what we have said before, that Mr. Bull is just responding to Mr. Mayers' questions. 20

THE WITNESS: While we are on these supplies, I just want to correct the plaintiffs' story that there was \$2,000 or \$3,000 that were not liquidated in these supplies. There was \$1152 paid to the company before they went into liquidation, so that all the liquidator got was \$1050, the balance of the supplies, and \$380 was Sloan's account, which he credited on supplies. He had not proved his claim in the creditors and it was overlooked. That makes \$2580.

MR. MAYERS: Q. When the advertisement failed to elicit any tender, was there anything then to prevent a petition in bankruptcy? A. No. 30

Q. What did you do? A. We had a meeting of the creditors, as arranged, and the creditors accepted Dr. Boucher's offer. Mr. Walsh, who represented himself and the Ferguson shares, about 38 per cent of the company, voted against that. He said that was not enough and voted against it. So in view of that we dropped that offer. We did not enforce it and it dropped. We were not going on: although it was passed, we would not go on with it with that opposition. So that left two courses open for us. That was on the 22nd October, 1924. There were two courses open for us. We could either then go into bankruptcy or compulsory winding-up by applying to the court, to force a sale at the best price we could get for it, or we could satisfy the minority shareholders. So we decided—Wallbridge and I got together and we said, "Well, we will offer them \$20,000"—going to the shareholders in addition to paying all the debts of the company and paying the costs of 40

winding-up—"we will give the shareholders \$20,000 more. That brought the purchase price up by the time it wound up to \$50,000, and that made it really an offer of \$70,000 for the property.

Q. That is embodied in your letter of the 5th December, 1924? A. Yes. We talked to Mr. Walsh and I think Mr. Godfrey, and they simply jumped at that. They said all right. But the condition was that this offer, this sale was to be approved by 95 per cent. of the shareholders, so that we would not have any after-clap, that there would be no disgruntled shareholders come in and attack us after, as they have done here. We gave them to understand that we would pay that money, take it over at that price if 95 per cent. of the shareholders approved of it. And so the 95 per cent. approved and confirmed the bond of Sloan's that had been given in July, and a meeting was called for that purpose, a meeting of shareholders.

Q. Just let me go back for a moment. Those meetings about winding-up were called by Mr. Wallbridge? A. Yes.

Q. Or rather, they were called under the instructions of the directors by Mr. Wallbridge? A. Yes.

Q. And you have in the records of the company a declaration of the mailing of the notices, have you? A. Yes. This is a declaration by Mr. Wallbridge of mailing the notice of the winding-up, sworn before Mr. McKim.

Q. What is the date? A. I see the declaration was the 29th October, 1925. That is when it was declared. But the notice is dated the 8th August, 1924. Two meetings. One for the first meeting was the 22nd August, 1924 and the confirmatory meeting, the second meeting for the 9th September, 1924.

MR. MAYERS: That will be exhibit—?

THE REGISTRAR: 91.

(DOCUMENT MARKED EXHIBIT No. 91)

MR. MACINNES: Q. It covered the two meetings? A. Covered the two meetings, passed and confirmed at the later meeting.

MR. MAYERS: Q. And then the declaration by Mr. Salter of the posting of the notice of the meeting of the 5th December, 1924, is it? A. Yes, that is notice by Salter calling an extraordinary meeting of the company on the 5th December, is dated 13th November, 1924, and the declaration by Salter before Mr. McLean is sworn or declared on the 29th October, 1925.

MR. MACINNES: Q. The same date as the other? A. Yes. Apparently they neglected having that declared until a year afterwards.

(DOCUMENT MARKED EXHIBIT No. 92)

MR. MAYERS: I was just going to describe this exhibit

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91 as the declaration of Mr. Wallbridge proving the posting of the notice—calling two meetings for winding-up. And the same exhibit 91 contains a list of the names and addresses of the shareholders to whom the notice was sent. Exhibit 92 is the declaration of Mr. Salter proving posting of notice of intention, calling meeting of the 5th December, 1924, the notice being dated the 13th November, 1924, and contains also a list of the names and addresses of the persons to whom it was sent.

Q. Now in addition to the notice there was also a letter by Mr. Wallbridge as manager and secretary of the company sent out at the same time, was there not? A. Yes. 10

Q. That appears in paragraph 104 of the defence. Will you just read that—or have you it in mind? A. Oh, yes, I know.

Q. You know all about it? A. Yes.

Q. Now is that, to your knowledge—to your knowledge at the time, was that a correct representation of the state of affairs? A. Yes. This was sent out on the—

Q. 13th November? A. 13th November, 1924. Yes, that sets out the situation as we knew it at that time.

Q. You will notice that in the notice sent out by Mr. Wallbridge there is a full disclosure of all the interest by you and your associates in the Sloan option, and of the fact that you and your associates were creditors, and the extent to which you were creditors, and the offer which was made by Dr. Boucher? You notice that? A. Yes. 20

Q. Was there anything else that occurred to you, any circumstance that existed at that time, which ought to have been disclosed and was not? A. No, there was nothing. The end of that letter refers to the fact that all the other local shareholders were asked to join in the new undertaking, and refused; they were given an offer to come in, but they would not do it, with us, on the same terms as ourselves. 30

Q. Perhaps you have not had much practice as a conspirator, but do you think the full disclosure you made was in keeping with the character—? A. Of conspiracy or not?

Q. Of conspiracy? A. I think it was a full disclosure of everything. I know. And there was absolutely no thought of conspiracy.

THE COURT: Mr. MacInnes will say that is just what a conspirator will do; very frank and open. 40

MR. MAYERS: Q. Now what was the state of your knowledge on the 5th December, 1924, of the operations which Mr. Sloan had been conducting at the mine? A. We just knew that he was operating the mine and was continuing the shaft down, and that he had brought out a little gold, two small bricks, one \$2,700 and one \$6,300; \$9,000 altogether he had brought out, and 15 per cent. of that had been handed over to the liquidator.

Q. Will you look at paragraph 17 of the Statement of Claim: "Between July 16th and December 5th, 1924, the Defendants, in their mining operations, having developed upon the Pioneer Mine immediate ore in sight worth approximately \$200,000—" What have you got to say about that? A. Well, that that was absolutely absurd. I know enough about mining now to know that there was very little value to that find, and we did not know anything about that find until after that meeting, did not know that he had sunk the shaft until after that meeting, when he came down immediately before Christmas.

Q. "—and having tremendously increased the potential value of the mine—" Had you? A. No; all he had done was to find the vein, went down to the next level, expending some money in extending further.

Q. "—fraudulently concealed such facts from the shareholders and in particular from the Plaintiff—" Did you conceal that fact fraudulently? A. No, we did not know anything about the facts until after the meeting.

Q. Now what did you discover from Sloan when he did come down? By the way, when did he come down? A. He came down just a couple of days before Christmas, and we did not see him until after Christmas.

Q. And what did you discover? A. That he had sunk a shaft down to the 142-foot level below the old workings and had found a vein at that depth. He drifted on it about 20 feet when the shaft broke, and he had sent down here for a new shaft. The whole machinery went, stopped work.

MR. MACINNES: Q. What do you mean by the shaft? A. The shaft that ran the power. Everything had to be closed down. And they got the shaft up there about the middle of December and they got it in in the middle of December, and it froze up. The thermometer went down to 30 below zero and the whole flume was froze up, so that they could not get any power and they had to close down for the winter.

MR. MAYERS: Q. By the way, what was the result of the operations for 1924? A. We made a loss. And then there was a brick came down, that we got 15 per cent., the liquidator, rather, got 15 per cent, on the 29th December.

Q. And the result of the operation? A. Was a loss.

MR. MACINNES: Q. How much? A. About \$2,500. The operation of the next year—we operated 1925 and we made a profit on the two years, 1924 and 1925, of about \$9,000, although we took out \$75,000 worth of gold we only made a profit of \$9,000 for the two years, so that this wonderful discovery of ore that he talks about, \$200,000, does not amount to much.

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MR. MAYERS: Q. Will you look at paragraph 10 of the Statement of Claim? I overlooked it before: "In the winter of 1922 the Defendants, having advanced as aforesaid certain large sums to the Pioneer Gold Mines Limited—" That is true, no doubt? A. Yes.

Q. "—and being in a position to force it into bankruptcy, fraudulently and without just cause, claimed that the Pioneer Mine had been misrepresented to them—" What do you say about that? A. Well, we claimed it had been misrepresented, but not fraudulently.

Q. Well, had you just cause? A. Yes, certainly we had just cause.

Q. "—well knowing that the Plaintiff and the said Peter Ferguson, deceased, were unable to afford the expense of litigation." Did you know that? A. No, other than I think that Ferguson had, before he went away, before he left Vancouver, left the country in June, 1922, he sold his Shaughnessy house; he sold these shares to Twiss for \$1,500 cash, and he had a couple of corners on Granville Street.

THE COURT: Q. How many shares? A. 30,000 shares, which was \$1,500 at five cents a share, which would be the value of the mine of \$37,500, and we got \$100,000. 20

MR. MAYERS: Q. And what other? A. He had a couple of corners on Granville Street that were sold, because I happen to know, because one of my clients bought one. That went through the office.

Q. Just look at this paragraph again, will you? "The shares of the plaintiff and the said Peter Ferguson, having been hypothecated to the executors of the estate of Adolphus Williams, the Defendants wrongfully induced and persuaded the executors of the said estate to commence foreclosure proceedings with respect to the said shares of the Plaintiff and maintained and directed the said litigation." What do you say about it? A. That is absolutely false. 30

Q. "The Defendants, by means of the said litigation and by threats of litigation with respect to a claim for misrepresentation known by them to be without foundation or just cause—" I just pause there a moment. You did make threats of litigation? A. Oh, yes. That was as I told you.

THE COURT: Q. You went for them? A. Yes; that is, we put it straight up to them. 40

Q. Well, you have nothing to add to what you have already said? A. No.

MR. MAYERS: Q. "and by means of threats of placing the company in bankruptcy, fraudulently compelled the Plaintiff and the said Peter Ferguson to comply with their demands—" A. No,

we did not threaten to put the company into liquidation; we threatened to recover the money from Ferguson and Williams.

Q. Did you fraudulently compel said Peter Ferguson and Williams to comply with your demands? A. No; we simply, to avoid our suing them—

THE COURT: Q. No, but “fraudulently”—there is the word there? A. Certainly not.

MR. MAYERS: Q. Now with regard to these supplies.

THE COURT: Did you deal with No. 11?

10 MR. MAYERS: The word “fraudulently” is so sprinkled over the Statement of Claim that one is in danger of missing one or two of them.

Q. Will you look at paragraph 11? A. Yes.

Q. “The Defendants by the same methods”—that is, of course, your fraudulent conspiracy—“compelled the Plaintiff and Peter Ferguson to transfer to them a further 118,300 shares in the said company for the alleged purpose of re-selling the same to raise capital.” What do you say about that? A. That was, we agreed to pay a small amount on our shares.

20 THE COURT: Q. No. Will you look. Just answer to the point; read those words again, Mr. Bull.

MR. MAYERS: Q. By the same methods. A. Oh, fraudulently? No, there was absolutely no fraud.

Q. Did you fraudulently compel the plaintiff and Peter Ferguson to do anything? A. No. That is all gone into in my evidence. That was the condition, that we would not sue them.

Q. The compulsion was you threatening to sue them, wasn't it? A. Yes, that was the idea.

30 Q. Now for the alleged purpose of re-selling same? A. Yes. That was what we carried out in August, 1923. That was when we got out this little prospectus for the purpose of selling stock.

Q. “The Defendants made no bona fide attempt to raise the said capital—” A. That covers that.

Q. “—nor did they sell the said shares, nor any of them—” You found that you could not? A. No.

40 Q. “—nor have they returned the said shares, or any of them, to the Plaintiff and Peter Ferguson, deceased—” A. They were never transferred. They were sold to Walsh—well, in name. We did not transfer them until we got sale for them; then they would be transferred when they were sold, but they still stand the same as they did before.

Q. In the name of the executors? A. Yes, in the name of the executors.

Q. My friend has drawn my attention to exhibit 57, which is a list of supplies, and you see on there in Mr. Wallbridge's writing these words, “Supplies on hand at mine and Vancouver ware-

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house, \$6,178.73." What have you got to say about that? A. Well, this is just a memorandum attached to the inventory of 1922 and 1921, just a little note without any details. The supplies on hand at the mine and Vancouver warehouse, \$6,178. It is in his writing.

Q. What do you say about it? A. Well, I don't know what they were then, but in 1924 they were sold over to Sloan. The inventory, as I remember, ran between \$4,000 and \$5,000, and we gave him the inventory, and we were only to get \$2,580 for them.

## CROSS-EXAMINATION BY MR. FARRIS:

10

Q. Mr. Bull, you have stated that you knew Mr. Wallbridge very intimately for a great many years? A. Yes.

Q. And throughout the years 1921 to 1924, you and he did most of the dealings together in this matter? A. Yes.

Q. In regard to this business? A. Oh, yes. If Mr. Wallbridge would get any information he would come up to see me or telephone me. Yes, he kept touch with me.

Q. In the early stages of your association in this connection, what was Wallbridge's state of mind as to prospects? A. Oh, he was quite optimistic.

20

MR. MACINNES: I object.

THE COURT: Your objection will stand.

MR. FARRIS: I am surprised that my friend would make such a gesture, having made a charge against a man who is dead, that he would now stand in the way of bringing out what the Fergusons knew at that time.

THE COURT: I think after that objection we will save time—I take it your objection lies to everything that Mr. Farris or Mr. Mayers asks.

MR. FARRIS: Q. How long did that optimistic attitude continue, Mr. Bull? A. Until we found out all the trouble we were having at the end of 1922. The first year 1921, we did not—we were getting the cyanide plant running, but the underground was not pumped out until early in September, and as soon as they started the mill—oh, I think until September, a few days before the water wheel broke and we had to get it replaced. Then the next year we went in, started the cyanide plant and underground work, and they worked on that, and in September we found the tailings were short over 6,000 tons, and then we began to take a different view. Of course, during 1922, we were having to put up all this money, and it was pretty hard work to get it all. We were not so optimistic about it; that is to the end of 1922.

40

Q. Some reference has been made in Mr. Twiss' evidence to a letter from Mr. Smith. Did you see Mr. Smith personally? A. Yes, he was in, I think, a couple of times, on behalf of Mr.



Twiss, having a claim against Mr. Wallbridge for selling him the Ferguson shares.

Q. Did you explain the matter to him? A. I explained the whole situation to him, and he said—

MR. MACINNES: Surely, my lord, this is going pretty far afield?

MR. FARRIS: My learned friend brought all this out.

THE COURT: It was Mr. Twiss who introduced Mr. Smith, you suggest, into the narrative?

10 MR. FARRIS: Yes, and produced the letter.

THE COURT: Mr. Twiss simply injected himself into this matter, and he was not satisfied, and he broke loose, sore at everybody, particularly Mr. Wallbridge, I think you can go on, Mr. Farris. These gentlemen are defending themselves against a very serious allegation—fraudulent conspiracy alleged in all these paragraphs of a long statement of claim.

MR. FARRIS: Q. You were saying you explained matters to Mr. Smith. With what result? A. He asked me to put it in writing, and I wrote that letter to him setting out the full details  
20 of it, and he said there was nothing to it, and would not sue Mr. Wallbridge.

Q. And he dropped it at that? A. He dropped it.

Q. I direct your mind now to the period December, 1924. You had your meeting on the 5th, didn't you? A. Yes.

Q. Do you recall a man by the name of Babe? A. Babe took an interest with Sloan in the option in July. He was Sloan's associate in these operations. He had a quarter interest in the property.

Q. Now would it be round about this time, December, 1924. Had he been at the mine? A. He went up with Sloan in July and  
30 did not come down until the 5th December. He may have got in on the night of the 4th, late at night, but he came here on the 5th.

Q. Did you have any interview with Wallbridge on that date or the next day in connection with Babe? A. Yes, Saturday, the 6th.

Q. In what connection? A. Wallbridge called me up and told me Babe was down and had brought a brick down, and that he said he asked him for information on the operations at the mine, and Babe did not give him any information.

MR. MACINNES: I object to this class of evidence.

40 MR. FARRIS: Here is a man that my learned friend has no objection to charging with fraud, who is dead—

MR. MACINNES: Mr. Babe is not dead. They can get him directly.

THE COURT: Go on. A. As a result of what Mr. Wallbridge told me I said I would call up Babe myself, and I called Babe up on the telephone Saturday afternoon at my house. I asked

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him the progress at the mine, and I said I could not get any word. He said, "We are getting on satisfactorily," and that was all. He would not give me any details. He said Sloan would be down in a couple of weeks and he would tell us.

MR. FARRIS: Q. Now from time to time up until this time Wallbridge, I suppose, had been getting information about the mine, to your knowledge? A. We got very little information.

Q. I do not mean merely at this time, but from 1921 on. A. Oh, yes, I had a report from him about every week.

Q. And what was your procedure with Wallbridge if he obtained any information? A. Oh, he would immediately communicate with me, come up to see me, kept me closely in touch with what was going on. 10

THE COURT: Q. Did you find him neglecting or overlooking any matter that it would be important for you to know? A. Oh, no, he was very communicative.

MR. FARRIS: Q. Did you get any communication from Wallbridge in December that indicated that he had any more knowledge of the mine condition than you had? A. No. We attended all meetings together, and he did not seem to know any more than I did about that. 20

Q. You have mentioned Mr. David Sloan. You say you have had certain recommendations about him when you first dealt with him? A. Yes.

Q. Coming to his activities since, that is, from 1925 and on. The mine has been proven now to be a success? A. Yes. At first it did not look to be until towards the end of 1926. Before that it was very problematical. From then it began to look better and was better.

Q. What time was Mr. Sloan spending at the mine. A. He was up there working 16 hours a day. 30

Q. You have had experience since 1921 with Sloan and with those other gentlemen. What would you say as to your knowledge of the quality of Sloan's performance up there? A. Oh, Sloan is just something most extraordinary, almost superhuman. I have had engineers of nation-wide reputation tell me they—

MR. MACINNES: Oh, well, that is getting rather—

THE COURT: Well, I do not know. A. The result was—I don't know anything any further anybody could have done.

THE COURT: Q. Well, it has appeared in evidence that on three occasions certainly, three men who were supposed to know what they were doing, took options and abandoned it? A. Yes. 40

Q. You took that as being evidence of the condition of the mine, that they were bona fide in throwing it up? They did not go in with the intention of throwing it up; they would go in with the idea of buying and operating it? A. Yes.

MR. FARRIS: Q. Just one question about Mr. Wallbridge's share. What did you say Mr. Wallbridge's share was in the original syndicate? A. It was four-tenths.

Q. And that was changed? A. To one-twelfth.

Q. That was done at his own insistence? A. Yes.

THE COURT: Can we finish by to-morrow?

MR. MAYERS: I think we can, my lord, if Mr. MacInnes does not make too many gestures.

MR. MACINNES: You cannot bind me, my lord.

\* \* \* \* \*

10 MR. FARRIS: Q. Just one question I would like to ask Mr. Bull. Did Mr. McKim sell his shares? A. Yes, in November of 1925.

Q. 1925? A. That is just eleven months after this meeting in December.

Q. He had a twelfth? A. He had a twelfth interest.

Q. What did he sell for? A. He sold for \$7,500.

Q. His twelfth interest? A. That would be at the rate of \$90,000 for the property. He was in the syndicate, he knew all that was going on the same as we did, the value of the property.

20 CROSS-EXAMINATION BY MR. MACINNES:

Q. You don't know what Mr. McKim's financial condition was at the time he made the sale? A. No. He came over to consult me as to whether he should sell or not.

Q. You don't know what his financial condition was at the time he made the sale? A. No. He wanted to take my advice whether he would sell, if he was very hard up, he would not do that I suppose.

30 Q. The Pioneer Mine is situated about 150 miles is it, from Vancouver? A. It is 52 miles from the station of Shalalth on the P.G.E. I don't know how far it is to Shalalth.

Q. And during 1921, 1922, 1923 and 1924, there was regular mail service backwards with the mining property? A. Yes. In the summer it was once a week, and in the winter once every two weeks.

Q. A weekly service in the summer? A. Yes.

Q. And was there ever a post office at the property itself? A. No.

Q. That was talked of at one time but never was— A. That was only in recent years.

40 THE COURT: Q. What was the nearest post office? A. The nearest was at the Lorne Mine which was about three miles.

MR. MACINNES: Q. And that was the mail station for the mine? A. Yes.

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Q. Now, was there telegraphic communication? A. There was. It was down a good deal of the time. There was supposed to be.

Q. And during these years you had frequent telegrams back and forward? A. Yes, we had a few.

Q. Any telephone communication available? A. No.

Q. No telephone available? A. A telephone from the mine to Lillooet. It was troubled a good deal too.

Q. There was a telephone from the mine to Lillooet? A. Yes, but it was an open line. You could not use it for any official communications. 10

Q. But there was an opening for telephone communications if necessary— A. Yes.

Q. —or expedient, right into Vancouver? A. No.

Q. To Lillooet? A. Yes.

Q. And was there no telephone communication from Lillooet? A. No, not until recently.

Q. But there was telephonic communication from the mine to Lillooet? A. This telephone from the mine to Lillooet was an open line, and as soon as the line would ring everyone would listen in. You would get all the gossip of the Valley that way. 20

Q. You said this morning you had been a solicitor for 36 years in practice in Vancouver? A. Yes.

Q. And during that period of time you have had occasion to mail documents to the Old Country for ex juris service, notices in probate, in the ordinary run of office work? A. Yes.

Q. I would suggest this; that twelve days is about the shortest time to expect mail communication in the ordinary way between here and England? A. I think that is the average time.

Q. And making allowances for boats sailing, the mail boats sailing, you would have to really allow about fifteen days, to come and go? A. Oh, I would not say that. Usually you get your mail in about twelve days I think. 30

Q. That is five days from here to Montreal and seven days from Montreal to the Old Country by boat from Montreal? A. I thought the C.P.R. was four days from here to Montreal, a ninety-six hour service.

Q. You get there on the morning of the fifth day, leaving at night? A. Yes.

THE COURT: Q. The Trans-Canada would be running then? A. Yes. 40

MR. MACINNES: Q. The return service from England here would be the same? A. Oh, yes, I think so.

Q. Now, when you and your associates in December and January 1920 and '21 were considering the purchase of this interest

in the Pioneer Mine you were acting under the terms of the agreement of December, 1920? A. Yes.

Q. And it was a transaction or piece of business entered into by you and your associates for the purpose of making a profit if possible? A. Yes. That is what you usually go into a mining speculation for.

Q. By the way, the market price of Pioneer today is somewhere in the neighborhood of \$6.50? A. Somewhere in that.

10 Q. Yes. And the price of Pioneer stock has steadily increased from 1928 before incorporation, to the present date? A. No.

Q. Certain reverses from time to time? A. Yes.

Q. Profit taking, I suppose, the way stock does fluctuate. A. No, something more than profit taking.

Q. In any event, from 1928 to the present date it has climbed to the price of \$6.50? A. Yes.

Q. When the option to Sloan was given I think the evidence is that the company owed the syndicate \$40,000 in round figures? A. Yes.

Q. \$39,000 odd dollars to be exact? A. Yes.

20 Q. In addition to that it was indebted to what other creditors? A. The Union Bank for \$4,200. What date are you speaking of?

Q. 1924? A. No, but what month?

Q. July? A. \$4,200 to the Union Bank; \$380 to Sloan; \$600 to Clarke & Stuart, General Stuart; \$300 to the Williams Estate; about \$400 to Williams, Walsh & McKim, about the same amount to my firm. I cannot think for the moment of any of the others. How much does this amount to?

30 Q. And this note of \$4,200 to the Union Bank was the note of the syndicate, or guaranteed by the syndicate? A. No, it was a note of the company endorsed by members of the syndicate.

Q. In which the members of the syndicate were secondarily liable as endorsers? A. Yes.

Q. Just the members of the syndicate? A. Yes.

Q. Now, during the years '21 to '22 to '24, the \$40,000 was made up of advances from the syndicate expended on the property? A. Well, yes, some of it; and some of it went to pay debt, the Ferguson and Williams debts to the old company that they guaranteed.

40 Q. I will deal with that. The \$40,000 did not include the \$15,000 initial payment? A. Oh, no.

Q. That was made on account of the purchase contract? A. No.

Q. It did not include that? A. No.

Q. It was separate and distinct from that? A. Yes. The \$40,000 was what the company owed us.

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Q. Did the \$40,000 take into account the \$3,600 that was advanced to pay the old company debt by the syndicate? A. Yes, when we advanced the money to the company we had to do it, to pay that debt, but on the other hand 51% of that we were not liable for; in other words the old company, that is Williams and Ferguson, guaranteed and agreed to pay that \$3,600. While the company paid the \$3,600, there was 51% of our share that should not have gone in you see. That is, they were owing us \$1,836 out of that.

Q. Was the \$1,836 included in arriving at the \$40,000? A. 10  
 Oh, yes.

Q. So that the \$3,600— A. It was not included in this way; that the \$3,900 or \$4,000 was the actual moneys we advanced to the company, and the company then paid the \$3,600.

Q. So that \$3,600 transaction was separate and distinct from the \$40,000 altogether? A. No, you don't follow me.

Q. No. A. The company owed us practically \$40,000. Part of that \$40,000— At least that \$40,000 was expended by the company in the expense of operating the mine, and including this \$3,600 to pay the old creditors. 20

Q. Included that? A. Yes.

Q. Now, that \$40,000 which included the \$3,600 was repaid to the syndicate by the liquidator? A. Yes.

Q. In full? A. Yes.

Q. With interest at 8% the same as the rest of the debts? A. Yes; but that does not get rid of the 51% of that they still owe us, because the company's money paid that, and they should not have paid 51% of it.

Q. There is no counter-claim for that? A. No, no.

Q. What I am getting at, to get the thing in my own mind, 30  
 is that the \$3,600 which was advanced for some purpose as you stated, by the syndicate, has been repaid to the syndicate at 8% interest? A. Yes.

Q. Now from the time you took over in 1921, Mr. Wallbridge was manager and secretary of the company? A. Yes.

Q. By the authority of the directors? A. Yes.

Q. Who was controlled by—who controlled the majority of the syndicate? A. We had three directors out of five.

THE COURT: Q. What did that mean, "manager"? A. 40  
 Just manager of the company, my lord.

Q. What exactly? A. Not manager of the mine. He was not an expert or mining man. He was a manager, the same as a manager of any other company would be the manager of the head office.

Q. Of the head office? A. Here, in Vancouver.

Q. Looking after the accounts? A. Yes, and if orders came from the mine to buy supplies, or any request from the mine to fill orders or get men.

Q. Would it be necessary to have any knowledge of mining in a practical way to be manager such as he was? A. Oh, no, just the financial end of it mostly, and the business end.

MR. MACINNES: Q. The business manager? A. Yes, the business manager.

10 THE COURT: Q. The reason I asked that, I think Mr. Ferguson—if I followed him—rather tried to make out that Mr. Wallbridge was a practical man and had on one occasion managed a mine in some remote part of the province up the coast? A. Surf Inlet. No, he was not the manager of that.

Q. After cross-examination on that he withdrew from that position. The point is he is not a mining man? A. No, he is not a mining man.

20 MR. MACINNES: Q. And as business manager of the company he had charge of the financing, I mean the disposition of money and receiving of money, and looking after the moneys required? A. Yes.

Q. And reporting to the board of directors for it? A. Yes.

Q. So when you got under the agreement of the 15th of February, 1922, when you got from the vendors of the 51%, the contribution of their proportion of the stock that was to be sold to finance the operations, it was part of Mr. Wallbridge's business as business manager of the company, to look after the disposition of that stock, if he could find buyers for it? A. Either that or find a broker to do it.

30 Q. He was a broker himself? A. He was a broker and he worked very hard that summer on it.

Q. You knew he was doing it? A. Yes, he was in touch with me all the time about it.

THE COURT: Q. It was to your interest that he did? A. Certainly.

MR. MACINNES: Q. And in the interest of everybody concerned? A. It was the only chance of saving the company.

40 Q. And in the course of doing so Mr. Wallbridge got out this document, Exhibit 62? A. Well, his name is on it, but I didn't see that; in fact I haven't one among my papers. I may have seen it afterwards but I don't remember.

THE COURT: Q. Is that the document you were cross-examined upon on discovery?

MR. MACINNES: Yes, my lord. Questions 190 to 208.

THE COURT: Exhibit 6 on discovery?

MR. MACINNES: Yes, my lord. Questions 190 to 208, and 215 to 217.

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THE WITNESS: No, what Mr. Wallbridge and I did with reference to material for selling that stock was Exhibit 61. We made up that statement of facts, and Mr. Wallbridge suggested having it printed and I tried to dissuade him from it. I did not think it was necessary. I think I found typewritten copies among the papers, but I did not know anything about that.

MR. MACINNES: Q. Evidently from this he did get it printed and for the purpose of raising finances for the company? A. I did not know anything about it because I looked to see if there was any charge on the company's books, and there was no charge for printing it. 10

MR. FARRIS: Is it in as an exhibit?

MR. MACINNES: Yes. Exhibit 62.

THE WITNESS: It was a question whether it was proved when it was put in.

THE COURT: Yes.

MR. MACINNIS: Q. When the dissatisfaction arose in '21 and '22 with regard to conditions at the mine you took the matter up with Mr. Walsh of the Williams Estate—he was the active executor of that estate? A. Yes. 20

Q. And you made your complaints and you threatened litigation? A. In '22?

Q. Yes, in '22? A. Yes.

Q. And did you know that Mr. Walsh in '22 was pressing the Fergusons on account of their proportion of the company's debts which Mr. Williams had paid or assumed? A. I knew very little about it. It just runs in my mind I had some idea of it, but I knew nothing about the details and took no interest in it whatever.

Q. I was asking in discovery about that, Mr. Bull. Question 239. 30

THE COURT: 238 to 241.

MR. MACINNES: And 243.

THE COURT: You did not put in 243.

MR. MACINNES: I don't think they are in, my lord.

THE COURT: 238 to 241.

THE WITNESS: What is the question you are referring to, Mr. MacInnes?

THE COURT: It begins at 238 to 241 and then pick up 249.

MR. MACINNES: Q. But you did know there was a pending action? A. I do not know that. I did not know there was actually a writ issued. I would not be sure of that, but I knew there was some dispute between them, and I understood that he owed the Williams Estate some money. 40

Q. In any event the result of the pressure brought by you on the Williams Estate, coupled by the pressure of the Williams



Estate on Ferguson, resulted in the agreement of the 15th of February, 1922? A. I see from the correspondence since, that they had a lot of correspondence with Noble & Ferguson.

Q. All carried on at the same time on account of the misrepresentations? A. Our pressure was from September on, but I knew nothing about that, because the correspondence I have seen since the action commenced.

Q. Now the situation Mr. Bull, therefore, was this: Mr. McKim, solicitor for the company, was a member of the firm of Walsh, McKim and Houser? A. Mr. McKim was the firm's solicitor for the company.

Q. And Mr. McKim was a member of your syndicate? A. Yes.

Q. Mr. Walsh was one of the executors of the Williams Estate. A. Yes. Mr. McKim has also been a director of the company before we took hold of it.

THE COURT: Q. He was with Mr. Williams? A. He was one of his directors.

Q. Mr. Williams was head of the firm? A. Yes.

MR. MACINNES: Q. And the Williams Estate were creditors of the Fergusons, holding the Ferguson's shares in hypothecation from 1922 on? A. I understand that was the way. I do not know anything about the details of that. I knew they had their shares.

Q. You knew that all along? A. I knew they had their shares and there was some claim against them, that Ferguson left the Williams Estate to pay the debts of the company.

Q. And the reason for the hypothecation of the Ferguson shares was to cover their proportion of the debt? A. That is as it turns out now. I did not know the details of it.

Q. Now, this transaction from the fall of 1922 until February, 1923, brought about strained relations between the syndicate and the Fergusons, that is the Fergusons were not satisfied with the way they had been treated. You knew that? A. No, I only saw that from the correspondence afterwards, you see. We were dealing with Noble, representing Ferguson.

Q. But you knew they were resisting this claim of yours? A. Yes, it took them until February to agree to it.

Q. It took them to February? A. To agree to it. And at that interview I had with Noble, as solicitor, in January I had to put it straight up to them we would not go on, we would sue them if they did not agree to these proposals.

Q. And you pointed out to Noble too, at that time, that the company was indebted to you people in the sum of \$49,000 odd, \$39,000 odd? A. No.

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Q. Whatever the amount was—didn't you. A. They did not owe us that much.

Q. How much did they owe at that time? A. They owed about \$22,500.

Q. You put that proposition to Noble? A. Oh, I don't know that. We discussed the amount they were liable to us. It was a general promise we would throw up the option and demand our money back and what damages we sustained, which would include the money they owed us.

Q. Was it not part of the discussion that your position as creditors of the company was such you could put them in bankruptcy? A. No. 10

Q. Or liquidation? A. No.

Q. You did not discuss that at all? A. No.

Q. But during the time of these negotiations Ferguson had left Vancouver and gone to Seattle? A. Yes.

Q. That was fully known to you all? A. We knew he left in July, 1922, and went to Seattle, and he had some correspondence with Wallbridge that summer.

Q. You all knew he was in Seattle? A. We did not know how long he stayed there. We did not hear any more from him after that year. 20

Q. As a matter of fact he is entered in the share register of the company with the Seattle address, his address being Seattle in the share register? A. I did not know about the share register, but I see it is.

Q. You see it is? A. Yes.

THE COURT: Q. Were you interested in him? A. No.

Q. As to his comings and goings? A. No.

Q. Were you interested? A. No, my lord. 30

MR. MACINNIS: Q. You were not concerned with him at all? A. Well, he left it and took no further interest in the company, so why should we follow him up. His shares were all represented except one share, represented by Walsh.

Q. You said that several times in the course of your examination-in-chief. What power of representation did Mr. Walsh have to represent Ferguson with respect to these shares? A. They were registered in Walsh's name, and that is all a company has to do with.

Q. In Walsh's name, or the executors'? A. Well, the executors'. 40

THE COURT: Q. Mr. Walsh in a representative capacity? He had no interest whatever.

MR. MACINNES: I wanted—

THE COURT: You ought to know that.

MR. MACINNES: I do know it.

THE WITNESS: In dealing with the company one only deals with the register. We cannot take any notice of a trust.

MR. MACINNES: Q. And that is why you did not deal with Ferguson after that? A. Well, we did not know where he was after that.

Q. Who proposed the winding up of the company in August?

THE COURT: What year?

MR. MACINNES: Q. 1924? A. Oh, I do not know. Some of us talked about there was no use carrying it on, that we wanted our money. I do not know who proposed it. It was the general idea that it should be done.

Q. When you say "we", the syndicate? A. No, the directors of the company.

Q. The directors of the company? A. Yes, and they were the bulk of the shareholders too.

THE COURT: I suppose those who would be properly charged with doing that in a proper case. I am trying to follow this, the serious part of this. A lot of these things subject to what your opinion is, keep one away from the main thread.

MR. MACINNES: Q. You told my learned friend in chief, Mr. Bull, that there were several sets of negotiations with Sloan? A. Yes.

Q. Three or four propositions were put up? A. Yes.

Q. And were turned down, did not result in anything? A. We could not get the money.

Q. When did the negotiations which resulted in the deal of the 16th of January, 1924, when did they start? A. The 16th of July, 1924, you mean?

Q. Yes. A. They commenced in the early part of July, I think.

Q. The early part of June was it not? A. No, no. We tried to get the shareholders of the company to contribute 2c a share in June and carry on the old company. If we could have got \$15,000 we might have carried this thing on. And that was as between the Land option and when we got hold of Mr. Sloan in June.

Q. In June. A. Yes; and my first entry is the 4th of July, a long interview with Mr. Sloan as to working the mining property.

Q. As to working the mining property. A. We tried to get him to take a bond and work the property—buy the property at \$100,000.

Q. How long did it take you to work that deal out? A. I see I had another interview on the 7th with him, and on the 8th and 9th with Wallbridge, and on the 10th of July. And it was about that time that Sloan agreed with us that he would do as I said before, take an option on the property for \$100,000 if we would go in and assume half the responsibility. That would be

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about the 10th of July, and that culminated in meeting at Mr. Wallbridge's house one evening, when we were all present and we arranged the definite terms, and then from that time on until the 16th we were working on the agreement. I had several interviews back and forward with Sloan and with Wallbridge and with Mc-Kim, getting the thing in shape.

Q. Now the Sloan agreement was based on a capital requirement of \$16,000? A. Yes.

Q. To be contributed half and half? A. Yes.

Q. Half to be by Sloan and associates? A. Yes.

Q. And the other half by the syndicate? A. Yes, practically the same as what we offered to the company a month before, just a little more than 2c a share.

Q. And I presume Mr. Bull, that the amount of \$16,000 was worked out as being a reasonable amount in reach of all parties that would render the enterprise successful if it could be put across at all? A. Mr. Sloan thought he could do it on that.

Q. And that is how the \$16,000 was fixed? A. Yes.

Q. That contribution to the Sloan syndicate we will call it, was to be made monthly? A. It was not the Sloan syndicate. Sloan had the property in his own name, and he held half of it in trust for us, but kept the bank account in his own name. We had no say in the management or anything.

Q. You trusted him with the entire management and operation of the company? A. He insisted upon it. He would not come in with us if we interfered in any way.

Q. And the terms were you were to contribute monthly to the— A. Yes.

Q. —to the capital? A. Yes, \$4,000 a month.

Q. \$4,000 a month? A. \$2,000 each, \$4,000 for the two of us.

Q. Mr. Sloan, for the purpose of doing the development work and carrying on the property levied a call in August? A. That was the agreement we put up in August.

Q. And a further call in September? A. I think that is set up in the agreement.

Q. And you made that payment? A. Yes, made both those payments.

Q. What other payments did you make? A. He did not call on us for the October payment. He brought a small brick down in September, and he did not call on us for October.

Q. Any call in November? A. No, we did not have to put up any more.

Q. No further call? A. No. He financed through the bank at the end of the year.

Q. So that the anticipation of \$16,000 capital being ample was completely justified and verified by the occurrences that took

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place up to October of 1924? A. Under his management, yes.

Q. Under his management? A. Yes. He got some gold out where perhaps somebody else would not have.

Q. And you went into the transaction because you knew he was a capable and competent mining man? A. We understood so. We hadn't known him. I hadn't known him before.

Q. But he had very, very high recommendations? A. He had made a success of several small mines in Ontario. That is the word we got.

10 Q. Reliable? A. Yes, and economical.

Q. Yes, I understand that. And your experience with him verified every expectation you placed in him? A. Yes, and more.

Q. And as you worked along with him you found out that your expectations and hopes were being realized? A. Yes. He had weak spots though. Sometimes he got cold feet, 1926 he wanted to sell out.

Q. Too economical? A. No, it didn't look good in 1926, when we got down to the next level, the fourth level—the fifth level. The vein was practically barren and it was not worth much.  
20 And he did not get any good ore until he went on quite a long drift.

Q. When you drew this, came to this arrangement with Mr. Sloan, it was distinctly stipulated that the sinking of the shaft to the lower level should be undertaken as the preliminary work. A. Yes. We had done the same with Land's option, and I think with Copp's option.

Q. So no matter what Copp or Ferguson or anybody else said, you agree with them when they say that the sinking of the shaft was the root of this problem as it stood then? A. If there  
30 was to be any money spent on it we were going to see it was developed properly.

Q. And sinking the shaft was proper development? A. Yes.

THE COURT: Well, I suppose Mr. MacInnes, unless you sink a shaft in a mine—you keep repeating that—it seems obvious.

THE WITNESS: That was a hard bargain we made with Sloan on behalf of the company, that he was either to sink 100 feet a year or to pay \$15,000 a year. We did not make any easy bargain with him on behalf of the company.

MR. MACINNES: Q. What new machinery was put in on  
40 that property in the year 1924? A. There was a capital expenditure on plant and machinery of \$3,600.

Q. What did that consist of? A. I don't know. You would have to ask Mr. Sloan.

Q. Did it include any new machinery or hoist? A. I don't know. We got very little information from Mr. Sloan that year. He did not advise us by telephone, telegram or letter at all. He just went on with his work.

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Q. Now, at question 469 of your discovery, Mr. Bull—

THE COURT: Well, you did not put that in— That was put in, but then it does not matter.

MR. MACINNES: No, my lord.

Q. At question 469 of your discovery I asked you—I will read the next four or five questions.

Q. Wait until I have a look, please.

THE COURT: You did put in, Mr. MacInnes, from 455 to 468, inclusive.

MR. MACINNES: Q. Have you got it there, Mr. Bull? A. 10  
 Yes. What number?

Q. 469 was not put in.

“Q. Mr. Wallbridge would have nothing to do with the “indebtedness of the Fergusons to the Williams Estate, would “he? A. No.

“Q. Do you know why Mr. Wallbridge would be giving “instructions in connection with the suit against the Fergus- “ons in connection with this debt? A. I don't think he did. “I think in one of the letters he repudiated giving instructions. “I have seen that correspondence. 20

“Q. Mr. McKim did say that in a letter to Noble & St. “John, the solicitors for the Fergusons? A. What?

“Q. That Mr. Wallbridge was giving instructions in “connection with the suit? A. No, I don't think he said that, “but that they would have to see Wallbridge before—”

MR. FARRIS: My learned friend has no right by this back door method to put in what was excluded.

THE COURT: Well, it was not excluded, was it? He didn't put it in, but Mr. Farris this is cross-examination you see. And I thought that Mr. MacInnes really put in all the cross-examination which he thought would be of service to him. He may cross-examine—he may have memorized those questions. The only point is he seems to be reading them, and I do not care to stop cross-examination. 30

MR. MACINNES: I am proceeding then, my lord.

THE COURT: Just wait a moment. I suppose the real reason of Mr. MacInnes putting them in is he would not take a chance of you not calling Mr. Bull, but having called him I think he may cross-examine him.

MR. MACINNES: Q. Mr. McKim did say that in a letter 40  
 to—

THE COURT: What question is that?

MR. MACINNES: Question 471, page 56 over to 57—

“That Mr. Wallbridge was giving instructions in connec- “tion with the suit.”

Q. You knew what suit was meant? A. Well, my answer was: “No, I don't think he said that, but that they would have to

“see Wallbridge before we would wait in connection with our ac-  
 “tion. Nothing to do with theirs. They had to stave Wallbridge  
 “off.” Now in connection with that I am going to refer—

MR. MACINNES: Well—

THE COURT: He may explain. He said “Yes, I said that.”  
 Now he may explain.

THE WITNESS: And here is a letter from Noble & St. John  
 following that up: “We were not aware that Mr. Wallbridge con-  
 10 trolled the Williams action against Ferguson, and it seems to us a  
 strange thing that we must secure the approval of Mr. Wallbridge  
 in order to obtain an extension of time for filing the statement of  
 defence in this action. Upon receipt of your letter we immedi-  
 ately got in touch with Mr. Wallbridge who replied to us over the  
 telephone that he had nothing whatever to do with the Williams  
 and Ferguson suit.”

Q. So this is not the letter you were referring to, or you were  
 being asked about? A. This is the answer to that letter.

Q. This letter I am showing you is the letter which you were  
 asked about.

20 MR. FARRIS: I want to make my objection. My learned  
 friend cannot introduce as against Mr. Wallbridge—

THE COURT: Is that the letter?

MR. FARRIS: Yes, it is the same letter which my learned  
 friend tried to get in last night. My learned friend under the cloak  
 of cross-examination cannot introduce hearsay evidence. If he  
 is introducing this to attack the credibility of Mr. Bull it might  
 be a different matter, but my learned friend is now seeking in cross-  
 examination to introduce a document against Mr. Wallbridge that  
 has been already excluded as not evidence against him. He can-  
 30 not do that.

THE COURT: That was in his own case.

MR. FARRIS: He has no further latitude of proving evi-  
 dence by hearsay in cross-examination than he has in chief.

THE COURT: Supposing this was the first time that letter  
 was disclosed, and he asked Mr. Bull to identify it. Tell me again  
 who signed it?

MR. MACINNES: Williams, Walsh, McKim & Houser,  
 per Houser.

40 THE COURT: Between the solicitors. What was your  
 question before that?

MR. MACINNES: I was trying to—

THE COURT: The question was the one read out of the  
 discovery 472. Mr. Bull answered that, but he amplified it, and  
 it was in the course of the amplification that this arose.

MR. MACINNES: Yes. I said to him “Is this not a letter  
 which was shown to you on your examination for discovery which

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was the subject of the question to which you made that answer in 473." and Mr. Bull said "Yes", I think.

THE WITNESS: No, question 472.

THE COURT: There was a document shown him? Its color may have been red or blue, but Mr. Farris is objecting to the contents of that letter that was shown Mr. Bull. The fact it was shown Mr. Bull would not make it evidence in itself.

MR. MACINNES: Not yet.

THE COURT: Does it not turn on the contents, and who wrote the letter, and things of that kind? Mr. Farris is objecting that that is correspondence between the two solicitors, in which they make a reference to Mr. Wallbridge, and they are not here, and you do not call Mr. St. John or Mr. Noble who is here as one of the counsel. You did not choose to do that, and it was excluded. Was it excluded only for a certain time, or at a certain stage of the proceedings, or does that mean it was excluded from consideration in the case? 10

MR. MACINNES: I thought it was excluded, my lord, under the circumstances in which it was tendered last evening. But now it has come up to be tendered under different circumstances, I submit it requires a new rule to exclude it. 20

THE COURT: I excluded it, rightly or wrongly. It was a letter between solicitors alleging something with reference to the deceased defendant.

MR. MACINNES: Yes.

THE COURT: And that it was not evidence. It was not admissible then. How often may I exclude it in the course of the trial.

MR. MACINNES: It can be excluded any time it is offered improperly, and if I am offering it improperly now it is right for your lordship to exclude it. But my contention is under the circumstances now, in the cross-examination of Mr. Bull, if I can get from him an admission of the genuineness of this letter— 30

THE COURT: There is no dispute it is a letter—

MR. FARRIS: It is no less hearsay now than yesterday.

THE COURT: There is no dispute as to the genuineness or authenticity, but as to the amount of reliability that can be placed upon correspondence, lines in correspondence between solicitors affecting a third party, or how uncertain it would be in many cases if that were permitted. 40

MR. MACINNES: Q. The letter you read, Mr. Bull, was one of the same date—at least one dated January the 15th, 1923, to Messrs. Walsh, McKim & Housser from St. John and the second paragraph—"We were not aware that Mr. Wallbridge controlled the Williams action against Ferguson, and it seems to us a strange thing that we must secure the approval of Mr. Wallbridge in order to obtain an extension of time for filing the statement of de-



fence—” Now, is not that letter you read an answer— A. You did not read the rest of it.

“—filing the statement of defence in this action. Upon receipt of your letter we immediately got in touch with Mr. Wallbridge who replied to us over the telephone that he had nothing whatever to do with the Williams and Ferguson suit. In view of the absence of our Mr. St. John, who is preparing the defence, we must ask that the arrangement made with you be carried out.”

THE COURT: The defence in what action?

10 MR. MACINNES: In the action of the Williams Estate versus Ferguson on the debt owing by the Fergusons to the Williams Estate.

Q. Now you set out in your defence this letter of the 15th of January from Noble and St. John? A. I don't think so.

MR. MAYERS: Where?

MR. FARRIS: Oh, no, you just extracted that from cross-examination.

20 THE WITNESS: There was correspondence about that time that was put in, but on a different matter. This is a different suit altogether.

Q. Which suit was settled at the same time as your claim for misrepresentation was settled, as part and parcel of the whole settlement? A. Oh, I don't know. I had nothing to do with that, I know they agreed to it, our proposition. We entered into a new agreement. I did not know what they did about the settlement until I saw the correspondence since this action commenced.

Q. Will you look at that letter and tell me if there is any doubt of it being a letter from Walsh & Company to Noble & St. John?

30 MR. FARRIS: It is only the same letter. It is only trifling.

THE COURT: Is there any question as to the authenticity?

MR. FARRIS: None.

40 THE COURT: I do not think there is any use taking up time by these matters which are sort of side trials. What I am trying to keep my mind on is the main thread of this very serious subject matter, the gravaman of this matter, the question of fraudulent conspiracy. And it is for you to say how you can justify evidence on cross-examination of this kind, which is really a repetition of the examination-in-chief, which I do not think is cross-examination. I have heard it and it is down, and I do not forget it; it does not help me. If there were a jury I would not stop you repeating and repeating, but I am following this very closely and I think I have a grasp of it. There is what you call cross-cutting. You get lost in the shaft.

MR. FARRIS: My learned friend says drifting is the better word.

THE COURT: I hesitated to use that, really.

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MR. MACINNES: Perhaps it is sinking, my lord.

THE WITNESS: Maybe it will be.

MR. MACINNES: Q. Let me have Exhibit 84. It is a letter of October the 16th, 1922. It is No. 81, my learned friend tells me.  
 A. What date is it?

Q. October 16, 1922, Exhibit 81. Did you suggest in your evidence in opening, Mr. Bull, that the conduct of this mining operation from '21 to '24 was carried on by your syndicate properly and rightly? A. The operations were not carried on by our syndicate. The operations were carried on by the company.

Q. Managed by your syndicate? A. With Copp as superintendent.

Q. And Mr. Wallbridge as manager of the company? A. Yes.

Q. With three of your syndicate in control of the board of directors? A. Yes.

Q. That is why I say it was carried on by your syndicate in that way. Do you say those operations were carried on deliberately? A. We only operated '21 and '22, you know. We ran out of money then.

Q. Do you say those were carried on properly and rightly? A. I am not a mining man. I cannot give you an answer to that.

THE COURT: Q. You were losing money anyway? A. We were losing money all the time.

MR. MACINNES: Q. I want to read you the third paragraph—the fourth paragraph in that letter of October the 16th: “The mine has been terribly disappointing to us, and when you consider that we have advanced about \$30,000 besides the \$10,000 we put up in the first place—” A. That should be fifteen instead of ten.

Q. I think it should be. “and the money that has been taken out of the mine, 20 thousand odd dollars, it does not seem to me that we have very much value in sight for the expenditure.” That is, you did get out \$21,000 or thereabouts? A. Yes.

Q. In gold, during your operations— “And if you look over the ground yourself you will come to the same conclusion. We have made lots of errors in that country, and the only thing for us to do is to try and get things in shape, and when we tackle the proposition again, if we do, we will have to avoid all errors. I do not see why you should leave—” And then it goes on with some other details. Now, those are the comments made by Mr. Wallbridge on the work that was being carried out, and under his management. Is that not right? A. Yes.

Q. And is not that the complaint that Ferguson was making from time to time while he was here, that the management up there was unsatisfactory, that errors were being made and money was being wasted? A. The only time that Mr. Ferguson came to me

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personally to complain of the work, was during that time. And he came to me and said his information from the mine was that Copp was cutting out the pillars, and that was the only complaint.

Q. He thought that you were abandoning the mine, and that was no way to operate; he was cutting out the pillars and endangering the mine, and as if he was going to abandon it?

THE COURT: We have had all that. A. Yes.

Q. You say that was the only complaint to you? A. Yes, that was the only complaint he made to me personally. I passed  
10 it on, or sent it on to Copp, and he denied it, I think.

MR. MACINNES: Q. In 1923 did you succeed in getting from the Williams Estate and Ferguson a contribution of a large number of shares? Was it half the holdings of the company? A. I think it was one third. It was 750,000 altogether. We put more than Ferguson back. We put 250,000 back, that is our share of the contribution was larger than the Fergusons'

Q. The Fergusons put in 137,000? A. I don't know, but between us we put in 250,000 and we had 51% and they had less,  
20 so our proportion was greater.

Q. The intention was to sell and raise capital for the company? A. Yes.

Q. And nothing was done with the shares? A. They were left the way they were. They were never transferred. They still stand the way they did before the agreement was made.

Q. And the Fergusons'? A. The Fergusons' shares stayed in the Williams Estate name, and the others stayed in Wallbridge's name. They were ready to be transferred if we could sell them.

Q. And when that failed early in 1924, you tried to make a levy? A. You are mistaken. That was 1923.

Q. Well, in 1924, in substitution for the sale of those shares  
30 which were contributed, you tried to make a levy on the shareholders of two or three cents a share? A. We asked them to contribute 2c a share.

Q. Whom did you ask? A. The Williams Estate and Twiss. They were the only ones available. I don't know whether we asked the bank, but there would be no use if you did. The bank would never contribute anything.

Q. The Williams Estate could not very well contribute? A. That was up to them. They could have got consent from Fer-  
40 guson and their own beneficiaries if they wanted to.

Q. Did you approach the Fergusons? A. We did not know where they were.

Q. You had the address in Seattle. Did you try to get them or get in touch with them in any way? A. 1924?

Q. Yes? A. No, I did not have their address. We were dealing with Walsh on behalf of Ferguson because the bulk of the shares were with Walsh; he had only one share himself.

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Q. You are making that statement again? A. You asked me again.

THE COURT: You are bringing it out, and I have had that so often.

MR. MACINNES: Q. What right had Walsh as far as you knew, to pledge Ferguson's credit for any advance? Or deal with any question of making an advance on behalf of Ferguson? A. Well, he had the shares. We are not supposed to go behind the register. We do not take notice of any trust.

THE COURT: You have that, surely.

THE WITNESS: Why should we go to Ferguson for his one share and ask for a contribution of 2c for one share?

THE COURT: You can make your submission on the evidence.

MR. MACINNES: Q. And you knew he was holding them as security the same as the bank held the 30,000 shares? A. We had a general knowledge. We did not have the details.

Q. You told my learned friend that the operations in 1924 resulted in a net loss of \$2,500? A. About that.

Q. That \$2,500 included the sinking of the shaft to the 142 feet level? A. No, I think that was considered capital expenditure.

Q. Capital expenditure? A. I think so. I would not be sure.

THE COURT: Would it really have made any difference, having regard to the issues here?

MR. MACINNES: Q. Now when Babe came down on the 4th of December—

THE COURT: What year?

MR. MACINNES: 1924. Q. He brought down with him that last brick? A. The third brick.

Q. \$6,300? A. \$6,400.

Q. You saw him the day he came down or the next day? A. No, I did not get in touch with him until the 6th, Saturday the 6th. I explained that he got down late at night; on Thursday the train came down. Friday morning he took the brick to the assay office and he did not get the cheque for it until Saturday.

THE COURT: How much was the brick worth? A. \$6,400. But that would not be ascertained until they assayed it, measured it, and that was on the 6th of December. He got the cheque on the 6th of December and deposited it to the bank account of David Sloan in trust, and it was that afternoon I got in touch with him over the telephone. That was the first I knew he was down.

MR. MACINNES: Q. The first you knew he was down, eh? A. Yes.

Q. Didn't you know he was down on the 4th of December, or the morning of the 5th of December? A. No.

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Q. I understood Mr. Wallbridge told you that? A. No. Wallbridge did not know. It was Saturday afternoon that Wallbridge told me that Babe was down, and he could not find out what progress had been made.

MR. MAYERS: Q. That Babe was down? A. Yes. And he could not get any information about the progress, and I said I would try and get it on the telephone.

MR. MACINNES: Q. I want to read you a short section from the annual report of the Minister of Mines, 1925, on this property? A. What is this? What year? 1925?

MR. FARRIS: Who was Minister then?

MR. MACINNES: Mr. Farris, was it?

THE COURT: Who was it?

MR. MACINNES: The Honourable William Sloan, not David Sloan.

THE COURT: No relation?

MR. MACINNES: No relation.

Q. At page 173 of the 1925 Government Report referring to the Pioneer Mine: "The mine was first located in 1897, and up to the time of the resumption of operations during 1925 the total production was about \$1,350,000." A. Well, somebody is wrong. Ferguson took out \$135,000.

THE COURT: Is the decimal point in the right place?

MR. MACINNES: Yes. I am looking, your lordship at the page.

Q. "The shaft has been sunk for a further vertical depth of 142 feet below the 300 foot level referred to above, and on a level which is approximately 400 feet below the collar of the shaft, drifts have been run on the number 1 or south vein, east and west for 100 feet and 135 feet respectively. The ore has been found to continue at this level and to maintain a grade at least as high as that of the average value of the ore previously encountered." That refers to the shaft sunk by Sloan in the fall of 1924? A. Yes, but not developed until '25. That was issued in 1926.

Q. The shaft was sunk along the 142 feet and the vein cross-cut? A. Cross-cut, yes, but that does not prove any ore there.

Q. Some trifling drifting done. And it continues: "A raise was put up to the 300 foot level and a stope 200 feet in length has been carried between the two, which has yielded approximately 11,000 tons of ore. The ground has been stoped on a shrinkage method, 4,000 tons of ore having been won and milled, the remainder, 7,000 tons, with a content estimated to be of a value of \$150,000 remaining in the stope." A. How much?

Q. \$150,000. "Some exceptionally high grade ore was found on the bottom level and the results obtained in actual extraction support the view of continuity in depth which had been generally held. A sample taken across the back of the stope about 50 feet

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below the 300 foot level and across a width of 3½ feet, assayed gold three ounces silver 0.8 ounces to the ton." A. He was an optimist—

THE COURT: Who composed that literature? Does it say?

MR. MACINNES: It will be the mining engineer, the Government engineer in the Lillooet mining division making his report for his district to the Government, under the Mineral Development Act. In a further paragraph from the same page, Mr. Bull: "Compared with the records of previous operations the general result of this season's work is to show that one at least of the two veins which are known to exist on this property is of greater average width and value for over 100 feet below the 300 foot level than it was above. The width of this vein as worked during the past season has averaged 5 feet, and as stated above the average value is over \$20 a ton." Now that report whether it were of a fact actually occurring before the report was made, or with respect to an estimate, is practically carried out by the actual experience on the ground? A. No, I cannot tell you; I know in 1925 we produced \$60,000 in gold. I don't know how much the tonnage was. I don't say he would be far out on the tonnage that produced that \$60,000, but that \$60,000 made a profit of \$9,000, as I told you.

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Q. Now coming back to the question— A. The next year some more ore was taken out, but at that time Mr. Sloan got discouraged about the property and wanted to sell it.

Q. I have in my hand Mr. Bull a memo of the gold receipts from the mine, and it shows that in 1925 they were \$60,982.16? A. That is what I said.

Q. In 1926, \$98,898.94 was taken? A. Yes.

Q. In 1927, \$92,666.

MR. MAYERS: Well, my lord, this cannot be of any materiality. We stopped in 1924. That is when our fraudulent conspiracy took place.

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MR. MACINNES: I am simply getting out the fact it was a valuable property, that was taken.

THE COURT: This arose before and I ruled on it. Now you are going beyond '24.

MR. MACINNES: Simply showing what the value was.

THE COURT: It has no materiality having regard to the issue in this case. I can't stop you.

MR. MACINNES: You won't stop me?

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THE WITNESS: I may as well say about 1926, during the operations in 1926 part of those operations and the larger part was after we sank to the next level, the 600 level, where he struck some very good ore, after getting some distance in the shaft, where it was practically barren.

MR. MACINNES: Q. In 1928 the return is \$150,386.93? A. What year?

Q. 1928. A. I don't remember that. That was the new company that was in operation.

Q. Part of the time. And in 1929, \$176,000 odd? A. Well, our year started the 31st of March. I say I cannot tell you.

THE COURT: I rather think Mr. MacInnes is trying to provoke Mr. Mayers and Mr. Farris, showing what they have lost.

MR. MAYERS: That is the painful part to both of us.

MR. MACINNES: Q. Coming to the winding up of the company, that was decided on immediately—or at least practically following the option to Sloan? A. Oh, no, it was some—between  
10 two and three weeks afterwards.

Q. Some time before the 31st of August? A. We had an interview with our bank. A note had fallen due in the meantime; at the end of July a note fell due and they were—they would only renew it for sixty days.

Q. And it was at the end of July the idea of winding up the company— A. Well, it was the first week in August.

Q. Is that why the shares were registered in the name of A. H. Wallbridge on the 6th of August, 1924? A. I don't know  
20 anything about the registration of them. I think we had been holding those certificates without registration perhaps.

Q. And they were registered in the share register in Mr. Wallbridge's name on the 6th of August, 1924? A. I have to look at the share register.

Q. Will you please look at it so we will get the fact clear? A. Wallbridge looked after all the registration of shares. I have not seen that—

Q. Is that not what appears there? A. The register here shows A. H. Wallbridge as registering 382,498 shares.

30 Q. What date? A. August the 6th. And Dr. Boucher, the same date—

Q. 1924? A. And Dr. Boucher the same date, and McKim the same date, and then another share in Wallbridge's name. Well, I think that is just a change of the one before.

Q. Qualification is it not? A. It says there, A. H. Wallbridge.

Q. Look at A. H. Wallbridge's account and I think you will find where it went to his credit? A. These shares were turned over to us and that agreement of 1923, in January, and I suppose he did  
40 not register them. I don't know anything about that.

THE COURT: Mr. MacInnes, the witness does not know anything about it. You have the register and it will speak for itself. You are only going over with him something which you or I can do. Why not put it in, and if there is no materiality, why take up the time?

MR. MACINNES: I thought Mr. Bull was familiar with these books—

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THE WITNESS: 'They are all in Mr. Wallbridge's writing.

THE COURT: Mr. Wallbridge was running his side and Mr. Bull, his.

MR. MACINNES: Q. You were a director of the company at all times too? A. Yes.

Q. This page 2 of the share register has the Andrew Ferguson share account, has it not? A. Well, it speaks for itself. I did not see this book until just a year ago. I did not know anything about it.

THE COURT: Mr. MacInnes, you have the book. Why 10  
 take up time showing it to Mr. Bull?

THE WITNESS: I got this book from the liquidator after the winding up.

THE COURT: Mr. Bull you are not attempting to say that book is not right? A. No.

MR. MACINNES: Q. You might put in that page, Andrew Ferguson.

MR. MAYERS: I think the whole share register should be put in. That is the easy way.

MR. MACINNES: I am putting in as the next exhibit, the 20  
 share register page of A. H. Wallbridge.

THE COURT: Mr. Mayers suggested it should all go in, and it is all going in.

(SHARE REGISTER MARKED EXHIBIT No. 93)

THE COURT: The whole of the share register.

MR. MACINNES: Q. In September, 1924, the creditors decided to sell the assets of the company? A. Yes.

Q. And the creditors then in answer to the advertisement tendered \$45,000 for the entire assets of the company? A. Yes. 30

Q. Which included the physical assets of the company subject to the Sloan option? A. Yes.

Q. And it either meant they held the property wholly entirely to themselves, or within 101,000? A. Yes.

Q. That transaction was carried out at the general meeting of shareholders held on the 5th of December, 1924? A. No, there was a new deal made in the December meeting.

Q. That proposition was submitted to the meeting of shareholders of the 5th of December, 1924, at which the new transaction was offered to you? A. Yes, it is in my letter of November 28th to Mr. Walsh, and on the 5th of December to the liquidator. 40

THE COURT: And they are in? A. Yes.

MR. MACINNES: Q. And that second proposition was actually accepted and carried through by that meeting? A. Yes, unanimately.

Q. And in that meeting the syndicate— A. Ninety-seven per cent. of the shareholders of the company voted in support of it.



Q. Provided they were entitled to vote. The meeting stood with 750,000 shares outstanding in the company, of which 382,500 were voted by Mr. Wallbridge, the representative of the syndicate?

A. I don't know the exact amount, subject to one or two shares, one share I held.

Q. Qualification? A. Yes, Wallbridge held those in trust for us.

Q. In trust for the syndicate. And in doing that he was acting on behalf of the syndicate in toto? A. Yes.

10 Q. Now, up to this time—see if I am right—the total you put up on the property was originally \$15,000. That was paid under the purchase agreement of the 6th of January, 1921? A. Yes.

Q. That was followed in round figures by the \$40,000 of advances to the company? A. Yes, with a liability to the bank of about \$4,400.

Q. \$4,200 I think you said? A. It got up.

Q. That liability to the bank was cleaned up out of the liquidation? A. The following year.

20 Q. I mean the syndicate was relieved of that liability? A. Not until it was paid.

Q. They were relieved by payment out of the assets of the company? A. Yes, but we stood aside. We consented that these outside creditors be paid before we were paid anything. That is we did not participate in the distribution by the liquidator until all outside creditors were paid.

Q. The next money you put up, or that this property cost you, was the \$4,000 advanced in August and September of 1924, under the Sloan proposition? A. Yes.

30 Q. Now that is the total outlay that this property cost the syndicate? A. \$15,000 and \$40,000 which afterwards got up with the winding up to about \$45,000.

Q. Did that include the \$4,400 to the bank? A. No, the total liabilities at the time of the winding up were \$50,000 roughly; that is before it was wound up, before they were paid.

Q. That included the bank's \$4,200? A. No—Oh, yes, that would include the bank's \$4,200.

Q. So we will get these in round figures, the total paid out was \$15,000 on the original purchase? A. Yes.

40 Q. The \$50,000 which included the \$4,200 to the bank, on which you were only secondarily liable? A. Yes.

Q. And \$4,000 to Sloan? A. Yes.

Q. That was the total cost? A. Yes.

Q. And as a result of this transaction the minority shareholders got what in the company? A. They got a share of the \$20,000.

Q. That is, the minority shareholders in the company saw a matter of— A. Well, they got 49% of that.

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Q. Got 49% of the \$20,000? A. Yes.

Q. That is all they got out? A. I don't know what they got  
got out before, but that is all they got out of the winding up.

Q. And the syndicate then, for that price, got a one-half in-  
terest in the property free from any claim of the minority by reason  
of the transfer of the assets to the syndicate? A. No, that was  
nothing to do with the transaction. We got a half interest with  
Sloan on his purchase in the company at \$100,000, the same price  
at which we had offered it to several people—in fact we got \$10,000  
more from Sloan than Land or those other people.

Q. I am not comparing it with that. I say as the result of  
the Sloan operation coupled with the sale by the syndicate—to the  
syndicate, of the assets of this company, the syndicate stepped out  
of the old company with a complete half interest in the company as  
well as having the other half interest? A. Yes, but the minority  
shareholders were able to get in on the same basis as we were, but  
they would not come in. They were offered to come in on exactly  
the same basis as we were but they would not come.

Q. On the same basis? A. Yes, exactly the same basis.

Q. What offer was made to the English shareholders to come  
in? A. We did not offer—There was one and a half per cent held  
in England. There were ten people holding about 1,000 shares  
each.

Q. What offer was made to the Fergusons to come in? A.  
We made it through Walsh.

Q. That was the only offer? A. Yes. We did not know  
where Ferguson was.

Q. And the result was because they would not contribute  
with you in the syndicate, you decided to drop them? A. No, we  
simply could not get them to come in, so we went on to protect  
ourselves.

Q. Protect yourselves? A. Yes. If you had carried the  
minority shareholders for three and a half years to the extent of  
putting in your money, over \$40,000, you would not consider them  
very much more, would you?

THE COURT: Mr. MacInnes would not mind that.

MR. MACINNES: Q. In answer to that, that is the real  
reason? A. No, I say we tried to get them in until the last min-  
ute, and they would not come in, and so we had to look after our-  
selves.

Q. Look after yourselves, eh? A. Yes.

Q. And let them out? A. No. We gave them the oppor-  
tunity and they would not come in; and we tried to collect our  
money.

MR. MAYERS: My learned friend asked the price of the  
Pioneer shares; that is the new company? A. Yes.

Q. And the new company's property is the same as the old

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company's? A. No, the new company has about three times the property the old company had.

MR. MACINNES: Is this re-examination?

MR. MAYERS: Yes.

THE COURT: You know now what re-examination is.

MR. MACINNES: I never knew it before in this way, my lord.

THE COURT: What is this going to be now? I think it has to be done through the court.

10 MR. MACINNES: I was going to suggest this—

THE COURT: Never mind suggesting. Are you going to ask a question? Have you finished with Mr. Bull?

MR. MACINNES: I would be finished with him except for new matter interjected.

THE COURT: Have you finished?

MR. MACINNES: No.

THE COURT: What is the question?

MR. MACINNES: Q. You say you have some other property?

20 THE COURT: This is something for the benefit of the junior members of the bar who may be listening to the seniors. It is something you have overlooked.

MR. MACINNES: No, it is something arising out of the question my learned friend just put to Mr. Bull.

THE COURT: Then you ask through me, because you might go on ad infinitum, just like sinking your shafts.

MR. MACINNES: I made the complaint it was not re-examination, Mr. Mayers' question.

THE COURT: That incident is ended, but you may ask.

30 MR. MACINNES: Q. You say some other properties were included in the purchase of the new company of the assets from Sloan? A. Yes.

THE COURT: Other claims? A. Yes.

Q. Say exactly what that is then. What do you mean by that?

A. There were just as many more claims as were covered by the Ferguson property originally.

Q. New claims you acquired? A. Yes. And we put them into the sale, into the company.

40 MR. MACINNES: Q. And they were covered by the documents conveying the properties that went to the new company from Mr. Sloan? A. Yes, several documents.

Q. And they had to be filed with the Registrar of Joint Stock companies in order to justify or show the grounds for allotting the shares? A. The first transfer you are referring to—it recites the particular claims that the old company had, and then there is a clause covering all mining property there which was afterwards transferred by individual bills of sale.

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Bull  
Cross Exam.  
by Plaintiff  
(Cont.)

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Q. The documents speak for themselves? A. I am explaining it to you. You said it was covered by the same documents.

(Witness aside)

MR. MAYERS: Dr. Boucher.

ROBERT B. BOUCHER, one of the Defendants, being first duly sworn, testified as follows:

## DIRECT EXAMINATION BY MR. MAYERS:

Q. You live in Vancouver? A. I do.

Q. How long have you lived here? A. Since the fall of 1909.

Q. And what is your occupation? A. Physician and surgeon. 10

Q. And you have followed that occupation since 1909 in Vancouver? A. Yes, specializing in eye, ear, nose and throat.

Q. You have been sitting in court and have heard all the evidence up to date? A. I have.

Q. You have heard all the evidence Mr. Bull has given? A. I have.

Q. So far as your personal conduct with the matter is concerned, what do you say as to the accuracy of Mr. Bull's account. A. I quite agree with it. 20

Q. I want you just to give me a few details. How did you come to get into this matter? A. Through Mr. Wallbridge.

Q. And what did he tell you which induced you to associate yourself with the others? A. Mr. Wallbridge told me that for \$50,000 we could get 51% interest in the Pioneer Gold Mine. He gave me the representations as coming from the Fergusons, that there were ten to twelve thousand tons of tailings which would average between \$5 and \$6 a ton, that the mining machinery was in good condition, and that the underground work was good.

Q. What was it that induced you to go in with your associates? A. The tailings and the prospect of having a speculation, a good speculation. 30

Q. You became aware in the autumn of 1922, of the failure of the tailings, did you? A. Yes.

Q. And you also were aware of the steps taken by Mr. Bull and Mr. Wallbridge to make good that deficiency, or rather to try and get satisfaction from the Fergusons? A. Yes.

Q. And all that had your approval? A. Absolutely.

Q. I am just going to repeat to you now some of the things of which you are accused. Have we a copy of the statement of claim? Look at page 13, witness, I have opened it for you. Paragraph 7 of the statement of claim, and the second sentence in that paragraph: "It was understood and agreed between the plaintiff and his associates and the defendants—" 40

THE COURT: The plaintiff being Ferguson.

MR. MAYERS: The plaintiff being Ferguson and his associates— “—and the defendants at and prior to the giving of the aforesaid option that the defendants would proceed forthwith to sink a shaft on the Pioneer Mine.” Did you ever agree to anything of that kind? A. I did not.

Q. You are one of the defendants? I omitted to ask you. A. Yes.

Q. Following on that: “The defendants fraudulently conspired together so to mismanage the company as to acquire its property without payment, and eventually to defraud the minority shareholders of their interest.” What do you say about that? A. Absolutely false.

Q. “The defendants, in furtherance of their design, wrongfully refused and neglected to do any proper mining or development work, or to sink the said shaft, and systematically loaned money to the company in order to make it insolvent.” What do you say about that? A. Absolutely untrue.

Q. By the way, did you lend any of the money? A. I did.

Q. And you lent it for what purpose? A. For the purpose of developing the mine.

Q. Yes. “The funds of the company, including the moneys loaned, were dissipated by the defendants in various manners, such as paying salaries and acquiring miscellaneous equipment which was placed on the property, but not used.” What do you say about that? A. I say it is absolutely untrue.

Q. Paragraph 8: “From January, 1921, to July, 1924, the defendants being in full control of the company fraudulently conspired together to refrain from mining and producing gold, and so to bankrupt the company.” What do you say about that? A. Absolutely false.

Q. Paragraph 9: “At all material times the defendants well knew that the plaintiff and the said Peter Ferguson, deceased, were financially unable to bear any part of the cost of mining.” What do you say about that? A. Why, that is absolutely untrue.

Q. Did you know anything about the Fergusons? A. I did not know anything about them at all.

Q. “And that the written agreement aforesaid had been given to them upon the faith and understanding that they, (the defendants), would operate the Pioneer Mine in a bona fide and workmanlike manner and would sink the aforesaid shaft.” Did you know that the written agreement had been given to you upon the faith that you would sink the shaft? A. I did not.

Q. Paragraph 10: “In the winter of 1922 the defendants, having advanced as aforesaid certain large sums to the Pioneer Gold Mines Limited, and being in a position to force it into bankruptcy, fraudulently and without just cause, claimed that the Pioneer Mine had been misrepresented to them.” Now, first of all you

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did claim that the Pioneer Mine had been misrepresented by the  
 Fergusons, didn't you? A. We did.

Q. Did you do that fraudulently and without just cause? A.  
 We did not. The gross misrepresentation—

Q. "well knowing that the plaintiff and the said Peter Fer-  
 guson, deceased, were unable to afford the expense of litigation."

A. I did not know anything about the Fergusons.

Q. "The shares of the plaintiff and the said Peter Ferguson,  
 having been hypothecated to the executors of the estate of Adol-  
 phus Williams, deceased, the defendants wrongfully induced and  
 persuaded the executors of the estate to commence foreclosure pro-  
 ceedings with respect to the said shares of the plaintiff, and main-  
 tained and directed the said litigation." Did you do all that? A.  
 I did not, not to my knowledge.

Q. Did you know anything about the action which was pro-  
 ceeding between Mr. Williams' executors and the Fergusons? A.  
 No.

Q. "The defendants, by means of the said litigation and by  
 threats of litigation with respect to a claim for misrepresentation  
 known by them to be without foundation or just cause, and by  
 means of threats of placing the company in bankruptcy, fraudu-  
 lently compelled the plaintiff and the said Peter Ferguson to com-  
 ply with their demands." Now, just there—did you make threats  
 of litigation or did you know that Mr. Wallbridge and Mr. Bull  
 were making threats of litigation against the Fergusons? A. Yes.

Q. For misrepresentation? A. Absolutely.

Q. And you honestly believed that those threats were justi-  
 fied by what had been done to you? A. Absolutely.

Q. Did you know that your claim for misrepresentation  
 against the Fergusons was made without foundation or just cause?  
 A. Did I know.

Q. Yes. Just look at what they say here. It is so mixed up  
 I have to select pieces of it. You see they are alleging you knew,  
 you amongst the other defendants, that your threats of litigation  
 in respect to those representations were utterly without founda-  
 tion or just cause? A. No.

Q. Did you ever make any threat to place the company in  
 bankruptcy? A. No.

Q. Did you fraudulently compel the plaintiff and the said  
 Peter Ferguson to comply with your demands? A. No.

Q. Will you look at paragraph 13: "In pursuance of the said  
 conspiracy the defendants, through their agents, the aforesaid  
 directors, Bull, Duff-Stuart, and A. H. Wallbridge, on the 16th of  
 July, 1924, gave an agreement to sell to one David Sloan all of the  
 property of the company without disclosing to the other members  
 of the board of directors or to any of the other shareholders of the  
 company, or to the company, that the said Sloan was not an in-

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dependent contractor, but as to an undivided one-half interest in the said option was merely a trustee for the defendants." You knew, did you not, that an option was being given to Sloan? A. Yes.

Q. I think you were present at the meeting when that was discussed with Sloan? A. Yes.

Q. Was all that done in pursuance of your conspiracy? A. There was not any conspiracy at all. It was the last thing in the world we thought of.

10 Q. Paragraph 14: "In further pursuance of the said conspiracy the defendants, being the only creditors of the company except for a few miscellaneous accounts, not exceeding in all the sum of \$5,000, by a winding up resolution passed on August 22nd, 1924, placed the company into voluntary liquidation." You do know, and did know at the time that such a resolution had been passed? A. Yes.

Q. Was that done in pursuance of your conspiracy? A. Absolutely not.

20 Q. Paragraph 17: "Between July 16th and December 5th, 1924, the defendants in their mining operations, having developed upon the Pioneer Mine immediate ore in sight worth approximately \$200,000—" Did you know anything about that? A. I think that is ridiculous.

Q. "—and having tremendously increased the potential value of the mine—" What do you think about that? A. I think that is equally ridiculous.

THE COURT: Is it true? Ridiculous statements are true. Just say whether it is or not. It is not so? A. No, my lord.

30 MR. MAYERS: Q. I go on with the paragraph: "—fraudulently concealed such facts from the shareholders—" Well, of course, if they were not facts, it would be difficult for you to fraudulently conceal them. But did you fraudulently conceal anything? A. No, we did not.

Q. Paragraph 18: You are accused of acting in an oppressive manner towards the minority shareholders. Did you oppress anybody? A. No, I did not.

Q. You remember Mr. Copp saying he had met you and Dr. Nicholson in Dr. Nicholson's office in 1920? A. Yes.

Q. Did any such thing happen? A. No.

40 Q. By the way, did Mr. Copp try to sell you any shares? A. No, Mr. Copp did not, Mr. Wallbridge did.

Q. Mr. Wallbridge tried to sell you whose shares? A. 25,000 shares of Mr. Copp's.

Q. When was that? A. In the early part of January, 1925.

Q. What price? A. One cent a share.

Q. And did you buy them? A. I did not.

Q. Those were shares, of course, in the Pioneer Mine? A. Yes.

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## CROSS EXAMINATION BY MR. FARRIS:

MR. FARRIS: Q. You say Mr. Wallbridge made certain representations to you before you entered the syndicate. Both Wallbridge and Copp saw you together? A. They did.

Q. And were some of the representations that Wallbridge made to you also made by Copp? A. Copp substantiated Wallbridge's statements.

Q. During the years '21 to '24 did you have occasion to see quite a lot of Wallbridge? A. Oh, yes, I saw Wallbridge very frequently.

Q. What did you find about him in connection with imparting knowledge to his associates? A. I found he was very free in imparting his knowledge—any knowledge he had. Very free in his discussions and so on, very keen to make a success of the mine.

Q. You recall the meeting in December of 1924, the general meeting on the 5th of December? A. Yes.

Q. Did you have any knowledge at that time of the shaft being sunk— A. None whatever.

Q. —below the 300 foot level? A. None whatever.

Q. Did you see Wallbridge at that time? A. Before the time of the meeting. I saw him just before the meeting.

Q. Were you talking to him? A. Yes.

Q. Was there any intimation from him of any knowledge of that kind? A. None whatever.

MR. MACINNES: I object to that last question because it was not competent for my learned friend to introduce from his own side evidence in his own defence.

THE COURT: What?

MR. MACINNES: Mr. Farris asked the Doctor as to something Mr. Wallbridge told him or did not tell him prior to the meeting of December 5th, 1924.

THE COURT: I suppose the condition of mind of Mr. Wallbridge, who is one of the defendants, in an action of conspiracy, charging fraud, is relevant, and something one must endeavor to penetrate, and this is one of the means adopted by Mr. Farris to try and ascertain that and counteract your allegations.

## CROSS-EXAMINATION BY MR. MACINNES:

Q. You have told my learned friend that you quite agree with Mr. Bull's testimony in full? A. In fact, as far as I know.

Q. There would be certain things he would know— A. That I do not know.

Q. —that you do not know? A. Exactly.

Q. And what you meant was the general trend—

THE COURT: Oh, well.

MR. MACINNES: I want that clear. A. Yes, quite clear.

Robert B.  
Boucher  
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Q. And that applies to the cross-examination as well as the examination-in-chief? A. Quite.

Q. Now, you and your co-syndicators were acting together throughout the whole of this time, from '21 to '25? A. You are speaking as a group? You are calling us a syndicate as a group?

Q. Yes. A. What was that again?

Q. You were operating together in association, your syndicate? A. Yes.

10 Q. Mr. Wallbridge, Mr. Bull, yourself, Dr. Nicholson, and General Stuart and Mr. McKim? A. Yes, and Mr. McKim.

Q. What position did Mr. Wallbridge take in the company affairs? Do you know what position he was in? A. Mr. Wallbridge was manager and secretary—

Q. That is he was— A. —of the company.

Q. That is he was the active man of the syndicate? A. He was not the active man of the syndicate any more than the rest of us. He was the manager of the company.

20 Q. And the manager of the company was appointed by the directors of the company, the majority of whom were members of the syndicate? A. I don't know anything about that.

Q. You were never a director? A. I was never a director.

THE COURT: Is there any dispute at all as to Mr. Wallbridge's status in this matter?

MR. MAYERS: No, my lord.

THE COURT: I do not see why you should take up so much time. We have had several times when Mr. Wallbridge was and what his duties were in respect to these matters.

30 MR. MACINNES: Q. It was with your consent and approval that the directors of the company selected from the syndicate who should be elected directors of the company? A. Quite.

THE COURT: No dispute about that at all.

MR. MACINNES: Q. You say you did not conceal anything, that you acted openly. That means you intended to do those things you did do. You did them intentionally, whatever they might be, right or wrong? A. We did everything fair and square and aboveboard, and the imputation that we acted fraudulently is a vicious insinuation.

Q. And what you did do you did intentionally and with your eyes open? A. Surely.

40 Q. Now you told my learned friend that Mr. Wallbridge tried to sell you shares belonging to Copp, in the company? A. Yes.

Q. Did you know that Copp did not have any shares in the company at all? A. Copp had the 25,000 shares he got from Wallbridge.

Q. Well, Doctor, the register of the company does not show

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him ever having been noted as a member at all? A. I cannot help that. That is what happened. There was 25,000 shares that he got from Wallbridge, and they were offered at a cent a share. I am only telling you what occurred.

Q. You don't know whether Copp was a member of the company or not? A. I knew that Copp was interested in a certain number of shares in the early part of the syndicate.

Q. That was all straightened out? A. Yes. And Copp got the 25,000 shares. That is where he got them.

Q. Did you see the certificate of those shares? A. I did not. 10

Q. How do you know that Copp was a member of the company? A. How do I know?

Q. Yes? A. He had the shares. He was presumed to have the shares. He sold the shares to General Stuart.

Q. Mr. Wallbridge handled the transaction didn't he? A. I cannot tell you. Mr. Wallbridge offered them to me. I don't know whether Mr. Wallbridge offered them to General Duff-Stuart or whether Mr. Copp offered them himself. You will find that out later.

Q. You told my learned friend Mr. Farris that you had no knowledge of the sinking of the shaft on the property. I take it you do not mean it in the full sense? A. When was that? 20

MR. FARRIS: As of the 5th of December, I asked him.

THE COURT: Mention the years.

MR. MACINNES: Well, 1924.

Q. You told my learned friend Mr. Farris that you did not know anything of the sinking of the shaft on this property, on the 5th of December, 1924? A. At that date.

Q. Yes. A. I did not know.

Q. You did not know anything about it up to that time? A. 30 I knew a shaft was being sunk.

Q. And you knew from time to time that Mr. Sloan in addition to sinking the shaft was bringing down bricks of recovery? A. Yes, two small bricks.

Q. \$9,000? A. Yes.

Q. In addition to doing this development work—Did you ever have any information as to how that shaft was progressing? A. No.

Q. From time to time? A. No.

Q. You did not make any inquiry? A. I could not get any information. I never heard any. 40

Q. Did you make any inquiry? A. Only from Wallbridge and Bull. Nobody heard anything.

MR. MACINNES: Thank you.

(Witness aside.)

DR. FRANCIS JOHN NICHOLSON, one of the Defendants herein, being first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. MAYERS:

Q. You live in Vancouver? A. No, I live near Buccaneer Bay.

THE COURT: How long have you lived in this neighborhood? A. Since the last 25 or 27 years.

MR. MAYERS: Q. You have not got any of the spirit of the Bay where you live? What is your occupation Doctor? A. I am  
10 a physician.

Q. You came into this matter in 1920, did you? A. Yes.

Q. How did you come to get into it? A. The late Mr. Wallbridge approached me late in December, 1920, stating he was trying to get a group of men together to form, or to purchase a 51% interest in the Pioneer Gold Mine.

Q. Yes. A. He gave me certain particulars about the property that he had had from the Fergusons and the vendor, that the previous owners had got into financial difficulties; there had been considerable work done on the property.

20 Q. The previous owners being whom? A. The previous owners, yes.

Q. Who were they? A. The Fergusons and Williams, he told me.

THE COURT: The plaintiffs? A. The plaintiffs, yes.

MR. MAYERS: Q. What did Mr. Wallbridge tell you as coming from the Fergusons? A. That there were ten or twelve thousand tons of tailings in the dump, averaging between \$5 and \$6 a ton, that the plant and equipment and machinery were there  
30 as a going concern, all in good shape, with everything necessary for continuing operations at any stage of the game. That they had a sawmill on the property and they had done a certain amount of work, and it was really a going concern.

Q. What was it that induced you to go in with your associates? A. Well, the principal fact was that we understood that we could recover practically \$50,000 from the tailings in the dump. It would give us a working capital to go ahead and carry on the mine.

Q. You have been sitting in court and heard Mr. Bull and Dr. Boucher? A. I have.

40 Q. Do you agree with what they have said? A. Entirely, so far as within my knowledge.

Q. Yes. There was some business of which you had no knowledge. But as far as you know is there anything you want to add to or subtract from the evidence of those two witnesses? A. I was not a director of the company and I had nothing to do with

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the actual negotiations that Mr. Bull and Mr. Wallbridge did as directors in the workings of the company.

Q. You were all close personal friends? A. Very close, yes.

Q. And met very frequently? A. We met occasionally.

Q. And Mr. Wallbridge and Mr. Bull gave you all the information there was to be given? A. It practically all came from Mr. Bull and Mr. Wallbridge.

Q. Bearing that in mind is there anything you want to add or subtract from the evidence of these two witnesses? A. Not that I can think of. 10

Q. You heard Dr. Boucher denying those allegations of fraud or conspiracy? A. I did.

Q. Do you deny them? A. Oh, absolutely.

THE COURT: Let him finish. A. I deny them absolutely, certainly.

THE COURT: I thought you were going on.

MR. MAYERS: Q. Had you ever any idea at all that you were conspiring until this action started? A. There was no suggestion of conspiracy at any stage of the game. Our cards were on the table at all times. 20

THE COURT: What? A. Our cards were on the table at all times. We were trying to do the best we could in the interests of everybody.

MR. MAYERS: Q. You heard Mr. Copp say that he met you and Dr. Boucher in your office some time in 1920. You heard that, did you? A. I heard it.

Q. Is that so? A. Untrue.

Q. When did Mr. Copp introduce himself to you. A. The first time Mr. Copp came into my office was in 1925.

Q. And for what purpose? A. To sell some shares in the Pioneer Gold Mines. 30

Q. Whose shares were they? A. I think they were his shares.

Q. And what did he offer them at? A. He offered them for \$250.

Q. That is a cent a share? A. A cent a share.

Q. Did you buy them? A. No, I would not take them at any price.

## CROSS EXAMINATION BY MR. FARRIS

MR. FARRIS: Q. Doctor, while you are living at Buccaneer Bay you did practise your profession here for a great many years? A. I did. 40

Q. And you were the personal physician of Mr. Wallbridge? A. I was.

THE COURT: During the time material to this? A. I was

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John  
Nicholson  
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By  
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his personal physician for a great many years up to the time of his death.

MR. FARRIS: Q. How many years did you intimately know Mr. Wallbridge? A. Oh, I must have known him 15 years or more, I think; approximately 15 years.

Q. Did he ever discuss with you the question of this mine? A. Well, we often discussed things informally, and we met quite frequently, yes.

10 Q. What could you say about him imparting to you the knowledge that he had about the mine from time to time? A. Oh, he used to tell me everything he knew.

Q. Did you form any opinion of his character and his reliability? A. Oh, I have known him to be one of the finest types of men I have ever met. A man of great integrity.

Q. Was he worried over the situation at this mine? A. Was I?

Q. Was he? Was he worried over the condition at this mine? A. Oh, yes.

Q. Did he express that to you? A. Oh, yes, quite frequently.

20 Q. Did it affect his health? A. It did. In fact, as a matter of fact I am firmly convinced that it hastened his death. He had a condition that required more or less rest from any business activity, and he could not rest. And I am sure it hastened his death by several years.

Q. Did you hear any suggestion from him at any time in connection with this mine, in 1921 until the day of his death, which suggested a dishonourable act in any way on his part? A. Absolutely not.

Q. In connection with this transaction? A. No.

30 CROSS-EXAMINATION BY MR. MACINNES

Q. You said you were never a director? A. Never a director.

Q. But you were content that the other members of the syndicate should be directors and represent you in the company? A. I think so, yes.

40 Q. Each step that you took and that your associates took in connection with the affairs of this company, particularly in 1923 and '24, was taken deliberately and intentionally to do that which you did do? A. Well, I had nothing to do with the directors of the company.

Q. But you consented that your associates should be directors? A. Yes.

Q. And satisfied with what they did—

THE COURT: There is not any dispute about that at all.

MR. MACINNES: Q. You say that Mr. Copp was in to

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see you and he was selling shares. Did you see any of the certificates? A. I did not.

Q. Did he produce any certificate to you? A. He did not.

MR. MACINNES: Thank you.

(Witness aside)

JAMES DUFF-STUART, one of the Defendants herein, being first duly sworn, testified as follows:

## DIRECT EXAMINATION BY MR. MAYERS

Q. You live in Vancouver? A. Yes.

Q. And you are a member of the firm of Clarke & Stuart, are you not? A. Yes. 10

Q. They are printers and publishers? A. Yes.

Q. You, by the way, were associated with Mr. Wallbridge—

THE COURT: And one of the defendants.

MR. MAYERS: Q. You are one of the defendants? A. Yes.

Q. I am sorry to remind you of that. You were associated with Mr. Wallbridge in a mine called the Surf Inlet Mine? A. Yes.

Q. You heard Mr. Ferguson say that Mr. Wallbridge was the mine manager of the Surf Inlet Mine. Is that so? A. No, he was the secretary-treasurer. 20

Q. Who was the mine manager? A. Fred Wells.

Q. Witness, you have been in court all through this action, have you not? A. Yes.

Q. You have heard the evidence of Mr. Bull and Dr. Boucher and Dr. Nicholson? A. Yes.

Q. Do you agree substantially with what they said? A. Practically everything that I am associated with, that I know of, I absolutely agree.

Q. You have heard me read to Mr. Bull and Dr. Boucher those allegations in the statement of claim? A. I have. 30

Q. Did you ever commit any fraud such as alleged, or any how? A. Not that I know of. I have been over 45 years in Vancouver, 40 years in business with Clarke & Stuart, and I do not know of any fraudulent action that I have ever done in any shape or form.

Q. Did you ever conspire with anybody? A. No.

MR. MACINNES: He should join the Oxford Movement.

MR. MAYERS: Well, it is not quite a joke you know.

Q. Witness, you were one of the directors, were you not? A. Yes.

Q. You were present at that meeting of the 16th of July 1924, at which Sloan's option was discussed? A. Yes. 40

Q. You had also I think been at Mr. Wallbridge's house when Mr. Sloan agreed to come in? A. Yes.

Q. At that meeting of the directors of which we have heard, where there were present yourself, Mr. McKim, Mr. Bull, Mr. Walsh, and Mr. Wallbridge, what was said about Sloan's option?  
A. Mr. Bull submitted the option and read it over to the directors and it was approved of.

Q. And what else did Mr. Bull say? A. Well, he stated right there that the syndicate so-called were coming in with a half interest with Mr. Sloan. That was stated in the meeting.

10 Q. Was there anything in connection with Sloan's option and the association of yourself and your group with Sloan that was not said by Mr. Bull at that meeting? A. No.

Q. You also were present at the meeting on the 5th of December, 1924, were you not? A. Yes.

Q. What was the state of your knowledge at that time, of the operations which Mr. Sloan had been conducting at the mine?  
A. I did not know what was going on at all. I knew he was just working.

Q. You were chairman at that meeting were you not?  
A. Yes.

20 Q. What were the proceedings—what was done at that meeting? A. It was a meeting of the shareholders. I think Mr. Salter acted as secretary. The bond was presented—Mr. Sloan's bond came up before the meeting. At the request of some of the shareholders I read the conditions of the bond.

Q. You read out the whole document, did you? A. Read out the whole document.

Q. Was there any more discussion that you remember?  
A. No.

30 Q. Was Mr. Seaman there? A. He was there.

Q. Did he say anything? A. No. I think he moved the bond be accepted.

Q. And Mr. Seaman was manager of which bank? A. The Royal Bank of Canada.

Q. Was there any discussion of the two small bricks which Sloan had brought down? A. I don't remember. I think they were mentioned but I don't remember them.

Q. Excuse me one moment. Did Mr. Copp come to see you at any time about his shares? A. Yes.

Q. When was that? A. In January 1925.

40 Q. What was he doing or trying to do? A. Well, he sold—wanted to sell his shares. And I suppose I was easy. I bought them.

Q. How much did you pay for them? A. \$250 for 25,000 shares.

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—  
*In the  
Supreme Court  
of British  
Columbia*

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—  
Defendant's  
Case  
April 10-13,  
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—  
James  
Duff-Stuart  
Direct Exam.  
(Cont.)

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Proceedings  
at Trial

Defendant's  
Case

April 10-13,  
1933.

James  
Duff-Stuart  
Cross Exam.  
by  
Co-Defendant

James  
Duff-Stuart  
Cross Exam.  
by Plaintiff

Discussion  
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Counsel

## CROSS EXAMINATION BY MR. FARRIS

MR. FARRIS: Q. You were in close touch with Mr. Wallbridge while this business was going on from 1921 to 1924, were you? A. Yes.

Q. You were personally friendly as well as business associates? A. Yes.

Q. Did you see Mr. Wallbridge on the day of the meeting, on the 5th of December? A. Only at the meeting.

Q. Did you receive any intimation from him, or any inkling of any knowledge that he knew anything about the shaft up there that the rest of you did not know? A. No, none whatever. 10

## CROSS-EXAMINATION BY MR. MACINNES

Q. How long did that meeting of the 5th of December take, General? A. Oh, I think about half an hour or three-quarters.

Q. With regard to those Copp shares, you say that was in January 1925? A. Yes.

Q. I suppose you take the same position as the former witness, that each step that was taken you took deliberately and intentionally to do that which you did do?

MR. MAYERS: Conscious of their rectitude. 20

THE COURT: Oh, I take it that is not disputed—surely.

(Witness aside.)

MR. MAYERS: My Lord. I have a number of documents which I want to put in, and it will be very tiresome perhaps for your Lordship, but I have some more witnesses and I will call them tomorrow. And my learned friend and I agree that we will, in your Lordship's absence, have these marked as exhibits, and if we differ we will appear before your Lordship at 10:30.

Exhibits marked as follows:

(EXHIBIT 94, LETTER COPP TO WALLBRIDGE APRIL 27, 1922) 30

(EXHIBIT 95, LETTER COPP TO WALLBRIDGE MAY 5, 1922)

(EXHIBIT 96, LETTER WALLBRIDGE TO COPP MAY 15, 1922)

(EXHIBIT 97, LETTER COPP TO WALLBRIDGE MAY 19, 1922)

(EXHIBIT 98, LETTER COPP TO WALLBRIDGE MAY 26, 1922)

(EXHIBIT 99, LETTER WALLBRIDGE TO COPP MAY 29, 1922) 40



	(EXHIBIT 100, LETTER COPP TO WALLBRIDGE JUNE 1, 1922)	RECORD
	(EXHIBIT 101, LETTER WALLBRIDGE TO COPP JUNE 5, 1922)	<i>In the Supreme Court of British Columbia</i>
	(EXHIBIT 102, LETTER COPP TO WALLBRIDGE JULY 13, 1922)	Proceedings at Trial
	(EXHIBIT 103, LETTER WALLBRIDGE TO COPP JULY 17, 1922)	Defendant's Case
10	(EXHIBIT 104, LETTER COPP TO WALLBRIDGE JULY 20, 1922)	April 10-13, 1933.
	(EXHIBIT 105, LETTER WALLBRIDGE TO COPP JULY 24, 1922)	Discussion Court and Counsel
	(EXHIBIT 106, LETTER COPP TO WALLBRIDGE JULY 27, 1922)	(Cont.)
	(EXHIBIT 107, LETTER WALLBRIDGE TO COPP JULY 31, 1922)	
	(EXHIBIT 108, LETTER COPP TO WALLBRIDGE AUGUST 4, 1922)	
20	(EXHIBIT 109, LETTER WALLBRIDGE TO COPP AUGUST 5, 1922)	
	(EXHIBIT 110, LETTER WALLBRIDGE TO COPP AUGUST 28, 1922)	
	(EXHIBIT 111, LETTER COPP TO WALLBRIDGE AUGUST 30, 1922)	
	(EXHIBIT 112, LETTER COPP TO WALLBRIDGE AUGUST 31, 1922)	
	(EXHIBIT 113, LETTER WALLBRIDGE TO COPP SEPTEMBER 4, 1922)	
30	(EXHIBIT 114, LETTER COPP TO WALLBRIDGE SEPTEMBER 7, 1922)	
	(EXHIBIT 115, LETTER WALLBRIDGE TO COPP SEPTEMBER 11, 1922)	
	(EXHIBIT 116, TELEGRAM COPP TO WALLBRIDGE SEPTEMBER 18, 1922)	
	(EXHIBIT 117, LETTER COPP TO WALLBRIDGE OCTOBER 5, 1922)	
	(EXHIBIT 118, LETTER COPP TO WALLBRIDGE OCTOBER 12, 1922)	

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- (EXHIBIT 119, LETTER COPP TO WALLBRIDGE  
 OCTOBER 19, 1922)
- (EXHIBIT 120, LETTER COPP TO WALLBRIDGE  
 OCTOBER 26, 1922)
- (EXHIBIT 121, LETTER WALLBRIDGE TO COPP,  
 NO DATE.)
- (EXHIBIT 122, LETTER COPP TO WALLBRIDGE  
 MAY 19, 1922)
- (EXHIBIT 123, LETTER COPP TO WALLBRIDGE  
 MAY 26, 1923)
- (EXHIBIT 124, LETTER WALLBRIDGE TO COPP  
 MAY 31, 1923)
- (EXHIBIT 125, LETTER COPP TO WALLBRIDGE  
 JUNE 2, 1923)
- (EXHIBIT 126, LETTER WALLBRIDGE TO COPP  
 JUNE 7, 1923)
- (EXHIBIT 127, LETTER COPP TO WALLBRIDGE  
 JUNE 9, 1923)
- (EXHIBIT 128, LETTER WALLBRIDGE TO COPP  
 JUNE 14, 1923)
- (EXHIBIT 129, LETTER COPP TO WALLBRIDGE  
 JUNE 16, 1923)
- (EXHIBIT 130, LETTER COPP TO WALLBRIDGE  
 JULY 9, 1923)
- (EXHIBIT 131, LETTER COPP TO WALLBRIDGE  
 JULY 21, 1923)
- (EXHIBIT 132, LETTER WALLBRIDGE TO COPP  
 JULY 20, 1923)
- (EXHIBIT 133, LETTER COPP TO WALLBRIDGE  
 JULY 28, 1923)
- (EXHIBIT 134, LETTER WALLBRIDGE TO COPP  
 AUGUST 9, 1923)
- (EXHIBIT 135, LETTER WALLBRIDGE TO COPP  
 AUGUST 17, 1923)
- (EXHIBIT 136, LETTER WALLBRIDGE TO COPP  
 AUGUST 24, 1923)
- (EXHIBIT 137, LETTER WALLBRIDGE TO COPP  
 AUGUST 31, 1923)

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	(EXHIBIT 138, LETTER WALLBRIDGE TO COPP SEPTEMBER 7, 1923)	RECORD —
	(EXHIBIT 139, LETTER WALLBRIDGE TO COPP SEPTEMBER 14, 1923)	<i>In the Supreme Court of British Columbia</i> —
	(EXHIBIT 140, LETTER COPP TO WALLBRIDGE SEPTEMBER 22, 1923)	Proceedings at Trial —
	(EXHIBIT 141, LETTER WALLBRIDGE TO COPP OCTOBER 4, 1923)	Defendant's Case —
10	(EXHIBIT 142, LETTER COPP TO WALLBRIDGE OCTOBER 13, 1923)	April 10-13, 1933. —
	(EXHIBIT 143, LETTER WALLBRIDGE TO COPP OCTOBER 18, 1923)	Discussion Court and Counsel —
	(EXHIBIT 144, LETTER COPP TO WALLBRIDGE OCTOBER 20, 1923)	(Cont.)
	(EXHIBIT 145, LETTER WALLBRIDGE TO COPP MAY 7, 1924)	
	(EXHIBIT 146, LETTER COPP TO WALLBRIDGE MAY 24, 1924)	
20	(EXHIBIT 147, ARTICLES OF ASSOCIATION OCTOBER 25, 1915)	
	(EXHIBIT 148, MINUTES DIRECTORS MEETING APRIL 23, 1921)	
	(EXHIBIT 149, MINUTES DIRECTORS MEETING JULY 11, 1921)	
	(EXHIBIT 150, MINUTES EXTRAORDINARY GENERAL MEETING DECEMBER 16, 1921)	
	(EXHIBIT 151, MINUTES DIRECTORS MEETING SEPTEMBER 29, 1922)	
30	(EXHIBIT 152, MINUTES DIRECTORS MEETING DECEMBER 13, 1922)	
	(EXHIBIT 153, MINUTES DIRECTORS MEETING DECEMBER 30, 1922)	
	(EXHIBIT 154, MINUTES DIRECTORS MEETING DECEMBER 6, 1923)	
	(EXHIBIT 155, MINUTES DIRECTORS MEETING JULY 16, 1924)	
	(EXHIBIT 156, MINUTES EXTRAORDINARY GENERAL MEETING AUGUST 22, 1924)	

- RECORD (EXHIBIT 157, EXTRAORDINARY GENERAL MEETING  
MINUTES SEPTEMBER 9, 1924)
- In the  
Supreme Court  
of British  
Columbia* (EXHIBIT 158, MINUTES OF CREDITORS MEETING  
SEPTEMBER 26, 1924)
- Proceedings  
at Trial (EXHIBIT 159, MINUTES OF CREDITORS MEETING  
OCTOBER 22, 1924)
- Defendant's  
Case (EXHIBIT 160, MINUTES SHAREHOLDERS MEETING  
DECEMBER 5, 1924)
- April 10-13,  
1933. (EXHIBIT 161, MINUTES OF CREDITORS MEETING  
JANUARY 21, 1925) 10
- Discussion  
Court and  
Counsel  
(Cont.) \* \* \* \* \*
- MR. MAYERS: My learned friend Mr. MacInnes is admitting that the advertisement for sale in 1924 was advertised for two weeks, three insertions a week, in a daily newspaper published and circulating in the city of Vancouver.
- MR. MACINNES: That is right, my Lord.
- MR. MAYERS: I do not think that this agreement of the 21st January, 1925, between the Pioneer Gold Mines Limited of the one part and the six associates of the other part has been put in, and I want to put it in.
- MR. MACINNES: My recollection is that it is in. 20
- MR. MAYERS: I cannot find it.
- MR. MACINNES: It may be that it is set out in the pleadings.
- MR. MAYERS: No. My lord, might I ask permission to call Mr. Bull for three or four questions I had forgotten?
- MR. MACINNES: Mr. Mayers, with regard to that Copp-Wallbridge correspondence that you and Mr. Shaw checked up last night, is that considered in, tendered for going in?
- MR. MAYERS: Yes.
- MR. MACINNES: Well, my lord, may I take an objection? 30  
Your Lordship has, I think, ruled out in connection with the testimony in the cross-examination of Mr. Copp an objection I took to the Copp-Wallbridge correspondence. It is this, that it is not evidence against the plaintiff in any way, for two reasons. First, if it is considered as correspondence passing between officials of the company, it is res inter alios acta as far as the plaintiff is concerned, and does not bind them as to statements made by Copp to Wallbridge, or by Mr. Wallbridge to Mr. Copp. It is res inter alios acta as far as the plaintiff is concerned and cannot be used against him. And if available as evidence at all, it can only be available 40  
for the plaintiff as containing admissions made by one of the de-

defendants. I mean Mr. Wallbridge, whose estate is one of the defendants in the action, and to that extent it is admissible as evidence and to that extent only. That is, it cannot be used by these defendants for their defence. My objection is to the admissibility as against us.

MR. MAYERS: Shall I deal with that now, or when I come to argue?

THE COURT: I think so.

10 MR. MACINNES: Yes; I just want to make my position clear.

(AGREEMENT PRODUCED MARKED EXHIBIT No. 162)

ALFRED EDWIN BULL, recalled, testified further as follows:

DIRECT EXAMINATION BY MR. MAYERS:

Q. Mr. Copp stated that in the winter of 1920-21 he told you and Mr. Wallbridge that there would be only 5,000 tons of tailings recovered. What do you say? A. That is absolutely untrue, because the representation to us was 10,000 to 12,000. It was on the basis of that that we put up our money. If he had said there was only 5,000 tons, we would not have bought it.

20 Q. Did Mr. McKim subscribe to the decisions, the actions of his associates? A. Oh, yes.

Q. And did he subscribe and receive moneys in accordance with his proportion? A. Yes.

Q. How long did it take to work out Mr. Sloan's option? A. It took five years. That is, at the end of 1928, which would be about six or seven months before the five years had expired, there was a balance of \$28,000 still owing, and we gave him a discount of \$560, I think, to pay it six or eight months ahead of time, although in the ordinary course we would not have got it until the end of the five years.

30 Q. You were present at that meeting of the 5th December, 1924? A. Yes.

Q. Was there any mention made at that meeting of the two bricks that had been brought down previously? A. Yes, mentioned by somebody, Wallbridge or myself, or Salter, that Sloan was bringing down some—had brought down some gold; a couple of bricks had come down.

MR. MAYERS: Thank you.

CROSS-EXAMINATION BY MR. MACINNES:

40 Q. Then I understand you, at this meeting of December 5th, 1924, Mr. Bull—somebody said in the witness-box it took about half an hour? A. Yes.

Q. The whole thing? A. About half an hour, I would think,

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(Cont.)

Alfred E.  
Bull  
(Recalled)  
Direct Exam.

Alfred E.  
Bull  
(Recalled)  
Cross Exam.  
by Plaintiff

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*Alfred E.  
Bull  
(Recalled)  
Cross Exam.  
by Plaintiff  
(Cont.)*

*John Ira  
Babe,  
Direct Exam.*

yes. General Stuart said about half an hour to three-quarters of an hour, but my memory would be about half an hour.

Q. Now then, at that meeting there was a vote taken by a show of hands, not a poll? A. Yes.

Q. Naturally it would take more than half an hour to have a poll on that? A. Yes. Nobody demanded a poll. There was no opposition; everybody voted for it.

MR. MAYERS: Q. I understand the resolutions were passed unanimously? A. Passed unanimously, yes.

MR. MAYERS: Thank you; that is all.

(Witness aside)

10

JOHN IRA BABE, a witness called on behalf of the Defendants, being first duly sworn, testified as follows:

## DIRECT EXAMINATION BY MR. MAYERS:

Q. Speak up, will you, please? You live where? A. In Vancouver.

Q. And what is your occupation? A. Has been mining.

Q. In 1924 you were working with Mr. Sloan up at the Pioneer Mine, were you not? A. I was.

Q. What time did you come down to Vancouver in December? A. I left Vancouver on December 3rd.

Q. You mean you left the mine? A. I left the mine. I arrived in Vancouver the night of the 4th, late.

Q. When did you see Mr. Wallbridge after that? That would be, of course, December 4th, 1924? A. Yes.

Q. When did you see Mr. Wallbridge after that? A. I could not have seen Mr. Wallbridge before the 6th, the morning of the 6th.

THE COURT: What day of the week was it? A. That would be Saturday.

30

MR. MAYERS: Q. Saturday, December 6th, 1924? A. Yes.

Q. What did you come down for principally? A. To bring a gold brick down.

Q. What did you do with the gold brick? A. I left it in the Assay Office on the morning of the 5th.

Q. When did you get the report of the Assay Office? A. On the morning of the 6th.

Q. You saw Mr. Wallbridge on Saturday, December 6th, 1924. What took place between you? A. Well, I just met him on the street in the forenoon, just before I got the return from the Assay Office, and I told him I would be in in the afternoon with the return.

40

Q. And did you go in to see him in the afternoon? A. I went in late in the afternoon.

Q. Of December 6th? A. December 6th.

Q. And what did he say to you and you to him? A. Well, I handed him the return. Then he wanted information about the property. I told him that Mr. Sloan would be down in a few days.

Q. Well now, speak a little louder please. He asked you for information? A. He asked me for information about the mine.

MR. MACINNES: May I take formal objection to this conversation which took place between Mr. Wallbridge and this witness? It can hardly be testimony against us. We were not present  
10 and did not know anything about it.

THE COURT: Yes; proceed.

MR. MAYERS: Q. You say Mr. Wallbridge asked you for information as to the working of the mine. What did you say?

THE COURT: Speak up, Mr. Babe. A. He said that—or at least, I told him that Mr. Sloan would be down in the course of a few days, and that Mr. Sloan was much more capable of giving him any information than I was, and I gave him no information.

CROSS-EXAMINATION BY MR. MACINNES:

Q. You said you were a miner, Mr. Babe?

20 THE COURT: He said mining; he did not say miner.

MR. MACINNES: Q. What is your experience?

THE COURT: Mr. Babe, will you sit up so that I can hear you? A. I will stand up.

Q. No, not stand up. Take your time. You said you were mining. Tell exactly what your occupation is in regard to mining.

A. I had no experience—

Q. Are you a working miner, or are you an engineer, or—?

A. No, I had no experience of mining up to that time.

Q. Well, what were you doing up there? A. Well, I owned  
30 a quarter interest in the property with Mr. Sloan.

MR. MACINNES: Q. That is your first experience with mining? A. My first experience in mining.

Q. When did you go up to the property? A. We landed on the property in, I think, July 20th or 21st; around that time.

Q. And you remained there until you came down to Vancouver? A. My first trip out.

Q. Now when you came out the Davidson shaft had been sunk? A. Yes.

Q. And how long before that had Davidson cut the cross-cut to the vein on that 142-foot level, below the 300-foot level? A.  
40 Very shortly before.

Q. Mr. Davidson said about the middle of November. Is that right, according to your recollection? A. That would be—I think it would be later than that.

Q. You would not contradict him, though, would you? A. Well, I couldn't.

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Direct Exam.  
(Cont.)

John Ira  
Babe,  
Cross Exam.  
by Plaintiff

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Babe,  
Cross Exam.  
by Plaintiff  
(Cont.)

THE COURT: Well, do you know one way or the other? If you do not know, say so; do not guess. A. Well, I don't—well, I would say a little later than that—well, I don't know.

MR. MACINNES: Q. Now then did you have a discussion with Mr. Sloan about the cross-cutting of the vein on this 142 foot level? A. Why, naturally.

THE COURT: Say yes; just one word.

MR. MACINNES: Q. And what was the nature of that conversation? Tell us what Mr. Sloan thought about it. A. Well, Mr. Sloan—just as near as I can remember now—It is so long ago. We were pleased that it was there, that is all. 10

Q. In other words, Mr. Babe, it amounted to this, that it was what Mr. Sloan expected to find, and he was pleased at finding what he was looking for? A. Naturally.

Q. And he told you that, didn't he?

THE COURT: Take your time to understand the question. Did he tell you?

MR. MACINNES: Q. He told you that he was pleased?

(Reporter reads: "In other words, Mr. Babe, it amounted to this, that it was what Mr. Sloan expected to find, and he was pleased at finding what he was looking for?") A. Well, we would not sink the shaft unless we expected to find something. 20

## EXAMINATION BY MR. FARRIS:

John Ira  
Babe,  
Cross Exam.  
by  
Co-Defendant

Q. When you talked to Mr. Wallbridge, that is on the Saturday, at the meeting before, on the 5th, he tried to get some information from you about the mine? Is that right? A. Yes.

Q. And I suppose he indicated to you that he wanted to know, because he didn't know and he was trying to get information? A. That is what it looked like.

Q. So far as you could tell, he did not know what was going on? A. As far as I know, he didn't know anything of the— 30

(Witness aside)

DAVID SLOAN, a witness called on behalf of the Defendants, being first duly sworn, testified as follows:

David Sloan  
Direct Exam.

## DIRECT EXAMINATION BY MR. MAYERS:

Q. Where do you live? A. Vancouver.

Q. And what is your occupation? A. Mining.

Q. What particular branch of mining? A. Mining engineering.

Q. In 1923, what experience had you had in the way of mining? A. I had been on about five different properties, in charge of the work or as manager of the property. 40

Q. You have been in court and heard the evidence of Mr. Bull, have you not? A. Yes, I have.



Q. You heard him relate the incidents of 1923 and '24, when this group of associates tried to get you interested in the matter?  
A. I did.

Q. According to your recollection, is that substantially correct?  
A. I could not see any mistake in it.

Q. Now in 1924 you took this option on the Pioneer Mine, did you not?  
A. I did.

Q. And I think you executed the option in Mr. Bull's office?  
A. I believe so.

10 Q. Was it executed by the company at the time when you executed it?  
A. Well, at that time I understood that I was dealing directly with the company.

Q. Do you remember if the option was—when the paper was executed, if the seal of the company was on it when you executed it?  
A. No, I can't say.

Q. Did you know anything about a directors' meeting, or the fact of there having been one, or any circumstances connected with it?  
A. No, I didn't know anything about a directors' meeting.

20 Q. You knew nothing about the internal management of the company in connection with this option?  
A. No. I thought Wallbridge had the thing all in his hands.

Q. Now you went up to the mine, did you not, after that?  
A. I think I left for the mine on July 19th.

Q. And you stayed up there until when?  
A. Until some time around the 10th September.

THE COURT: That is 1924?  
A. Yes, 1924.

MR. MAYERS: Q. Then you went back on what date?  
A. I only stayed in town about three or four days.

30 Q. Then you would be back at the mine in September, 1924?  
A. Yes.

Q. And you stayed there until when?  
A. Until sometime about a month later, or a little more probably.

Q. In November?  
A. In November.

Q. And you came down at what date in November?  
A. Round the 10th or the 15th November.

Q. And then you went back to the mine?  
A. I think I stayed nearly a week at that time.

40 Q. You went back to the mine, getting there some time in November?  
A. Yes, I think around the 15th to the 20th November.

Q. And you stayed up there until when?  
A. Until a few days before Christmas.

Q. Now tell me what the operations were that you conducted in the autumn of 1924 in the Pioneer Mine.  
A. Our first operation was to put everything in shape for working, to cut the station on what they called the third level then, and put a sump in for handling the water. I started sinking immediately and got things

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David Sloan  
Direct Exam.  
(Cont.)

well on the way with the sinking and started mining all the ore I thought was available.

Q. Were you sinking the shaft yourself or by contract? A. Sinking it by contract.

Q. That would be Davidson and Jehoram, would it? A. That is correct.

Q. And they went on sinking until they got to what depth? A. They sank to 140 feet.

Q. What date would it be approximately when they reached that depth? A. Shortly before I arrived back in November. 10

Q. They stopped while you were absent from the mine, did they? A. Yes, they had trouble over power, and they thought they were not going to be able to complete their contract to the 400 feet level while I was away, and started on their own authority to cross cut.

Q. When you got back some time about the 20th November what condition did you find? A. They had the cross-cut in two or three rounds, I believe.

Q. How far? A. Two or three rounds.

Q. What would that be in feet? A. That would be probably 10 feet. 20

Q. So that when you got back, the 20th November or thereabouts, 1924, you found that the shaft had been sunk that 140 feet, and the contractors had cross-cut for approximately 10 feet? A. That is correct.

Q. Now that 140 feet that the shaft was sunk, was that on the vein? A. No, it was all in the foot wall of the vein.

Q. The cross-cut of 10 feet disclosed what to you? A. Nothing, sir.

Q. They simply had found what when they got to the end of that 10 feet? A. They had not yet reached the vein. 30

Q. So that up to the date we are now speaking about, the whole operation was the sinking of that 142 feet and the cross-cut of some 10 feet in length, not part of a vein? Is that right? A. That is correct.

Q. Did Davidson and Jehoram leave after that? A. No; I made them complete their cross-cut to the vein and sink a sump below the intersection of the cross-cut with the shaft.

Q. How far did they go before they cross-cut the vein? A. Round 18 to 20 feet. 40

Q. And what did they find, or what did you find when they had completed that? A. A vein varying in width from 2½ to 4 feet. The showing is still there. It has not been lined up yet.

Q. Now what, in your opinion as a mining engineer, could be said to be the result of that operation at the time when Davidson and Jehoram left you? A. Quite gratifying, but of no particular value.

Q. What might have happened in that interval between the 300-foot level and the bottom of the 142-foot shaft? A. Anything might have happened.

Q. For instance, could there have been a fault? A. Yes.

Q. Could the vein have pinched out? A. Yes.

Q. Was there any certainty at all that there was any gold between the 300-foot level and the bottom of the 142-foot shaft? A. No certainty, but you would naturally expect there would be some.

10 Q. Have you had an instance in this very mine where a vein has petered out for some considerable distance? A. Yes.

Q. Which level would that be on? A. On the sixth level.

MR. MACINNES: Q. Is that the 600? A. On the 600 level there is a space of 60 feet, and on the tenth level there is a space of 150 feet where we would naturally expect an excellent vein, and there is nothing more than a crack.

MR. MAYERS: Q. What do you say as to this statement: "Between July 16th and December 5th, 1924, the defendants in their mining operations having developed upon the Pioneer Mine immediate ore in sight worth approximately \$200,000—" A. Far-fetched.

Q. Is there any truth in it at all? A. No.

MR. MACINNES: That is cross-examination, surely, my lord. I object to that last question.

THE COURT: How far-fetched; how far would you say? A. Almost to the limit.

MR. MAYERS: Q. You know Mr. Copp, do you? A. I do.

Q. I think you were up at the mine in June or July, 1923, were you? A. I was.

30 Q. Had you any conversation with Mr. Copp about the condition of the shaft and the possibility of sinking? A. Yes, sir.

Q. What did he say? A. He said it was impossible to sink and continue the mill. He did not have any capital, I believe, and found it impossible for to sink and continue to mill. He had to mill to get the capital.

Q. In order to mill he had to mine, I suppose? A. Yes.

Q. So that what he meant, I take it, was he could not sink and mine at the same time? A. That is correct.

40 Q. What is your opinion of that shaft, just briefly? A. Very poor working shaft. It was a prospect shaft. The upper 66 feet of it was at a dip of about 60 degrees from horizontal; the next 100 feet was about 87 degrees; and the next 87 feet was about 80 degrees, 80 to 85.

Q. Could the skip descend and ascend vertically? A. Yes. It had to be held to the rails by means of guides.

Q. You heard Mr. Boulger give evidence here the other day, did you? A. I did.

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Q. He said that in calculating his tailings he took 27 cubic feet to the ton. What would you say about that? A. That would be more nearly a ton and a half.

Q. You have had how many years experience in mines of that kind? A. 32 at least.

Q. Have you ever known tailings such as were up there at that time run 27 cubic feet to the ton? A. No, it would be quite impossible.

Q. He also said that the values in the lower tailings dump were greater than the values in the upper tailings dump. What do you say as to that? A. That would be quite impossible also. 10

Q. Why? A. Because the tailings in the lower tailings dump run through the tailings in the upper tailings dump, and in passing through they would naturally deposit their heavier substance, which is the sulphides in the ore, which contain probably 99 per cent. of the values in those tailings.

Q. You saw those two tailing dumps up there, did you, in 1923? A. I saw the empty pits.

Q. What would you say that those two tailing dumps would contain as the maximum? A. I think the evidence that you had is quite conclusive on that. They could not contain over 4,000 tons. 20

Q. I think, if I remember, Mr. Twiss said that he had discussed this mine with you in 1924. Do you recall that? A. No, not in 1924. In—

Q. Do you recall his saying so? A. Yes, I do.

Q. Well, was that correct? A. No, that was not correct.

Q. When did you discuss it with him? A. I discussed it with him in 1923.

Q. For what purpose? A. For the purpose of getting him interested further. 30

Q. Did you succeed? A. No.

Q. I think he said, and I would like your recollection on the point, that when you did speak to him on this subject you told him it was a made mine. Do you recall his saying that? A. I do.

Q. What do you say about that? A. I would say it was ridiculous.

THE COURT: Q. Was it a made mine? A. No.

## CROSS-EXAMINATION BY MR. MACINNES:

Q. Mr. Sloan, you are a graduate of the Queen's Mining School, are you not? A. I am. 40

Q. 1907? A. 1905.

THE COURT: Where is that? A. Kingston, Ontario.

MR. MACINNES: Q. After your graduation you were working in Northern Ontario, mining? A. No, not immediately after. I came to British Columbia in the spring of 1905 and worked in the silver-lead properties in the Slocan country for nearly a year.

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Q. And then went back to Ontario? A. No, I went from there to the Slocan.

Q. Anyway, when you came up to meet this syndicate in 1923—wasn't it the summer of 1923? A. Yes.

Q. You had had experience in Ontario, mining? A. I did.

Q. And you had also, I think, when you were in British Columbia had experience with Mr. Wallbridge in the Surf Inlet? A. I was with the Surf Inlet before Palmer had anything to do with it. That was in 1911 and 1912.

10 Q. And you came in touch with Wallbridge there? A. Yes, he was a director of our company there.

Q. And when you came back in 1923, or came in touch with the syndicate in 1923, you had put in your work in Ontario? A. Yes.

Q. You had operated there for several companies in the management of their mining properties. A. I did.

Q. And your employers had been good enough to give you an entirely good recommendation as to your ability as engineer and as mine manager? A. I believe so.

20 Q. In 1923 you made an examination of this property? A. I did.

Q. For the old Pioneer Mine, and you made a report to them as the result of that examination. This has been produced as a copy of your report. I do not know whether it is an original or not—exhibit 60. A. It is not an original.

MR. MACINNES: It has been produced by Mr. Bull or from the company records as a copy.

Q. Would you look through it, Mr. Sloan?

THE COURT: Well, I suppose there is no question as to—

30 MR. MACINNES: No—to let Mr. Sloan refresh his memory because I intend to ask him a few questions on that. A. That is correct, I think.

40 Q. Now at page 2 of your report, under the heading of "Veins," you stated this, Mr. Sloan: "In the Pioneer property two main veins have been exposed. These were discovered by sluicing the surface gravel in an endeavour to find the vein from which rich float had been found further up the mountain or above the veins discovered. It is therefore likely that at least a third vein occurs above the two exposed as rich float is reported to be found along the hill for some hundreds of feet. No effort has been made to expose the third vein underground as little or no cross-cutting has been done from the different levels." That was an estimate you made from your examination of the situation as you found it there, Mr. Sloan? A. That is right.

Q. Now since that time you have been in charge of the operations on this property right down to the present day? A. I have.

Q. Now the prognostication that you set out, to which I

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have just referred, was found on actual experience to be right. wasn't it? A. It is correct.

Q. Now what was the nature of the vein, or the veins rather, that you referred to here, Mr. Sloan? A. They were true fissure quartz veins, gold-bearing.

Q. Now when you have a true fissure quartz vein, what is the principal virtue in that? What is the expectation you get from a true fissure vein—carrying values? A. You may have anything.

Q. I beg your pardon? A. You may have anything.

Q. And what about the tendency to go to depth? A. Some 10 will go to depth, others won't.

Q. But if you are going on to find depth in a vein, you are more likely to find it in the true fissure vein than any other vein? A. Naturally it depends a good deal on the formation that they are in.

Q. Now the formation that you found of the true fissure vein on this property, would that indicate going to depth? A. Yes, I consider it would.

Q. And from the examination that you made the indications all pointed to the possibility of this being a profitable property to work and develop? A. Yes, to certain limits. 20

Q. And in the operations that you carried on since 1924 you have found the prognostications and anticipations set out in your report all to have been verified by the actual condition and facts in the mine? A. With some disappointments.

Q. You could not be 100 per cent. perfect, could you? A. No.

Q. Did you get any offsets to the disappointments by finding things better than you anticipated? A. Yes.

Q. Many of them? A. Not many. 30

Q. Did the work that you have done on this property exceed or come up to the expectation that you had formed from your examination of 1923? A. It exceeded it.

Q. By a very great deal, Mr. Sloan? A. I believe so.

Q. As a matter of fact, by a 100-fold or more? A. Possibly.

Q. Now when the proposition was discussed with you of joining in with the syndicate which were in control, which resulted in the option to you of the 16th July, 1924, how long was that being discussed with you, Mr. Sloan, before it came to a conclusion? A. From the time when I made my report, probably I had been doing my best to do something along with Mr. Wallbridge on the property. 40

Q. Now I understand that you took an option on the property, or at least procured the option on the property called the Land option? A. Yes.

Q. And in that you were acting simply as a salesman? A. That is correct.

Q. Or broker on that deal. That turned out disappointing. The Land engineer turned down the property completely? A. Yes.

Q. He didn't see it as you saw it? A. No.

THE COURT: Did he investigate it to his own satisfaction? A. Yes.

MR. MACINNES: Q. What investigation did the Land engineer give to it, Mr. Sloan? Were you with him? A. Yes.

Q. What investigation did he make? A. He looked over the gear and went down into the mine, and I asked him to take some—if he was not going to take some samples. “No,” he said, “I have seen enough.”

Q. That is, he simply went down in the mine, came back and said he had seen enough, and walked away? A. Yes.

Q. Did you think that that was a very close and careful examination? A. Well, it seemed to satisfy him.

Q. Did it satisfy you as being a reasonably fair examination? A. No, I think he should have done more.

THE COURT: He would have been here then had he done more and taken up the option? A. Yes.

Q. I do not quite see what all this has to do with it. However—

MR. MACINNES: Q. When you came back in 1923, after having examined this property and reported on it, did you make verbal reports to any members of the company, Mr. Wallbridge or the syndicate? A. I can't remember.

Q. Now Mr. Wallbridge wrote to Copp on the 26th July, 1923, and he says in that letter, which is exhibit 86: “Sloan gives a much better report of the property to the individual shareholders than he does in his reports.” Was Mr. Wallbridge right in that statement? A. I don't consider that he was.

Q. You would disclose to the shareholders much more freely in conversation, and discuss your hopes and your views and your ideas of the future value of this property, than you would set down in writing for a permanent report to be used over your name as a mining engineer, wouldn't you, Mr. Sloan, naturally? A. That question is rather long. I am afraid I have lost the trend.

Q. Very well. You would talk more freely and express your hopes more freely than you would set them down in writing in a report over your name, to be circulated to the public over your name, wouldn't you? A. I might.

Q. In other words, you would be much more guarded in making out a report over your name, as a mining engineer, than you would in discussing a property with a party interested in it? A. We always like to find a good property and report as well as we can on them.

Q. Now then, in arranging with the syndicate in July, 1924, in arranging with the syndicate, from your knowledge of the prop-

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erty, you calculated that a \$16,000 capitalization of your new syndicate would be sufficient? A. Not right away. I figured we would require \$30,000 to start with.

Q. But the syndicate agreement makes provision for \$16,000 only? A. Yes. Not being able to get the \$30,000, we tried to keep our figures—

THE COURT: I suppose that is all you could get? A. Yes, we figured on getting as much as we could and doing the best we could with it.

MR. MACINNES: Q. In any event, as the documents show, 10  
 you were content to proceed with the \$16,000 capital? A. I was.

Q. Now you called up \$2,000 in August from the syndicate and \$2,000 in September from the syndicate? A. Yes.

Q. And those were the last calls you made on them? A. Yes.

Q. So that your caution then in trying to get \$30,000 was unwarranted at the time—at least, unwarranted by the subsequent results? A. Possibly.

Q. Now a term of the option agreement was that a shaft should be sunk to a lower level, and that was set out distinctly in 20  
 your option? A. Yes.

Q. And that, I presume was done on your advice as being the proper way to handle this property? A. I had complete charge of everything.

THE COURT: There is no dispute about all this, is there, Mr. MacInnes? You see, there is no jury and you are really going over a matter which is already elicited and does not help me, and you have the advantage of it being in the transcript. Unless to test his memory or something of that sort—all this is not disputed as far as I can follow it. There is no controversy about it. You 30  
 had full advantage of all this for the purpose of your submission.

MR. MACINNES: Would you let me see exhibit 62, Mr. Registrar, please.

THE COURT: You had full charge and you took full responsibility? A. Yes.

MR. MACINNES: Q. I show you exhibit 62, Mr. Sloan, in which a list is given at page 5 of the equipment on the property in 1923. Would you check that over and see if it is correct? A. That is virtually correct.

Q. Now when you went up there in midsummer of 1924 what 40  
 new machinery or plant did you put in or instal? A. I immediately changed the drive gear in the mill.

Q. That was not an installation of new machinery, was it? A. No, but it cost a good deal of money.

Q. Did you install any new machinery or plant in 1924 to carry out this work on the property? A. No, nothing except different pulleys, a few pulleys.



Q. Little additions? In the main the mine machinery was the same? A. Yes.

Q. How long did you use that plant and equipment in the property before putting in new machinery, Mr. Sloan? A. I used it up till 1927.

Q. With substantially no additions? A. Oh, yes, there was considerable addition in that time.

Q. Of course, there would be wearing out and substitution, wouldn't there? A. Yes.

10 Q. But no new plant at all? A. Yes.

Q. To what extent? A. Oh, all our drilling machines were changed; our pumps were all changed, and sawmill changed.

Q. When were those changes undertaken, Mr. Sloan, or commenced? A. When? During the four years—3½ years.

Q. When did you commence making any change in the plant and equipment? A. Shortly after I went there. We were not getting any power from our power plant, so we changed the pulleys. That was the first change, and that was made very shortly after I started in.

20 Q. It was not an installation of new machinery, simply a distribution of what was there? A. Yes.

Q. When did you start putting in new machinery? A. Started putting in main new plant in 1927.

Q. In 1927. So that can we say this fairly, Mr. Sloan that up to 1927 you used the plant that was there, in the main, to carry on the works on the property? A. We had probably doubled it up, taking all the machines underground into consideration.

30 Q. Isn't that a natural thing to do—the natural wear-out of machines that were being used straight along? A. Well, there wasn't any on the property that was fit for use when I started in.

Q. To what extent did you add to the machinery and plant: in this way, I mean—in money, round figures? A. It required continual repairs.

Q. Isn't that true of all mining property? A. No.

Q. All mining machinery? A. No.

Q. In the four years to 1927 you produced \$252,325 in gold, I believe? A. I could not be sure.

THE COURT: Well, that is in; we have that.

40 MR. MACINNES: I had those figures from Mr. Bull, and he admitted it.

THE COURT: Yes, we have that. There is no dispute about that.

MR. MACINNES: Q. Now Mr. Bull said that in 1924 the company's statement showed a loss of \$2,500. That is right is it? A. Yes.

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Q. What did you pay for the Davidson shaft? A. I think it was \$27.50 a foot for the actual work of sinking.

Q. That shaft cost the company about \$4,000 or \$5,000? A. It cost more.

Q. \$5,000? A. If we were not doing any other work, and sinking the shaft alone, we would have had to have three times the number of men that were actually in the shaft on work to keep the shaft going.

Q. And when you went back there in mid-November and found the shaft had been sunk 140 feet, and when you continued the cross-cut to cut the vein, you say it was quite gratifying? A. Yes. 10

Q. That was the objective that you were after, wasn't it? A. Yes.

Q. To find the vein on the depth? A. Yes.

Q. Now then, in the actual working-out of that property between the 300-foot level and the 142 feet further down, how did the working out prove up? A. We worked it all out the next year.

Q. And there were no faults? A. That is for the length of 250 feet on the vein, and between the third and fourth levels, as you call them. 20

Q. And that showed a continuous vein from the third level to the fourth level? A. With the exception of about three small faults.

Q. Insignificant, I imagine, wouldn't they—

THE COURT: A small fault might be significant, you know. Did you say insignificant? A. They were not very significant.

MR. MACINNES: Q. And did the vein as you worked it out—that is that portion of the vein between the third and fourth levels—did that prove up according to expectations, or did it exceed your expectations? A. Oh, about according to expectation. That is after we had done the drifting. We expect a certain thing when we do our drifting and outline the ore. After that is done it worked out according to my expectation. 30

Q. Mr. Sloan, can you give us any idea of the value, the per ton value of the ore, in the first three levels worked, roughly? What would it average? A. That is down to where I started?

Q. Yes, down to where you started? A. Probably \$15 to \$16.

Q. \$15 to \$16 ore. Now then, if the works had produced \$135,000 in gold in the years the Fergusons were working it, what tonnage of ore would that mean? A. It would mean all of 10,000 to 12,000 tons; it would mean all of 10,000 to 12,000. 40

Q. What? A. It would be all of 10,000 to 12,000.

Q. And the 10,000 to 12,000 tons of ore that were handled or

treated to produce these values would leave how much tailings?

A. It would leave that much tailings.

Q. I mean the amount of gold they would extract in their crude process they used at that time would take— A. Same amount of tailings, with the exception of the slime that would be carried away in the water, providing the tailings were properly stored.

10 Q. And if the Fergusons, knowing that they had treated 10,000 to 12,000 tons of ore and put the tailings in the dumps, recommended that—at least, said there was 10,000 to 12,000 tons of tailings, they would not be very far out, would they? A. It depends on how they were stored.

Q. Now at page 173 of the Annual Report of the Minister of Mines of 1925, there is a report from the District Engineer of that district. Do you know him, Mr. Sloan?

THE COURT: What is the name?

MR. MACINNES: Q. Nichols, isn't it? A. Yes.

THE COURT: Does it not appear in the report?

MR. MACINNES: It appears in the report.

20 Q. You are familiar with these reports? A. Yes.

THE COURT: It is Nichols' report, is it?

MR. MACINNES: Yes.

THE COURT: I did not know you had it. You do not seem to know. However, it is Mr. Nichols' report to which you are referring and directing the witness' attention to?

MR. MACINNES: Yes.

THE COURT: Well, I mean it is as well to be specific.

MR. MACINNES: Q. Will you read, Mr. Sloan, the paragraphs that are printed there at pages 172 and 173? A. The first  
30 statement is not correct.

Q. Which is that? A. \$1,350,000 production.

THE COURT: Just wait. Mr. MacInnes, if it is only just a matter for adjustment between you and the witness, it is quite all right, but does not interest me. Or does it enter into your case at all? Why not do it now and ask him?

MR. MACINNES: I am going to ask him when he reads it, my lord.

THE COURT: Then I can appreciate his answer. Do read it to him and ask him.

40 MR. MACINNES: Q. Is that correct, Mr. Sloan?

THE COURT: Well, I do not know what that is. What is the use of that, when we have no idea of what you are talking about.

MR. MACINNES: I am going to read it: "The mine was

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first located in 1897, and up to the time of the resumption of operations during 1925 the total production was about \$1,350,000."

Q. That is wrong, isn't it? A. Yes.

Q. That should be \$135,000? A. I presume so.

Q. And that looks like a typographical error there? A. Yes.

Q. "The shaft has been sunk for a further vertical depth of 142 feet below the 300-foot level referred to above, and on a level which is approximately 400 feet below the collar of the shaft, drifts have been run on the No. 1 or south vein, east and west for 100 feet and 135 feet respectively. The ore has been found to continue at this level and to maintain a grade at least as high as that of the average value of the ore previously encountered. A raise was put up to the 300-foot level and a stope 200 feet in length has been carried between the two, which has yielded approximately 11,000 tons of ore. The ground has been stoped on a shrinkage method, 4,000 tons of ore having been won and milled, the remainder, 7,000 tons, with a content estimated to be of the value of \$150,000, remaining in the stope. Some exceptionally high-grade ore was found on the bottom level and the results obtained in actual extraction support the view of continuity in depth which has been generally held. A sample taken across the back of the stope, about 50 feet below the 300-foot level, and across a width of 3½ feet, assayed: gold, 3 ounces; silver, 0.8 ounces to the ton." Now that is the part that you read there? A. Yes.

Q. And that is correct except that \$1,350,000 should be \$135,000? A. I cannot substantiate it all.

THE COURT: Have you seen it before, Mr. Sloan? A. The report?

Q. Yes? A. Yes.

MR. MACINNES: Q. That is substantially correct? A. No, I wouldn't say it was. 30

Q. Now what part do you say is not correct, Mr. Sloan? A. Well, he suggests 11,000 tons of ore.

Q. What should that be? A. He estimates that there is more ore in the stope after we have worked it out than we have taken out in the working of it.

Q. How much did you take out in the actual working of it? A. About half.

Q. Any other statements there that you wish to correct.

THE COURT: You can look at it. You have it before you now? A. There might be some other portions. I can't say what they are. 40

MR. MACINNES: Q. Well, I would like to know them. A. Simply taking across the back of the stope would not give you the average of the stope.

Q. No, but the statement that samples had assayed that, you could not question that? A. No, I don't know whether he took the samples or anything about it. That would be one exception.

Q. Apart from what you said, you cannot find any fault with that statement of the local engineer? A. They don't put too much confidence in the local engineer.

THE COURT: What is that? A. We don't put too much confidence in the reports of the local engineer.

10 MR. MACINNES: Q. Did you do any drifting from the cross-cut on the Davidson shaft before the 5th December? A. We started somewhere round the 3rd, 4th or 5th. We did 20 feet before the 7th.

Q. And the vein was showing after as you had found it, about 5 feet in width? A. No, it was smaller going west, and it pretty well held its size going east. It went down about 18 inches going west.

20 Q. Now at page 173 of this same report I see this: "Compared with the records of previous operations, the general result of this season's work is to show that one at least of the two veins which are known to exist on this property is of greater average width and value for over 100 feet below the 300-foot level than it was above. The width of this vein as worked during the past season has averaged 5 feet and, as stated above, the average value is over \$20 a ton." Is that statement fairly accurate? A. It might be mined at 5 feet and yet not all that width of ore.

Q. Is there anything in the statement in regard to the average value of \$20 a ton, as proved by actual working? A. That is approximately correct.

RE-DIRECT EXAMINATION BY MR. MAYERS:

30 Q. This report, to what point of time does that relate? A. It must be in the year 1925.

THE COURT: Well, the report was made in 1925. Would it relate to 1925?

MR. MAYERS: Q. I was asking you to what point of time the statements in the report relate.

THE COURT: It is confined to 1925 exclusively? A. Yes.

Q. Do they make yearly reports? A. Yes.

40 MR. MAYERS: Q. So that when that was read to you, and that you read from this report, relates to events in the mine during 1925? A. Yes.

Q. Now in 1924, I think you mentioned the date of December 7th as the point of time when you stopped? A. Yes.

Q. What happened to stop you? A. The main shaft in the mill broke.

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Q. You were asked something about the vein in this mine, this vein that you struck at the end of the 142-foot shaft. Did you finally ascertain whether that was the same vein as the one you found? A. We did.

Q. That was what you were looking for, was it? A. Yes.

MR. MAYERS: I should have asked some questions in chief, my lord, which I would ask leave to ask now. They really only relate to a plan which I want to put in.

THE COURT: Mr. MacInnes, have you seen that?

MR. MACINNES: No, I have never seen it, and what is worse, I do not understand it when I do see it. 10

MR. MAYERS: Q. Is this prepared under your directions and from your information? (showing plan) A. It is.

Q. Is it correct? A. It is correct.

Q. And it shows the result of your mining when you stopped in 1924, does it? A. Yes, that is the work up to the 7th December, 1924.

MR. MAYERS: This will be exhibit—

(PLAN MARKED EXHIBIT No. 163)

THE COURT: Mr. MacInnes, I suppose your objection is that you do not understand. Is that your objection? 20

MR. MACINNES: No, it was the number of the exhibit, 163, that startled me.

MR. MAYERS: Q. On exhibit 163 the contours and the sketches down to the 300-foot level, except the part marked red, represents the work that had been done before you took over, does it? A. Yes.

Q. And the part marked red is ore mined by you in 1924? A. That is correct.

Q. And the part marked red below the 300-foot level is the Davidson and Jehoram shaft? A. Yes. 30

MR. MACINNES: Q. Jehoram is commonly known as Big John? A. Yes.

Q. That is the man Davidson referred to as Big John? A. Yes.

CROSS EXAMINATION BY MR. FARRIS:

David Sloan  
 Cross Exam.  
 by  
 Co-Defendant

Q. Mr. Sloan, you stated to my learned friend Mr. MacInnes that the tailings should correspond substantially with the ore taken out? A. Yes.

Q. Assuming that the Fergusons are right in the statement of the amount of ore which they had taken out, can you account for 40

the shortage in tailings, from your knowledge of the conditions there?

MR. MACINNES: If there was a shortage, that is. A. Yes, quite easily.

MR. FARRIS: Q. Will you explain that? A. Well, the sluiceways—the tailings from the mill ran over practically over the sluiceways, the water power from the mill, and a very steep bank down to them. A ditch was already dug between the two, and I have no doubt that careless workmen would not often go out  
10 to look at the tailings' sluice at all. There was very little grade out of the first tailing pond, so very little that you could not place more in the area than it had there, that is, 2,500 tons. We afterwards built the tailing pond up and we calculate at the present day there is 2,500 tons of tailings there now, and it is higher than it ever was before. The grade to that is very light and the tailings would flow into the flume, and any stoppage in the flume would allow the tailings to overflow the flume and practically into the creek.

Q. And if it went into the creek what about the condition  
20 that would follow? A. Oh, they would never be seen again.

MR. MACINNES: May I ask a question?

Q. How long would it take them to lose a lot of tailings in that way? A. Oh, careless workmen could lose them continually.

(Witness aside)

HARRY HOGG YUILL, a witness called on behalf of the Defendants, being first duly sworn testified as follows:

DIRECT EXAMINATION BY MR. MAYERS:

Q. Where do you live? A. Vancouver.

Q. And what is your profession? A. Mining engineer.

Q. How long have you practised that? A. For 20 years.

Q. Give me briefly your experience, will you? A. Well, I worked as a labourer on general mining work for seven or eight years, and then I went to Australia.

Q. Where did you do that work? A. I did it in Oregon, Nova Scotia and British Columbia.

Q. And then you went to Australia? A. I went to Australia on mine examination and valuation work. I was there a year and then I went to South Africa, worked on the Rand underground, various jobs, surveying and so forth. I went to Rhodesia, three  
40 years, Belgian Congo and so forth, and then to China, and then during the war organized a tunnelling section of the Royal En-

RECORD

In the  
Supreme Court  
of British  
Columbia

Proceedings  
at Trial

Defendant's  
Case

April 10-13,  
1933.

David Sloan  
Cross Exam.

by  
Co-Defendant  
(Cont.)

Harry Hogg  
Yuill  
Direct Exam.

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

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at Trial

Defendant's  
Case  
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1933.

Harry Hogg  
Yuill  
Direct Exam.  
(Cont.)

gineers. After that I was in consulting practise in London for ten years.

Q. And recently? A. Recently I have been managing a Victoria syndicate, and consulting engineer for Central Mining & Investment Corporation, London.

Q. You have heard the evidence of Mr. Sloan? A. Yes.

Q. Would you take exhibit 163. You understand what that represents, do you, from Mr. Sloan's evidence? A. Yes.

Q. Now what would you say that a mining engineer could state as the result of Mr. Sloan's operations, from what you heard him say, and from an inspection of 163, at that point of time on December 5th, 1924? A. I would say that they had reached an objective to locate the vein at a lower horizon. 10

Q. And anything else? A. Well, that is all; he had located the vein at that horizon. Presumably it was that vein.

Q. What would a skilful and competent mining engineer say if he were called upon to give an opinion as to the increase in value as the result of this operation? A. Ore-wise, there would be no increase, but mine-wise the amount spent on that shaft has given facilities for increasing with the amount spent on that shaft. 20

## CROSS-EXAMINATION BY MR. MACINNES:

Q. When the objective is reached, is that gratifying or is it disappointing? A. It depends on what the results are.

Q. I know, but when you set out to find—when this shaft was sunk the objective would be to ascertain if ore persisted to the depth to which the shaft was sunk? Is that it? A. Yes.

Q. And when the fact was ascertained that the ore persisted to depth, by cross-cutting the vein? A. Yes.

Q. And getting the width of the vein at that point. Would that be a matter of disappointment? A. No. 30

Q. The fact of getting it there would prove the worth of the work done by going after it, wouldn't it? A. Well, that is the objective.

MR. MAYERS: That is all, thank you.

(Witness aside)

MR. MAYERS: That is my evidence, my lord.

MR. FARRIS: I will call Mrs. Wallbridge.

HELEN A. WALLBRIDGE, one of the Defendants herein, being first duly sworn, testified as follows:

## DIRECT EXAMINATION BY MR. FARRIS: 40

Q. Mrs. Wallbridge, the late A. H. Wallbridge was your husband? A. Yes.

Harry Hogg  
Yuill  
Cross Exam.  
by Plaintiff

Helen A.  
Wallbridge  
Direct Exam.



Q. You and Mr. David Stevenson Wallbridge were the executors and trustees of the estate under your husband's will? A. Yes, sir.

Q. Has that estate been fully administered and the property distributed? A. Yes.

Q. According to the will? A. Yes.

Q. When was that completed? A. 1931.

Q. There are no assets remaining? A. No.

10 A. Yes.

#### CROSS-EXAMINATION BY MR. MACINNES

Q. What property came to you, to the executors, Mrs. Wallbridge, for administration.

THE COURT: Have we not got that? She may not know exactly.

MR. MACINNES: Q. Did the executors subsequent to taking probate of the estate get any property in from the Pioneer Mines (B.C.) Limited? A. Did they get what?

20 Q. Any property or assets of the estate from the Pioneer Mines (B. C.) Limited?

THE COURT: Would you know? Do you follow the question? A. No, I don't understand.

Q. Are you a business woman? A. No, I am not a business woman, my lord.

MR. MACINNES: Q. May I put it this way. Did the Pioneer Mines (B. C.) Limited not issue to you and your co-executor 133,333 shares in the Pioneer Mines (B. C.) Limited? A. Yes, sir.

Q. Now that property was not disclosed in the inventory made at the time probate was taken, was it? A. No.

30 Q. It came into the hands later? A. Yes.

Q. Now what was done with the proceeds of the estate? Where did it go? A. Well, I suppose I have it.

Q. You have it? A. Yes.

Q. The whole of it? A. I have it all now since my son is dead. It has not been wound up.

Q. You have it and it has not been wound up? A. No.

MR. FARRIS: Q. That is, after your son became of age it was distributed, and then after his death it came to you? A. Yes, sir.

40 MR. FARRIS: That is all, thank you.

(Witness aside)

ARGUMENT BY COUNSEL.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Proceedings  
at Trial

Defendant's  
Case  
April 10-13,  
1933.

Helen A.  
Wallbridge  
Direct Exam.  
(Cont.)  
Helen A.  
Wallbridge  
Cross Exam.  
by Plaintiff

*In the  
Supreme Court  
of British  
Columbia*

ORAL REASONS FOR JUDGMENT OF THE  
HONOURABLE THE CHIEF JUSTICE

No. 14  
Oral Reasons  
for Judgment  
of the  
Honourable  
the Chief  
Justice  
April 13,  
1933

Somewhere by somebody it has been said that great is the wilderness where the wild mare maketh her nest and many there be that findeth it.

The plaintiff's solicitor must be included in the throng that found the wild mare's nest.

With the utmost deference to counsel; I shall not pay the plaintiff the tribute of withholding the conclusion to which I have come in this case. The statement of claim is voluminous. It really is a farrago of reiterated allegations of fraud, conspiracy, negligence and breach of trust, supported by evidence which I cannot accept. The pleadings have been released without, in my opinion, any justification, and I hope with no expectation of being received with credulity, to which, after all, there is a limit. It is launched some ten years after the events alleged, and after several of the parties concerned died, and the status of all the parties had changed. 10

Fraud is the gist of the action. The plaintiff must prove the fraudulent mind and intent to deceive on the part of the Defendants. It is a term that should be reserved for something dishonest and morally wrong. These ingredients are, of course, in my opinion, wholly absent in this case, and much mischief was done as well as much unnecessary pain inflicted by its use, where such words as illegality and illegality might be appropriately employed. 20

The onus, of course, is on the plaintiff, which he has failed to discharge. Lord Watson, in a case which I cannot just recall, said, "I know of no case where by implication of law the duty of clearing himself from an imputed fraud rests on the defendant." That is only in cases where there is danger of referring knowledge of the facts now known to a time anterior to their discovery—danger of falling into error attributable to those who are wise after the event. That would be a case, assuming one is bona fide, which, in my opinion, the plaintiff is not. The two main witnesses on whose evidence I take it counsel rely are Ferguson and Copp. They impressed me in the course of their evidence as having a desire to refrain from committing themselves when faced with the necessity of answering a direct question. They were both most disingenuous; their evidence was halting and dubious. The plaintiff Ferguson failed signally to prove even the semblance of fraud. 30 40

As to the evidence material to the issue, I accept unreservedly the evidence of the defendants and that adduced on their behalf.

I shall not dilate upon or deal in detail with the evidence. I simply now disclose the conclusion to which I have come, and if counsel desire, I shall, of course, deal in a more lengthy judgment with my reasons for coming to those conclusions.

10 There is one element in this which would differentiate the facts from many of those cases to which Mr. MacInnes referred, and that is that those parties were not on the equal footing that is looked for. Take the case of the contractor dealing with other contracting parties, *Cook v. Deeks*, and those people dealing with the C. P. R. and other railway contracts. They are all on an equal footing, all of equal experience and knowledge, dealing with work with which they are thoroughly familiar. In this case it is practically the other way. Mr. Ferguson is an experienced miner, and had this property, the character of which exclusively might be said to be known to him. The defendants, who are of different professions and callings, and were the source to which Mr. Ferguson, in his apparent financial distress, came seeking means whereby he might either dispose of this so-called mine, or get them to associate themselves with him, and in the whole matter I think Mr. Ferguson knew what he was doing and was in no way deceived, if he were susceptible of being deceived. I am sure that this group of defendants are the last people who could impose upon him. He withdrew from the jurisdiction when he thought, in my opinion, he had disposed of this property very satisfactorily, to a group, and he left them there to deal with it as best they might. They started in, and all the incidents connected with it turned upon how they would ultimately, and without loss, dispose of this property or retain it, and not lose by retaining it. Mr. Ferguson was indifferent to all that, and after the matter turned out successfully, and perhaps he himself not meeting with success in his new home, he turns up after this long period of time and, instead of attacking the problem, the method by which these properties changed and were acquired, and attacking the legality of the proceedings, he launches the action, the statement of claim in which from almost the first paragraph to the end is a reiteration and repetition of expressions of fraud and conspiracy and breach of trust connected with it.

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40 May I express a pious hope that our courts in the future will not be made the medium of putting on record aspersions on the character of reputable citizens on occasions that may be appropriately termed privileged. This pleading seems to be nothing more than that.

The action is dismissed, with costs to be paid forthwith after taxation.

MR. MAYERS: I take it, my lord, the costs will be taxed on the highest scale.

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*In the  
Supreme Court  
of British  
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No. 14  
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April 13,  
1933

(Cont.)

RECORD

*In the  
Supreme Court  
of British  
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No. 14  
Oral Reasons  
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of the  
Honourable  
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(Cont.)

No. 15  
Written  
Reasons for  
Judgment of  
Honourable  
the Chief  
Justice  
May 1, 1933

THE COURT: Column 4.

MR. MAYERS: Yes.

THE COURT: The column appropriate to the amount involved in this action.

MR. MAYERS: Yes, my lord.

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No. 15

WRITTEN REASONS FOR JUDGMENT OF THE  
HONOURABLE THE CHIEF JUSTICE

This is an action in which damages are claimed for the alleged loss of mining shares and for a declaration that the Defendants and A. H. Wallbridge, deceased, acquired an interest in the assets of Pioneer Gold Mines Limited (in liquidation) by fraud and oppression and further for a Declaration that the Defendants acquired and held certain shares in Pioneer Gold Mines B. C. Limited (being the proceeds of sale of the aforesaid assets) in trust for the Plaintiff and all other shareholders of Pioneer Gold Mines Limited (in liquidation); and, For an Order that the Defendants transfer and convey such shares or pay the value thereof to the Defendant Salter as Liquidator of Pioneer Gold Mines Limited (in liquidation) for distribution among the contributaries of the said Company; and,

For a Declaration that the Defendants and A. H. Wallbridge, deceased, as Directors and majority shareholders of Pioneer Gold Mines Limited (in liquidation) by conspiracy and fraud wrongfully acquired assets of the Company and for damages suffered by the Plaintiff and all other shareholders of the Company other than the Defendants by reason thereof.

In compliance with Counsel's request to extend my reasons given at the conclusion of the trial and which may be taken as being incorporated herein I now find as follows:—

In the year 1919, Andrew Ferguson, the plaintiff, and his brother, Peter, deceased, both miners, had a controlling interest along with Mr. Adolphus Williams, a solicitor, in the Pioneer Gold Mines Limited—the predecessor of the Pioneer Gold Mines of B. C. Limited. The property is located in the Lillooet District not known hitherto as being of much interest to the mining world. The mine, up to events disclosed in this action, was unsuccessful, being really an undeveloped property disclosing no ore body, that would appeal to investors more than many such burrowings throughout the Province. There was no money available

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to the Company to carry on development work and the Fergusons then began to give options. The first was to the Mining Corporation of Canada who made sufficient exploratory tests which seemed to satisfy them it was not prudent to negotiate further respecting the property and so they abandoned the option in February, 1920. Mr. C. L. Copp, who appears prominently in the narrative, as disclosed at the trial, had formerly worked for the Fergusons at the property in question. Copp, acting for the Fergusons, and Williams approached Wallbridge to form a syndicate to buy a controlling interest in their Company. Acting together Copp and Wallbridge were authorized by the Fergusons and Williams to inform prospective buyers that there was on the property obtained from previous operations some 10,000 or 12,000 tons of tailings assaying up to \$6.00 per ton, that the property had been properly developed, machinery being adequate and in good condition. As to this it may be fair to infer that Williams would rely upon the Fergusons. I find that these representations, unknown to Wallbridge, who was not a miner, were untrue and misleading. With a view the more readily and speedily to acquire the property the other defendants, none of whom are miners, were approached and were induced by these representations to enter into formal negotiations. The first agreement with a view to acquire a controlling interest from the Fergusons is dated 29th December, 1920. On the 6th January, 1921, the Fergusons and Williams gave Wallbridge, representing also his associates, the other defendants, an option to buy a block of the Capital Stock in the Company. On 10th February, 1921, the Fergusons transferred to Williams their interest in this contract of 6th January, 1921. With money raised by the new people thus brought in a cyanide plant was installed. Meetings of Directors, including the defendants, were held authorizing the borrowing of various sums for the necessary development and carrying on of the operations at which the plaintiff, Andrew Ferguson, as director, was present and took part. Along in 1922, the defendants, including the late Wallbridge, ascertained that the representations upon which they had relied were not true. Williams had in the meantime died, and Mr. Walter Walsh, a solicitor, his law partner, was appointed his executor along with Mr. Godfrey, a banker. The true condition of affairs at the Mine was disclosed to Mr. Walsh and correspondence followed. Up to this time the defendants had contributed \$22,500.00 which was spent on the property but the operations were not a success. They had also guaranteed loans to the extent of some \$11,000.00. The shares standing in the name of the Fergusons were on the 6th June, 1922, transferred to and registered in the name of Williams' executors. Then followed more correspondence between the Williams executors and Ferguson's solicitors—Ferguson having by now gone to

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Supreme Court  
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Judgment of  
Honourable  
the  
Chief  
Justice  
May 1, 1933  
(Cont.)

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

No. 15

Written

Reasons for  
Judgment of  
Honourable  
the  
Chief  
Justice

May 1, 1933

(Cont.)

the United States. After various interviews and correspondence between Walsh, Ferguson and Ferguson's solicitor and the defendants the new agreement of February, 1923, was arrived at understandingly and without oppression or over-reaching. By the end of 1923, the state of affairs was not encouraging to the defendants. The amount advanced had increased to a substantial sum with outstanding guarantees of \$5,000.00. On December 6th, 1923, an option to purchase the property was given Copp which he abandoned. In April, 1924, a Mr. Land, of the State of New York, took an option. After inspection by himself and his engineers this option also was thrown up. By this time the defendant's investment amounted to \$60,000. The minority shareholders had declined to give any assistance. It was at this juncture and under these circumstances that in their extremity the defendants prevailed upon Sloan, an experienced miner, to operate the mine under a working bond with an option to buy which he agreed to do only on condition that the defendants would take a half interest with him and put up half the necessary money. At a Directors' meeting held on July 16, 1924, the defendant Bull made a full disclosure of the state of affairs and of their proposed association with Sloan. On the 16th July, 1924, the Sloan option was given. At that date one share each out of the 750,000 shares stood in the name of the Fergusons. The debts of the Company then amounted to \$45,257.05. The banks were pressing the defendants, and fearing that the Sloan option might also be abandoned they considered it advisable to place the Company in such a position that the property might the more readily be disposed of to a purchaser who would take over the Company's interest on the off chance of securing the purchase money, \$100,000, under Sloan's option. It was therefore considered advisable that the Company be wound up. The Company was wound up voluntarily by resolution confirmed on 9th September, 1924. The property was duly advertised for sale by the Liquidator. No outside tenders were received, but the defendants did bid the amount which would be sufficient to pay the then liabilities some \$45,000—Walsh, who held Ferguson's and Williams' estate shares, voted against this offer and the offer was dropped. Then began negotiations with Walsh, who knew as much about the matters as the defendants did, culminating in an offer by the defendants to pay all the liabilities, cost of winding up and \$20,000 to the shareholders, amounting in all to \$70,000, to be paid out of the purchase money as it came in, on condition that this offer and the Sloan option be confirmed by 95 per cent. of the shareholders of the Company. A meeting of the shareholders was called for the 5th December, 1924. The notice calling this meeting and the letter of Wallbridge, dated 13th November, 1924, and the verbal statements made at the said meeting, disclosed fully the true situation. There was no concealment by the

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defendants of any knowledge they had as to the developments or as to any results accomplished by Sloan during the Autumn of 1924. I accept the evidence of Sloan and Yuill that there was nothing to conceal. The meeting at which 97 per cent. of the stock was represented duly confirmed all this. On March 28th, 1929, the Pioneer Gold Mines of B. C. Ltd., was incorporated by the defendants, to which they transferred their right in the property for shares in the New Company which sale included other properties in the purlieus of the old property and not included in the property, the subject matter of this action. The whole design in these transactions was to develop the mine and to have the vein explored, a vein which after all might turn out to be a pocket and broken. That chance the defendants took. After steady, orderly work and efficient management with better equipment by an experienced and conscientious miner results appeared. Wallbridge died in September, 1927, in consequence of which the plaintiff doubtless felt the more secure at the trial in his evidence relating to the events, particularly with which he and Wallbridge and Copp had to do. Parenthetically I am satisfied that the way the plaintiff and Copp answered questions they are not reliable witnesses. At no period throughout the events sketchily referred to above were the Fergusons unaware of what the defendants and Mr. Wallbridge were doing. The Fergusons were in no way deceived or kept in ignorance of the true situation at any time.

The exigencies with which the defendants were confronted from time to time justified the various bona fide steps taken in acquiring the interests now held by them. The meetings necessary during all these periods were properly convened. The meeting held to ratify and confirm the option and sale to Sloan was properly convened, notice of which I am satisfied was duly served or conveyed to the plaintiff and to his brother.

I am satisfied by the evidence and find as a fact that the defendants and the late Mr. Wallbridge were never actuated by any fraudulent design or dishonest intent nor sought to gain or abuse any advantage in connection with the matters set out in this claim and were not guilty of conspiracy or oppression in any way.

The action is dismissed with costs to be paid forthwith after taxation in Column 4 of Appendix "N" of the Rules.

"AULAY MORRISON, C. J."

40 VANCOUVER  
May 1, 1933  
REGISTRY

RECORD  
In the  
Supreme Court  
of British  
Columbia  
No. 15  
Written  
Reasons for  
Judgment of  
Honourable  
the  
Chief  
Justice  
May 1, 1933  
(Cont.)

RECORD

*In the  
Supreme Court  
of British  
Columbia*

No. 16  
Formal  
Judgment  
April 13,  
1933

FORMAL JUDGMENT

BEFORE HIS LORDSHIP  
THE CHIEF JUSTICE

THURSDAY, THE 13th  
DAY OF APRIL, A.D. 1933

THIS ACTION coming on to be tried on the 10th, 11th, 12th and 13th days of April, 1933, before the Honourable the Chief Justice, without a Jury, in the presence of Mr. J. A. MacInnes and Mr. Ian A. Shaw, of Counsel for the Plaintiff; J. W. deB. Farris, Esq., K.C., of Counsel for the Defendants Helen A. Wallbridge and David Stevenson Wallbridge; E. C. Mayers, Esq., K.C., of Counsel for the Defendants Alfred E. Bull, J. Duff-Stuart, R. B. Boucher and Francis J. Nicholson; and Mr. Charles W. St. John, of Counsel for the Defendant John S. Salter; UPON READING the pleadings and proceedings herein: AND UPON HEARING the evidence adduced:

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THIS COURT DOTH ORDER AND ADJUDGE that this action be dismissed as against all the said Defendants;

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the said Defendants Helen A. Wallbridge and David Stevenson Wallbridge do recover against the Plaintiff their costs of this action;

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AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the said Defendants Alfred E. Bull, J. Duff-Stuart, R. B. Boucher and Francis J. Nicholson do recover against the plaintiff their costs of this action.

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the said Defendant John S. Salter do recover against the Plaintiff his costs of this action.

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that all bills of costs herein shall be taxed under Column 4 of Appendix "N" to the Rules of the Supreme Court.

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BY THE COURT

Approved:  
"J. W. DeB. F."

"H. BROWN"  
Dep. District Registrar

"A. M. C. J."

Approved:  
"C. W. St. John"

B.C.L.S.  
\$1.10

(VANCOUVER  
April 21, 1933  
REGISTRY)

40

(Seal of S. C. of B. C.)



## NOTICE OF APPEAL

RECORD

*In the  
Supreme Court  
of British  
Columbia*No. 17  
Notice of  
Appeal  
April 29,  
1933.

NOTICE is hereby given that the Plaintiff intends to appeal and doth hereby appeal to the Court of Appeal from the Judgment of the Supreme Court of British Columbia pronounced in this action by The Honourable The Chief Justice of the said Court on Thursday, the 13th day of April, 1933, whereby and wherein the Plaintiff's action was dismissed, with costs, excepting that part thereof whereby and wherein the Plaintiff's claim against the Defendants in respect to their acquisition of Fifty-one (51%) per cent. of the capital stock of Pioneer Gold Mines Limited was dismissed and from such part of the said Judgment the Plaintiff does not appeal.

NOTICE is further given that the said appeal will be set down to come on for hearing at the sittings of The Court of Appeal to be holden on the 6th day of June, 1933, at the Court House, in the said City of Victoria, at the hour of eleven o'clock in the forenoon or so soon thereafter as Counsel may be heard.

The grounds of appeal are the following:

1. The said Judgment is against the law and the evidence and the weight of the evidence.

2. The learned trial Judge should have found on the evidence adduced that in late June and early July, 1924, the defendants then holding 51% of the issued shares in the Capital Stock of Pioneer Gold Mines, Limited, and then being creditors of the said Company to the extent of approximately \$40,000.00, unlawfully planned and conspired together and thereafter by methods direct and indirect systematically executed and carried out the said plan and conspiracy to appropriate to themselves to the exclusion and deprivation of the minority shareholders in the said Company, property, assets and advantages which lawfully belonged to the Company and in which all members of the Company were lawfully entitled to participate in proportion to their respective holdings in the share capital of the said Company.

3. The learned trial Judge should have found, and erred in not finding, as the fact was, that the Defendants unlawfully through and by means of exercising their majority voting control at Directors' and Shareholders' meetings as well as by their overwhelming influence and power as creditors of the said Company were enabled to and did in fact effect and carry out their said unlawful plan and conspiracy to appropriate to themselves the property, assets and advantages of the said Company to the exclusion of the minority, by the following means, to wit—

(a) Granting on the 16th day of July, 1924, to one David

## RECORD

*In the  
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Notice of  
Appeal  
April 29,  
1933.

(Cont.)

Sloan a working bond and option to purchase for \$102,580.00 all of the property, assets and rights of the Company nominally and ostensibly as an independent purchaser while the fact was that the said working bond and option to purchase were as to an undivided one-half interest secretly and collusively taken and held by the said Sloan for the Defendants.

(b) Prematurely and without any good or sufficient reason bringing about and procuring, by means of their control as aforesaid, the voluntary winding up of the said Company without any, or, alternatively, any adequate or proper, disclosure of the fact that the Defendants were participating secretly as aforesaid in the said working bond and option to purchase.

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(c) Procuring and bringing about, in the course of said liquidation, by means of their control as aforesaid, an offer by the Liquidator to sell the entire assets of the said Company en bloc without any, or, alternatively, any, adequate or proper, disclosure of the fact that the Defendants were participating secretly as aforesaid in the said working bond and option to purchase.

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(d) Making and procuring the Liquidator to accept by means of their control as aforesaid an offer by and on behalf of the Defendants to sell to the Defendants the entire assets of the Company, at and for the price or sum of \$45,000.00 which transaction would vest the whole property of the Company in the Defendants to the exclusion of the minority shareholders in the Company.

(e) Upon objection being made by or on behalf of the Executors of the Williams Estate, a shareholder in the said Company, to the aforesaid sale of the assets of the Company to the Defendants, negotiating with the said Executors to the exclusion of the other shareholders, for a new and substitute offer for said assets to be submitted to a general meeting of shareholders and the acceptance of which new and substituted offer could and would be enforced by the controlling vote of the Defendants.

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(f) By failure and omission to give any due or sufficient notice of said general meeting of shareholders to a large body of English shareholders in the said Company.

(g) By failure and omission to give any notice of said general meeting to the Plaintiff.

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(h) By failure and omission to give due and adequate notice or information to the shareholders of the Company of the true nature of and circumstances surrounding the transaction by which the Defendants in fact appropriated to them-

selves the property and assets and rights of the Company to the exclusion of the Plaintiff and other the minority shareholders of the Company.

(i) By means of their control of the Company's meetings as aforesaid appropriating to themselves without any consideration or payment all the Company's property, assets and rights.

10 (j) Or, alternatively, by exercise of their control of the Company's affairs procuring for themselves without any consideration, the right to take to themselves a transfer of all the Company's property, assets and rights.

(k) Taking to themselves or procuring by means of their control of the Company as aforesaid a transfer of all the Company's property, assets and rights to the exclusion of the minority shareholders in the Company.

20 4. The learned trial Judge should have found and erred in not finding, as the fact was, that the Defendant Salter in the performance of his duties as Liquidator of Pioneer Gold Mines Limited (in Liquidation) acted as agent for and for the exclusive benefit of his co-Defendants and assisted them to acquire the property and assets of the Company to the exclusion of the Plaintiff and other the minority shareholders of the said Company, and acted so far as regards the Plaintiff and the said minority shareholders, negligently or alternatively in breach of trust, and participated in the wrongful acts of his co-Defendants as set out in Clauses (c) to (h) inclusive of Paragraph 3 hereof.

DATED at Vancouver, British Columbia, this 29th day of April, 1933.

"IAN A. SHAW",

30 Plaintiff's Solicitor.

To the Defendants,  
And to their respective Solicitors.

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COURT OF APPEAL

No. 18

REASONS FOR JUDGMENT OF THE HONOURABLE  
THE CHIEF JUSTICE

40 The burden of the plaintiff's complaint is that an option was given by the Board of Directors to one David Sloan to purchase the mine for \$100,000 on the terms set out in the written agreement which was entered into. The said option was accepted by Sloan on a definite understanding that the defendants, with whom

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## RECORD

*In the Court  
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the said three directors were associated, should agree to take a half interest in the said option and supply one half of the money required to carry on Sloan's operations. The said option and declaration of trust by Sloan in favour of the defendants were executed on the 16th of July, 1924. I think it clearly appears from the evidence that the taking of the half interest by the said defendants was a condition precedent to Sloan's acceptance of the option and that the option and declaration of trust were one transaction. The defendants were to contribute towards the cost of developing the mine and did contribute. The work of development was proceeded with by Sloan and the defendants and eventually the option was exercised on the completion of the terms on which it was given. The mine has turned out to be a very valuable one and now the plaintiff who was one of the original owners of the prospect comes forward to claim the advantages attained by Sloan and his cestui que trustent. On the 8th of August of the said year the Board determined upon winding-up the Company under the British Columbia Companies Act and sent out notices to shareholders calling an extraordinary general meeting for the 22nd of August, 1924, for the purpose of passing a resolution to wind-up as aforesaid. The resolution was duly passed. A meeting of creditors was then called for the purpose of obtaining bids for the mine. The creditors were virtually the defendants who had before the option was given advanced or become responsible for, from time to time, about \$45,000. It may be stated here that before the said option was given the defendants were in control of the mine and were operating it for the Company and advancing money for that purpose but had not made a success of it. The Company therefore owed them this sum of \$45,000.00. The creditors met pursuant to the liquidators' notice when an offer of the syndicate to buy the Company's interest in the mine for \$45,000.00, plus \$20,000 for distribution to the shareholders, was considered. This was agreed to on the condition that the Sloan offer and the defendants' interest in it should be not affected by the sale. The option and trust deed from Sloan to defendants were therefore both recognized and assented to by the liquidator.

The plaintiff sues on behalf of himself and the shareholders other than the defendants who held 51% of the shares. Three of the four vendor directors are concerned in the option to Sloan and his declaration of trust which has now by performance of the conditions of the option become an actual sale of the Company's mine and other assets to Sloan and the Syndicate.

The plaintiff until defendants purchased their 51% of the shares had been the manager in control of the mine. Defendants then took over the control and elected three of their number to the Board, who with the fourth member constituted the Board

and gave the option. The Company at the date of the option were in debt in the sum of said \$45,000 principally advanced as loans by the syndicate and the bank. The affairs of the Company having fallen into grave difficulties efforts were made by the Board and the other defendants to raise sufficient money to continue the Company's operations but without avail. Efforts were made to sell the mine and options were given ranging from \$125,000, to \$90,000, to several parties including Copp, the Mine Superintendent, at the former figure, and to an American Company at the latter; both failed to exercise the option, the latter after an examination of the property by their experts and after spending \$1,000, in making the examination. The defendants then proposed to contribute a proportion of their shares to the Company for operating purposes if the minority would do likewise but this was not accepted. They then proposed to contribute two cents a share if the minority would do the same; but this was also refused. The minority would do nothing to help the enterprise along, not apparently because they had any objection to the directors but because they would not obligate themselves to enable the Company to carry on their operations. The plaintiff himself suggested—some time prior to this—that the only thing to be done was to sell the mine at the suggested price \$125,000. In fact sometime before the option was given he offered to sell his shares at 15 cents per share, which would put a value on the mine of \$112,500, there being but 750,000 issued shares.

The defendants finding that they could get no assistance from the minority and no doubt thinking of no other way of saving their investments decided to give the option to Sloan, a noted mining engineer and to agree to take a half interest in same and supply one half of the capital \$16,000, estimated to be required to carry on operations.

This was, I think, a deliberate breach of trust on the part of the three directors, concurred in by the other defendants and by Sloan. The transaction was, in my opinion, a transaction founded upon one consideration, and must be so dealt with. The option and the declaration of trust of Sloan to the defendants cannot be separated from one another so as to sustain the one and not the other.

Looking at the frame of the action one sees that Sloan is not a defendant. In fact counsel for the plaintiff stated in argument that the most sensible act of the Board was the giving of the option to Sloan. They did not therefore contend that that should be interfered with. They must then be regarded as contending that the declaration of trust is a separable part of the whole agreement and may be dealt with without disturbing the other part relating to Sloan. In other words they ask us to affirm the agreement so far as Sloan, a party to the breach of trust, is concerned and to set

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aside only his declaration of trust in favor of the defendants. They ask the Court for a declaration not that the trust is voidable but that it should stand good with a declaration that the defendants are trustees for the Company for the benefits accruing therefrom. It is my opinion that when the plaintiff acquiesced in and relied upon the option he confirmed and ratified the whole agreement and therefore it cannot be rescinded. Nor can the defendants be declared trustees of this interest for him.

Many other questions were raised, in very exhaustive and prolonged arguments of counsel; one being advanced by defendants' counsel that the fraud alleged was merely constructive and therefore not ground either for rescission or damages for deceit. Sir Frederick Pollock in his *Law of Tort*, 13th Edition at page 306, quoting very high authority said the material question is "Was there or was there not misrepresentation in point of fact," and added in the text:—

"Innocent benevolent motives do not justify an unlawful intention in law though they are too often allowed to do so in popular morality."

I am satisfied that there was here a breach of trust in which all the defendants and Sloan were equally involved, but after reading the history of the case as disclosed in the evidence, I am of opinion that there was no conscious fraud, notwithstanding that they must be taken to have known the law and intended what they did. I do not think the winding-up affects the conclusion at which I have arrived or that the alternative claim for damages can succeed. Moreover the plaintiff cannot restore the defendants to their original position. The Company is dissolved and a new company has taken over the premises and issued shares to the defendants; whether these would be adversely affected by rescission of the original transaction is left in doubt. Some of these new shares may have changed hands, but apart from this circumstances have so completely changed that it would be impossible to replace the defendants in their original position. This question only becomes of importance if I am wrong in my main opinion expressed above.

I would dismiss the appeal.

J. A. MACDONALD, C. J.

Vancouver, B. C.,  
3rd October, 1933.

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No. 19

REASONS FOR JUDGMENT OF THE HONOURABLE  
MR. JUSTICE MARTIN

This is an appeal in part from the judgment of Morrison, C. J. S. C., dismissing the plaintiff's action, and in the main it is now sought to have it declared that by the transactions of July,

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1924, and thereafter, the minority shareholders of the Pioneer Gold Mines Ltd., were wrongfully deprived of their interests in that Company, and that the defendant directors fraudulently benefitted themselves at the expense of their co-shareholders, and should because of their fiduciary relationship be compelled to account for the very large profits that have been derived from the operation of the Pioneer group of mineral claims since the giving of the working bond (vide 1 M.M.C. pp. 858-874) to Sloan on the 16 July, 1924, by the said Company.

- 10 We had the pleasure and benefit of a very full argument lasting almost a week, during the course of which the matter was much clarified and the principal question arises out of the relation of three of the directors, Stuart, Bull and Wallbridge, with the bond-holder but not appearing on the face of the bond, and without needlessly going into the evidence the appellants' counsel, Mr. MacInnes, in his careful and commendable argument has satisfied me that unless the transaction can be upheld by certain provisions of the Company's articles a case of constructive fraud has been established which would entitle appellants to the relief prayed, as
- 20 being within the scope of several decisions in this Province, e.g., Daniel v. Gold Hill Mining Co. (1899) 6 B. C. 4; Lasell v. Hannah (1905) 11 B. C. 467; 37 S. C. 324; Madden v. Dimond (1906) 12 B. C. 80; and Kendal v. Webster (1910) 15 B. C. 268; and also Cook v. Deeks (1916) 1 A. C. 554; 85 L. J. P. C. 161, and Re Jacobus Marler Estates (1913) reported at pp. 167-8.

But in the present case article 102 provides that:—

- 30 No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract, or contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor shall any Director so contracting or being so interested, be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if his interest then exists or in any other case at the first meeting
- 40 of the Directors after the acquisition of his interest, and that no Director shall as a Director, vote in respect of any contract or arrangement in which he is so interested as aforesaid; and if he do so vote, his vote shall not be counted, but this prohibition shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security by way of indemnity, and it may at any time or

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times be suspended or relaxed to any extent by a general meeting.

This special language goes very far and is more than sufficient to bring the case within the decisions on the change in the law effected by articles of this nature, which are sufficiently collected in *Transvaal Lands Co. v. New Belgium, etc., Co.* (1914) 2 Ch. 488, because here it has been shown, by uncontradicted evidence, that a full disclosure of the nature of their interest was in fact made by the three directors concerned, at the meeting of directors on the 16th July which accepted Sloan's offer and authorized the giving of the bond with the full knowledge that said directors were members of the "Syndicate" of five shareholders formed to act with Sloan "to work and develop the mining property" in consideration of a half interest therein as set out in his declaration of trust of even date with his bond; in short it was a special "partnership" which is what a syndicate is—per Lord Chancellor Cairns in *Erlanger v. New Sombrero Co.* (1878) L. R. 3 A. C. 1218-1234. If, then, there had been no irregularity in said directors meeting there was no legal objection to its action and it stood unassailable, but unfortunately the directors interested improperly voted with the result that the contract became "voidable" only (*Transvaal case, supra, p. 505*), but it was, in my opinion, duly ratified and confirmed by the general meeting of the company held on the 5th of December following and the circumstances before us differing widely from those in *Cook v. Deeks, supra*, do not warrant our interference with that domestic decision. 10 20

Such being the case, this whole appeal must be viewed in the light that the defendants are relying on their rights under a contract which is a legal one under the changed state of the law and have done no legal wrong though they have derived great benefit from the hazard they undoubtedly took at that time. 30

Several other grounds of appeal were raised questioning various subsequent proceedings of winding up and re-constructing, and the non-observance of formalities respecting the calling of meetings, and otherwise, but I do not think it necessary to say more than that they are not, in my opinion, sustainable, being either covered by the articles or lacking real substance.

I would therefore dismiss the appeal, but in so doing I feel impelled, in justice to the complaint of appellants' counsel, to disclaim, with all due respect, the oral reasons for judgment given by the learned Judge below and "incorporated" (as he puts it) in the written reasons which he later handed down. 40

(Sgd.) ARCHER MARTIN, J. A.  
Vancouver, B. C., Oct. 3, 1933



REASONS FOR JUDGMENT OF THE HONOURABLE  
MR. JUSTICE A. E. McPHILLIPS

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This appeal has relation to what now would appear to be a regularly producing gold mine. The property for years had very indifferent success. A family of the name of Ferguson, of whom the appellant Andrew Ferguson is one, long stood by (with others) to open up and develop the mine; and throughout some years a sum approximating \$100,000 or more was used in so doing

10 and a company was formed under the name of the Pioneer Gold Mines Limited—a company now in liquidation. This suit is brought by Andrew Ferguson, personally and as Administrator of the Estate of Peter Ferguson, deceased, suing on behalf of himself and the Estate and on behalf of all other shareholders of Pioneer Gold Mines Limited (in liquidation) except the Defendants, against Helen A. Wallbridge and David Stevenson Wallbridge, as Executors and Trustees of the Estate of Adam H Wallbridge, deceased, Alfred E. Bull, J. Duff-Stuart, R. B. Boucher, Francis

20 J. Nicholson and John S. Salter, as liquidator of Pioneer Gold Mines Limited (in liquidation). The matter of enquiry and adjudication in the Court below had relation to the question of liability of the respondents to the appellants—the issues having reference to alleged fraud and misfeasance upon the part of the directors of the Company and a certain syndicate, inclusive of the directors, whereby the Company was defrauded; the mining property being sold to one Sloan with an agreement back by way of secret agreement that the directors and syndicate should be entitled to a half-interest in the mining property so sold—the Company thereby losing its whole property. In truth the directors, unmindful of the law, undertook to treat the property of the Company as

30 their property—considering that, as they had fifty-one per cent. of the stock, they owned the property of the Company to the denial of any right in the minority shareholders to participate in the profits of the sale; and the effort was made throughout a long course of procedure—which in my opinion was fraud by way of a breach of duty—and they endeavored to bring about the unassailability of what was done—all profitless in my opinion as the initial fraud and breach of duty permeates the whole and renders all these proceedings—by way of putting up fences—absolutely

40 nugatory. Why were these proceedings adopted and in what way is it attempted to be justified? It is forsooth on this plea of the majority of the shareholders—really the directors—they were tired, as they said, of putting up money to carry on and preserve the property, so that this scheme was hatched to recoup themselves and gain great profits and advantages to the injury of

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the minority shareholders. This supposed justification was quite unmindful of the fact that the minority shareholders had stood by the mining property for years and disbursed their moneys; so that at the time of sale, speaking generally, it may be said that they had provided—situate upon the mining property—machinery and mine equipment generally of the value of at least \$80,000.00. The evidence in the case is most voluminous and it is really not possible or perhaps useful to particularize all the features of the case. It is in my opinion a proper conclusion upon the evidence that what was done constituted fraud and breach of duty. It is well though to see what was the provoking cause for this breach of duty. We have seen that the majority shareholders—really the directors—were dissatisfied that the minority shareholders, many of them largely dispersed as to residence—some in England—would not continue making advances of money. Then it was apparently decided that a course would be adopted to exclude the company from any participation in profits arising out of the mining property and to take the profits to themselves, i.e., the directors and certain other shareholders. There is evidence which, in my opinion, entitles the conclusion being drawn that anterior to the time of the sale of the mining property to Sloan that the majority shareholders, i.e., the directors, had become aware from Sloan's investigation on the ground—Sloan being an experienced mining engineer—that the property was a most valuable one. That is punctuated by the fact that Sloan became the purchaser of the mining property upon the terms that the directors and certain other shareholders should upon their part be vested with a one-half share or interest therein. I do not enter into the method adopted or the individuals whose names were used, but what I do decide is this—that in law, no matter what was done, the profits that accrued from this half-interest in the mining property got back from Sloan were profits for which the directors and all others concerned must account to the Pioneer Gold Mines Limited. Here we have a patent and glaring case of directors using their position as directors to obtain for themselves and certain other shareholders the mining property of the Company or at least one-half thereof—a beneficial contract—which must in my opinion in conformity with the law go to the Company and to no one else. The directors cannot by using their voting power as shareholders with the aid of these certain other shareholders in general meeting prevent the company claiming the benefit of it. I do not propose to follow out the long and complicated procedure that was adopted by the directors—to (as they thought) put up the fences and shut out the Company: all profitless—as it was all conceived and based on the initial fraud and breach of duty and all this procedure is as of naught and is without force or virtue. There never was that dis-

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closure to the minority shareholders or even in general meeting that the law requires. Further there was defective notice of meetings and no proper notification of the business to be transacted thereat. I cannot say that I was at all impressed with the case as presented on behalf of the directors and the majority shareholders notwithstanding the very able and persuasive argument of Mr. Farris, the learned counsel for the respondents. That which was here attempted has often been attempted, but, invariably, to the credit of our jurisprudence, there is the power and authority in the courts of the land to declare, as was done in *Cook v. Deeks* (1916) 1 A. C. 554 P. C., that the Company is entitled to claim the benefit of the contract. That is, there was fraudulent concealment here and the appellant is entitled to have it declared that a decree go for an account as against the respondents for all the profits derivable by the directors and these certain other shareholders for and in respect of the half interest in the mining property sold to Sloan—being an executed contract—and whatever form of consideration therefor was received by the directors and members of the Syndicate all being aware of what was being done constituting a fraud upon the Company—and must be accounted for to the Company. In passing I might remark that the learned counsel for the respondents at this Bar said that there were some five to six millions of dollars involved in this appeal from which I gather that the account will develop into extended research and have many ramifications. It is perhaps hardly necessary to point out that the directors are trustees of the property of the Company and it follows that they must account to the Company for all such property. (Flitcroft's case (1882) 21 Ch. D. 519 C. A.—*Re Sharpe* (1892) 1 Ch. 154 C. A.; *Re Forest & Dean Coal Mining Co.* (1878) 10 Ch. D. 450; *Re Lands Allotment Co.* (1894) 1 Ch. 616, 631 C. A.) That the directors here are not entitled to take profits to themselves arises because they exercised a fiduciary position and it need not be said to be based necessarily on actual fraud—but on motives of public policy. I would refer to what Lord Herschell said at p. 51 in *Bray v. Ford* (1896) A. C. 44:—

“It is an inflexible rule of a Court of Equity that a person in a fiduciary position, such as the respondent's, is not, unless otherwise expressly provided, entitled to make a profit; he is not allowed to put himself in a position where his interest and duty conflict. It does not appear to me that this rule is, as has been said, founded upon principles of morality. I regard it rather as based on the consideration that, human nature being what it is, there is danger, in such circumstances, of the person holding a fiduciary position being swayed by interest rather than by duty, and thus prejudicing those whom he was bound to protect.”

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The argument at this Bar was able, long and elaborate and a great many authorities were cited. I do not find it really necessary to particularly refer to many of them—it would seem to me that upon the special facts of the present case the principles enunciated by Lord Buckmaster, who delivered the judgment of their lordships of the Privy Council in *Cook v Deeks*, *supra*, really covers the case. There it was held that the benefit of the contract belonged in equity to the Company and the directors could not validly use their voting power to vest it in themselves. Lord Buckmaster said at pp. 561-562:—

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“Now it appears plain that the entire management of the company, so far as obtaining and executing contracts in the east was concerned, was in their hands, and, indeed, it was in part this fact which was one of the causes of their disagreement with the plaintiff. The way they used this position is perfectly plain. They accelerated the work on the expiring contract of the company in order to stand well with the Canadian Pacific Railway when the next contract should be offered, and although Mr. McLean was told that the acceleration was to enable the company to get the new contract, yet they never allowed the company to have any chances whatever of acquiring the benefit, and avoided letting their co-director have any knowledge of the matter. Their Lordships think that the statement of the trial judge upon this point is well founded when he said that ‘it is hard to resist the inference that Mr. Hinds was careful to avoid anything which would waken Mr. Cook from his fancied security,’ and again, that ‘the sole and only object on the part of the defendants was to get rid of a business associate whom they deemed, and I think rightly deemed, unsatisfactory from a business standpoint.’ In other words, they intentionally concealed all circumstances relating to their negotiations until a point had been reached when the whole arrangement had been concluded in their own favour and there was no longer any real chance that there could be any interference with their plans. This means that while entrusted with the conduct of the affairs of the company they deliberately designed to exclude, and used their influence and position to exclude, the company whose interest it was their first duty to protect.”

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Then at p. 563, we find him saying:—

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“It is quite right to point out the importance of avoiding the establishment of rules as to directors’ duties which would impose upon them burdens so heavy and responsibilities so great that men of good position would hesitate to accept the office. But, on the other hand, men who assume the complete control of a company’s business must remem-

ber that they are not at liberty to sacrifice the interests which they are bound to protect, and, while ostensibly acting for the company, divert in their own favour business which should properly belong to the company they represent.

10 “Their Lordships think that, in the circumstances, the defendants T. R. Hinds and G. S. and G. M. Deeks were guilty of a distinct breach of duty in the course they took to secure the contract, and that they cannot retain the benefit of such contract for themselves, but must be regarded as holding it on behalf of the company.

“There remains the more difficult consideration of whether this position can be made regular by resolutions of the company controlled by the votes of these three defendants. The Supreme Court have given this matter the most careful consideration, but their Lordships are unable to agree with the conclusion which they reached.

20 “In their Lordships’ opinion the Supreme Court has insufficiently recognized the distinction between two classes of case and has applied the principles applicable to the case of a director selling to his company property which was in equity as well as at law his own, and which he could dispose of as he thought fit, to the case of a director dealing with property which, though his own at law, in equity belonged to his company. The cases of *North-West Transportation Co. v. Beatty* (12 App. Cas. 589) and *Burland v. Earle* (1902) A. C. 83, both belonged to the former class. In each, directors had sold to the company property in which the company had no interest at law or in equity. If the company claimed any interest by reason of the transaction, it could only be by affirming the sale, in which case such sale, though initially voidable, would be validated by subsequent ratification. If the company refused to affirm the sale the transaction would be set aside and the parties restored to their former position, the directors getting the property and the company receiving back the purchase price. There would be no middle course. The company could not insist on retaining the property while paying less than the price agreed. This would be for the Court to make a new contract between the parties. It would be quite another thing if the director had originally acquired the property which he sold to his company under circumstances which made it in equity the property of the company. The distinction to which their Lordships have drawn attention is expressly recognized by Lord Davey, in *Burland v. Earle* (1902) A. C. 83 and is the foundation of the judgment in *North-West Transportation Co. v. Beatty* (12 App. Cas. 589) and is clearly explained in the case of *Jacobus Marler*

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*Estates v. Marler* (House of Lords, April 14) a case which has not hitherto appeared in any of the well-known reports.

“If, as their Lordships find on the facts, the contract in question was entered into under such circumstances that the directors could not retain the benefit of it for themselves, then it belonged in equity to the company and ought to have been dealt with as an asset of the company. Even supposing it be not ultra vires of a company to make a present to its directors, it appears quite certain that directors holding a majority of votes would not be permitted to make a present to themselves. This would be to allow a majority to oppress the minority. To such circumstances the cases of *North-West Transportation Co. v. Beatty* (12 App. Cas. 589) and *Burland v. Earle* (1902) A. C. 83, have no application. In the same way, if directors have acquired for themselves property or rights which they must be regarded as holding on behalf of the company, a resolution that the rights of the company should be disregarded in the matter would amount to forfeiting the interest and property of the minority of shareholders in favour of the majority, and that by the votes of those who are interested in securing the property for themselves. Such use of voting power has never been sanctioned by the Courts, and, indeed, was expressly disapproved in the case of *Menier v. Hooper’s Telegraph Works* (1874) L. R. 9 Ch. 350.” 10

This language of Lord Buckmaster is equally decisive of the present case—and it is idle to say that there has been ratification of the action of the directors here admitting of them taking the profits to themselves—the general meetings and votes thereat are of no force or effect. I would expressly on this point again call up the language of Lord Buckmaster at p. 564:— 30

“Even supposing it be not ultra vires of a company to make a present to its directors, it appears quite certain that directors holding a majority of votes would not be permitted to make a present to themselves. This would be to allow a majority to oppress the minority.”

In the result therefore upon the facts and the law the contention made upon this appeal and so ably presented by the learned counsel for the appellant, Mr. MacInnes and Mr. Shaw, that the profits obtained by the directors in relation to the sale of the mining property of the Company to Sloan and the half-interest vested in the directors must be accounted for by the directors—in the language of Lord Buckmaster, already quoted “that the directors could not retain the benefit of it for themselves . . . it belonged in equity to the Company and ought to have been dealt with as an asset of the Company.” Further shareholders—not directors—parties to the fraud and breach of duty and members of the Syndi 40

cate carrying out the sale and profiting by the secret agreement also must account for all profits received. I would refer to Fullerton v. Crawford (1919) 59 S. C. (Canada) pp. 325, 329; Alexander v. Automatic Telephone Co. (1900) 2 Ch. 56; Menier v. Hoopers Telegraph Works 9 Ch. App. 350; Gray v. Lewis 8 Ch. App. 1049: It follows that, in my opinion, the directors must account to the Company for the profits achieved in respect of the sale to Sloan of the mining property of the Company and so must the shareholders who along with the directors obtained an advantage to themselves not shared by the other shareholders—the profits derived were really assets of the Company. I would allow the appeal.

“A. E. McPHILLIPS, J. A.”

Victoria, B. C.,  
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Reasons for  
Judgment of  
McPhillips,  
J. A.  
Oct. 3, 1933  
(Cont.)

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No. 21

REASONS FOR JUDGMENT OF THE HONOURABLE  
MR. JUSTICE M. A. MACDONALD

The allegation is that respondents, after acquiring control of Pioneer Gold Mines Limited (in Liquidation) through the purchase of controlling shares, by a series of acts fraudulently conceived, appropriated to themselves property, assets and benefits belonging to the Company to the exclusion of the minority shareholders. Appellants (two brothers, one since deceased) acquiring mining claims in the Bridge River District, British Columbia, in 1911, for approximately \$26,000.00 and after operating two years incorporated the Company referred to. In the early years, although \$135,000.00 in gold was extracted from 8 or 9,000 tons of ore milled, it was not a successful venture. Debts accumulated and were finally assumed by the late Mr. Adolphus Williams. The shares held by the Fergusons were later hypothecated to the Williams' Estate as security and were registered in the names of the executors, the Fergusons retaining one share each unencumbered. Shares were also held by others, some of the holders residing in England.

The difficulties referred to led to the transfer by agreement dated January 6th, 1921, of 51 per cent. of the issued capital stock of the company to A. H. Wallbridge, since deceased, and represented in this action by his executor. He purchased this controlling interest on behalf of a syndicate consisting of himself and the other respondents. They had a syndicate agreement. Its only importance is that—as the facts develop—the inference might be

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drawn that the directors were acting in the interests of the Syndicate rather than the shareholders generally on the occasions later alluded to. The consideration for the transfer of shares was \$50,000, payable in instalments, part to be expended in the installation of a cyanide plant and in developing and operating the mine. Respondents, members of the Syndicate, as purchasers, thus became shareholders and, being in control, selected from among their number a majority of the Board of directors. Development work was carried on and in doing so respondents assumed financial obligations amounting collectively to about \$40,000.00. They were therefore anxious, by further development work, to secure, if possible, a paying mine, not only as a promising speculation but to relieve them from an onerous liability. 10

For some time repeated efforts were made to sell the property. Several options were given but they failed to mature. Further development work was necessary if the project was not to be abandoned. Respondents, already creditors, and interested in protecting their investment, suggested an assessment of .02 a share to raise additional capital and, as testified, were anxious that all shareholders should agree to contribute in this manner. This assessment plan however was not properly placed before all the members of the Company. Some of the minority shareholders, (not appellants—unless Walsh must be treated as their agent) were asked to contribute in this way to raise \$16,000.00 later referred to but declined. Other shareholders, particularly those in England, were not given this opportunity. True very little would be secured from English shareholders under this plan in any event but they should not have been ignored. The only importance attaching to the incident is that respondents cannot successfully claim that they gave all shareholders a chance to participate with them on equal terms in later developments. 20 30

Failing in efforts to secure funds, it is charged that respondents conceived and executed a plan not only to protect their own interests as creditors but to drop the minority shareholders and secure the property for themselves and did so as follows: On the 16th of July, 1924, the Company, so controlled as aforesaid, executed a working and development bond of its entire assets to one David Sloan, a mining engineer. It contained an option to purchase for \$100,000 to be paid (except as to \$16,000.00) from the proceeds of ore milled and sold as work was carried on. The hope was entertained that after initial expenditure of \$16,000.00 the purchase could be completed by returns received from mining operations. Contemporaneously with the execution of this bond a Declaration of Trust was executed by Sloan reciting that the respondents had agreed with him to contribute one-half of the \$16,000.00 referred to in equal shares and that in consideration thereof Sloan on his part agreed to hold the bond and option and all bene- 40



fits to be derived thereunder in trust as to one-half for himself and as to the remainder for the respondents. Viewing, as we should, the two documents as one transaction, the Company controlled by respondents as vendors in effect transferred to Sloan, and to themselves the right to acquire the property and to pay for it from returns received as mining operations were carried on. Respondents therefore in effecting the sale through the Company also participated as purchasers to the extent of a half-interest.

10 The surviving appellant, Andrew Ferguson, did not know that respondents participated in this way until several years later unless the knowledge of Mr. Walsh, executor of the Estate of Adolphus Williams, deceased, to whom, as stated, his shares were hypothecated, can be imputed to him. His solicitor, Mr. Noble, was advised of the Sloan option by letter but no mention was made—not necessarily purposely—of the Declaration of Trust. As it transpired respondents were only called upon to advance \$4,000.00—Sloan advancing an equal amount—after which returns from the mine provided for all obligations under the option. It proved to be a profitable deal. By the 5th December, 1924, the date of a meet-  
20 ing later referred to, in a three months' period shipments of gold were made to the value of \$15,532.21. Later it proved to be an exceptionally valuable property.

In the following month, indicating I think that all successive steps leading to the extinction of the old company and the formation of a new one were planned, viz., 8th August, 1924, notices were posted for an Extraordinary General Meeting to be held on the 22nd of August to wind up the company, make an assignment in bankruptcy and to appoint the respondent Salter, the Com-  
30 pany's auditor, as liquidator; also, in case such a resolution carried for a second extraordinary general meeting to be held on September 9th to confirm this special resolution. A resolution to wind up the Company carried and Salter was appointed liquidator. No action was taken to place the Company in bankruptcy. At a shareholders' meeting of the 9th of September the resolution to wind up the Company was confirmed.

The next step taken was to convene a meeting of creditors on September 26th, 1924. The principal creditors were the respondents for, as stated, about \$40,000.00 and the Union Bank of Canada for \$5,000.00. Respondents were in a precarious position financially and, apparently, felt justified in following a pre-determined course. Relief from their indebtedness could only be obtained by securing a paying mine and further development work in the attempt to secure it, required the expenditure, as viewed at that time, of \$16,000.00. While Sloan's report, after investigating was optimistic, still, it was not a certainty that values would be revealed to ensure repayment of moneys advanced.  
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I think it is accurate to say that only the respondents among

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the creditors, were actively pressing for payment of their debts and that they were not altogether single-minded in doing so, it was part of the plan to wind up the Company and effect a sale. The Liquidator was directed to advertise its assets for sale and to call for tenders. Asked if he had anything to do personally with the decision "or was that arranged by Mr. Wallbridge" he replied:—

"I can't remember really; the chances are it was arranged by Mr. Wallbridge."

Tenders were called for and a further meeting of creditors held on the 22nd of October, 1924, to consider them. The liquidator reported receipt of one tender only for \$45,000.00, the amount of the Company's debts. It was tendered by the respondent Boucher, acting on behalf of himself and co-respondents (the Syndicate) who held the half-interest with Sloan under the bond and Declaration of Trust. It was accepted by resolution, Mr. Walsh, executor of the Williams Estate, objecting. His objection led to further consultation among respondents and later one of their number wrote to Mr. Walsh (November 20th, 1924) stating that "the offer made by Dr. Boucher on behalf of the Syndicate" to purchase the assets from the liquidator would be increased by \$20,000.00, but only on the condition that— 10 20

"if at the meeting of the shareholders called for the 5th December, next, 95 per cent. of the shareholders confirm the working bond already given to Mr. Sloan and approve of and support the proposal now being made."

The \$20,000.00 additional and the \$45,000.00 for creditors was to be paid out of purchase moneys received under the bond to Sloan and in the final analysis from the net proceeds of ore milled and sold. This amended offer was placed before the liquidator in a letter dated December 5th, 1924, signed by the respondents, again stipulating that the amount was to be paid, if at all, out of moneys received under the bond and also conditional upon its approval by a majority as aforesaid. At a meeting of the shareholders held on that date, viz., December 5th, 1924, the following resolution was passed on—it is significant to notice—the motion of two minority shareholders (not respondents):— 30

"That the action of the Board of Directors of the Company in granting a working Bond containing an Option to purchase all the mineral claims, building, plant, etc. . . . . dated July 16th, 1924, to one David Sloan, representing himself for one-half interest and the following shareholders of the Company for one-half interest, R. B. Boucher, F. J. Nicholson, H. C. N. McKim, A. E. Bull, A. H. Wallbridge and J. Duff-Stuart, of whom the last three mentioned are directors of the Company, be and is hereby ratified and confirmed, and the 40

said Bond declared to be valid and binding upon the Company and the Liquidator is hereby authorized to carry out the terms thereof."

Also the following resolution:—

10 "That the offer of (. . . respondents . . .) for the purchase of all assets of the Company subject to but with the benefit of the working Bond and Option given to David Sloan and the royalties and purchase moneys payable thereunder for the price and on the terms set forth . . . be and is hereby accepted . . . and the Liquidator is hereby authorized to sign, seal and deliver on behalf of the Company, all necessary documents for the purpose of accepting and carrying the said offer into effect."

On the 21st of January, 1925, a meeting of creditors (respondents the major creditors) also passed a resolution confirming the sale, the bond to Sloan and the Declaration of Trust. Later, viz., 21st of January, 1925, an agreement was executed between the company as vendor and respondents as purchasers. It recites that on 20 December 5th, 1924, a meeting of shareholders representing 729,996 shares (over 95 per cent.) of the issued capital stock of the Company approved of the sale and that—

30 "The consideration for the said sale shall be the payment to the Vendor by the Purchasers out of the Royalties and purchase money received by them under the said Bond as and when the same shall have been so received of a sum sufficient to pay the liabilities of the Vendor as now proved with the said Liquidator, together with interest thereon . . . . As further consideration the Purchasers agree to pay over to the Vendor the next \$20,000.00 received by them from said royalties or purchase money under said Bond after satisfaction of above-mentioned liabilities . . . for distribution pro rata among the shareholders of the Vendor.

Also that—

40 "3. On payment to the Vendor of the said sums of money punctually at the times aforesaid the Vendor agrees with the Purchasers to immediately thereupon convey to the Purchasers the said mineral claims, assets and property of the Vendor free from all encumbrances, save and except the said Bond in favour of David Sloan."

Shortly thereafter another Company—Pioneer Gold Mine of B. C. Limited—was incorporated and the purchasers (respondents) conveyed their interest to the new Company in consideration of the allotment of a large block of shares to each of them and Sloan for a like consideration transferred to the new Company his interest under the bond. Thus appellant and minority

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shareholders of the original company ceased to have any further interest in the property; all they received, by way of distribution, was 49 per cent of the \$20,000 paid in addition to payment of the debts of the old company

I have outlined, as I view it, all the material facts. The first question is—were all steps taken *intra vires* of the company's powers; authorized by properly convened meetings of shareholders to whom full disclosure was made and by a quorum of directors qualified (having regard to personal interest) where the latter had power to act all free from irregularities of a nature incurable by ratification of the shareholders. Where, as here, three of the respondents, who were directors, occupying a dual position and a fiduciary relationship to shareholders, take part in a transaction of this nature we should carefully scrutinize each step to see if their tackle was in order. 10

The contract with Sloan was *intra vires* of the company's powers. Under Article 102, reading as follows:—

"102. No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract, or contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested, be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if his interest then exists or in any other case at the first meeting of the Directors after the acquisition of his interest, and that no Director shall as a Director, vote in respect of any contract or arrangement in which he is so interested as aforesaid; and if he do so vote, his vote shall not be counted, but this prohibition shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security by way of indemnity, and it may at any time or times be suspended or relaxed to any extent by a general meeting." 20 30

It was a voidable contract "or arrangement" and might readily have been set aside unless ratified by shareholders and even after ratification might be avoided if fraud, active or constructive, is established or harsh, oppressive or unconscionable conduct revealed. This latter consideration is the only point in the case. If the whole transaction was not of a fraudulent character the appellants fail. That of course assumes the observance of formalities. 40

I will not outline lengthy details but simply say that a careful study of all the evidence discloses that shareholders received proper notices of all meetings convened *in the manner specified by the Company's articles* and that notice of the general nature of the proposed business was given in such a form as to enable them to determine whether they ought to attend in person or by proxy to approve or reject. The appellant Ferguson, holder of one share unencumbered, in addition to an equity in hypothecated shares, was entitled to demand that the company should strictly  
 10 adhere to the provisions of the articles in respect to mailing, posting and addressing notices. This was done. The non-receipt of notice did not, by the articles, invalidate proceedings. Evidence of mailing notices to shareholders given at the trial in the form of a statutory declaration by the liquidator and filed as an exhibit was not a satisfactory method of proof but the declaration was accepted without objection. If objected to, direct evidence might have been given and it is now too late to complain. Each successive step taken therefore was legal and in law expressed the will of a majority of shareholders in respect to internal matters within  
 20 the corporate powers of the company and what was done cannot be undone merely because some of the respondents, who were shareholders served their own personal interests. As stated by Jessel M. R. in *Pender v. Lushington* (1877) 6 C. D. 70 at p. 75:—

“There is, if I may say so, no obligation on a shareholder of a company to give his vote merely with a view to what other persons may consider the interests of the company at large. He has a right, if he thinks fit, to give his vote from motives or promptings of what he considers his own individual interest.”

30 True three of the respondents were directors and stood in a fiduciary relationship to the company. Their duty was to serve the interests of the general body of shareholders, not of any particular class. *Cook v. Deeks* (1916) 1 A. C. 554, on its special facts is of little assistance but the following statement by Lord Buckmaster, at p. 563, may well be heeded by directors:—

40 “Men who assume the complete control of a company's business must remember that they are not at liberty to sacrifice the interests which they are bound to protect and while ostensibly acting for the company divert in their favor business which should properly belong to the company they represent.”

The case at bar is not on the facts at all similar, but the underlying principle applies. In *Inre Cameron's Coalbrook, etc., Railway Company, Ex parte Bennett* (1853) 18 Beav. 339, at 355, the Master of the Rolls states it in these terms:—

“I believe it to be of essential importance that all per-

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sons, who accept the office of directors, should be made to understand what their duties and liabilities are; and especially that it is their bounden duty to do the best they can for the company, totally regardless of their own private and individual interests and benefit."

We must not, however, forget that in securing for the old company payment of its debts and \$20,000.00 additional instead of committing it to further expenditures of a speculative nature the directors might possibly believe, at that stage, that they were in this dilemma acting in the best interests of the company.

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It is of course not enough that directors should not exceed their powers; they must not abuse—

"the powers vested in them for the management of the company's business." (Burland vs. Earle [1902] A. C. 83 at p. 97).

But the difficult question in each case is, what constitutes an abuse of powers or its equivalent—fraudulent conduct? Failing to discharge obligations of trusteeship they would be guilty of misfeasance but one cannot decide this point without taking into account the fact that the shareholders ratified each step taken. The obvious inference from ratification, if the facts are fully disclosed, is that in the circumstances (perhaps embarrassing) existing at the time the minority plan proposed offered the best solution to their difficulties. The courts will not set aside an *intra vires* transaction executed and ratified (after disclosure) by a majority of the shareholders as a matter of internal policy at the suit of minority shareholders solely on the ground that, as it later transpired, it advanced the interests of the majority. It would be otherwise, if ratification was secured by improper means, such as deceit, indirect methods or failure to properly disclose. It is difficult after ratification to assert that the thing approved and, at the time regarded as fair by the minority, was in fact fraudulent. The truth is that the minority shareholders, if the company could not effect a sale to third parties—and its efforts in that direction failed—were willing to retire and to permit the respondents to join in a deal with Sloan, acquire the property; pay the debts of the old company and \$20,000.00 additional. It seemed to them desirable to affirm at that stage; they cannot now repudiate because future events disclosed that it would have been more profitable to dissent. It would be regarded as a fair arrangement had not later developments revealed values rich enough to excite cupidity. The viewpoint, as entertained by all shareholders when the bond was given and continuing up to the time it was known that a rich mine had been developed, is important in deciding whether or not the steps taken by respondents were fraudulent, unjust or oppressive. It may be observed too that the resolution of December 5th, 1924,

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ratifying the bond and declaration of trust was moved and seconded by minority shareholders and supported by 95 per cent. of the shares represented. Mr. Twiss and other minority shareholders present were capable of appreciating the situation.

10 What constitutes fraud or oppressive conduct or at what point self-serving conduct injurious to others, where, for example, "a majority shareholder pushes his own interests, so far as to vote a part of the company's assets into his own pocket to the exclusion of the minority." (Wegenast 319) may properly be regarded as  
 10 fraudulent will depend largely, as stated, in this work on Company Law, at p. 317, on the opinion of judges. Commenting on cases relating to the duty of the majority to deal fairly with the minority he says:—

"It may be pointed out that the question resolves itself in most cases into a question of the view which a particular court will take as to the facts: whether on the facts the conduct of the majority is to be regarded as fraudulent or unfair or oppressive—terms which in the nature of things lend themselves to differences of opinion."

20 In the case at bar the trial judge finds a complete absence of any fraudulent design. He does so in emphatic language. Although I have already indicated my views still I confess that if I were the trial judge I would not be free from concern. That there was animus against appellants, possibly justified, seems clear. Former difficulties created an unfriendly atmosphere and explains possibly in part the course pursued. It may be true that the end was planned from the beginning. Respondents wanted to get rid of appellants. Ill-feeling often provokes retaliation. The refusal of some of the  
 30 shareholders to submit to an assessment was assigned for the position taken by respondents not "to carry the rest of the stockholders any longer" and "to have a show-down right away." There is some ground too for inferring that it was the interests of the Syndicate, that the directors always had in mind, rather than the interests of the company. There is support for this view in the evidence. However, these facts, while causing concern, do not out-weigh the broader aspects I have referred to. They indicate that respondents might have protected their own interests in a manner less objectionable. The trial judge found in the acts complained of no conduct of a fraudulent character and he was in the  
 40 best position to decide the point. He had the respondents, whose actions were attacked before him, as witnesses and we should accept his conclusion unless satisfied that it is clearly erroneous. I would therefor not disturb the judgment.

"M. A. MACDONALD, J. A."

Victoria, B. C.,  
 3rd October, 1933.

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*In the Court  
of Appeal for  
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No. 22  
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Oct. 3, 1933

JUDGMENT OF THE COURT OF APPEAL

CORAM:

THE HONOURABLE THE CHIEF JUSTICE OF BRITISH COLUMBIA,  
THE HONOURABLE MR. JUSTICE MARTIN,  
THE HONOURABLE MR. JUSTICE McPHILLIPS,  
THE HONOURABLE MR. JUSTICE MACDONALD.

Victoria, B. C., the 3rd day of October, 1933.

THIS APPEAL from the Judgment of the Honourable The Chief Justice of the Supreme Court pronounced on the 13th day of April, A.D. 1933, coming on for hearing the 27th, 28th, 29th and 30th days of June, and the 3rd, 4th and 5th days of July, 1933, and UPON HEARING Mr. J. A. MacInnes and Mr. Ian Shaw of Counsel for the Appellant; Mr. J. W. deB. Farris, K.C., of Counsel for the Respondents, other than the Respondent Salter; and Mr. C. W. St. John of Counsel for the Respondent Salter, and UPON READING the Appeal Book herein, and Judgment being reserved thereupon; 10

THIS COURT DOTH ORDER AND ADJUDGE that the said appeal be, and the same is hereby DISMISSED, and that the said Judgment be, and the same is hereby affirmed; 20

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the Appellant do pay to the Respondents, Helen A. Wallbridge and David Stevenson Wallbridge, as Executors and Trustees of the estate of Adam H. Wallbridge, deceased, their costs of this appeal forthwith after taxation thereof.

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the Appellant do pay to the Respondents, Alfred E. Bull, J. Duff-Stuart, R. B. Boucher, and Francis J. Nicholson their costs of this appeal forthwith after taxation thereof. 30

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that the Appellant do pay to the Respondent, John S. Salter, his costs of this appeal forthwith after taxation thereof.

AND THIS COURT DOTH FURTHER ORDER AND ADJUDGE that all costs of this appeal shall be taxed under Column 4 of Appendix "N" to the Rules of the Supreme Court.



BY THE COURT

B. H. TYRWHITT DRAKE,  
Registrar.Seal of Court of Appeal of  
British Columbia.Approved: "I. A. S."  
Approved: "C. W. St. John"  
Checked by "O. B.", D.R.  
"J. A. M.", C.J.10 B. C. L. S.  
\$1.10  
Victoria  
October 21, 1933  
Registry.Entered Vol. 5, Fol. 93  
Date 21-10-33  
By "G. H. M."

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No. 23

ORDER FOR CONDITIONAL LEAVE TO APPEAL  
CORAM:THE HONOURABLE THE CHIEF JUSTICE OF BRIT-  
ISH COLUMBIA

THE HONOURABLE MR. JUSTICE McPHILLIPS

THE HONOURABLE MR. JUSTICE MACDONALD

20 THE HONOURABLE MR. JUSTICE McQUARRIE

VANCOUVER, B. C.,  
the 23rd day of October, 1933No. 23  
Order for  
Conditional  
Leave to  
Appeal  
Oct. 23, 1933ON MOTION made this day to this Court sitting at Van-  
couver, B. C., on behalf of the above-named Plaintiff (Appellant)  
for leave to appeal to His Majesty in his Privy Council from the  
Judgment of this Honourable Court pronounced herein on the  
3rd day of October, 1933; upon hearing Mr. J. A. MacInnes of  
Counsel for the Plaintiff (Appellant) and Mr. J. W. deB Farris,  
K. C., of Counsel for the Defendants (Respondents):30 THIS COURT DOTTH ORDER that subject to the perform-  
ance by the said Plaintiff (Appellant) of the conditions herein-  
after mentioned and subject to the final order of this Court upon  
the due performance thereof, leave to appeal to His Majesty in  
his Privy Council against the said Judgment of this Honourable  
Court be and it is hereby granted to the Plaintiff (Appellant).AND THIS COURT DOTTH FURTHER ORDER that the  
said Plaintiff (Appellant) do within three (3) months from the

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Leave to  
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date hereof provide security to the satisfaction of this Honourable Court in the sum of £ 500 Sterling for the due prosecution of the said appeal and the payment of all such costs as may become payable to the Defendant (Respondents) in the event of the Plaintiff (Appellant) not obtaining an order granting him final leave to appeal, or of the appeal being dismissed for non-prosecution and for the payment of such costs as may be awarded by His Majesty, his heirs and successors, or by the Judicial Committee of the Privy Council to the Defendants (Respondents) on such appeal.

AND THIS COURT DOTH FURTHER ORDER that the Plaintiff (Appellant) do within four (4) months from the date of this Order in due course take out all appointments as may be necessary for settling the transcript record on such appeal to enable the Registrar to certify that the transcript record has been settled and that the provisions of this Order on the part of the Plaintiff (Appellant) have been complied with. 10

AND THIS COURT DOTH FURTHER ORDER that the costs of the transcript record on appeal and of all necessary certificates and all costs of and occasioned by the said appeal shall abide the decision of the Judicial Committee of the Privy Council with respect to the costs of appeal. 20

AND THIS COURT DOTH FURTHER ORDER that the Plaintiff (Appellant) be at liberty within four (4) months from the date of this Order to apply for an order for leave to appeal as aforesaid on production of a Certificate under the hand of the Registrar of due compliance of his part with the terms of this Order.

AND THIS COURT DOTH FURTHER ORDER that all parties may be at liberty to apply to this Court wheresoever the same may be sitting. 30

BY THE COURT

B. H. TYRWHITT DRAKE,  
Registrar.

J. F. M.,  
D. R.

J. A. M.,  
C. J.

J. W. deB. F.

ENTERED  
Vol. 5, Fol. 97  
Date 2-11-33  
By G. H. M.

B. C. L. S. \$1.10  
Victoria  
October 31, 1933  
Registry

Seal of the  
Court of Appeal

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## REGISTRAR'S CERTIFICATE

I HEREBY CERTIFY that the Plaintiff (Appellant) has duly complied on his part with the terms of the Order of this Honourable Court herein dated the 23rd day of October, 1933, in that:

10 (a) The said Plaintiff (Appellant) has provided security to my satisfaction in the sum of Five Hundred Pounds Sterling for the due prosecution of his Appeal to His Majesty in His Privy Council from the Judgment herein of this Honourable Court dated  
the 3rd day of October, 1933, and for the payment of all such costs as may become payable to the Defendants (Respondents) in the event of the Plaintiff (Appellant) not obtaining an Order granting him final leave to appeal or of the appeal being dismissed for non-prosecution and for the payment of such costs as may be awarded by His Majesty, his heirs and successors, or by the Judicial Committee of the Privy Council to the Defendants (Respondents) on such appeal by filing in Court a bond in form satisfactory to me and approved by the Defendants (Respondents), and,

20 (b) That the transcript Record has been settled by Consent of all parties, which said consent has been duly filed with me and that no appointments have been necessary for settling such transcript Record.

DATED at Victoria, B. C., this 16th day of January, 1934.

B. C. L. S.  
\$1.00

B. H. TYRWHITT DRAKE,  
REGISTRAR

VICTORIA  
Jan. 16, 1934  
REGISTRY

SEAL OF THE COURT OF APPEAL

RECORD

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No. 24  
Registrar's  
Certificate  
Jan. 16, 1934

## REGISTRAR'S CERTIFICATE

30 I HEREBY CERTIFY that the Transcript Record of Proceedings herein has been settled and that the said Record contains the Reasons for Judgment of the Honourable The Chief Justice of the Supreme Court of British Columbia (the Trial Judge) and of the Honourable the Chief Justice of the Court of Appeal, the Honourable Mr. Justice Martin, the Honourable Mr. Justice McPhillips

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Registrar's  
Certificate  
Jan. 19, 1934

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 No. 25  
 Registrar's  
 Certificate  
 Jan. 19, 1934  
 (Cont.)

and the Honourable Mr. Justice Macdonald, being all the Judges before whom the trial and appeal herein were heard.

DATED at Victoria, B. C., this 19th day of January, 1934.

VICTORIA  
 Jan. 19, 1934  
 REGISTRY

B. H. TYRWHITT DRAKE,  
 REGISTRAR

SEAL OF THE COURT OF APPEAL

---

No. 26  
 Order for  
 Final Leave  
 to Appeal  
 Jan. 19, 1934

No. 26

FINAL ORDER FOR LEAVE TO APPEAL

PRESENT:

10

THE HONOURABLE THE CHIEF JUSTICE.  
 THE HONOURABLE MR. JUSTICE McPHILLIPS.  
 THE HONOURABLE MR. JUSTICE M. A.  
 MACDONALD.  
 THE HONOURABLE MR. JUSTICE McQUARRIE.

Victoria, B. C., the 19th day of January, 1934

UPON the application of the Plaintiff (Appellant) for leave to appeal to His Majesty in His Privy Council from the Decree of this Honourable Court pronounced on the 3rd day of October, 1933, coming on to be heard at Victoria in the presence of Mr. H. A. Beckwith of Counsel for the Plaintiff (Appellant); and upon reading the Order herein dated the 23rd day of October, 1933, and the Certificate of the Registrar dated the 16th day of January, 1934, of due compliance with the said Order:

20

THIS COURT DOTH ORDER that final leave to appeal to His Majesty in His Privy Council against the Judgment of this Honourable Court, pronounced on the 3rd day of October, 1933, be and it is hereby granted to the said Plaintiff (Appellant).

BY THE COURT

J.A.M., C.J.

B. H. TYRWHITT DRAKE,  
 REGISTRAR

30

Checked by O.B., D.R.

SEAL OF THE COURT OF APPEAL

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**PART II**

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**EXHIBITS AND DOCUMENTS**

## PART II.

## EXHIBITS AND DOCUMENTS

## EXHIBIT No. 147

## "COMPANIES' ACT"

A COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF  
"PIONEER GOLD MINES, LIMITED"

## INTERPRETATION

RECORD

*In the  
Supreme Court  
of British  
Columbia*Exhibit  
No. 147  
(Defendants')  
Extract from  
Articles of  
Association  
of Pioneer  
Gold Mines  
Ltd.  
Oct. 25, 1915

10 1. In the construction of these articles, unless inconsistent with the context, the singular shall include the plural and the masculine the feminine and vice versa, and the words persons shall include corporation, and the following words and expressions shall have the following meanings:

"The Company" means the above named Company.

"The Directors" means the Directors for the time being.

"Month" means calendar month.

"In writing" and "written" include printing, lithography and other modes of representing or reproducing words in a visible form.

20 "The office" means the registered office for the time being for the company.

"The register" means the register of members to be kept pursuant to section 33 of the Companies Act, R.S.B.C., 1911.

"The Act" means the Companies' Act, R.S.B.C., 1911, and Amending Acts.

"Paid up" includes credited as paid up.

"The Secretary" includes any person appointed temporarily to perform the duties of secretary.

"Dividend" includes bonus.

30 "Extraordinary Resolution" has the meaning assigned thereto by Section 77 of the Companies' Act, R.S.B.C., 1911.

"Special Resolution" has the meaning assigned thereto by Section 77 of the Companies' Act, R.S.B.C., 1911.

2. The regulations contained in table "A" (in the first schedule of the Companies' Act, R.S.B.C., 1911) shall not apply to the company.

\* \* \* \* \*

13. SAVE as herein otherwise provided, the Company shall be entitled to treat the registered owner of any share as the abso-

RECORD  
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of British  
Columbia

Exhibit  
No. 147  
(Defendants')  
Extract from  
Articles of  
Association  
of Pioneer  
Gold Mines  
Ltd.  
Oct. 25, 1915  
(Cont.)

lute owner hereof, and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by Statute required, be bound to recognize any equitable or other claim to, or interest in such share on the part of any other person;

\* \* \* \* \*

BORROWING POWERS

58. THE Directors may, from time to time, at their discretion raise, borrow or secure the payment of any sum or sums of money for the purposes of the Company. The Directors may raise or secure the payment or re-payment of such sum or sums, in such manner, and upon such terms and conditions in all respects as they think fit, and in particular by the issue of perpetual or terminable debentures or debenture stock, bonds, or other securities of the Company; charged upon all or any part of the property of the Company, (both present and future) including its uncalled capital for the time being. Provided, however, that the amounts at any one time owing in respect of money so raised, borrowed or secured shall not, without the sanction of an annual meeting, exceed the nominal amount of the capital. Nevertheless, no lender or other person dealing with the Company shall be concerned to see or enquire whether this limit is observed.

\* \* \* \* \*

68. SEVEN days notice at least (exclusive of the day of which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of the meeting, and in case of special business the general nature of that business, shall be given in manner hereinafter mentioned or in such other manner, (if any) as may be prescribed by the Company in General Meeting, to such persons as are, under the regulations of the Company, entitled to receive such notices from the Company, but the non-receipt of the notice by any member shall not invalidate the proceedings or any resolutions passed at any general meeting.

69. WHEN IT IS PROPOSED to pass a special resolution the two meetings may be convened by one and the same notice, and it is to be no objection to such notice that it only convenes the second meeting contingently on the resolution being passed by the requisite majority at the first meeting.

70. THE accidental omission to give any such notices to any of the members shall not invalidate any resolution passed at any such meeting.

\* \* \* \* \*

72. NO business shall be transacted at any General Meeting unless a quorum of members is present at the time when the

meeting proceeds to business, save as herein otherwise provided. Three members personally present shall be a quorum.

\* \* \* \* \*

77. EVERY question submitted to a meeting shall (save where a poll is demanded in accordance with these presents) be decided in the first instance by a show of hands, and in the case of an equality of votes, the chairman shall both, on a show of hands and at the poll, have a casting vote in addition to the vote or votes to which he may be entitled as a member.

10 78. AT any General Meeting a resolution put to the vote of the meeting shall be decided by a show of hands, unless a poll is demanded by at least three members, or by a member or members holding or representing by proxy, or entitled to vote in respect of at least one-tenth part of the capital represented at the meeting. A declaration by the Chairman that a resolution has been carried, or carried unanimously, or carried by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of votes recorded in favour of or against such resolution.

\* \* \* \* \*

20 VOTES OF MEMBERS

84. ON a show of hands every member present in person shall have one vote, and upon a poll every member present in person, or by proxy, shall have one vote for every share held by him; where a corporation, being a member, is present by proxy, who is not a member, such proxy shall be entitled to vote for such corporation on a show of hands.

\* \* \* \* \*

DIRECTORS

30 93. THE number of Directors shall not be less than three nor more than nine, or such other numbers as a maximum and as a minimum as shall be determined by the Company in general meeting, and until otherwise determined by resolution of the Directors, two Directors shall be a quorum at a meeting of Directors.

\* \* \* \* \*

96. THE qualification of every Director shall be the holding of one share in the capital stock of the Company: provided, however, that this amount may be increased by the Company in general meeting. A Director may act before acquiring his qualification.

\* \* \* \* \*

98. THE Directors shall receive such remuneration as shall be fixed by the Company in general meeting.

\* \* \* \* \*

40 102. NO Director shall be disqualified by his office from con-

RECORD

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Columbia*

Exhibit  
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Extract from  
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Gold Mines  
Ltd.  
Oct. 25, 1915  
(Cont.)



## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 147  
(Defendants')  
Extract from  
Articles of  
Association  
of Pioneer  
Gold Mines  
Ltd.  
Oct. 25, 1915  
(Cont.)

tracting with the Company either as vendor, purchaser, or otherwise, nor shall any such contract, or contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided, nor shall any Director so contracting or being so interested, be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on, if his interest then exists or in any other case at the first meeting of the Directors after the acquisition of his interest, and that no Director shall as a Director, vote in respect of any contract or arrangement in which he is so interested as aforesaid; and if he do so vote, his vote shall not be counted, but this prohibition shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security by way of indemnity, and it may at any time or times be suspended or relaxed to any extent by a general meeting.

10

\* \* \* \* \*

## POWERS OF DIRECTORS

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108. THE management of the business of the Company shall be vested in the Directors, who, in addition to the powers and authorities by these presents, or otherwise expressly conferred upon them, may exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and are not hereby or by statute expressly directed, or required to be exercised or done by the Company in general meeting; but subject nevertheless to the provisions of the statutes, and of these presents, and to any regulations from time to time made by the Company in general meeting; provided that no regulations so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

30

109. WITHOUT prejudice to the general powers conferred by the last preceding clause, and the other powers conferred by these presents, it is hereby expressly declared that the Directors shall have the following powers, that is to say, power:—

\* \* \* \* \*

(h) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company, or its officers or otherwise, concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.

40

\* \* \* \* \*

## PROCEEDINGS OF DIRECTORS

112. NO proceedings of the Directors shall be void by

reason only of any irregularity in procedure, providing such irregularity of proceeding in no way partakes or has taint of a fraudulent nature and is not injurious to the rights of the Company or any of the members thereof as such; and provided also such proceeding is within the powers of the Directors and is subsequently confirmed by a majority of the Directors at a meeting of said Directors regularly convened in accordance with the regulations in that behalf prescribed by these articles.

\* \* \* \* \*

- 10 123. ANY such minutes of any meetings of the Directors, or of any committee, or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matter stated in such minutes.

\* \* \* \* \*

#### NOTICES

142. A notice may be served by the Company upon any member, either personally or by sending it through the post, in a prepaid envelope or wrapper, addressed to such member at his registered place of address.

- 20 143. EVERY shareholder of the Company shall notify in writing to the Company an address, which address shall be deemed to be his or her registered place of address within the meaning of the previous Article. In case any shareholder of the Company does not notify the Company in writing of an address as aforesaid, to be taken as, and deemed to be his or her registered place of abode, the registered place of address of such shareholder or shareholders shall be deemed to be at the City of Vancouver, British Columbia, and all notices addressed and posted to such shareholder or shareholders at Vancouver aforesaid shall be deemed to be well and sufficiently served on such shareholder or shareholders.

- 30 144. ANY notice sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted, and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into the post office.

\* \* \* \* \*

#### WINDING-UP

- 40 156. IF the Company shall be wound up, and the assets available for distribution among the members as such, shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the

RECORD

*In the  
Supreme Court  
Columbia  
of British*

Exhibit  
No. 147  
(Defendants')  
Extract from  
Articles of  
Association  
of Pioneer  
Gold Mines  
Ltd.  
Oct. 25, 1915  
(Cont.)

RECORD  
 In the  
 Supreme Court  
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 (Defendants')  
 Extract from  
 Articles of  
 Association  
 of Pioneer  
 Gold Mines  
 Ltd.  
 Oct. 25, 1915  
 (Cont.)

winding-up, on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up, paid up, or which ought to have been paid up on the shares held by them, respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special conditions.

\* \* \* \* \*

### SOLICITORS

10

159. THE Solicitors of the Company shall be Messrs. Williams, Walsh, McKim & Housser, of Vancouver, B. C., or such other solicitors as the Directors may appoint.

NAMES	Addresses and Descriptions of Subscribers	Number of Shares Taken by Each Subscriber	
Adolphus Williams	1632 Burnaby St., Vancouver, B. C., Barrister-at-law	One	20
Andrew Ferguson	Cor. Fir and 17th Avenue, Vancouver, B. C., Mining	One	
Walter William Walsh	432 Richards St., Vancouver, B. C., Barrister	One	
Harold Claude Nelson McKim	1249 Eighth Avenue East, Vancouver, B. C., Barrister	One	
Peter Ferguson	Saanichton, B. C. Mining	One	30

### TOTAL SHARES TAKEN

DATED the 25th October, 1915.

WITNESS: to signatures of Adolphus Williams, Andrew Ferguson, Walter William Walsh and Harold Claude Nelson McKim.

T. B. Jones,  
432 Richards St., Vancouver, B. C.

Witness to signature of Peter Ferguson:

S. A. Baird,  
1210 Douglas St., Victoria, B. C.

40

## EXHIBIT No. 12

RECORD

This Exhibit consists of an option on the Pioneer Mine dated November 24th, 1919, and made between Pioneer Gold Mines Ltd. and W. R. P. Parker. The option price was \$100,000.00. The terms of the option being immaterial in this action the document is omitted.

*In the  
Supreme Court  
of British  
Columbia*

Exhibit No. 12  
(Defendants')  
Option from  
Pioneer Gold  
Mines Ltd. to  
Parker  
Nov. 24, 1919  
and Surrender  
thereof  
Feb. 20, 1920

The option was abandoned by Parker as appears by the telegram and letter which form a part of Exhibit No. 12 and are set out hereunder.

10 CANADIAN PACIFIC RAILWAY CO. TELEGRAPH FORM  
TORONTO ONT FEB 19

RECEIVED AT  
428 Hastings St. W., 1385  
Phone Sey. 8500  
Received Feb. 20, 1920  
ANS'D

BOURNE AND MCDONALD  
BARRISTERS VANCOUVER

20 PLEASE NOTIFY PIONEER COMPANY WE ARE  
ABANDONING MINE AND SURRENDERING OPTION  
STOP THEY MUST HAVE CARETAKER TO TAKE OVER  
ON FEBRUARY TWENTY FIFTH WHEN WE WILL GIVE  
UP POSSESSION AND LEAVE MINE

W R P PARKER

LETTERHEAD OF BOURNE, MCDONALD & DESBRISAY  
(Barristers, etc.)

Pioneer Gold Mines Ltd.  
432 Richards St.,  
Vancouver, B. C.  
Dear Sirs:

Vancouver, B. C.,  
Feb. 20, 1920

We are instructed by Mr. W. R. P. Parker to advise you that he does not propose proceeding further with the option herein, dated 24th November, 1919, that he is abandoning the Mine and will give up possession on the 25th February, 1920. We suggest that you have a caretaker on hand to take over same.

Yours truly,

BOURNE, McDONALD & DESBRISAY

ACD/E.

Per "A. C. DesB."

RECORD

EXHIBIT No. 3.

*In the  
Supreme Court  
of British  
Columbia*  
  
Exhibit  
No. 3  
(Plaintiff's)  
Syndicate  
Agreement  
Dec. 29, 1920

WHEREAS A. H. Wallbridge is negotiating with Adolphus Williams, Andrew and Peter Ferguson to acquire 51% of the capital stock of the Pioneer Gold Mines Limited for the price of Fifty Thousand (\$50,000.00) Dollars; Five Thousand (\$5,000.00) Dollars cash; Ten Thousand (\$10,000.00) Dollars in May 1921 to be used to instal a cyanite plant and in developing and operating the mine, and the balance Ten Thousand (\$10,000.00) Dollars on the 1st August, 1921, Ten Thousand (\$10,000.00) Dollars on the 1st December 1922 and Fifteen Thousand (\$15,000.00) Dollars on the 1st December 1923, a commission of Five Thousand (\$5,000.00) Dollars to be paid by the Vendors out of the last payment to the said Wallbridge and Charles L. Copp, both of whom have agreed to use the whole of the said commission in purchasing shares in the said Company, so to be acquired under said option.

10

NOW KNOW ALL MEN BY THESE PRESENTS that we, in consideration aforesaid, DO HEREBY AGREE to subscribe for and pay to the said A. H. Wallbridge the amounts set opposite our respective names at the times mentioned for an undivided proportionate share of the 51% in the capital stock of the Pioneer Gold Mines Limited and so to be acquired by said option, subject to the last three deferred payments therein mentioned, and if it is decided by a majority in value of the subscribers hereto to subscribe for and accept such proportionate amount of the shares in a company to be acquired or organized for the purpose of holding the said 51% in the capital stock of the Pioneer Gold Mines Limited, the total amount subscribed and paid by each of the undersigned shall be for such proportion of the said shares to be acquired under said option subject to last three deferred payments, or in a company to hold the same, as the total amount subscribed and paid for by all the undersigned stands to the first Fifteen Thousand (\$15,000.00) Dollars to be paid under the said option.

20

30

DATED at Vancouver, B. C. this 29th day of December A.D. 1920.

Name	Address	Proportion Subscribed for	Amount	Amount	Amount
			payable on 5th January 1921	payable on 15th March 1921	payable on 15th May, 1921
A. H. Wallbridge.....	\$	3000.00	\$1000	\$1000	\$1000
A. E. Bull.....		1500.00	500	500	500
J. Duff-Stuart.....		1500.00	500	500	500
R. B. Boucher.....		1500.00	500	500	500
F. J. Nicholson.....		1500.00	500	500	500
H. C. N. McKim.....		1500.00	500	500	500
A. H. Wallbridge.....		4500.00	1500	1500	1500

40

It is understood that of the above interest Wallbridge & Copp are to receive 1/10 interest in syndicate for a commission of \$5000 herein mentioned.

“A. H. WALLBRIDGE”  
“C. L. COPP”

RECORD  
—  
*In the  
Supreme Court  
of British  
Columbia*

EXHIBIT No. 13

MEMORANDUM OF AGREEMENT made this 6th day of January, A.D. 1921.

BETWEEN:

- 10 ADOLPHUS WILLIAMS, Barrister, ANDREW FERGU-  
SON Miner, both of the City of Vancouver in the Province  
of British Columbia, and  
PETER FERGUSON, Farmer, of Saanichton, Vancouver  
Island.

Hereinafter called the “Vendors”

OF THE ONE PART

AND

- ADAM HENRY WALLBRIDGE, Broker, of the City of  
Vancouver aforesaid.  
20 Hereinafter called the “Purchaser”

OF THE OTHER PART

WHEREAS the Vendors are the registered holders of 740,-  
000 ordinary shares in the capital stock of Pioneer Gold Mines  
Limited, a body corporate having its Head Office at the City of  
Vancouver in the Province of British Columbia.

AND WHEREAS the Purchaser is desirous of acquiring an  
option to purchase 382,500 of the said shares.

- 30 NOW THIS AGREEMENT WITNESSETH that in con-  
sideration of the premises and of the sum of One (\$1.00) Dollar  
(the receipt of which is hereby acknowledged by the Vendors)  
the Vendors hereby give to the Purchaser, his nominee or nom-  
inees the sole and exclusive option to purchase from the Vendors  
free from encumbrances 382,500 ordinary shares of the capital  
stock of Pioneer Gold Mines Limited at and for the price and sum  
of Fifty Thousand (\$50,000.00) Dollars, payable as follows:

1. The sum of Five Thousand (\$5,000.00) Dollars on the  
6th day of January, A.D. 1921.
2. The sum of Ten Thousand (\$10,000.00) Dollars on the  
fifteenth day of May, A.D. 1921.

Exhibit  
No. 3  
(Plaintiff's)  
Syndicate  
Agreement  
Dec. 29, 1920

Exhibit  
No. 13  
(Defendants')  
Agreement  
between A.  
Williams, et al  
and A. H.  
Wallbridge  
Jan. 6, 1921

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 13  
(Defendants')  
Agreement  
between A.  
Williams, et al  
and A. H.  
Wallbridge  
Jan. 6, 1921  
(Cont.)

3. The sum of Ten Thousand (\$10,000.00) Dollars on the first day of August, A.D. 1921.

4. The sum of Ten Thousand (\$10,000.00) Dollars on the first day of December, A.D. 1922.

5. The sum of Fifteen Thousand (\$15,000.00) Dollars on the first day of December, A.D. 1923.

The said sum of Ten Thousand (\$10,000.00) Dollars payable by the Purchaser to the Vendors on the 15th day of May, A.D. 1921, shall be well and sufficiently paid by the Purchaser if paid by him to the Purchaser and Adolphus Williams or their nominees who shall act as Trustees for the Vendors and Purchaser, and the said sum shall be expended in the installation of a cyanite plant and in developing and operating the mine owned by Pioneer Gold Mines, Limited. The said Trustees or their nominees shall expend such money according to their discretion, and any money remaining in the hands of the said Trustees on August 1st, 1921, shall be paid over by them to the Pioneer Gold Mines, Limited.

10

The Vendors shall forthwith deposit in the Merchants Bank of Canada the said 382,500 shares of the capital stock of Pioneer Gold Mines Limited, together with transfers thereof to the Purchaser, and a copy of this Agreement, such shares and transfers to be held by the said Bank in escrow until the Purchaser shall have fully paid and satisfied the full amount of the purchase price as herein provided, and thereupon the said documents shall be delivered by the said Bank to the Purchaser or his nominees.

20

IT IS EXPRESSLY AGREED that time shall be strictly of the essence of this Agreement and in the event of the Purchaser failing or omitting to pay any of the payments specified herein on the day or days when the same shall become due then this Agreement shall become null and void and the said Bank shall thereupon demand of the Vendors and upon satisfactory evidence of default, return to the Vendors the said shares, transfers and documents deposited in escrow as aforesaid, and the Vendors in such case shall be entitled to all money theretofore paid by the Purchaser under this Agreement and such moneys shall be the property of the Vendors absolutely as the measure of damages hereby assessed by the parties hereto for failure on the part of the Purchaser to fulfill the terms of this Agreement, and the Purchaser shall be under no further liability under this Agreement.

30

IT IS FURTHER AGREED between the parties hereto that the Vendors shall pay all debts now owing by Pioneer Gold Mines Limited to the various creditors thereof and all liens, charges and encumbrances (if any) against the mineral claims, mining property and real and personal property of the said Company so as to protect the said property therefrom and shall also complete and perfect the title thereof, with the exception of those mineral

40

claims not Crown Granted. The Vendors agree to forthwith apply the moneys from time to time received by them from the Purchaser under the terms of this Agreement in payment of the said debts until the whole amount thereof shall have been fully paid and satisfied.

PROVIDED that any of the said instalments of purchase money may be made by the net profits from the operations of said Company being used to pay the present debts and liabilities of said Company and 51% of the profits so used or applied shall be considered payment pro tanto of said instalments and if 51% of the net profits of such operation shall not amount to Ten Thousand (\$10,000.00) Dollars by 1st August 1921, after leaving Ten Thousand (\$10,000.00) Dollars on hand as working capital then the instalment due on the 1st August, 1921, shall be proportionately reduced and the amount of such reduction shall be made up and paid out of 51% of the net profits as soon as same are available, and in any case before the 1st day of December 1922.

PROVIDED FURTHER that in the event of the said net profits available for distribution after leaving the said sum of Ten Thousand (\$10,000.00) Dollars for working capital, not amounting to sufficient to pay the debts now owing to the unsecured creditors of the Company and interest thereon at 8% per annum and in the event of the Purchaser not arranging with such unsecured creditors an extension of time for payment of the balance of such debt until such time as there are sufficient net profits for distribution outside of the said working capital to pay the said unsecured creditors this option shall lapse and this agreement become null and void in all respects as hereinbefore provided in the case of failure on the part of the purchaser to pay any portion of the purchase money.

IN ORDER to qualify three nominees of the Purchaser to act as Directors of Pioneer Gold Mines Limited the Vendors shall cause to be transferred to such nominees sufficient shares in the capital stock of the Company to so qualify them and shall forthwith obtain the resignations of three of the present Directors and the Vendors shall forthwith elect the three nominees of the Purchaser as Directors of the said Company. In the event of this Agreement becoming null and void the Purchaser agrees to have the said qualifying shares forthwith re-transferred to the Vendors or their nominees.

That so long as this Agreement remains in force the Vendors will not vote in any general meeting in manner opposed to the wishes of the Purchaser or his nominees as expressed by him or them at any such time.

PROVIDED that during the currency of this Agreement the said mine or any part thereof shall not be mortgaged, charged

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 13  
(Defendants')  
Agreement  
between A.  
Williams, et al  
and A. H.  
Wallbridge  
Jan. 6, 1921  
(Cont.)



RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Exhibit  
 No. 13  
 (Defendants')  
 Agreement  
 between A.  
 Williams, et al  
 and A. H.  
 Wallbridge  
 Jan. 6, 1921  
 (Cont.)

or encumbered and shall not be sold without a resolution of the shareholders in general meeting.

IT IS FURTHER PROVIDED that during the currency of this Agreement the total salaries of the Directors and Officials of the Company other than of the men engaged in the actual operation of the mine shall not exceed \$250.00 per month and such salaries shall be paid only for the time during which such actual operations shall be carried on.

IT IS AGREED that the Purchasers share of the net earnings shall either remain in the Treasury of the Company or be applied as hereinbefore provided or on account of said purchase price until the said purchase price shall have been fully paid. 10

EVERYTHING HEREIN CONTAINED shall enure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators and assigns.

IN WITNESS WHEREOF the parties hereto have executed these presents on the day and year first above written.

SIGNED, SEALED AND DELIVERED by all parties except Peter Ferguson. In the presence of "H. C. N. McKim" Barrister, Vancouver, B. C.	}	A. WILLIAMS (SEAL) A. FERGUSON (SEAL)	20
by Peter Ferguson in the presence of "Frank D. Cameron" Notary Public 640 Fort St., Victoria, B. C.	}	PETER FERGUSON (SEAL) A. H. WALLBRIDGE (SEAL)	

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EXHIBIT 48

Exhibit  
 No. 48  
 (Defendants')  
 Agreement  
 Andrew  
 Ferguson and  
 Adolphus  
 Williams  
 Feb. 10, 1921

THIS AGREEMENT made in triplicate this 10th day of February, A.D. 1921. 30

BETWEEN:

ANDREW FERGUSON, Miner, of the City of Vancouver, in the Province of British Columbia, and PETER FERGUSON, Farmer, of Saanichton, Vancouver Island, in the Province aforesaid

hereinafter called the Assignors  
 OF THE ONE PART:

AND:

ADOLPHUS WILLIAMS, Barrister, of the City of Vancouver, aforesaid 40

hereinafter called the Assignee  
 OF THE OTHER PART:

WHEREAS by Agreement dated the 6th day of January, A.D. 1921, made between the parties hereto as Vendors and Adam Henry Wallbridge, Broker, of the City of Vancouver, aforesaid as Purchaser, the said Vendors did agree to sell to the said Purchaser Three Hundred and Eighty-two Thousand Five Hundred (382,500) ordinary shares of the capital stock of Pioneer Gold Mines Limited, a body corporate having its head office at the City of Vancouver aforesaid, hereinafter called the "Company" for the sum of Fifty Thousand (\$50,000.00) Dollars, payable as therein set forth.

AND WHEREAS the said Agreement provides that the Vendors shall pay all debts now owing by Pioneer Gold Mines Limited to various creditors thereof and all liens, charges and encumbrances, if any, against the mineral claims, mining property, real and personal estate of the said Company, and shall also complete and perfect the title thereof, with the exception of those mineral claims not Crown granted.

AND WHEREAS the said Assignee has from time to time advanced various sums of money to the said Company and paid various debts owing by the said Company to various creditors thereof.

AND WHEREAS the parties hereto are the endorsers of a certain promissory note payable on demand with interest at Eight (8%) per cent per annum made by said Pioneer Gold Mines Limited in favor of Royal Bank of Canada dated the 10th day of January, A.D. 1918.

AND WHEREAS there is now owing under the said note the sum of \$16,523.31.

AND WHEREAS the said Royal Bank of Canada has demanded payment of the said note and the said Pioneer Gold Mines Limited is unable to pay the same.

AND WHEREAS the said Royal Bank of Canada has demanded collateral security to the said note.

AND WHEREAS the assignee has agreed to give to the said Royal Bank of Canada as such collateral security a second Mortgage to secure the said sum of \$16,523.31 covering Lots Eleven (11) and Twelve (12) Block Fifty-three (53) District Lot Five Hundred and Forty-one (541) in the City of Vancouver aforesaid, payable as in said Mortgage mentioned, provided the Assignors will assign over to the Assignee all moneys payable under the said Agreement made between the parties hereto and the said Adam Henry Wallbridge as hereinafter provided.

NOW THIS INDENTURE WITNESSETH that in consideration of the sum of ONE (\$1.00) DOLLAR now paid by the Assignee to the Assignors, (the receipt whereof is hereby acknow-

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 48  
(Defendants')  
Agreement  
Andrew  
Ferguson and  
Adolphus  
Williams  
Feb. 10, 1921  
(Cont.)

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 48  
(Defendants')  
Agreement  
Andrew  
Ferguson and  
Adolphus  
Williams  
Feb. 10, 1921  
(Cont.)

ledged) and in consideration of the premises the parties hereto agree with each other as follows:-

1. The Assignee agrees to execute in favor of the said Royal Bank of Canada as security for the said sum of \$16,523.31 a Second Mortgage upon the said lands as demanded by the said Royal Bank of Canada.

2. The said Assignors hereby assign, transfer and set over unto the said Assignee all the interest of the said Assignors in and to the said Agreement made between the parties hereto and the said Adam Henry Wallbridge, together with all the interest of the said Assignors in and to the moneys payable thereunder. 10

3. The said Assignee shall be entitled to reimburse himself out of the moneys paid by the said Wallbridge or his assigns under the terms of the said Agreement all sums of money heretofore advanced by the said Assignee to the said Company or expended by the said Assignee in payment of any of the debts or obligations of the said Company all moneys hereafter paid by the said Assignee to the said Royal Bank of Canada either secured by the said Mortgage or otherwise and also all moneys hereafter advanced by the said Assignee to the said Company or expended by the said Assignee in payment of any of the debts or obligations of the said Company whether now or hereafter incurred including all costs and expenses in connection with the said Mortgage and such other sums as may be due him from the Assignors or either of them together with interest at Eight (8%) per cent per annum from the date of any such advances or payment to creditors or payment of the said costs and expenses. 20

4. The said Assignee agrees that at such time as he shall have fully repaid himself all moneys and interest mentioned in Paragraph Three (3) hereof he will, at the request and expense of the Assignors re-assign to the Assignors their remaining interest in the said Agreement. 30

Everything herein contained shall be binding upon and enure to the benefit of the parties hereto, their heirs, executors, administrators and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year above written.

SIGNED, SEALED AND  
DELIVERED  
By Andrew Ferguson  
In the Presence of  
H. C. N. McKim  
By Peter Ferguson  
In the presence of  
J. W. Crawford

A. FERGUSON (Seal)  
PETER FERGUSON (Seal)

40



RECORD

EXHIBIT No. 148

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 148  
(Defendants')  
Minutes  
of Directors'  
Meeting  
April 23,  
1921

MINUTES OF MEETING OF BOARD OF DIRECTORS OF  
PIONEER GOLD MINES LIMITED, HELD ON SATURDAY  
THE 23rd DAY OF APRIL, A.D. 1921, at 11:10 O'CLOCK IN  
THE FORENOON AT 432 RICHARDS STREET, VAN-  
COUVER, B. C.

PRESENT:

Adolphus Williams	J. Duff Stuart
Andrew Ferguson	Alfred E. Bull
Adam H. Wallbridge	

Adolphus Williams in the Chair.

10

The minutes of the Directors' Meeting held today were read and on motion of Andrew Ferguson, seconded by Alfred E. Bull, adopted.

The Secretary-Treasurer presented the resignations in writing of Adolphus Williams as President, and Peter Ferguson as Vice-President, and of Andrew Ferguson as Secretary-Treasurer and Managing Director of the Company.

MOVED by Mr. Wallbridge, seconded by Mr. Duff Stuart that the said resignations be accepted with exception of that of Adolphus Williams who be requested to withdraw his resignation and remain President of the Company. CARRIED.

20

Mr. Williams then stated that he would comply with the desire of the Directors and withdrew his resignation as President.

MOVED by Mr. Wallbridge, seconded by Mr. Bull, that Mr. Duff Stuart be Vice-President of the Company. CARRIED.

MOVED by Mr. Duff Stuart, seconded by Mr. Ferguson, that Mr. Wallbridge be Managing-Director of the Company. CARRIED.

CARRIED.

MOVED by Mr. Bull, seconded by Mr. Duff Stuart that Mr. Wallbridge be Secretary-Treasurer of the Company. CARRIED.

30

MOVED by Mr. Duff Stuart, seconded by Mr. Bull, that three Directors shall constitute a quorum. CARRIED.

MOVED by Mr. Wallbridge, seconded by Mr. Bull, that the Secretary is hereby authorized to transfer shares in the books of the Company when requested by any shareholder, and that the President and Secretary are hereby authorized to issue new share certificates accordingly and to affix the seal of the Company thereto. CARRIED.

MOVED by Mr. Bull, seconded by Mr. Duff Stuart that this meeting do now adjourn. CARRIED.

40

J. DUFF STUART,  
Chairman

A. H. WALLBRIDGE  
Secretary-Treasurer

EXHIBIT No. 149

RECORD

MEETING OF DIRECTORS OF PIONEER GOLD MINES LIMITED, HELD AT OFFICE OF COMPANY, 432 RICHARDS STREET, AT 12 O'CLOCK NOON, JULY 11th, 1921  
PRESENT:

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 149  
(Defendants')  
Minutes of  
Directors'  
Meeting  
July 11, 1921

J. Duff Stuart, in chair  
A. E. Bull  
A. H. Wallbridge.

Minutes of previous meeting read and adopted.  
10 MOVED by A. E. Bull, seconded by J. Duff Stuart, that a sum not exceeding \$2,000.00 be borrowed by and in the name of the Company from the Merchants Bank of Canada, or from A. H. Wallbridge, Managing Director of the Company, for the purpose of paying the wages and other expenditures for the months of June and July, 1921, and that said loan be secured by promissory note of the Company signed on its behalf by any two of the Directors and that the money so borrowed be repaid out of the first proceeds of the Company's operations. CARRIED.

A. H. Wallbridge not voting thereon.  
\* \* \* \* \*

20 MOVED by Mr. Bull, seconded by A. H. Wallbridge that meeting adjourn.  
A. WILLIAMS, Chairman  
A. H. WALLBRIDGE, Secretary-Treasurer

EXHIBIT No. 45

MEETING OF DIRECTORS OF PIONEER GOLD MINES LIMITED, HELD AT HEAD OFFICE OF COMPANY, ON TUESDAY, 23rd DAY OF AUGUST, 1921.  
PRESENT:

Exhibit  
No. 45  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Aug. 23, 1921

30 A. Williams in Chair. A. H. Wallbridge  
A. Ferguson A. E. Bull

Minutes of previous meeting read and on motion of A. E. Bull, seconded by A. Ferguson were adopted.

MOVED by A. E. Bull, seconded by A. Ferguson, that amount or amounts not exceeding \$5,000.00, in addition to the \$2,000.00 already borrowed, be borrowed from the Merchants Bank of Canada and placed to the Credit of No. 2 Account, and that the same together with the previous loan of \$2,000.00 be repaid out of the proceeds from the mine.

40 J. DUFF STUART, President  
A. H. WALLBRIDGE, Secretary

## RECORD

## EXHIBIT No. 89

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 89  
(Defendants')  
Report by  
E. R.  
Shepherd  
Oct. 30, 1921

Pioneer Gold Mine Ltd.,  
October 30th, 1921.

Mr. Chas. L. Copp, Supt.,  
Pioneer Gold Mine Ltd.,  
Bridge River, B. C.

Dear Sir:

At your request that report on operations at the cyanide plant, during the period September 1st—October 12th, 1921, be made, I herewith respectfully submit the following:—

No. of mill-days active operation .....	37	10
No. vats treated .....	28	
Total No. tons tailings treated .....	924	
Total No. lbs. Aero Cyanide consumed .....	906	
Consumption per ton tailings treated, in lbs. ....	.98	
Total Ca O in lbs. consumed .....	2340	
Aver. No. lbs. per ton tailings treated .....	2.6	
Total Zn consumed, lbs. ....	316	
Consumption Zn per ton tailings treated, lb. ....	.34	
No. tons solution run to waste at close-down .....	47	20
KCN strength @ .1% (waste sol.) per sol. ton, lb.....	2	
KCN in sol. to waste, lb. ....	94	
Aero Kcy equivalent, lbs. ....	147	
Indicated Au values by sol. assay .....	76c	

Product record:

Shipment Sept. 20th, Ppt., lbs. ....	45	
Bal. shipment Sept. 20th, Ppt., lbs. ....	42	
Shipment Oct. 19th, Ppt. lbs. ....	53-14/16	
Shipment Oct. 19th, Zn "Shorts", lbs. ....	74	
Shipment Sept. 20th, Zn "Shorts", lbs. ....	40	30

On hand at plant:

10 bbls. CaO @ 180 lbs., net lbs. ....	1800
2.8 drums Aero Kcy., lbs. ....	560
Zn shavings (recovered) .....	250

Total supplies necessary for resumption of operations thru one month:

KCN equivalent Approx. lbs. ....	600
CaO, lbs. ....	1500
Zn @ 8 lbs. per cu. ft. box capacity, lbs.....	168

Referring to the last item, it would appear that the Zn on hand would be sufficient to load the boxes, this, however, is not the case, as it carries considerable gold value, is heavy and "shorter" than new Zn, for these reasons it would be inadvisable to return it to the boxes without fresh Zn.

There has been considerable decrease in the amount of CaO used due probably to the following reason: The previous practice had been to add the lime in an un-slack condition to the top of the charge.

10 When adding the sol. from the bottom, this resulted in considerable quantities of lime remaining undissolved upon the surface of the charge, never entering the solutions.

Subsequent practice was to scatter small amounts of slacked CaO thru the tailings during charging.

20 Considerable precipitation trouble was experienced during the first period of the month, owing to the residue from the KCN; which entering the bottom of the vat, became lodged upon the underside of the filter, to be carried by the downward moving sol. washes to the Zn boxes, resulting in a bulky and low-grade product.

This caused us to abandon the practice of introducing the sol. from the bottom, and charging from the top center was resorted to, as being the only alternative, in the absence of either a filter or an auxiliary mixing-tank.

The last few charges of tailings, taken from the S. W. corner of the pond, indicate a slightly higher acidity, requiring approximately 2.7 lbs. (CaO) to maintain a feeble alkalinity at out-flow.

30 In the absence of adequate test data, a sol. strength of .1% KCN, carrying a faint protective alkalinity thru to the sump-tanks has been used, for a 48-hour contact, although this cannot, under the circumstances, be always considered as an ideal sol., owing to the variable acidity of the tailings.

Titration made before and after adding a weighed quantity of Aero Kcy, established the Kcy content at .64% KCN, no trouble being experienced in that connection.

A coarser Zn shaving (1/800) was finally resorted to, in an effort to reduce the excessive amount of "shorts", proving satisfactory.

40 However, large quantities of shorts remained in the process till the final clean-up, from the very fine shavings first used.

The Zn shavings in use at time of shut-down, have been drained and tightly packed. In conclusion suggest these be thoroughly washed and dipped in a solution of lead acetate, before further use.

"E. R. SHEPHERD", Foreman.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 89  
(Defendants')  
Report by  
E. R.  
Shepherd  
Oct. 30, 1921  
(Cont.)



## RECORD

## EXHIBIT No. 4

*In the  
Supreme Court  
of British  
Columbia*

Exhibit No. 4  
(Plaintiff's)  
Balance Sheet  
of Pioneer  
Gold Mines  
Ltd.  
Nov. 30, 1921

PIONEER GOLD MINES, LIMITED  
BALANCE SHEET AS AT 30th NOVEMBER, 1921  
LIABILITIES

Capital:—			
Authorized 1,000,000 Shares of \$1.00			
each .....	\$1,000,000.00		
Issued and fully paid 750,000 shares .....	\$750,000.00		
Royal Bank of Canada Loan Account .....	15,934.07		
Merchants Bank of Canada Loan Account .....	6,500.00	10	
Bills Payable .....	6,000.00		
Merchants Bank of Canada over draft .....	\$1,666.04		
Less amount at credit in Royal Bank .....	92.66		
			1,573.38
A. H. Wallbridge loan .....	938.19		
Suspense .....	15,000.00		
Sundry Creditors .....	14,383.63		
Wages due and accrued .....	1,214.88		
			<u>\$811,544.15</u>

## ASSETS

Property Account:—			20
Crown Granted Mineral Claims .....	\$750,051.50		
Machinery, Trucks, etc. ....	18,404.13		
Cyanide Plant .....	5,781.94		
Water Record .....	120.00		
Assay Outfit .....	395.61		
Unexpired Insurance .....	118.20		
Formation Expenses .....	800.00		
Mess Account (Supplies on Hand) .....	\$1,741.03		
Plant Account (Supplies on Hand) .....	3,764.33	30	
			5,505.36
Bank of Montreal, Lillooet .....	2,100.00		
Development account as at Dec. 1st, 1921.....	\$20,797.18		
Add transfer from Profit and Loss			
Account .....	7,470.23		
			<u>28,267.41</u>
			<u>\$811,544.15</u>

Vancouver, B. C.

(Sgd.) A. H. Wallbridge  
(Sgd.) A. E. Bull  
Directors.

Certified as part of my report,  
dated Dec. 21st, 1921  
(Signed) J. S. SALTER,  
Auditor.

40

## EXHIBIT No. 15

This Exhibit is a letter from A. H. Wallbridge to W. W. Walsh, dated December 9th, 1921, and is set out in extenso in the Statement of Defence, paragraph 51, at page 21 of this Record.

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 15  
(Defendants')  
Letter  
Wallbridge  
to Walsh  
Dec. 9, 1921

## EXHIBIT No. 47

This Exhibit is a letter from A. E. Bull to W. W. Walsh, dated December 15th, 1921, and is set out in extenso in the Statement of Defence, paragraph 52, at Page 23 of this Record.

Exhibit  
No. 47  
(Defendants')  
Letter  
Bull to Walsh  
Dec. 15, 1921

## EXHIBIT No. 16

10 MEMORANDUM OF AGREEMENT made this 17th day of December, A.D. 1921.

BETWEEN:

KATHERINE W. WILLIAMS (Widow), WALTER W. WALSH (Barrister-at-law), and WILLIAM GODFREY (Broker), Executrix and Executors of the Estate of the late Adolphus Williams, and ANDREW FERGUSON (Miner), all of the City of Vancouver, in the Province of British Columbia, and PETER FERGUSON (Farmer), of Saanichton, Vancouver Island, Province of British Columbia: Hereinafter called the "Vendors"

Exhibit  
No. 16  
(Defendants')  
Agreement  
between  
K. W.  
Williams  
et al and  
A. H.  
Wallbridge  
Dec. 17, 1921

20

OF THE FIRST PART

—and—

ADAM HENRY WALLBRIDGE, of the said City of Vancouver, Broker: Hereinafter called the "Purchaser"

OF THE SECOND PART

30

WHEREAS by Memorandum of Agreement dated the 6th day of January, A.D. 1921, made between the said late Adolphus Williams, Andrew Ferguson and Peter Ferguson therein called the Vendors of the First Part and Adam Henry Wallbridge therein called the Purchaser of the Second Part the said Vendors agreed to sell to the said Purchaser 382,500 shares in the Pioneer Gold Mines Limited.

NOW THIS INDENTURE WITNESSETH that in consideration of Three Thousand (\$3,000.00) Dollars advanced by the Purchaser on behalf of his syndicate to the Pioneer Gold Mines Limited to assist it in carrying on its operations, the said Vendors

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 16  
(Defendants')  
Agreement  
between  
K. W.  
Williams  
et al and  
A. H.  
Wallbridge  
Dec. 17, 1921  
(Cont.)

HEREBY AGREE with the Purchaser that said agreement of the 6th of January, 1921, shall be amended as hereinafter set out:

1. That the words and figures "51% of" wherever they occur on the third page of the said agreement shall be eliminated and struck out.

2. PROVIDED HOWEVER that if the said Pioneer Gold Mines Limited shall earn sufficient net profits on its operations for the years 1923 and 1924 as would permit the said Company to declare a dividend of 10% for each of the said years 1923 and 1924 then 49% of the net profits on the operations of the company used in payment of the purchase money under said paragraph 3 of the said agreement so amended shall be deducted from the dividends of the shares of the purchaser and his syndicate in the said Company acquired under the said agreement and paid to the said Vendors. 10

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

SIGNED, SEALED AND DELIVERED:

in the presence of:

"R. M. GALE"

"E. J. LOGUE"

P. P. K. W. WILLIAMS,  
G. S. Harrison (Seal) 20  
W. W. WALSH (Seal)  
W. GODFREY (Seal)  
A. FERGUSON (Seal)  
P. FERGUSON,  
Per his attorney in fact  
(Seal)  
A. FERGUSON

EXHIBIT No. 38

Exhibit  
No. 38  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Dec. 17, 1921

MINUTES OF MEETING OF DIRECTORS OF PIONEER GOLD MINES LIMITED, HELD AT THE HEAD OFFICE OF THE COMPANY AT 12 O'CLOCK NOON, SATURDAY, THE 17th DAY OF DECEMBER, A.D. 1921 30

PRESENT:

J. Duff Stuart, Vice-President in the Chair.  
A. E. Bull  
A. Ferguson  
W. W. Walsh

Minutes of the previous meeting of Directors were read and on motion of Mr. Bull and Mr. Ferguson adopted. 40

Moved by A. E. Bull, seconded by A. Ferguson that W. W.

Walsh be and is hereby appointed a director of the Company, in the place of Adolphus Williams, deceased. CARRIED.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Moved by A. E. Bull, seconded by W. W. Walsh, that three thousand dollars be borrowed by and in the name of the Company from A. H. Wallbridge, or other persons, and that said loan be secured by promissory note of the Company signed on its behalf by any two of the Directors. CARRIED.

Exhibit  
No. 38  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Dec. 17, 1921  
(Cont.)

Moved by A. E. Bull, seconded by A. Ferguson that this meeting adjourn.

10 A. H. WALLBRIDGE,  
Secretary

J. DUFF STUART,  
Chairman

---

EXHIBIT No. 14

Exhibit  
No. 14  
(Defendants')  
Letter  
Duff-Stuart  
to Pioneer  
Shareholders  
Dec. 29, 1921

A. H. WALLBRIDGE,  
Broker,  
333 Homer St., Vancouver, B. C.

December 29, 1921.

TO the Shareholders of the Pioneer Gold Mines, Ltd.:

Your Directors beg to report as follows:—

20 Since taking charge of your property, we have installed a 40-ton Cyanide plant complete, and put the mill in proper order. We had everything running full blast when in September the Water Wheel gave way, which necessitated replacement by a new one which came from Medford, Ontario.

This was installed in due course and the mine again pumped out, and we started up again when one of the Gear Wheels broke, which necessitated closing down the mine and shipping this wheel to Vancouver, where we had a new one made and shipped to the mine.

30 We then got started again, had the mine pumped out, when on the 22nd of December, we received a wire from Superintendent Copp stating that he had closed down the mine as the weather was 35 below zero and everything was frozen up. The men have all come out except Mr. G. M. Stevenson, who is in charge.

We have at the mine enough supplies on hand to run the plant and mill for six months.

J. DUFF STUART.

---

RECORD

EXHIBIT No. 39

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 39  
(Defendants')  
Minutes  
6th Annual  
Meeting  
Pioneer Coy.  
Dec. 30, 1921

MINUTES OF SIXTH ANNUAL MEETING OF PIONEER GOLD MINES LTD., HELD AT OFFICE OF COMPANY, 432 RICHARDS STREET, VANCOUVER, B. C., ON THE 30th DAY OF DECEMBER, 1921, AT 12 NOON.

PRESENT:

J. Duff Stuart, in Chair	A. Ferguson
W. W. Walsh	Lloyd A. Owen
A. E. Bull	A. H. Wallbridge

Minutes of 5th Annual Meeting were read on motion of A. Ferguson, seconded by A. E. Bull, were adopted as also was the Extraordinary Meeting held on 16th day of December, 1921. 10

Notice of calling meeting was read.

Balance sheet was read and on motion of W. W. Walsh, seconded by L. Owen, was adopted.

Moved by A. E. Bull, seconded by A. Ferguson, that this meeting hereby ratify and confirm the appointment of J. S. Salter, as Auditor, in place of O. Moseley, and that J. S. Salter be appointed Auditor for ensuing year at a remuneration to be fixed by Directors. 20

Moved by W. W. Walsh, seconded by Lloyd Owen that old Directors be re-elected for ensuing year.

Meeting then adjourned.

J. DUFF STUART, Chairman.

EXHIBIT No. 40

Exhibit  
No. 40  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Dec. 30, 1921

MEETING OF DIRECTORS OF PIONEER GOLD MINES LTD., HELD AT OFFICE OF COMPANY, 432 RICHARDS STREET, ON THE 30th DAY OF DECEMBER, 1921

PRESENT:

J. Duff Stuart, in Chair	W. W. Walsh
A. H. Wallbridge	A. Ferguson
A. E. Bull	

Minutes of previous meeting was read and adopted.

Moved by A. Ferguson and seconded by W. W. Walsh that J. Duff Stuart be elected President.

Moved by A. H. Wallbridge and seconded by J. Duff Stuart that A. E. Bull be Vice-President.

Moved by W. W. Walsh, and seconded by A. E. Bull, that A. H. Wallbridge be elected Secy.-Treas. and Managing Director.

Meeting adjourned.

A. H. WALLBRIDGE, Secy.

J. DUFF STUART 40

## EXHIBIT No. 41

RECORD

MEETING OF DIRECTORS OF PIONEER GOLD MINES LTD., HELD AT OFFICES OF THE COMPANY, ON THE 3rd DAY OF FEBRUARY, 1922, AT 11:30 A.M.

*In the  
Supreme Court  
of British  
Columbia*

PRESENT:

J. Duff Stuart, in Chair

W. W. Walsh

A. E. Bull

A. H. Wallbridge

A. Ferguson

Exhibit  
No. 41  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Feb. 3, 1922

10 Minutes of previous meeting were read and on motion of W. W. Walsh, seconded by A. E. Bull, were adopted as read.

Moved by A. E. Bull, seconded by W. W. Walsh that action of Secy.-Treas. in borrowing \$650.00 from Clark & Stuart Ltd. on Company promissory note be confirmed.

Moved by W. W. Walsh, seconded by A. Ferguson that \$5,000 be borrowed in name of Company from Dr. R. B. Boucher, or other persons, and that said loan be secured by a promissory note of the Company signed by any two of the Directors, interest at rate of 8% per annum. CARRIED.

20 Meeting then adjourned on motion of A. E. Bull and seconded by W. W. Walsh.

A. H. WALLBRIDGE, Secy.

J. DUFF STUART

## EXHIBIT No. 42

MEETING OF DIRECTORS OF PIONEER GOLD MINES LTD., HELD AT OFFICE OF COMPANY, 432 RICHARDS STREET, VANCOUVER, B. C., ON THE 17th DAY OF MARCH, 1922, AT 11:30 A.M.

Exhibit  
No. 42  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Mar. 17, 1922

PRESENT:

J. Duff Stuart, in Chair

A. H. Wallbridge

A. E. Bull

A. Ferguson

30 W. W. Walsh

Minutes of previous meeting were read and on motion of A. Ferguson, seconded by W. W. Walsh, were adopted as read.

Moved by A. E. Bull, and seconded by W. W. Walsh, that the sum of \$3,000.00 be borrowed in name of Company from A. H. Wallbridge and that said loan be secured by a promissory note of the Company signed by any two directors. Interest at rate of 8% per annum.

40 Meeting then adjourned, motion of A. E. Bull and seconded by A. Ferguson.

A. H. WALLBRIDGE,  
SecretaryJ. DUFF STUART,  
Chairman

RECORD

EXHIBIT No. 43

*In the  
Supreme Court  
of British  
Columbia*

MINUTES OF MEETING OF DIRECTORS OF PIONEER  
GOLD MINES LTD., HELD AT OFFICE OF COMPANY,  
432 RICHARDS STREET, VANCOUVER, ON THE 24th  
DAY OF APRIL, 1922, AT 3 P.M.

Exhibit  
No. 43  
(Defendants')  
Minutes of  
Directors'  
Meeting  
April 24,  
1922

PRESENT:

J. Duff Stuart, in Chair	A. Ferguson
A. E. Bull	A. H. Wallbridge
W. W. Walsh	

Minutes of previous meeting read and adopted.

10

\* \* \* \* \*

Moved by A. E. Bull, and seconded by W. W. Walsh, that  
the Company borrow up to (\$10,000) Ten Thousand Dollars from  
Union Bank of Canada, Hastings and Seymour St.

A. H. WALLBRIDGE,  
Secretary

J. DUFF STUART,  
Chairman

Exhibit  
No. 94  
(Defendants')  
Letter  
Copp to  
Wallbridge  
April 27,  
1922

EXHIBIT No. 94

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,  
April 27, 1922. 20

A. H. Wallbridge,  
333 Homer Street, Vancouver, B. C.

Dear Harry:

Your favor of the 18th received and contents noted, also cut-  
ters. The Cook arrived and delivered the stuff sent forward by  
him. The weather has turned some warmer and the water has  
come up some. I started pumping on the 25th and the water is  
down 60 ft from the first level, am pumping in the greatest body  
just now, the air lift worked "OK". We have the cyanide plant  
about tightened up, we had to stop pulling water in for a few days  
it was so cold that it broke a couple of the cocks. I hope to have  
it started in a few days. I have the trestle and foundation built  
for the hoist and am working, on the trestle from the tanks to the  
lower pit. I will start a machine on the 200 just as soon as I get  
the water below the level. We will have to look around for an  
amalg. motor. Charlie Noel was to come up, but I heard that he  
married a widow near Pemberton, I could not get in communica-  
tion with him, am writing this mail to find out if he is coming,  
we brought his blankets when we came in and he was to come in

30

two or three weeks. Durban called me up and wanted to get some money on the first of the month, we are going to have hard scratching it will be June before we can get much of a clean up out.

I am enclosing form and bill from the Boiler inspector which will have to be attended to. I am sending order for pipe and some fillings I am getting 18 ft of 3 inch pipe from the other mine, get the pipe out soon as possible, I want to get the wheel in right away, the hoist at the plant and pump is going to use up too much air from the mine.

10

Yours truly,  
"C. L. COPP".

---

EXHIBIT No. 96

C. L. Copp, Esq.,  
Lorne Mine, P.O., Lillooet, B. C.

May 15th, 1922

Dear Sir:

\* \* \* \* \*

20

You will have to hold these pay cheques up for a while until you get some money out here as we have no money to meet these cheques. We have considerable trouble in standing off the creditors here and I hope that you will be able to help us out. There is no reason why you should not give out the smaller cheques or any that you have to give out.

I have got the B. C. Assay to take the Cyanide into stock here and they will ship it to us as we want it, we paying for it as we take delivery, therefore I have shipped you two cases of 112 lbs. each.

Very truly yours,  
"A. H. WALLBRIDGE"

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EXHIBIT No. 97

PIONEER GOLD MINES LIMITED  
(Letterhead)

The Mine,

May 19th, 1922

30

A. H. Wallbridge,  
333 Homer St., Vancouver, B. C.

Dear Harry:

Your letter of the 15th with enclosures to hand and contents

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 94  
(Defendants')  
Letter  
Copp to  
Wallbridge  
April 27,  
1922  
(Cont.)

Exhibit  
No. 96  
(Defendants')  
Letter  
Wallbridge  
to Copp  
May 15, 1922

Exhibit  
No. 97  
(Defendants')  
Letter  
Copp to  
Wallbridge  
May 19, 1922



## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 97  
(Defendants')  
Letter  
Copp to  
Wallbridge  
May 19, 1922  
(Cont.)

noted. The stave pipe reached Shalalth, Friday, and I am getting Hanson to bring it in and should be here Tuesday, I want to get it installed soon as possible. I am crowded to get air enough to keep everything running I have the hoist running at the cyanide plant and it works O.K., but uses up considerable air. The engine running the pump gives us some trouble freezing up. The Piston rings arrived tonight and when in will help some. The flume gave me some trouble I have to go back the second time and raise it on the trestle, it is standing in good shape the last 4 or 5 days, at present I am getting enough water through it to run the plant to the limit and do not look for any more trouble with it this season. I have a machine drifting east on the No. 1 vein which is improving each shift. I will not start the mill for another week, I do not want to start until I can get enough ore to keep it running. We are a month late getting started owing to low water and weather conditions, and it is worrying me our financial conditions are such that I will not be able to do much development this season, which means that we will not have any ore reserves for next season. If we have an open winter we could run possibly all winter, but if we should get up against another season like the one just past we would have the mine to pump out again and the flume to repair again. I would advise putting the property on the market, possibly the Surf Inlet people might take it. Things are in good shape for a company to take hold and develop, they would have to buy a station pump and put in a boiler in case of a freeze up. Re Zn, we will have to have 200 lbs. before the other arrives. In reference to the mail, I do not see Butch unless I went over to the Lorne mail day. I don't know if I could do anything with him or not he has been bucking us pretty hard trying to turn men back telling them that they would not get their pay, etc. I will have some freight for him to bring in next trip, and he will be over and I will talk the matter over with him; re Cague, if he was not worth his wages he would not be here. Later when I get the pipe line and water wheel in I may ask him to take a smaller wage. We have built up a lot of wrecked machinery and have it in good shape. The compressors at present are doing full duty, but need careful watching. The water wheel governor which we found scopped is working the same as when it was first put in, cost \$500.

I am enclosing cheque for Garner who went down, also letter from Abbot re notes, I asked them to give 6 months' time, this is the reply.

Yours respectfully,  
"C. L. COPP"

## EXHIBIT No. 122

PIONEER GOLD MINES LIMITED  
(Letterhead)

The Mine,

May 19, 1922.

A. H. WALLBRIDGE,  
320 Homer St., Vancouver.

Dear Harry:

10 Your letter of the 16th to hand and contents noted, also record book and clock.

I was pleased to hear that you had an interview with Trites and Leckie re properties. I think if we could get them in to examine them that they would take hold, i.e., if the terms are made attractive. Each of these properties should have more work done on them before we could expect much of a payment down. I am not in favor of grouping the other properties at the price that they would want for them. I am afraid the proposition would be top heavy, and we may lose the bone by grasping at the shadow.

20 I shut the water off Wednesday 16th and repaired the flume put in cribbing and new foundation at spillway. I will be turning the power on tomorrow about 10 o'clock and start pumping again. I had the water down 70 ft. when I stopped. The next 30 ft. is going to go slower until we get below the 200 ft. level. There is an additional 100 feet of tunnel and stope on the 200 to pump out this time.

30 You spoke of me working on the Countless. I have no men available yet to do any work on the Countless, I only have 4 men and when I am pumping it requires two men in the mill. I did not get your wire until the 9th that the bond had been signed and if I had of had the men it would not of been good policy to start work before the bond was signed. It was too late when we arrived to do good work with the water sluicing. I expect it will be between the 10th and 15th of June before I have the mine unwatered and I will try and have the Countless claim opened up and the tunnel fixed up at the Coronation and get fixed up to unwater the Winze in the event of an examination. I may have to send out for two more men in the mean time.

40 Until I got your letters tonight I did not know anything definite. It was suggested before I left that you might put the stock on the market and go ahead and do some development work. I am putting the plant in first class shape before we get the mine unwatered so that if any development work is decided upon we could go along without any shut down for repairs. The Flume is in as good a shape as could be expected. The wheel and gears is O.K. We have overhauled and babbitted one of the compressors

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 122  
(Defendants')  
Letter Copp to  
Wallbridge  
May 19, 1922

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 122  
(Defendants')  
Letter Copp to  
Wallbridge  
May 19, 1922  
(Cont.)

and will change over on to it and get after the other in the next few days. I expect it will have to be re-babbitted also. It gave us a lot of trouble last year. I cut six thousand 500 feet of lumber of different dimensions and left quite a lot of logs on the skids until I would find out just what you were going to do. If there is any sinking to be done we would have to cut shaft timbers. I do not know where Bill got his information about us having an option on the other property I certainly did not tell any one about it.

I am enclosing statement of . . . . account and you forward the amount to him.

Yours respectfully,  
"C. L. COPP"

10

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EXHIBIT No. 99

Exhibit No. 99  
(Defendants')  
Letter  
Wallbridge  
to Copp  
May 29, 1922

C. L. Copp, Esq.,  
Lorne Mine, P.O., B. C.

May 29th, 1922

Dear Charlie:—

I engaged Austin to go up, as instructed by you. He wanted and would not go unless he got \$200 a month and board. He wanted to know what the hours were and I told him he would have to take a 12-hour shift. He strongly objected to that and as I did not know anything about what you expect him to do I told him to go up and see you, and that if he was to take charge of the mill he would have to take one shift and see that the other man did his work. He said that that would be part of his job. He also will do some assaying. He said that if he worked a 12-hour shift he would expect to get overtime.

20

I was very glad to receive your wire with the news and we all feel confident as we have always done that we would eventually strike the good body of ore under your direction. I told Mr. Ferguson about it and he told me he thought that it was the Allen vein; he said that Allen was the man who had the Arosta on the property and seemed very much pleased with the news. I got a friend of mine to buy his stock and he promised me that if I took his stock over he would do anything I wanted him to do.

30

I shipped 150 lbs. of Zinc as requested by wire and hope to ship the ton of Zinc by Friday's train, and will give you more definite information later on.

I sent by Austin a bottle of Ink, as he was taking a trunk in with him.

Referring to my letter recently about the cheques, you need not hold them up any longer, you can give them out, as I hope you have done before this. If we can start shipping out gold we will

40

have no trouble financing the property. Nobody is bothering us here but the Giant Powder Co., and I have got them stood off until some time in July. I want to settle with the freighters and Butch up in that country as speedily as possible. I may make arrangements with the bank to pay them all up before I leave the mine, which I hope to do next mail day. I will give you definite information re the Zinc later.

“A. H. WALLBRIDGE”

EXHIBIT No. 101

10 C. L. Copp, Esq.,  
Lorne Mine P. O., B. C.

June 5th, 1922

Dear Charlie:—

\* \* \* \* \*

When do you count on putting our own motor truck on the road? Are you keeping Hanson paid up on the freight he is hauling in as we are trying to keep all current accounts paid up and not run into debt for this year’s supplies. If you let me know what you owe and have not the money I will send it up to him or send it to the bank at Lillooet.

20 I hope Austin is filling the bill and that we will get a large supply of gold down from the mine in the next few months. I had a long talk with Ferguson this morning, who, by the way, is selling his home in Shaughnessy and is going to live down in Seattle and try his luck there. He said that Allen was the man who had the first arost on the property and from his information he treated very rich ore. He thinks the vein you have struck is the Allen vein and it will increase in value and width as you go in on it.

\* \* \* \* \*

Yours truly,  
“A. H. WALLBRIDGE”

EXHIBIT No. 103

30 Dear Chas. (Copp):

July 17th, 1922

\* \* \* \* \*

Giant Powder & Kelly Douglas are pressing me hard. A nice little brick by return would be appreciated. Hope you are running some good ore thru. I put the Pioneer up to Pres. of Tonapagh Belmont Mining Co., they operate the Surf Inlet. He is to have his engineer Bradshaw interview me after 1st of August, said if satisfactory to him, he, Bradshaw would go up and look it over

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit No. 99  
(Defendants’)  
Letter  
Wallbridge  
to Copp  
May 29, 1922  
(Cont.)

Exhibit  
No. 101  
(Defendants’)  
Letter  
Wallbridge  
to Copp  
June 5, 1922

Exhibit  
No. 103  
(Defendants’)  
Letter  
Wallbridge  
to Copp  
July 17, 1922

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 103  
(Defendants')  
Letter  
Wallbridge  
to Copp  
July 17, 1922  
(Cont.)

next month. In the meantime I will get busy on the Coronation and tie that up for the deal. I have not had a chance to put your proposition up to the men backing us up, will do so this week after I get mail off my hands.

Hope you are running some good ore through the mill by now. Sam Oates, he has worked with you at Coronation, said he had been up with Lillooet Mining Co. Can get him to go up to Pioneer later on after he does some assessment work. Says the Lillooet Mining Co. will be letting a lot of men loose in a few days.

Yours truly,  
"A. H. WALLBRIDGE"

10

Exhibit  
No. 104  
(Defendants')  
Letter Copp to  
Wallbridge  
July 20, 1922

## EXHIBIT No. 104

PIONEER GOLD MINES LIMITED  
(Letterhead)

A. H. Wallbridge,  
333 Homer St., Vancouver, B. C.

The Mine,  
July 20, 1922

Dear Harry:

Your letter received and contents noted. Some of the supplies arrived with Butch tonight. I see that the Aero Brand Compressor oil ordered has been substituted if it gives us any trouble in the compressors you shall hear about it. We are having trouble enough with them without experimenting with any new oils. The cook said that he ordered brown sugar and coffee and is not on the list of supplies billed from Kelly Douglas. I shall have to wire tomorrow—I am having hard scratching to keep the mine going a double shift. The stope on the 200 pinched and is too small to stope, the stope on the 300 ft. east continues good and I have hopes of it holding good to the next level, have started a machine on the No. 2, 300 ft. level west—The clean up in the mine for this month is going to be small owing to have to pick up so much poor ore, but for the balance of the season we should be able to make a good average clean up each month. Hope to see the Belmont Tonapagh come up and look us over.

20

30

No gold will go down until the first week in August.

Yours truly,  
"C. L. COPP"

## EXHIBIT No. 105

RECORD

C. L. Copp,  
Lorne Mine P. O., B. C.

July 24th, 1922

*In the  
Supreme Court  
of British  
Columbia*

10 I look for about \$2,000 from the Cyanide plant for July and from the mill a much larger amount, around \$4,000. I have promised the bank to clean up our overdraft and pay the heavy creditors a portion of their accounts, and it will take around \$6,000 to carry out this plan and provide for our July payroll. The bank expects to have their overdraft paid about the 10th of August, so you will have to clean up the Cyanide plant and mill on the first, so as to get the stage leaving on the 3rd of August for Shalalth. The Syndicate are very anxious to know how you are getting on in the mine proper. They are satisfied that the outside work is all right but wonder if you have enough miners in the mine. After all, these are the eyes of the whole proposition up there and if we do not go after that portion of our property we will not succeed very far, so I hope you are bending every effort to getting out the ore and doing your best inside the mine.

Exhibit  
No. 105  
(Defendants')  
Letter  
Wallbridge  
to Copp  
July 24, 1922

20 I am sending up a diary for the mill; also order forms and some carbon paper. I was sending up a case of eggs; I presume you want it. You did not mention it in your wire so unless I hear from you to the contrary I will not send it until next week.

Very truly yours,  
"A. H. WALLBRIDGE"

## EXHIBIT No. 106

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,  
July 27, 1922

30 A. H. Wallbridge,  
333 Homer St., Vancouver.

Exhibit  
No. 106  
(Defendants')  
Letter Copp to  
Wallbridge  
July 27, 1922

Dear Harry:

40 Your favor of the 24th to hand and contents noted. The cook and miner got here tonight, the truck is broke down this side of the Lorne, he has some supplies on for us. You took the order for the Lime on the 29th of June and I expected you would have the order attended to. I am holding Hanson to go over Friday night, trusting it will arrive. He has the acid and some other supplies on this side of the mountain, I pointed out to you how essential it was to get all the orders out together and promptly so that I could make up a load for the team. I do not expect the acid will be in in time for us to clean up the cyanide plant and smelt for the

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 106  
(Defendants')  
Letter Copp to  
Wallbridge  
July 27, 1922  
(Cont.)

3rd. I am having hard scratching to keep the mill going the stope on the 300 east is up to the fault and is pinched down to less than a foot, cannot say how far we will have to go before we are above the fault it may be only a few feet, the ore was good on the 200 and I hope to get some good ore above the fault. I have started stoping on the 300, No 2 west, but will not be able to draw any from there for several days owing to so much having been stoped by the old Company and no timber put in.

I cannot understand where you got the idea that you are going to get 4000 from the mill, I only wish we could or had a block of ground to go to for it. I cannot seem to make you and the Syndicate understand that the eyes was picked out of this property as far as they went; and then closed down—for what reason? As soon as I got the mine pumped out I started the mill and will try and keep it running. 10

There seems to be some question among the syndicate as to my management, and if you have anyone in view to come to take my place I would like to be relieved of my duties.

Enclosed you will find order for groceries, etc. I did not order eggs, you stated you would ship a case per week also butter, will use 50 lbs. every 3 weeks. Am receiving blue prints as requested, the plan of the mine is of no use the sketch by McCann is OK. 20

Will wire you when shipment goes out.

Yours truly,  
"C. L. COPP"

P. S.—Re McTaggart's Gun, he pulled out of here shortly after you left.

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EXHIBIT No. 107

Exhibit  
No. 107  
(Defendants')  
Letter  
Wallbridge  
to Copp  
July 31, 1922

C. L. Copp, Esq.,  
Lillooet, B. C.

July 31st, 1922

Dear Sir:

Yours of the 20th inst. received, also telegrams of July 29th and 30th. The hoist man goes up at \$4 a day and the machine miner at \$4.50 a day. Butter, eggs and lard shipped by express today. The Mill Screens were ordered and should be in very soon now. When I left you were going to re-dress some of the old dyes and the matter of ordering new ones was left in abeyance. I wired you as follows: "Screens ordered. No order for dyes. Shall we order?" When I received a reply to this I will order the dyes. 30

Re oil: This oil is used by the C. P. R. for the Compressors and has given satisfaction. I did not want to order from the Imperial Oil Co., as they might refuse to ship without the cash. 40

I had to pay the Giant Powder \$952.90 on account and Kelly Douglas \$500 or else they threatened suit. This, with your June payroll, outstanding cheques and our small overdraft at the end of this month, will eat up about \$3,000.00, so I hope your product will be away over this amount.

You state that the mill run will be small this month. I thought it would be large on account of Ruth's error in throwing that good dirt back into the mill. I hope your estimate of the mill run will be about as large as I anticipate, \$4,000.00.

- 10 I enclose a financial statement, so that you will see what we are up against and we hope to receive substantial amounts from you each month to help square away these accounts before winter sets in.

I have taken up the matter of the Coronation with the Syndicate and they feel that we should get out of debt even if we have to gut the mine to do so. While they all realize it is not good mining and your position in the matter, they feel that it is an emergency move and we will have to make it.

- 20 The matter of putting back in the treasury 250,000 shares of stock and disposing of it for enough money to liquidate all our claims and the bond on the property and leave some cash capital, is receiving our attention. There are some difficulties to be overcome and while the Williams Estate represented by Mr. Walsh is willing to meet us, we are not so sure of the Fergusons. We are placing ourselves in communication with Mr. Ferguson, who, by the way has moved to Seattle, so see what can be done. If we do this we will have to make some deal with reference to the commission due to us and we will all have to take less stock. Then there is the question whether stock can be sold. However, when
- 30 we get the thing fixed up in shape we will see what can be done, if we do not sell it in the meantime. Mr. Bradshaw, the Surf Inlet Engineer, will be here this week and if I can get him to go up to the mine it will probably be about the middle of August. In the meantime I have met, Mr. Woods of Trites, Woods, and am going to see him tomorrow and see whether he would be interested in it.

- 40 When I left you were going to make a composite assay of the mill run for June. This I have not received. You were also going to have an assay made on the ore in the No. 3 tunnel across the vein in the colours. Did you do this? It might have been a good idea when the compressor was being repaired to have some assays made by Austin. I hope you did so. I would also like to have an assay of your mill run so as to have some information to give Mr. Bradshaw when he comes. I hope you were successful in getting a large quantity of ore in the 300 ft. level and that you will realize the Company's financial position, which I can assure you is quite serious. I have had no peace since I came down from the mine.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 107  
(Defendants')  
Letter  
Wallbridge  
to Copp  
July 31, 1922  
(Cont.)



RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 107  
(Defendants')  
Letter  
Wallbridge  
to Copp  
July 31, 1922  
(Cont.)

I should have stayed up there. However, I have got the chief creditors quiet for 30 days and hope I will have a chance to get out and get things in better shape financially.

If you have a good run next month would it not be possible to ship down in the middle of the month some of the amalgam from the mill?

If you cannot run the mill night and day I should think it might be a good plan to let Austin go and keep Brett if he can fill the bill. Snuff will go forward by next shipment. I have enough bills to pay now for August. Those men will have to chew tobacco. Out of the \$300 I sent you to Lillooet I hope you paid Hansen his June account and also Butch. You might speak to Butch and ask him if he shipped down the tank, No. 88, he had the gasoline in. Also please ship down any tanks you have on hand as we will get credit for them quickly and it will help to pay the balance of our account with the Imperial Oil Co. How much money will you want me to send to Lillooet next month? If I can avoid sending any until September it will relieve me. I have bought a watch from Grassie, price, I enclose bill.

10

I gave a cheque to Chas. Ruth for his June pay down here, so I hope you will return the cheque to this office.

20

Very truly yours,

"A. H. WALLBRIDGE"

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EXHIBIT No. 108

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,  
Aug. 4, 1922

A. H. Wallbridge,  
333 Homer St., Vancouver, B. C.

Dear Harry:

30

Yours of the 31st ult. to hand with enclosures and contents noted. The stage did not get in until late and did not get through to the mine. They phoned me from Shalalth that there was only one man for here, 3 men are going down in the morning, Stephenson, McDonald and the blacksmith's helper, I am having a rather pleasant time at this end, the stage came up without any fresh meat and no snuff and I can see another bad week ahead. The stopes is still in broken up ground, the east end looks better today and looks as though we have the Ledge in place and may have it in place up to the 200 ft. level which will give 50 or 60 ft. of stopping ground. If the west end does not improve I may have to quit

40

Exhibit  
No. 108  
(Defendants')  
Letter Copp to  
Wallbridge  
Aug. 4, 1922

it and start drifting on the 300 ft. level. I only got between 13 and 1400 dollars from the mill clean up on the 30th put through 405 tons. The cyanide product should run around \$2,000 and will go down next mail. The mill heads were going as low as \$5.00 per ton, will send the mill log down next mail, but do not use it it would not be doing the mine justice, no one but a practical mining engineer on the ground would understand what I am up against I am forced to continue the stopes where the old Company had to quit and have to go through the crushed and broken part of the ledge to get to the ledge in place and never knows how far it is until you are through it.

I was in hopes that you would get the syndicate together and act on the proposals that I made to you in reference to selling or reorganizing before the season gets too far advanced. I payed the Butcher \$100 on account, Hanson \$100 on account, I was overdrawn when the \$300 came had to give Donohue \$20.00 on account. I did not pay Butch anything having to leave a balance to meet small accounts, etc.

Hoping to see you up with Bradshaw.

I am, yours truly,  
"C. L. COPP"

Re Cyanide:—We want 4 more cases, I wired you re dies if you can get them cheaper in 'Frisco I would advise ordering from there.

6 a.m.—The truck came but no men, they told me that one man arrived at Shalalth, but they must of turned him back, I am almost stuck unless we can put our own truck into commission and meet the train. You will have to try and get these local creditors payed up.

"COPP"

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EXHIBIT No. 49

A. Ferguson, Esq.,  
3403 Beacon Ave., Seattle, Wash.

August 4th, 1922

Dear Sir:

What is your idea as to a price for the Pioneer Gold Mines, and what terms should we give? Also state your ideas as to the cash payment. I have a prospect of disposing of this property, and before submitting an offer I want to know your ideas.

Very truly yours,  
"A. H. WALLBRIDGE"

---

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 108  
(Defendants')  
Letter Copp to  
Wallbridge  
Aug. 4, 1922  
(Cont.)

Exhibit  
No. 49  
(Defendants')  
Letter  
Wallbridge to  
A. Ferguson  
Aug. 4, 1922

RECORD

EXHIBIT No. 31

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 31  
(Defendants')  
Letter  
A. Ferguson  
to Wallbridge  
Aug. 5, 1922

Seattle,  
August 5, 1922

Mr. A. H. Wallbridge:  
Dear Sir:

I received your letter today I cannot state price and terms for the mine as you are in closer touch in the developments at the mine than I am. Large bodies of rich ore will be found in depth at the Pioneer Mine, but it will require more capital than you can raise in Vancouver to develop them, so I would strongly advise if you can sell the mine at a fair price to do so. Let me know price and terms for my part I will accept any reasonable offer. 10

I remain yours truly,  
"A. FERGUSON"

Exhibit  
No. 109  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Aug. 5, 1922

EXHIBIT No. 109

August 5th, 1922

C. L. Copp, Esq.,  
Lillooet, B. C.

Dear Charlie:

\* \* \* \* \*

I have had a long interview with Mr. Bradshaw on Thursday. He is to see Mr. Racey, who made the last report on the Pioneer Gold Mines, as you know, and who is now located at Surf Inlet. Mr. Bradshaw was quite interested in the proposition and he is to let me know on his return from the North whether he thinks it is large enough to investigate. I have not quoted him a price on the property and would like your views on the same, also the cash payment. If he goes up I will wire you and I want you to answer this letter as to price and cash payment by the attached code, which we can use in this deal. 20

I wrote O. B. Smith, at Seton Lake, some days ago, stating that the mine was for sale and that if he was interested and was taking parties through that country, he could see you. I quoted him no price. 30

\* \* \* \* \*

Yours truly,  
"A. H. WALLBRIDGE"

Exhibit  
No. 30  
(Defendants')  
Letter  
Wallbridge to  
A. Ferguson  
Aug. 9, 1922

EXHIBIT No. 30

PIONEER GOLD MINES LIMITED  
(Letterhead)

333 Homer St., Vancouver, B.C.  
August 9th, 1922

A. Ferguson, Esq.,  
3403 Beacon Ave., Seattle Wash.

Dear Sir:

40

Your favor of the 5th inst., duly came to hand. In case we should not be able to make a sale of the property, it has been suggested and concurred in by Mr. Walsh that each of the parties interested, that is, the heavy stock holders, turn back into the treasury 250,000 shares of stock, thus reducing the stock to half a million dollars and disposing of this stock for a price of 20 cents a share to raise sufficient money to liquidate all the debts of the Company and have enough money on hand to sink a shaft and further develop the property. Would you and your brother be agreeable to this?

If we sell this stock at 20 cents it would be placing the value of the mine at \$150,000.00, which would seem to me to be a conservative value and give the purchasers of stock a good honest run for their money. We have to make some move along these lines if we do not sell as at the present time the mill is not turning out a sufficient amount. In June it was \$1,100.00 for 350 hours run and in July \$1,430.00 for about 400 hours run. I am not positive as to the latter time as I have not a log of the mill on hand. What is bothering us now is the old accounts for powder and supplies that we carried over the winter, and then we have to look forward to the time when the Cyanide plant will not be producing anything. For May and June, 1380 tons was put through the Cyanide plant and we recovered about \$2,900.00. The gold for July has not been shipped yet, but we anticipate about \$2,000.00.

It seems to me that we must either sell or re-organize the Company along the lines suggested. I would like an immediate answer to this letter.

In view of all the circumstances what would you say if a price of \$150,000.00 was placed on the property, securing a sufficient cash payment (\$125,000.00) and cash for the supplies at the mine, the balance to be extended over a reasonable period?

Very truly yours,  
"A. H. WALLBRIDGE"

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EXHIBIT No. 32

Mr. A. H. Wallbridge:

Seattle, U.S.A.,  
August 11th, 1922

Dear Sir:

You have not paid for your shares so I will not agree to turn back into the treasury 250,000 shares. You have worked the mine for two seasons and have not cleared expenses. Surely you can see by this time that there is only one way of getting your money and mine out of it and that is to sell out to a Company with capital

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 30  
(Defendants')  
Letter  
Wallbridge to  
A. Ferguson  
Aug. 9, 1922  
(Cont.)

Exhibit  
No. 32  
(Defendants')  
Letter  
A. Ferguson  
to Wallbridge  
Aug. 11, 1922

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 32  
(Defendants')  
Letter  
A. Ferguson  
to Wallbridge  
Aug. 11, 1922  
(Cont.)

to develop the mine. The way you are mining is both time and money wasted, the sooner you face these facts the better it will be for all concerned. I will agree to sell the mine for \$125,000 as stated in your letter, if you get a cash payment and the balance in payments extended over a reasonable period.

I remain yours truly,  
"A. FERGUSON"

## EXHIBIT No. 33

Exhibit  
No. 33  
(Defendants')  
Letter  
Wallbridge to  
A. Ferguson  
Aug. 19, 1922

## PIONEER GOLD MINES, LIMITED

(Letterhead)

10

Vancouver, B. C.,  
August 19th, 1922  
A. Ferguson, Esq.,  
3403 Beacon Ave., Seattle, Wash.

Dear Sir:

I was rather astonished at your attitude in not wishing to put back in the treasury your proportion of the 250,000 shares of stock so that we could dispose of same and put the mine on its feet. You promised when I turned over the money for the stock that you would do anything I wanted to help things along, and this seems to be a very reasonable request. Before writing you I had put it up to Mr. Walsh, who fell right in line with the idea. 20

The tailings from the mine will be cleaned up at the end of this month and we do not expect to get more than 4,000 tons; quite a material difference between the amount you estimated and the actual results. This means at least 15 or 18 thousand dollars which we are short in the results from these tailings.

I put the Pioneer Gold Mines up to two different people, without any great success. I put it up to the Surf Inlet crowd, who, after hearing Mr. Racey's estimate of the mine, decided that it is too small for them to tackle. 30

If you have anybody in view down there that would like to buy the mine it might be well to put it up to them.

Would you give me sixty days option on yours and your brother's stock, and let me know your price on it?

Very truly yours,  
"A. H. WALLBRIDGE"

EXHIBIT No. 34

Seattle, U.S.A.,

August 27, 1922

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Mr. A. H. Wallbridge:  
Dear Sir:

Exhibit  
No. 34  
(Defendants')  
Letter  
A. Ferguson  
to Wallbridge  
Aug. 27, 1922

10 I received your letter of the 19th inst., I do not understand why the mine was treated as a secondary consideration to the tailing dump. If the mine and mill had been running to anything like capacity you would not have run out of tailings for the cyanide plant. The No. 2 vein has not been stoped from the 300 to the 200 ft. level, which would give you 6 months of ore blocked out to run through the mill from the start. If it took 7 months to run through 4000 tons of tailings you have not averaged 20 tons per day with a 40-ton cyanide plant. Your pay roll also shows an average of 15 men above ground and (only 3 miners underground) I do not see how you can expect the mine to pay expenses under these conditions. I will sell my shares to you for fifteen cents per share providing the mine is not sold outright at a higher figure this option holds good for 30 days.

I remain yours truly,  
"A. FERGUSON"

20

EXHIBIT No. 110

Dear Chas. (Copp):

August 28th, 1922

\* \* \* \* \*

Exhibit  
No. 110  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Aug. 28, 1922

There is no miners around here. You left word about Miner Jim Cross at Leland Hotel, this man is out on a job and will return at 5 p.m., I will try and get hold of him this eve. Under the very serious financial difficulties you will have to get on with running that mill with those you have on hand, even if you or Shepherd have to take a shift any way I have not been able to locate a mill man yet.

30 Surf Inlet and Granby are looking for miners, but no men have made application at either Govt. office or Sells. The cyanide went out by express today.

Yours truly,  
"A. H. WALLBRIDGE"

EXHIBIT No. 111

PIONEER GOLD MINES LIMITED  
(Letterhead)

The Mine,  
Aug. 30/22

Exhibit  
No. 111  
(Defendants')  
Letter Copp to  
Wallbridge  
Aug. 30, 1922

40 A. H. Wallbridge,  
Vancouver.

Dear Harry:

I am writing you today in reference to getting Errington in and etc.

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 111  
(Defendants')  
Letter Copp to  
Wallbridge  
Aug. 30, 1922  
(Cont.)

I think you had better fix the price at \$150,000.00. He may not want to pay anything down other than to take over what stock that would be on hand. I would suggest that he agree to put in station pump and larger hoist and sink the shaft 200 ft. He would probably want six months' time before making a payment. I would advise meeting him on any reasonable terms, they are a big company and if they got started here they would go through—when he arrives in Vancouver do not loose any time in getting in here, if he decided to take hold he would not have any time to loose in getting machinery and etc. in. I would advise making some arrangement with Craig about getting a car on the road, they have a small scow on Seton Lake. If Craig cannot spare one of his cars he might arrange to get one off the Lytton road. There is much uncertainty about getting in with Butch, the truck broke down 3 times the trip I came in and did not reach here until midnight. To a prospective buyer, the problem of transportation is one of the first things taken into consideration and I think it would be advisable to get him in as quickly and easy as possible.

“C. L. COPP”

P.S.—Code word for Errington “Jewel”.

Exhibit  
No. 112  
(Defendants')  
Letter Copp to  
Wallbridge  
Aug. 31, 1922

## EXHIBIT No. 112

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,  
August 31, 1922

A. H. Wallbridge,  
Vancouver.

Dear Harry:

Yours of the 28th to hand and contents noted. No supplies have reached the mine since I went down I understood you to say that you shipped the milk, snuff and baking powder wired for, while I was in Vancouver, nothing arrived on Tuesday's train. I was completely out of most everything in the way of kitchen supplies, they only sent 95 lbs. fresh meat from Lillooet enough for about 4 days. The men are quitting and it looks like a case of shutting down if we cannot get supplies. I am still short handed in the mine, the man that I brought in is sick, and is going down in the morning. The stope in the west end is looking as we go up showing free gold it will be about 50 ft. to the No. 2 level and may produce 4 or 500 tons of good ore which will be about all I can get hold of without doing some drifting. I am sending out 197 oz., including the matte on the bar. We could not get all the cyanide product ready in time to go down this mail owing to it filtering so slow, also some values left in the slag that has to be taken out will clean up the balance and get out next mail probably around \$400.

The mill was disappointing around \$700, only mill 340 tons mostly from the No. 2 vein west stope where Ferguson claimed would not plate. We have not had time to assay the last mill samples having to take our gas tank and burner to the furnace at the cyanide plant, will be able to give you the results of the mine heads next mail— I had Craig send me up bacon milk and etc. today and got some potatoes from Lillooet, I owed Craig \$64.00 back account, so you will have to send me \$300 to the Bank at Lillooet to get these local accounts paid. I am enclosing order for groceries, and etc., and I  
 10 want them sent, if you intend to try and keep running I cannot hold men here unless we give them good board, I wrote a couple of days ago in reference to getting Errington in, have you heard from the Surf Inlet people? Wire me if you bring anyone in so that I can be prepared for them.

Yours truly,  
 "C. L. COPP"

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EXHIBIT No. 113

Sept. 4th, 1922

Dear Chas. (Copp):

20 Yours recd. R. Porritt came in Saturday with time check. I was sorry to see him come out but he said he would not work with that old water line drill. Says we should have a new drill but under our present financial position I do not see how we can afford same, but it might be poor policy to be working that old one. The screens have been shipped to Mine and should be in Shalalth Tuesday night.

W. C. Burnham goes up as Millman, he is very highly recommended by Major North, never used anything but stamps, but I guess you can shew about Bryan mill.

30 Porritt reports that you have a big long ore shoot in the 300, No. 2 vein west about 80 feet? I would like to know the assay, he says Shepherd assayed it but he did not know results, hope to get this in your letter tomorrow.

Burnham may take a miner up with him tomorrow as he wrote for a friend to go up from Britannia and he expects to pick him up at Britannia.

40 Hope to get good results from mill and cyanide plant this month. Are those new tailings worth treating what do they assay and what are your savings. Can you give me any idea what it cost to mine and mill at present, and what are your latest millheads running.

No word from Errington yet.

Yours etc.,  
 "A. H. WALLBRIDGE"

---

RECORD

*In the  
 Supreme Court  
 of British  
 Columbia*

Exhibit  
 No. 112  
 (Defendants')  
 Letter Copp to  
 Wallbridge  
 Aug. 31, 1922  
 (Cont.)

Exhibit  
 No. 113  
 (Defendants')  
 Letter  
 Wallbridge  
 to Copp  
 Sept. 4, 1922



RECORD

EXHIBIT No. 114

*In the  
Supreme Court  
of British  
Columbia*

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,  
Sept. 7/22

Exhibit  
No. 114  
(Defendants')  
Letter Copp to  
Wallbridge  
Sept. 7, 1922

A. H. Wallbridge,  
Vancouver.

Dear Harry:

Your favor of the 4th to hand and contents noted. The millman and a miner arrived on the stage tonight which was late as usual. The millman handed the \$20.00, the Post-mistress will not take our cheque, so I shall have to keep some cash here for insuring Bullion. The last that went out cost \$9.86. I am sending a little out with my wife this trip, the balance from the cyanide product, I will give you the average of the new tailings next letter, they will be around \$3.00, I am running them through the plant. The mill heads for the last half of August ran \$4.12 and \$4.55, some feed from the east side on the 300. 10

I would not of milled it if we could of got any from the west side, both the miners quit the other night, Hanson has been the only one mining for nearly a week. I have between 3 and 400 tons broke in the stope on the west side 300 ft. level, but I cannot draw it until the stope is through only to shrink while they are stoping, the last assays taken ran \$13.00 the stope continues to look good and is holding its size between 2 and 3 ft.—If I can keep miners, I could keep the mill running from that stope for 2 months or so. It is out of the question trying to get any development done at present, I cannot keep miners enough to do the stoping, so when that stope is worked out, I will have to shut the mill down. I am getting in wood and timber for the winter and will start cutting up in a few days. I am in hopes of you bringing Errington and that he will take a hold, if not we will be forced to reorganize and get some development done. Some of the supplies that I ordered while at Lillooet just arrived tonight. I had to order from Craig, and we owe him over \$100.00 and will have to pay him as he has been my stand by when stuck. I am overdrawn at the Bank, have asked the telephone operator to hold his cheque for a few days I had to give the two miners that quit two small cheques to pay their expenses to Vancouver. Hoping you will make the remittance to the bank. 20

I am, yours,  
"C. L. COPP" 30 40

Exhibit  
No. 115  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Sept. 11, 1922

EXHIBIT No. 115

C. L. Copp, Esq.,  
Lorne Mine P.O., Lillooet, B. C.

Sept. 11th, 1922.

Dear Charlie:

Yours of the 31st inst. received. Mr. Errington has not yet

turned up. When he does I will get after him and try to get him up to the mine.

10 The net weight of the gold you sent down was 171.22 oz. and not 197 as you claimed. You will see this by the enclosed returns. You also stated that you are sending down another shipment this week and I hope it will be a large one as we certainly need it. The mill run is frightfully disappointing. It seems to me that we might better forget the mill for at that rate it certainly does not pay expenses. You also state that this ore is from the No. 2 vein west, which Ferguson said would not plate. I guess he was right because from the returns it does not seem to be plating very well, and unless you can uncover something better in that stope it is not much use running it through the mill. From my information I think you have made a mistake in writing this; you must have meant the ore which came out of the 300 ft. level east, although you state in your letter, positively, that it came out of the No. 2 level west.

20 Re supplies: These have been all shipped to you as ordered. You sent a wire for a case of Cyanide, one sack of white sugar and one sack of brown sugar. I have had these sent forward, but question the duplicate order of white and brown sugar as a sack of each was sent forward on the 6th of this month. However, I have sent these last two items forward according to your instructions. You also ordered a case of bacon, 120 lbs. of bacon was shipped to you on the 31st of August and I am not sending another case forward for the present. We have to pay spot cash for our supplies; our credit is exhausted and the Directors and the Syndicate are getting tired of putting up money constantly. We have been running at a loss up there for a long while, hardly one month has met your

30 wage bill, and as you are quite heavily interested in the success of this mine, both financially and for your reputation, it is up to you to get a very great hustle on and get better results, even if you have to take your coat off and go to work in the mine. The mill and the Cyanide plant should be able to run without a great deal of attention on your part; in fact, all the miners who have come down here say that your absence from the inside of the mine is quite noticeable. Porritt said that he only saw you in the mine three times. No one was kicking about the grub or lack of supplies. I am just giving you this information for what it is worth

40 to you; desperate conditions must make desperate moves in getting this mine in shape and saving your reputation. You are most vitally interested in the success of the mine and you should leave no stone unturned, even to tackling a shift in the mine, to make it go. Lots of people have to do things that they don't want to do, and think they have graduated from doing. I know I am in the same fix myself and will have to get out and rustle very soon now. I do not want you to go up in the air at the criticisms I am making,

RECORD

*In the  
Supreme Court  
of British  
Columbia*

No. 115  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Sept. 11, 1922  
(Cont.)

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 115  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Sept. 11, 1922  
(Cont.)

but I tell you I hear them from all sides and these criticisms have come to the ears of our creditors, which makes it harder still.

A man by the name of Armstrong was in the other day and wanted the position of mechanic at the mine. He heard that Cague was going out. He claims that he can do all kinds of acetylene welding and would go in there and stay for the winter if he thought he could get the position, taking his wife and child and staying down at the Coronation if necessary. If there are any men there you can dispose of that are on the outside please send them down.

10

Take a careful scrutiny of everything and every man that is working, and see if we can not cut our payroll.

I did not order the dies. Austin told me that you could get on with those dies this fall. Charlie Noble also was in and thought some of those old dies could be used that are out in the mill. I dislike not to carry out your instructions re these dies, but after talking to Austin and owing to our financial position I did not feel like getting into debt any further.

Just as soon as Errington arrives I will advise you whether he will go up or not.

20

Yours very truly,

"A. H. WALLBRIDGE"

Exhibit  
No. 54  
(Defendants')  
Letter Copp to  
Wallbridge  
Sept. 15, 1922

## EXHIBIT No. 54

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,

Sept. 15, 1922

A. H. Wallbridge,  
333 Homer St., Vancouver, B. C.

Dear Harry:

Your letter of the 11th to hand and contents noted. I am running the mill one shift at present, only two miners to do the stoping. Am wiring tomorrow to try and get 3 more. A sample taken a couple of days ago from the stope on the 300 west went 17.00. But the vein has narrowed up and they have to break considerable waste which is pulling the grade of the feed down. The new millman seems to know something about milling. Brett was not much good and I got very little off the plates while he was running the mill. I have five men outside getting wood, mine timber and some logs. I have to cut some 2 x 4 for ladders and some plank for chutes and some in case of the flume giving away. I will be letting them go as soon as the wood and timber is in. I have been keeping some men on this work thinking I could get a double shift

30

40

started in the mine and try and drive one of the lower drifts ahead. I think it is unnecessary for me to try and explain these matters you were up here and could see what I was trying to do. I have not been able to keep or get men to do the stoping. You speak of me taking my coat off. I might say that I have never had it on since I came up here. The worry here has broke me down. I told you in May that we had to try and get the property off our hands or reorganize. When I seen in August that I could not get miners here to do some development work done, I went to thinking I could get something lined up that would relieve the situation here but no results came of it. When I found out that the tailings was 6,000 tons short I realized that something had to be done to raise money to do some development work, so far nothing has been done.

10

I have put all that is in me physical, mentally, financially into put this mine in shape and on a paying basis, and so far no effort has been made to carry out the recommendations that I have been making for the last year, and when any practical mining engineers come and look this over and what I have been up against and what I am trying to do, I shall have no fear of my reputation. If you can pick up someone to take hold of this for you, I would like to be relieved of my duties.

20

Hoping to have something more favorable to report next week,

I am, yours truly,

“C. L. COPP”

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 54  
(Defendants')  
Letter Copp to  
Wallbridge  
Sept. 15, 1922  
(Cont.)

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EXHIBIT No. 116

GREAT NORTH WESTERN TELEGRAM FORM

---

24 VIA ASHCROFT

PIONEER B C SEPT 18 1922 NFT

A H WALLBRIDGE

30

333 HOMER STREET VANCOUVER B C

WATERWHEEL GEAR BROKE LAYING CREW OFF IN  
MINE AND MILL CANCEL ORDER OF SIXTEENTH  
LESS SURPHURIC WILL BE DOWN THURSDAY UN-  
LESS JEWEL COMING

COPP

Exhibit  
No. 116  
(Defendants')  
Telegram  
Copp to  
Wallbridge  
Sept. 18, 1922

---

EXHIBIT No. 7

This Exhibit is a letter from A. E. Bull to Walter W. Walsh, dated September 25th, 1922, and is set out in Paragraph 59 of the Statement of Defense of Bull et al, at Page 24 of this Record.

Exhibit  
No. 7  
(Plaintiff's)  
Letter  
A. E. Bull  
to Walter W.  
Walsh  
Sept. 25, 1922

RECORD

EXHIBIT No. 6

In the  
Supreme Court  
of British  
Columbia

This Exhibit is a letter from W. W. Walsh to Andrew Ferguson, dated September 27th, 1922, and is set out in Paragraph 60 of the Statement of Defense of Bull et al, at Page 25 of this Record.

Exhibit  
No. 6  
(Plaintiff's)  
Letter W. W.  
Walsh to  
Andrew  
Ferguson  
Sept. 27, 1922

EXHIBIT No. 151

MINUTES OF MEETING OF DIRECTORS OF PIONEER GOLD MINES LIMITED, HELD AT OFFICE OF CO., 432 RICHARDS, SEPTEMBER 29th, 1922, AT 11:30 A.M.

PRESENT:

Exhibit  
No. 151  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Sept. 29, 1922

J. Duff Stuart  
W. W. Walsh

A. E. Bull  
A. H. Wallbridge

10

Moved by A. E. Bull, and seconded by W. W. Walsh that the resolution authorizing the borrowing of Ten Thousand Dollars from Union Bank of Canada, passed at the meeting held on the 24th day of April, 1922, be amended to read Eleven Thousand Dollars, instead of Ten Thousand Dollars.

Minutes of previous meeting were read and on motion adopted with the above amendment.

Moved by W. W. Walsh, and seconded by J. Duff Stuart, that the Company borrow Four Thousand Five Hundred Dollars with interest at rate of 8 per cent, from Dr. F. J. Nicholson, or other persons or Corporation, as from 17th day of August, 1922, same to be secured by promissory note signed by any two Directors.

J. DUFF STUART, President.

20

EXHIBIT No. 90

PIONEER GOLD MINES LIMITED  
(Letterhead)

REPORT ON OPERATIONS AT CYANIDE PLANT  
Period of May 5th to Sept. 30th, 1922

Exhibit  
No. 90  
(Defendants')  
Report by  
G. R.  
Shepherd  
Sept. 30, 1922

No. days operation .....	153	30
No. vats treated .....	100	
No. tons net (moisture @ 7%) .....	3300	
No. tons net old tailings .....	2100	
No. tons net new tailings .....	1200	
Average from assays, heads old tailings, per ton .....	4.40	
Average from assays, heads new tailings, per ton .....	3.30	
Average from assays, tails old tailings, per ton .....	1.00	
Average from assays, tails new tailings, per ton .....	1.86	

	No. lbs. Aero cyanide consumed, total .....	560	RECORD
	No. lbs. NaCN cyanide consumed, total .....	1344	—
	No. lbs. Aero consumed per ton of tailings .....	.97	<i>In the</i>
	No. lbs. NaCN consumed per ton of tailings .....	.48	<i>Supreme Court</i>
	Total net lbs. CaO consumed .....	5400	<i>of British</i>
	CaO consumed per ton of tailings .....	1.6	<i>Columbia</i>
	Total Zn consumed, lbs. ....	1047	Exhibit
	Zn consumed per ton of tailings .....	.32	No. 90
	No. tons cyanide solution to waste, sol. tons .....	50	(Defendants')
10	KCN content at .1% (2 lbs.), lbs. ....	100	Report by
	NaCN equivalent @ 129/130, lbs., approx. ....	80	G. R.
	Refining (Consumption):—		Shepherd
	Sulphuric Acid, lbs. net .....	750	Sept. 30, 1922
	Borax Glass, lbs. net .....	10	(Cont.)
	Pot. Nitrate, lbs. net .....	5	
	Sod. Carbonate, lbs. net .....	20	
	Gasoline, gals. ....	22	
	On hand at mine:—		
	CaO, lbs. ....	0	
20	NaCN, lbs. ....	0	
	Zn Sheet, lbs. ....	1400	
	Zn Shavings, lbs. ....	200	
	Bor. Glass, lbs. ....	10	
	KNO <sub>3</sub> , lbs. ....	13	
	Sod. Carb., lbs. ....	30	
	Sulph. Acid, lbs. ....	0	
	Labor:—		
	No. man-days @ 3.75—240 .....	\$900.00	
	No. man-days @ 4.00—200 .....	\$800.00	
30	Salary .....	\$662.00	
		<hr/>	
	Gross returns on Bullion .....		
		<hr/>	
	Net returns on Bullion .....		
	Omission:		
	On hand at plant—2 No. 60 Graphite Crucibles.		
			Signed "E. R. SHEPHERD"

## EXHIBIT No. 117

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,

40 A. H. Wallbridge,  
333 Homer St., Vancouver.

Oct. 5, 1922

Dear Harry:—

Your favor of the 2nd inst. to hand and contents noted. I am

Exhibit  
No. 117  
(Defendants')  
Letter Copp to  
Wallbridge  
Oct. 5, 1922

RECORD

In the  
Supreme Court  
of British  
Columbia

No. 117  
(Defendants')  
Letter Copp to  
Wallbridge  
Oct. 5, 1922  
(Cont.)

keeping the cook here for another week, Shepherd and I are finishing up with the cyanide plant. We ran one smelt today which I am sending down this mail, 103 oz. and which includes the matte, which should be between 13 and \$1400.00. I think we should have around 700 more to send down next mail. I cannot get the measure of the shaft without shutting the water out of the flume and getting into the wheel. The A. R. Williams Coy. supplies the other piece of shaft when the plant was put in and should have these particulars, however, we will be through with the water in a few days and I will open up the wheel and get the measurement. I have the inventory taken I will have to go to the 1921 invoices for some of the supplies, prices, will have it typewritten and mail copy to you next mail. There will be over \$4000 worth of supplies on hand, I have not killed the pig yet, but will have to kill it this week and salt the most of it down. You did not state when they would ship the gears—The weather has kept warm with considerable rain. I am looking for a cold snap when the weather settles. We have the plant pretty well cleaned up and a cold snap cannot do us any harm now. Advise me soon as possible when I can expect the gears.

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Yours truly,  
"C. L. COPP"

Under other cover I am mailing our blue print of water wheel connection showing shaft wanted marked X. I see by the plan that it is 8' they should find out from the wheel coy. about the bore for the coupling and key seals.

"COPP"

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EXHIBIT No. 80

Exhibit  
No. 80  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 6, 1922

Mr. C. L. Copp,  
Pioneer Gold Mines, Lillooet, B. C.

October 6th, 1922

30

Dear Charlie:

I sent your wife a cheque for \$75.00 on account today, I am enclosing 1 Cague's cheque for August. Please note that I have deducted payment for the watch, \$14.00 from his pay cheque. I have sent Parsons his cheque and also sent cheque for his September time to Mrs. Parsons at Shalalth. Be sure when you come down to bring that Winchester rifle out and cartridges, unless someone is willing to pay up \$28.00 for same. The owner was after me today about it and I must return it or the money.

Ferguson has declined to accept our proposition but Mr. Walsh is having a statement made out of the account and is going to issue a writ and force his hand one way or the other. Ferguson suggested that we see Mr. Banks of the B. C. Silver Mines. This is an English company who have bought some claims up near the

40

Premier. I called to see Mr. Banks today, but he was out of the city for two or three weeks. No news of Errington.

We can have the post office changed any time we say the word, but I have held Mr. Pringle off on account of the present situation up there. I hope I get a good big chunk of gold down on Tuesday, as we can stand a whole lot.

10 You must make a report on that property and it might be a good scheme while you and Shepherd are up there to make this up. We must have a report from you, as the first thing the Secretary of the B. C. Silver Mines asked me was "Have you got any report" and you certainly have been on the ground long enough now to make a report. It would be absolutely necessary for us to have a complete list of the stock on hand, including cost at the mine, not only of boarding house stock, but powder, shafts, fuse, zinc, blacksmith coal, steel, drills, hardware, dies and stocks, assay plant and everything else you can put in.

20 I hear that Surf Inlet have struck a big ledge of ore at the 1100 foot level, they say it runs over \$20. I hear that Collins and Racey have got that mine into excellent shape and that they have ore enough in the stopes to last them for some time to come. You will be glad to know that Collins is making good up there and is liked by the management and the men.

Yours truly,  
"A. H. WALLBRIDGE"

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EXHIBIT No. 118

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,  
Oct. 12, 1922

30 Dear Harry (Wallbridge):

Your favor of the 8th to hand and contents noted. I am mailing down 99 av. ozs., we have the cyanide plant pretty well cleaned up, we are running some assays on some residue that was taken out of the Zn boxes and gold tanks and may find that it will pay to smelt here. We have to leave some values in Zn which was precipitated from the solution that we had to waste, we have also some short Zn left not having acid enough to cut it all. This can be put back in the boxes when the plant is put in operation again. Will not be able to give you the correct data on the cyanide extrac-  
40 tion until next mail, have been busy this week getting out all the values we could by pounding up the slags and etc. \$100 of this shipment is to be credited to the mill which we cleaned up from different parts of the mill—I am enclosing pay roll for Sept., also

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 80  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 6, 1922  
(Cont.)

Exhibit  
No. 118  
(Defendants')  
Letter Copp to  
Wallbridge  
Oct. 12, 1922



RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 118  
(Defendants')  
Letter Copp to  
Wallbridge  
Oct. 12, 1922  
(Cont.)

Hurley & Prosser and Craigs, will have Hanson's and Butch's acct. for next mail. If we have to close down we must try and pay up the local accounts—Note what you say re report, the mine is in bad shape to make a report on owing to not having any ore blocked out. However, I shall make you a report later, also report of the work done this season, with the results of the key plant.—Will look after the gun when I go down.

Yours truly,  
"C. L. COPP"

P. S.—Pleased to hear of the new find in the Surf Inlet Mine.

10

EXHIBIT No. 81

Mr. C. L. Copp,  
Lorne Mine Post Office, Lillooet, B. C.

October 16th, 1922

Dear Charlie:

Your favor of Oct. 5th duly came to hand. The Gear Wheels were shipped from Meaford today, Oct. 16th. Your gold came down, but instead of 103 ounces it was only 93, statement of which from the Assay office I enclose you herewith.

We have not been able to fix up with Ferguson or the Williams estate; the latter have agreed to it but they will have to get after Ferguson through the Law Courts or we will have to get after them for cancellation of our bond or the return of our money. It is therefore encumbent upon us to immediately shut up the property and put a watchman in charge, as we cannot carry on any longer unless we get the Ferguson matter straightened out. We have a hard time meeting our bills and wish to incur no further expense. I do not know what arrangement you have made with reference to a watchman but would suggest in view of the circumstances that you make arrangements with Stephenson to stay in there at \$60 or \$75 a month; we will not pay any more, and if you cannot get anyone to stay at this amount we will have to send someone in.

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We will arrange to have the Gear Wheels taken from Shalth to the mine and put under cover until the spring. I do not expect you to stay in there any longer unless you think it is absolutely necessary. This is the final decision of the Directors and the Syndicate. Expenses must be chopped off. Notwithstanding your feeling towards Stephenson it seems to me that unless you have made other arrangements he is the best man available. I do not see the necessity of anyone else remaining in there as there is no chance of installing the machinery this year. We will be lucky if we get them up to the mine before the snow flies. You might make arrangements with somebody to take delivery of these machines and put them under cover for the winter.

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The mine has been terribly disappointing to us and when you consider what we have advanced, about \$30,000 besides the \$10,000

Exhibit  
No. 81  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 16, 1922

we put up in the first place, and the money that has been taken out of the mine, 20 thousand odd dollars, it does not seem to me that we have very much value in sight for the expenditure, and if you look over the ground yourself you will come to the same conclusion. We have made lots of errors in that country and the only thing for us to do is to try and get things in shape and when we tackle the proposition again, if we do, we will have to avoid all errors. I do not see why you should leave two flasks of quicksilver in there and think you should ship one to the B C. Assay office on our account. We can better afford to buy one in the summer than hold these over. I would suggest also that you ship out that 5000 box of caps on consignment to Craig with instructions to dispose of them to the best advantage. No doubt he could get in touch with the people who are operating the placer ground on the Bridge River. We want to get all the money we can and it seems to me that here is \$300 or \$400 we should have available.

I see Cague is up there still and of course I do not expect to pay him for all of September except his board bill as I see no reason why he should have remained in there. I presume that the cook is coming out this mail; certainly you should be able to cook your own grub. What we have got to do is to cut expenses and cut them pretty quick. We have all along been too generous with our expenditure, as you will realize when you figure how much we have spent in there already. I appreciate your position in the matter and know you have had a lot of bad luck, but sometimes this bad luck can be avoided.

If I do not get any instructions from you by tomorrow's mail, re watchman, you had better wire me what you have done if necessary, but it seems to me that Stephenson, if he will stay there, is the one best bet considering his claim against the old company, and we will certainly have to keep the old creditors quiet and he seems to be the principal agitator amongst them.

Please do not order any more potatoes or vegetables than enough to keep the watchman going there all winter and probably a sack or two for use when we go in there in the spring, if we go. We do not want to contract any more liability for anything that we can avoid.

The Directors have to dig up \$11,000 in payment of the note at the bank before the end of the year. And this is going to be very hard on us unless we can succeed in disposing of some stock if we get Ferguson fixed up. I wish you would also bring down the payroll sheets out of the books and anything else that you think might be useful in helping us to dispose of the mine. We will also want a complete statement of the items of any money we owe up there.

Yours very truly,  
"A. H. WALLBRIDGE"

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 81  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 16, 1922  
(Cont.)

RECORD

EXHIBIT No. 119

*In the  
Supreme Court  
of British  
Columbia*

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,  
Oct. 19, 1922

Exhibit  
No. 119  
(Defendants')  
Letter Copp to  
Wallbridge  
Oct. 19, 1922

A. H. Wallbridge,  
333 Homer St., Vancouver.

Dear Harry:

Yours of the 16th to hand and contents noted. Your wire re Zn came in tonight at 5 p.m. I have boxed it up and will send it out with Butch in the morning. The Cook and Ike will be going down, also I kept the cook on expecting that I would be putting the gears when they arrived, which was the understanding when I left Vancouver. I asked Ike to remain here until I found out what was going to be done. I was charging with his board. There would of been about 1 week's work in the mill. The two compressors should be taken down and babitted. I did not want to start any work until I found out what time the gears would arrive. I am enclosing cyanide plant report also copy of inventory. I called up Paxton tonight re powder and he will take 3 cs. and fuse and caps amounting to about \$70.00. I will make enquiries to find out if there is any others that want powder. I have some work to do here fixing up for close down for the winter. I have the water in the flume yet, will have to disconnect the pipes in the mill, jack up the truck and put a roof over it and other odd jobs. I planned to put the truck on the road if we had of put in winter supplies. Re watchman, I do not intend to have Stephenson here as long as I am connected with the company, he did us more harm here than perhaps you realize and I made a serious mistake by keeping him on in the first instance. I want this to be definite, there has been several spoke to me about the job, so I will not have any trouble getting a responsible man, I may have to stay here myself if we cannot raise the money to carry on. Butch acct. for this year is \$388.83, nearly half of which is payroll deductions, Hanson is \$292.98 to date. I will take down the books and invoices and etc. for this year when I go down. Shepherd is going to walk down so will not be down until Thursday 26. We had intended using the short Zn again but under the circumstances perhaps it is better to send it down. I think we should try and have the gears landed at the mill if possible this fall, so that if you wanted to get an early start in the spring you could do so.

Yours truly,  
"C. L. COPP"

## EXHIBIT No. 82

Mr. C. Copp,  
Lorne Mine Post Office,  
Lillooet, B. C.

October 23rd, 1922.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Dear Charlie:—

I have sent George Bell's cheque to Rexamont P.O., c/o Bert Williams; I have also sent Mrs. Shepherd her son's cheque and enclose herewith Butler's cheque. I do not know where to send I. Cague's cheque as I am not certain of his address, nor am I certain where Butler is.

Exhibit  
No. 82  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 23, 1922

The amount we got from the last shipment of gold was \$1,116.34, I did not happen to get a copy of the statement, but you can make up your records up there. This is almost equal to the previous shipment.

Ferguson has not come through yet and the Williams Estate are not prepared to issue the writ until some time the latter part of this week, so you see there is nothing for us to do but shut up shop and await for this decision. Neither myself nor any of the syndicate will advance any more money. When the Gear Wheels arrive we will send them forward and I hope you have made arrangements for somebody to take delivery of them.

You might send me down a statement of the previous account of David Craig. The old creditors of the company are getting uneasy but they will have to bide their time. If we succeed in cleaning up all the liabilities that we have incurred we will be lucky and we will have to make a further assessment on the syndicate to pay up our creditors, which will be cut down to three, Giant Powder, Kelly Douglas and Marshall Wells. This is in addition to what we owe to the bank, so I hope you will be able to send down a lot more gold. It might be a good plan to send.

I want a corrected statement as near as you can get of the amount of wood you cut this summer, the amount of mine timber, and also the number of feet of logs. I presume these logs are all properly skidded and up close to the sawmill and that the wood and mine timber are properly located.

It seems hard to close this mine down not knowing ahead, but under existing circumstances there is nothing else for us to do. Charlie Rooth will go up as watchman any time after 15 days from now at \$60 or \$75 a month.

I wired you with reference to the short zinc. I made arrangements with Mr. Williams, the assayer, to treat this. He says he will do it in his yard, and I think we will get a square deal from him.

Mr. Errington has not turned up yet.

I understand that Arthur Noel took up a Mining Engineer with him last week. I had a short visit with him and he asked me if the Pioneer was for sale and at what price and I stated \$150,000,

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 82  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 23, 1922  
(Cont.)

Exhibit  
No. 120  
(Defendants')  
Letter Copp to  
Wallbridge  
Oct. 26, 1922

so he may be up to see you. Frank Brewer is the man who informed me he had taken an engineer with him.

Yours very truly,  
"A. H. WALLBRIDGE"

EXHIBIT No. 120

PIONEER GOLD MINES, LIMITED  
(Letterhead)

The Mine,  
Oct. 26, 1922.

Dear Harry (Wallbridge):

Your favor of the 23rd to hand and contents noted. I am returning Butler's cheque to your office as he did not leave any address. The telephone line has been down since the first of the week and I have not been able to get in communication with anyone down the line I want to get in a few potatoes and other vegetables to put the watchman over the winter. Hansen has his team working on the repairing of the bridge which will only be a short job. If the gear wheels arrive in due time they should be brought to the mine this fall, no telling when the road will be open for freight teams next spring. Re logs, I have 2 hundred skidded between the boarding house and the dam which should cut between 15 and 20 M ft. The logs are brought to the mill when sawing as there is only room in the mill yard for a few thousand or on the skidway, at present the skids at the mill is filled with wood, mine timber and some logs brought up from the lower bridge, I cleaned up all of the available timber from there in case the high water should take the bridge out next spring. I have a lot of material skidded that will be sorted out, the best to go for mine timber and logging and the balance to be used for wood, enough to run the mine for nearly a year if operating. I could not keep a separate cost of the wood timber and logs, but have estimated the logs at 1.25 per log and the wood and timber at \$400—cost taking from the amount of time put in the woods which includes two chutes that I had to build, much timber can be brought in from the upper chute. Noel did not bring in any engineer, I think he was only fishing for information. O. B. Smith sent in a man to look over the Forty Thieves, he, had a letter of introduction to me from Smith—Hope you get matters fixed up with Ferguson and the Williams Estate, we must try and do something, this is too good a thing to fall down on, although we have had it hard so far, I want to try and get the two properties consolidated, if possible. If we get straightened up with Ferguson, I think something can be done along those lines. Will let you know about watchman next week.

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Yours truly,  
"C. L. COPP"

EXHIBIT No. 121

RECORD

C. L. Copp:

We had to borrow \$4,500 from Bank to pay accounts that were pressing the Giant Powder threatened suit as also did Kelly Douglas & Co., and we had to give them \$1,000 each, making a balance due to Giant Powder of \$1,100 and to Kelly of \$963. We also owe others around town the largest being Wood, Vallance and Leggatt \$960.

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 121  
(Defendants')  
Letter  
Wallbridge  
to Copp  
(undated)

10 In fact I am in trouble financially over this mine and will have to sacrifice Surf Inlet stock to meet my share of notes in Bank which now amount to \$11,000, this amount we will have to pay at end of year. Besides there is an additional sum of \$3,500 which has to be paid to Creditors right away. Can you help us out. If you have any Amalgam on hand retort and send it down. What we need is a great big clean up and that right away. One like that 70 tons of ore that produced \$3,500

"A. H. WALLBRIDGE"

EXHIBIT No. 83

October 27th, 1922

20 Mr. C. L. Copp,  
Lorne Mine P. O., Lillooet, B. C.  
Dear Charlie:

Exhibit  
No. 83  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 27, 1922

Kindly send me an itemized statement of the accounts of Butch and Hanson. We paid Butch \$320 this year; \$163 of this to pay last year's account. He claims a further indebtedness against the mine for last year, and we want that adjusted.

30 It is hard to say when we will get the new arrangements for the Pioneer Gold Mines fixed up. We won't do anything until the matter is in shipshape order, so that you should make your arrangements accordingly. We cannot afford to pay you superintendent's wages to stay up at the mine and I know you do not expect it.

40 I notice in your invoice you did not give me a statement of the amount of wood on hand, nor have you stated how many pieces of mine timber you have; also state whether the wood is cut in stove lengths or cordwood size. I may be able to get this information from Shepherd when he comes down; if he has it with him it will be all right. You did not state how many pounds of white sugar you have; also I notice you have not priced any of the items. Can you give me any idea as to how much the wood, mine timber and saw logs have cost us?

Yours very truly,  
"A. H. WALLBRIDGE"

You do not state how many feet of logs nor how much mining timber, it might be well to count pieces. Shepherd has been in and says you sent wrong statement of assets, the other statement had

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 83  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 27, 1922  
(Cont.)

amounts carried out, he is going to treat the short zinc for us.

We paid Hansen, freighter, \$100 on account on Aug. 14th, have you that charged up to him in books, Shep. did not think so. I cannot pay these people until I know what we owe them. You just state balances which I think must be wrong. Butch shewed where McKay owed him for two trips. It is rather late to adjust that as McKay has his wages all paid up. No news of gears. Will ship them as soon as they arrive.

"A. H. W."

## EXHIBIT No. 84

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Exhibit  
No. 84  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Nov. 6, 1922

Nov. 6th, 1922

Dear Chas. (Copp):

Have sent Hansen \$100 on account today's mail. No word of wheels when they arrive here will wire you. Should be here this week.

No word of Ferguson. Williams Estate have issued writ so hope it will bring him to time.

Shep. is treating short zinc, hope to get results in a week or so.

Yours truly,

"A. H. WALLBRIDGE"

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## EXHIBIT No. 9

Exhibit No. 9  
(Plaintiff's)  
Writ of  
Summons in  
action  
Williams et al  
vs. Ferguson  
Nov. 10, 1922

## IN THE SUPREME COURT OF BRITISH COLUMBIA

No. W. 1466

1922

"A L R"

BETWEEN:

KATHERINE WYLIE WILLIAMS, WALTER WILLIAM WALSH and WILLIAM GODFREY, Executors under the last Will and Testament and Codicils thereto of Adolphus Williams, Deceased.

30

PLAINTIFFS

—and—

ANDREW FERGUSON and PETER FERGUSON.

DEFENDANTS

GEORGE THE FIFTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the seas, King, Defender of the Faith Emperor of India.  
TO:

ANDREW FERGUSON, of 343 Beacon Avenue, in the City of Seattle, in the State of Washington, Miner.

40

PETER FERGUSON, of Saanichton in the Province of British Columbia, Farmer.  
(Plaintiff's Solicitor,  
G. E. Housser)

RECORD  

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In the  
Supreme Court  
of British  
Columbia  

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WE COMMAND YOU, that within eight days after the service of this Writ on you, inclusive of the day of such service, you do cause an appearance to be entered for you in an action at the suit of

Exhibit No. 9  
(Plaintiff's)  
Writ of  
Summons in  
action  
Williams et al  
vs. Ferguson  
Nov. 10, 1922  
(Cont.)

10 KATHERINE WYLIE WILLIAMS, Widow, WALTER WILLIAM WALSH, Barrister-at-law, and WILLIAM GODFREY, Manager, all of the City of Vancouver in the Province of British Columbia, Executors of the last Will and Testament and Codicils thereto of Adolphus Williams, Deceased.

AND TAKE NOTICE, that in default of your so doing, the Plaintiff may proceed therein, and judgment may be given in your absence.

20 WITNESS, The Honourable Gordon Hunter, Chief Justice, the 10th day of November in the year of our Lord, one thousand nine hundred and twenty-two.

N.B.—This Writ is to be served within twelve calendar months from the date of the last renewal, including the day of such date, and not afterwards.

The Defendant may appear hereto by entering an appearance either personally or by Solicitor, at the office of the District Registrar of this Court at the Court House, Vancouver, B. C.

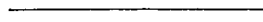
(Seal of S. C. of B. C.) (Vancouver Registry, Nov. 10, 1922)

ENDORSEMENT ON WRIT

30 The Plaintiff's claim is for the sum of \$21,912.42 due and owing by the Defendants in respect of certain advances and payments made on account of Pioneer Gold Mines Limited by the said Adolphus Williams during his lifetime and by the Plaintiffs after his decease.

2. For an Order or declaration that the Plaintiffs are at liberty to sell and dispose of certain shares of the Defendants in the Pioneer Gold Mines Limited, deposited by them on the 26th day of April, 1922, as security for the payment of the moneys hereinabove set forth.

40 3. To have an account taken of the moneys due and owing by the Defendants to the Plaintiffs in respect of matters hereinabove set forth.





RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 35  
(Defendants')  
Proxy P.  
Ferguson to  
J. B. Noble  
Dec. 9, 1922

EXHIBIT No. 35

PIONEER GOLD MINES, LIMITED

PROXY

I, PETER FERGUSON, of Saanichton, Vancouver Island, B. C., being a member of Pioneer Gold Mines Limited, HEREBY APPOINT James B. Noble, of Vancouver, B. C., or failing him Charles William St. John, of Vancouver, B. C., as my proxy, to vote for me and on my behalf at all ordinary or extraordinary general meetings of the Company, to be held within twelve months from this date, and at any adjournment or adjournments thereof. 10

SIGNED this 9th day of December, 1922.

PETER FERGUSON (Seal)

Exhibit  
No. 56  
(Defendants')  
Letter Copp to  
Wallbridge  
Dec. 12, 1922

EXHIBIT No. 56

PIONEER GOLD MINES, LIMITED

(Letterhead)

333 Homer Street, Vancouver, B. C.,  
December 12, 1922

Mr. A. H. Wallbridge,  
Managing Director,  
Vancouver, B. C.

Dear Sir:—

20

I beg to submit the following report for the work done for 1922:—

Six men were taken in during the last week in March and work commenced on making repairs to the flume, which had been badly strained owing to the extreme cold weather. I also cut down the spillway on the dam 15 in. for a distance of 45 ft. to take care of the high water and protect the head gate and flume. A small flume, 400 ft. long, was built to carry water to the Cyanide plant. 190 ft. of 6 in. stave pipe was also put in to convey the water from the penstock to a 4 ft. water wheel which we built on the job to take the place of a small steam engine which was connected to the solution pump in 1921, which was driven by compressed air but did not prove very satisfactory during cold weather and used up as much air as one of the machine drills. However, the engine was in stock when we took the property over and we made use of it until lumber could be cut to put in the flume. 30

About 200 ft. of trestle was built and tracked to the lower tailing pit. Also trestle and foundation built to set a 5 x 5 Jincke's Hoist on, which was used for hoisting the tailings from the lower pit. In all about \$600 was added to the Cyanide plant. The hoist I have listed as stock on hand. 40

2100 Tons of old tailings were treated. Heads averaged \$4.40 per ton. This cleaned up the balance of old tailings, making a total of 3500 tons. 1200 Tons of new tailings were treated average head \$3.30 per ton, tails \$1.86 per ton. The lower head assay on the new tailings and extraction is accounted for by the fact that the ore mined was stoped from the crushed area along the fault plane, between the 200 and 300 ft. levels, which could not be hand sorted. The wall rock sulphide does not appear to be amenable to cyaniding unless crushed to 80 or 100 mesh. We were crushing to 40 mesh. The estimate given of 10,000 tons was found to be short about 6000 tons. There is left in the two pits about 500 tons of slimes that cannot be treated in the present plant. The lower pit was put down amongst boulders, logs and brush, which made them rather hard and expensive to pick up.

The plant treated a total of 3300 tons, producing \$9,122.41. Owing to the extreme cold weather and low water, pumping was not commenced until the 25th of April. The water at the time was within 14 ft. of the No. 1 level. The water from No. 1 to No. 2 level was taken out with an air lift. From No. 2 to No. 3 the pump was used. When the water got below the 200 ft. level I started a machine drifting east on the No. 1 vein. 100 ft. of drifting was done, the vein increasing in width from 6 in. to 2 ft. in places and narrowing down again to 6 in. Samples taken about every 10 ft. showed an average of \$14.00 per ton. About 300 tons were stoped from this piece of ground. Stoping was carried up for about 50 ft., to where the vein narrowed down to about 1 ft., 896 tons was milled from the 300 ft. level; 500 tons from the No. 1 vein east and 396 tons from the No. 2 vein west, making a total of 1196 tons milled.

\$3,826.41 was recovered on the plates; tailings assayed \$3.30. Between 300 and 400 tons was left in the stope, which should mill between \$8 and \$10 per ton. The last sample taken from the back of the stope for a distance of 50 ft. averaged \$13.00 per ton. The foot wall in this stope was sheared and softened and considerable of it came with the ore and could not be sorted out. The last ten ft. of stoping done showed the wall to be getting harder as we got away from the faulting and shearing.

The ore stoped from the No. 1 vein east of the shaft was very disappointing. The wall rock faulted and sheared, came down with the ore and could not be sorted out. The vein at this particular stope averaged \$30.00 per ton. The vein was only about 1 ft. wide and continued about the same through to No. 2 level, where I broke through for better ventilation from the No. 3 level and to let the water from the No. 2 level drain down instead of continuing to the shaft. The present faces of the No. 1 vein on the 300 ft. level assay \$20.00 per ton. West face is about 14 in. and east face 6 in. wide.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 56  
(Defendants')  
Letter Copp to  
Wallbridge  
Dec. 12, 1922  
(Cont.)

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 56  
(Defendants')  
Letter Copp to  
Wallbridge  
Dec. 12, 1922  
(Cont.)

The face of what is known as the No. 2 vein west side assayed \$6.00. There is the possibility that this vein is another vein than what is known as the No. 2 vein west side 200 ft. level. If so, there should be another block of ground to mine from the 200 ft. level. However, this could not be positively known until it is stoped through to No. 2 level from No. 3, and it would not be wise to report this as being the case, as no survey has been made of the underground working.

No. 1 vein on the 300 ft. level has been opened up for a distance of 225 ft.: West of the shaft 150 ft., east of the shaft 75 ft. The vein varies in thickness from 1 ft. to 5 ft. No sampling was done along the floor of the tunnel, but taking the figures of the old company and the amount of gold sold while mining the block of ground on the 300 ft. level, it would be safe to say that the ore will average over \$20.00 per ton. The reason for not sampling the floor was that it would necessitate tearing up the track and relaying again, and it was a case of getting some ore out as soon as the mine was unwatered. 10

On the No. 2 level the No. 1 vein has been drifted on for 550 ft. showing the ore shoot to be that length with the usual pinches and swells. The No. 1 vein on the 300 ft. level west of the shaft should be drifted on for another 100 ft. No. 1 vein east should be drifted on for another 200 ft. Cross cuts should be driven on the 300 ft. level to cut what is known as the No. 2 vein. If sufficient money can be raised the shaft should be sunk another hundred feet or more, this would necessitate putting in a station pump on the 300 ft. level and a larger hoist. On the 300 ft. level there is 50 ft. of stoping ground left to be stoped, on the No. 2 vein, which should produce about 350 tons; average samples at the back when we closed down gave an average of \$13.00. This and 300 tons broken in the stope and 50 tons in the ore bin is about all the ore that can be reported as being in sight at the present time. 20 30

The gear wheels and shaft for water sheet have been hauled to the mine, ready to be installed. There is at the mine over \$5000 worth of supplies.

The compressors gave us considerable trouble during the past summer and they should be re-babbitted before starting up again. Some lumber should be cut to repair a portion of the flume near the mill. 200 logs have been cut, hauled out of the woods and skidded ready to be hauled to the sawmill. Enough other timber has been cut and hauled to do the mine for fuel and mine timber for next year. 40

Owing to the scarcity of men all summer I was unable to get machine miners and was short of men, consequently did not get the development done that I had anticipated. The other mines raised the wages about midsummer; I did not think it advisable to do it. If the wages should drop again at the other mines we would

have trouble getting the wages down again. Owing to the cost of getting men into the mine I think something should be done in the way of absorbing some of the transportation cost. During the summer this could be done by putting our own truck into commission.

In conclusion I would recommend putting the property on the market at a reasonable figure, and my reasons for this recommendation are:—

10 Insufficient working capital to put it on a paying basis so that the ore can be mined and milled economically.

There is not sufficient power developed to mill and mine much deeper and no other power can be added without a large expenditure of capital. We found the water wheel compressors and mill machinery had been badly wrecked, the foundation had been cut away from the compressors, and this will always give more or less trouble until rebuilt. The flume will not last much longer; probably 3 or 4 years with the usual repairs each spring.

20 There should be an auxiliary plant to keep the mine pumped out; in the event of a very cold winter. If a station pump should be put in on the 300 ft. level it would not be advisable to let the mine fill with water.

When the mine is properly developed it will warrant a 50 or 100 ton mill. The capacity of the present mill is 20 tons per day. The overhead charge is about as much as it would be for a 100 ton mill. There is also a loss of \$1.00 per ton in the tailings after cyanide treatment, which could be recovered by finer grinding, which we are unable to do under the present arrangement. If further development is undertaken I would recommend only milling what ore is encountered during development, unless some very  
30 high grade ore is found.

By installing a larger hoist the present power and plant would be sufficient to develop the mine to a depth of 700 or 800 feet, which would be deep enough to decide on what capacity and type of plant to install.

I look upon this property as one of the best small gold mines in British Columbia and one which will go down to great depth, but handicapped as we are with the debts of the old company and for the above stated reasons I think it would be advisable to dispose of the property.

40

"C. L. COPP"

---

 EXHIBIT No. 10

Vancouver, B. C., Dec. 12th, 1922

To the Shareholders:

Pioneer Gold Mines, Limited.

Gentlemen:

I have examined your books and accounts for the year ending

RECORD

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*In the  
Supreme Court  
of British  
Columbia*


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 Exhibit  
No. 56  
(Defendants')  
Letter Copp to  
Wallbridge  
Dec. 12, 1922  
(Cont.)

 Exhibit  
No. 10  
(Plaintiff's)  
Auditor's  
Report and  
Balance  
Sheet of  
Company  
Dec. 12, 1922

RECORD

November 30th, 1922, and attach hereto as part of my report :

*In the  
Supreme Court  
of British  
Columbia*

BALANCE SHEET AS AT 30th, NOVEMBER, 1922  
PROFIT AND LOSS ACCOUNT FOR THE PERIOD  
UNDER REVIEW  
ASSETS

Exhibit  
No. 10  
(Plaintiff's)  
Auditor's  
Report and  
Balance  
Sheet of  
Company  
Dec. 12, 1922  
(Cont.)

No allowance has been made for depreciation on Machinery or Plant.

Inventories have been taken by your staff and confirmed by your Secretary.

DEVELOPMENT ACCOUNT:—As per instructions from your Secretary, the balance at debit of Profit and Loss Account has been transferred to Development Account. No record has been kept at the mine of the actual amount expended in development work. 10

LIABILITIES

ROYAL BANK OF CANADA and MERCHANT BANK OF CANADA loan accounts. No interest has been accrued on these accounts.

SUNDRY LOAN:—During the year the sum of \$15,000.00 has been borrowed from F. J. Nicholson, R. B. Boucher, and A. H. Wallbridge. Notes bearing interest at 8% per annum have been given to cover the amount of these loans. 20

GENERAL PROFIT AND LOSS ACCOUNT:—The amounts shown under the headings of Mess Account, Wages, Expenses and General Freight were incurred at the time during the fiscal year ending November 30, 1921. Owing to the delay in the mails particulars of these expenditures were not received until my report for that year had been made up.

I certify that, subject to the foregoing, the balance sheet herewith is in my opinion properly drawn up so as to set forth the position of the Company's affairs at November 30th, 1922, in accordance with the information given me and as shown by the books. I have received all the information and explanations I have required. 30

Yours faithfully,  
(Signed) J. S. SALTER,  
Auditor.

PIONEER GOLD MINES, LIMITED  
BALANCE SHEET AS AT 30th NOVEMBER, 1922

LIABILITIES 40

CAPITAL:

Authorized 1,000,000 shares of \$1.00 each .....	\$1,000,000.00
Issued. 749,995 shares fully paid otherwise than	
in cash .....	749,995.00
5 shares fully paid in cash .....	5.00
	<hr/>
	\$ 750,000.00

		RECORD
	ROYAL BANK OF CANADA, loan account .....	\$15,934.07
	Less amount at credit in current acct... ..	92.66
		15,841.41
	MERCHANTS BANK OF CANADA loan account..	6,500.00
	UNION BANK OF CANADA loan acct...\$11,000.00	
	Interest accrued thereon .....	114.70
		11,114.70
	SUNDRY LOANS:	
10	F. J. Nicholson .....	\$ 7,500.00
	R. B. Boucher .....	5,000.00
	A. H. Wallbridge .....	3,000.00
		15,500.00
	Interest accrued thereon .....	762.85
		16,262.85
	SUNDRY CREDITORS on open account .....	8,223.68
	WAGES DUE:	
	C. L. Copp .....	\$ 390.51
	J. Cague .....	55.00
20		445.51
	WORKMEN'S COMPENSATION BOARD .....	31.36
	SUSPENSE ACCOUNT .....	15,000.00
		\$ 823,419.51

RECORD

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*In the  
Supreme Court  
of British  
Columbia*

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Exhibit  
No. 10  
(Plaintiff's)  
Auditor's  
Report and  
Balance  
Sheet of  
Company  
Dec. 12, 1922  
(Cont.)

### ASSETS

	PROPERTY ACCOUNT:	
	10 Crown Granted Mineral Claims .....	\$ 750,051.50
	MACHINERY, TRUCKS, Etc. ....	18,404.13
	CYANIDE PLANT .....	5,781.94
	WATER RECORD .....	120.00
30	ASSAY OUTFIT .....	395.61
	FORMATION EXPENSES .....	800.00
	UNEXPIRED INSURANCE .....	100.00
	IMPERIAL OIL COMPANY .....	14.53
	INVENTORIES:	
	Mining supplies .....	\$ 4,927.20
	Cyanide supplies .....	502.50
	Mess supplies .....	344.75
		5,774.45
	CASH:	
40	Union Bank of Canada, Current Acct...\$	151.17
	Bank of Montreal, Lillooet .....	.06
		151.23
	DEVELOPMENT ACCOUNT AS AT	
	DEC. 1st, 1921 .....	\$28,267.41

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia

Add transfer from General Profit & Loss a/c .....	13,558.71	
		41,826.12
		<u>\$ 823,419.51</u>

Exhibit  
 No. 10  
 (Plaintiff's)  
 Auditor's  
 Report and  
 Balance  
 Sheet of  
 Company  
 Dec. 12, 1922  
 (Cont.)

Certified as part of my report, dated Dec. 11th, 1922, Van-  
 couver, B. C.

(Signed) J. S. SALTER,  
 Auditor.

PIONEER GOLD MINES, LIMITED  
 PROFIT AND LOSS ACCOUNT

10

From Dec. 1st, 1921, to Nov. 30, 1922

By Production .....		\$12,881.60
To Insurance .....	\$ 322.20	
" Loss on Mess account .....	335.29	
" Workmen's Compensation Board .....	232.50	
" Cyanide Plant Supplies .....	990.12	
" Wages .....	17,005.03	
" Freight (general) .....	636.66	
" Provincial Government Taxes .....	98.50	
" Travelling Expenses .....	173.30	20
" Interest and Exchange .....	1,722.59	
" Audit Fee .....	50.00	
" General Expense .....	345.95	
By Balance to General Profit & Loss Acct...		9,030.54
	<u>\$21,912.14</u>	<u>\$21,912.14</u>

GENERAL PROFIT AND LOSS ACCOUNT

To Balance brought down .....	\$ 9,030.54	
" Purchases Mess acct. ....	\$ 719.85	
" Freight acct. ....	1,000.00	
	<u>1,719.85</u>	30
" Wages .....	297.81	
" Expense .....	128.04	
" Freight (general) .....	2,089.69	
" Workmen's Compensation Board 1921 dues .....	292.78	
By transfer to Balance Sheet (Development acct.) .....		\$13,558.71
	<u>\$13,558.71</u>	<u>\$13,558.71</u>

## EXHIBIT No. 152

MINUTES OF DIRECTORS OF PIONEER GOLD MINES LTD., HELD AT OFFICE OF COMPANY, 432 RICHARDS ST., VANCOUVER, B. C., AT 3:30 p.m., ON 13TH DECEMBER, 1922.

PRESENT:

J. Duff Stuart, in Chair

A. E. Bull

A. H. Wallbridge

10 W. W. Walsh

Minutes of previous meeting were read on motion of Mr. Bull, seconded by Mr. Walsh, were adopted as read.

Balance sheet of Company for year ending 30th November, 1922, was laid before Directors and motion of Mr. Bull, seconded by Mr. Walsh, was passed subject to certain corrections as to cost of general plant, it being increased by addition to it of cost of freight and construction and that machinery account be changed so as to shew cost of machinery installed by present Company during the years 1921 and 1922.

20 Meeting then adjourned.

J. DUFF STUART, Chairman.

DOCUMENT INCLUDED BY CONSENT AND IDENTIFIED BY THE LETTER "A"

MEETING OF DIRECTORS OF PIONEER GOLD MINES LTD., HELD AT OFFICE OF COMPANY, 432 RICHARDS ST., VANCOUVER, B. C., ON DEC. 13TH, 1922, AT 5 P.M.

PRESENT:

J. Duff Stuart

A. H. Wallbridge

30 A. E. Bull

W. W. Walsh

Minutes of previous meeting were read and adopted.

Moved by A. E. Bull, seconded by W. W. Walsh, that J. Duff Stuart be president.

By W. W. Walsh and seconded by J. Duff Stuart, that A. E. Bull be vice-president.

Moved by Mr. Bull and seconded by Mr. Walsh, that A. H. Wallbridge be Secretary-Treasurer.

40 Meeting then adjourned.

J. DUFF STUART, Chairman.

RECORD

*In the  
Supreme Court  
Columbia  
of British*

Exhibit  
No. 152  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Dec. 13, 1922

Document  
"A"  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Dec. 13, 1922



RECORD

EXHIBIT No. 44

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 44  
(Defendants')  
Minutes of  
Annual  
Meeting of  
Shareholders  
Dec. 13, 1922

MINUTES OF ANNUAL MEETING OF SHAREHOLDERS OF PIONEER GOLD MINES LTD., HELD AT THE OFFICE OF COMPANY, AT 432 RICHARDS ST., VANCOUVER, B.C., ON THE 13TH DAY OF DECEMBER, 1922, AT 4 P.M.

PRESENT:

J. Duff Stuart, in Chair	H. C. Seaman	
A. H. Wallbridge, Secy.	W. J. Twiss	
A. E. Bull	J. B. Noble,	
W. W. Walsh	for A. Ferguson	10

Notice of meeting was read.

Auditor report and balance sheet was read and on motion of A. E. Bull and seconded by W. J. Twiss was passed subject to correction as stated at Directors' meeting.

Moved by Mr. Seaman, seconded by W. J. Twiss, that J. Duff Stuart, A. E. Bull, A. Ferguson, W. W. Walsh and A. H. Wallbridge be re-elected Directors.

Moved by W. J. Twiss and seconded by H. C. Seaman that J. S. Salter be appointed Auditor of ensuing year, his fees to be fixed by Directors. 20

Meeting adjourned.

J. DUFF STUART, Chairman.

EXHIBIT No. 153

Exhibit  
No. 153  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Dec. 30, 1922

MEETING OF DIRECTORS OF PIONEER GOLD MINES LIMITED, HELD AT OFFICE OF COMPANY, 432 RICHARDS ST., VANCOUVER, B. C., DEC. 30, 1922, AT 12 NOON.  
PRESENT:

J. Duff Stuart, in Chair.	W. W. Walsh	
A. H. Wallbridge	A. E. Bull	

Minutes of previous meeting were read and motion of A. E. Bull, seconded by W. W. Walsh, were adopted as read. 30

Moved by W. W. Walsh, seconded by A. E. Bull, that the Company borrow from Dr. R. B. Boucher or others the sum of Seven Thousand Dollars on Company Demand Note, signed by any two Directors and that interest be at rate of 10% per annum.

Meeting adjourned.

J. DUFF STUART, Chairman.

EXHIBIT No. 17

Exhibit  
No. 17  
(Defendants')  
Letter  
Noble &  
St. John  
to Walsh  
& Co.  
Jan. 12, 1923

This Exhibit is a letter from Noble & St. John, Solicitors for the Fergusons, to Walsh, McKim & Housser, dated January 12th, 1923, and is set out in Paragraph 61 of the Statement of Defence of Bull et al, at Page 27 of this Record. 40

## EXHIBIT No. 19

This Exhibit is a letter from Walsh, McKim & Houser to Noble & St. John, dated January 15th, 1923, and is set out in paragraph 62 of the Statement of Defence of Bull et al at page 27 of this Record.

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 19  
(Defendants')  
Letter Walsh  
& Co. to  
Noble &  
St. John  
Jan. 15, 1923

## EXHIBIT No. 20

10 This Exhibit is a letter from Walsh, McKim & Houser to Noble & St. John, dated February 1st, 1923, and is set out in paragraph 63 of the Statement of Defence of Bull et al at page 29 of this Record.

Exhibit  
No. 20  
(Defendants')  
Letter, Walsh  
& Co. to  
Noble &  
St. John,  
Feb. 1, 1923

## EXHIBIT No. 21

This Exhibit is a letter from Noble & St. John to Walsh, McKim & Houser, dated February 8th, 1923, and is set out in paragraph 65 of the Statement of Defence of Bull et al at page 29 of this Record.

Exhibit  
No. 21  
(Defendants')  
Letter  
Noble &  
St. John  
to Walsh  
& Co.  
Feb. 8, 1923

## EXHIBIT No. 22

20 This Exhibit is a letter from Walsh, McKim & Houser to Noble & St. John, dated February 10th, 1923, and is set out in paragraph 66 of the Statement of Defence of Bull et al at page 30 of this Record.

Exhibit  
No. 22  
(Defendants')  
Letter Walsh  
& Co. to  
Noble &  
St. John  
Feb. 10, 1923

## EXHIBIT No. 23

This Exhibit is an Agreement between Katherine W. Williams, Walter W. Walsh, William Godfrey, Andrew Ferguson and Peter Ferguson, of the one part, and Adam Henry Wallbridge, of the other part, dated February 15th, 1923, and is set out in paragraph 67 of the Statement of Defence of Bull et al at page 31 of this Record.

Exhibit  
No. 23  
(Defendants')  
Agreement  
K. W.  
Williams et al  
and A. H.  
Wallbridge  
Feb. 15, 1923

RECORD

EXHIBIT No. 24

*In the  
Supreme Court  
of British  
Columbia*

This Exhibit is an Agreement between Andrew Ferguson and Peter Ferguson, of the one part, and the Executors and Trustees of the Williams Estate, of the other part, dated February 15th, 1923, and is set out in paragraph 68 of the Statement of Defence of Bull et al at page 34 of this Record.

Exhibit  
No. 24  
(Defendants')  
Agreement  
A. & P.  
Ferguson  
and Executors  
Williams  
Estate  
Feb. 15, 1923

EXHIBIT No. 25

This Exhibit is a letter from Walsh, McKim & Houser to Noble & St. John, dated February 16th, 1923, and is set out in paragraph 69 of the Statement of Defence of Bull et al at page 37 of this Record.

Exhibit  
No. 25  
(Defendants')  
Letter Walsh  
& Co. to  
Noble &  
St. John  
Feb. 16, 1923

EXHIBIT No. 26

This Exhibit is a letter from Noble & St. John to Walsh, McKim & Houser, dated March 12th, 1923, and is set out in paragraph 71 of the Statement of Defence of Bull et al at page 38 of this Record.

Exhibit  
No. 26  
(Defendants')  
Letter Noble  
& St. John  
to Walsh  
& Co.  
Mar. 12, 1923

EXHIBIT No. 27

This Exhibit is a letter from Noble & St. John to Walsh, McKim & Houser, dated March 27th, 1923, and is set out in paragraph 73 of the Statement of Defence of Bull et al at page 38 of this Record.

Exhibit  
No. 27  
(Defendants')  
Letter Noble  
& St. John  
to Walsh  
& Co.  
Mar. 27, 1923

EXHIBIT No. 28

This Exhibit is a letter from Walsh, McKim & Houser to Noble & St. John, dated March 28th, 1923, and is set out in paragraph 74 of the Statement of Defence of Bull et al at page 39 of this Record.

Exhibit  
No. 28  
(Defendants')  
Letter Walsh  
& Co. to  
Noble &  
St. John  
Mar. 28, 1923

10

20

## EXHIBIT No. 85

May 23rd, 1923

Mr. C. L. Copp,  
Lorne Mine P. O., Lillooet, B. C.

Dear Charlie:

10 Your favor of May 19th duly came to hand. I had another interview with Col. Leckie and also saw Mr. Wilson, partner of Trites and Wood. Mr. Trites is out of the city and will not return until the 28th, when I am to interview him again. Col. Leckie stated that they were going into the Whitewater in about thirty days and wanted to know the distance from Gun Creek to our property, and I told him about 18 miles. I have no definite information to give regarding this deal, and with reference to the other properties I only took them up on the suggestion of Col. Leckie and I have not mentioned them to these people, but when Trites and Leckie read Major Davis' report and McCann's geological report they will see that the suggestion is made that the properties should be amalgamated, and I wanted to be in a position to deal with the other properties if they asked about them. Whether they will do business or not I am not prepared to say, but in any event I have about made up my mind, with the consent of the other Directors, that when you can get that property in such shape that we can show it to an engineer we will send one in there, (or Dave Sloan, whose report with yours would satisfy me) to give us a full report with the proper sampling of the lower level in the Pioneer Mines and sample of the winze in the Coronation and any other sampling he can do around the two properties. Then on his report we will go ahead and endeavor to dispose of the stock and carry out our plans of development, if in the meantime we do not make a sale.

20

30

From what George Bell told me there would be no trouble in getting water for ground sluicing from the swamp back of these properties. Of course, I am only mentioning what he said. We are anxious to get ahead and get these properties pumped out and in shape so that somebody can see them. It does not matter so much about the mill or the work outside. My idea is that people want to see the inside of the mine. I know the work we have done is necessary, but if we decide to go ahead we have lots of time to get more timber for the shaft.

40 MacDonal, the house man, offered to sink that shaft for \$18.00 a foot, we, of course, supplying the powder and power, also the hoist man. He suggested that we put the pocket on the 200 ft. level and take the waste from the shaft up to the 200 feet level and from there dump into the old stoping ground. What do you think of this proposition? He claims to be able to do it in 30 days going down 125 feet.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 85  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
May 23, 1923

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 85  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
May 23, 1923  
(Cont.)

We cannot attempt to sell stock without some positive information as to what the ore is on the 300 ft. level and what the values are in the winze on the Coronation. We must have a positive statement as to the values, and I do not want to sell anybody this stock myself unless I feel assured of the values and that it would be a great success. It is all right for you and I to say so, but if we have the positive report of some engineer I will feel more safe. In a way you have never properly sampled the lower tunnel and even if we have to tear up the tracks it has to be done.

I did not know how many men you had up at the mine and I am glad you are getting on with a small crew as you are, because personally I have no more money to put up. When the tunnel in the Pioneer is in such shape that a man can go up there and sample it, please advise me, if necessary by wire.

If I was trotting to and from that post office, I would make one trip of it. I would write my letters before I got the mail and mail them when getting the letters. If there was anything you wanted to add when you get the letters from here you could do so. Do not fail to keep an accurate record of the work done on the Coronation group.

I am enclosing herewith a letter from Taylor and Brethour re the taxes on the Coronation group, which we have agreed to pay. You can note the contents of this letter and please return same to me with your notation.

I presume Mrs. Donohue gave you the letter I gave her to deliver to you. I have not heard from that party.

"A. H. WALLBRIDGE"

---

 EXHIBIT No. 123

Mine, May 26, 1923.

Exhibit  
No. 123  
(Defendants')  
Letter Copp to  
Wallbridge  
May 26, 1923

A. H. Wallbridge,  
320 Homer St., Vancouver.

Dear Harry:

Did not receive any letter from you this mail. I was anxious to know if you got Gen. Leckie and Trites interested or not. Also curious to know what kind of a reply you got from Noel re Lorne. There is a man at present looking it over and will be going down tomorrow. If you do not get Trites interested, I think you should get a hold of the Belmont-Surf Inlet people. They are in the market for a gold property.

When the mine is pumped out everything will be in good shape here for examination and to go ahead to do development work. We overhauled and babbitted the hoist this week, also put in the timber around the Station on the 100 and caught up the bad ground. Tonight the water is down to the 200 ft. level. Will have

two days more in the greatest volume of water. Hanson and I are running the hoist opposite shifts bailing with Skip. I will lower the pump Wednesday. The air lift is too slow below the 200. I will be putting one man to work on the Countless cleaning out the old cuts in the morning.

I am enclosing order for beef, etc., the way the train runs, beef from Lillooet would have to lie two days at Shalalth. So I think it advisable to ship from Vanc. Friday and we get it at the mine Saturday. It must be fresh killed, cold storage would not  
10 keep.

Yours respectfully,  
"C. L. COPP"

EXHIBIT No. 124

May 31st, 1923.

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

Dear Charlie:

Your favor of May 26th duly came to hand. I enclose here-  
with copy of my letter to you, which you can read and return. I  
20 mailed this letter myself on Friday morning. This will explain  
about Trites and Leckie. Trites and Leckie went north on Mon-  
day night and will return about June 5th, when I will see them and  
get a definite answer. I wrote them out a proposition and mailed  
it. As soon as I hear from these people I may take the matter up  
with the Belmont Surf Inlet again.

I bought a pair of boots, costing \$9.50 plus 30 cents for post-  
tage. I also had the springs for the pump mailed to you by the  
Ingersoll Rand people. I bought a hind quarter of beef to be  
shipped to you on Friday's boat, price 16 cents plus freight to the  
30 mine. I also ordered the Garlock packing. I sent your wife \$75  
yesterday. I had previously given her \$50.

My proposition to Trites was as follows: They pay cash for  
the supplies; \$10,000 on the first of August; \$15,000 November 1st;  
\$50,000 May 15th, 1924; \$50,000 November 15th, 1924; \$100,000  
May 15th, 1925. They to carry out all the agreement in the bond  
from the Coronation Gold mines and also to carry on work stead-  
ily at the Pioneer mine as well. This is roughly an outline of the  
proposition.

I have also submitted a proposition to a man in New York,  
40 who wished to float it in London, sending him copy of the reports  
and geological survey, etc. It is more to feel him out than any-  
thing else. He is a friend of Erskine Smith's to whom he has been  
writing for property to float on the London market.

Yours very truly,  
"A. H. WALLBRIDGE"

AHW/MH

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 123  
(Defendants')  
Letter Copp to  
Wallbridge  
May 26, 1923  
(Cont.)

Exhibit  
No. 124  
(Defendants')  
Letter  
Wallbridge  
to Copp  
May 31, 1923

## RECORD

## EXHIBIT No. 125

*In the  
Supreme Court  
of British  
Columbia*

(LETTERHEAD PIONEER GOLD MINES LIMITED)

Mine,  
June 2nd, 1923

A. H. Wallbridge,  
320 Homer St., Vancouver.

Exhibit  
No. 125  
(Defendants')  
Letter Copp to  
Wallbridge  
June 2, 1923

Dear Harry:

Your letters of May 23 and 31st to hand with enclosures and contents noted. Also received packing springs, etc. It is one o'clock. I just got out of the mine. So I shall not write much tonight. I am 30 ft. below the 200 ft. level. I had to turn the water out last Wednesday and repair the flume the frost coming out of the ground caused it to settle and the sides gave way. I caught it before it did any damage to speak of. We lost the greater part of a shift getting our pipe lines changed and the pump down, and the dam hose that they sent was no good and if you have paid for it you should have the money refunded or new hose supplied. The fittings are O.K. I brought it up and wrapped it with canvas and cyanide paint to try and make it do until another piece arrives. We only had 45 lbs. pressure starting and will have 80 lbs. at the bottom of the shaft. They told me that they would guarantee it up to 100 lbs. 10

The beef came tonight but only 72 lbs. The loin has been cut let me know if a full quarter was shipped. I lost 44 lbs. of beef coming from Lillooet in 1921 and I traced it to the train crew.

Am too tired to write tonight will write more particulars next mail, having been working nights for the last week.

Yours respectfully,  
"C. L. COPP"

## EXHIBIT No. 126

Exhibit  
No. 126  
(Defendants')  
Letter  
Wallbridge  
to Copp  
June 7, 1923

June 7th, 1923. 30

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

Dear Charlie:

Your letter of June 2nd received. I shipped you up 73 lbs. of beef. I figured that if you only had six men and you asked for a small quarter, and in order to get the small quarter I would have had to take inferior beef, so this was a young steer and the loin had been cut off and the price was 15 cents per lb., otherwise a whole quarter would have cost 18 cents.

Re hose: I have had Kirk & Co. ship you 25 feet of new hose. The old hose is to be returned and shown to the people that they bought from. The rubber company would not sell less than 25 feet. The man who guaranteed it up to 100 lbs. pressure is not in the country so they do not know anything about it here. 40

I have had no word from Trites & Co. as they were up North and I have not had a chance to see them yet. I may see them be-

fore closing this letter, but at the time of writing they were not at the hotel. Just as soon as the mine is ready for examination we want to go up there. I figure now that we should be able to look at same leaving here on the 15th of June. That is a week from tomorrow.

I enclose letter from Noel which explains itself; also a time table of the P. G. E.

Yours very truly,  
"A. H. WALLBRIDGE"

10

EXHIBIT No. 127

(LETTERHEAD PIONEER GOLD MINES LIMITED)

Mine,

June 9, 1923.

A. H. Wallbridge,  
320 Homer Street, Vancouver, B. C.

Dear Harry:

20

Yours of the 7th to hand and contents noted. I am having trouble with the pump freezing and cannot make the time that I expected. I stopped and moved the receiver down that was behind the hoist and put in on the main air line to the mine. It helped some. But I cannot keep the pump from freezing, so it is a case of fight with it. It has been raining here for the last week which may account for so much moisture in our air. The pump needs a new plunger if you decide to do any mining. You might enquire if they have them in stock at Vancouver. A sand hole in the cylinder of the old compressor between the cylinder and water jacket blew through Thursday and we had to shut down and take the compressor apart and filled it with babbit. It is going O.K. again.

30

On the Countless I have most of the cuts cleaned out and part of the cave in the tunnel cleaned out at the Coronation No. 4 Tunnel it was filled with ice 250 feet back. I have it out and part of the cave mucked out. I have 3 men working on the Coronation and will put another man on in the morning to try and have it ready for examination by the time the mine is pumped out. I ran into more work over there than what I anticipated. More of the Tunnel has caved at the Countless since last summer. I cannot give you any definite date when the mine will be pumped out. I expect we will have to fight it down until we get connected onto our little receiver near the station.

40

I am enclosing pay roll for April and May also order for set of  $\frac{3}{4}$ " dies. I did not hear Donohue say anything about anyone coming in to buy out Butch.

Yours truly,  
"C. L. COPP"

P.S.—Mail me blue print of Mine also of water wheel that I sent down last fall, also blotting paper.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 126  
(Defendants')  
Letter  
Wallbridge  
to Copp  
June 7, 1923  
(Cont.)

Exhibit  
No. 127  
(Defendants')  
Letter Copp to  
Wallbridge  
June 9, 1923



RECORD

EXHIBIT No. 128

June 14th, 1923.

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 128  
(Defendants')  
Letter  
Wallbridge  
to Copp  
June 14, 1923

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

Dear Charlie:

Your favor of the 9th duly came to hand. I am sorry you are having trouble with the pump; there is always some trouble. I am enclosing the pay cheques, it would help some if you could hold these pay cheques out for a while. I am sending you maps as requested.

I have not been able to get in touch with Trites yet, as he only returned to the city this morning. I saw Col. Leckie yesterday and he told me that they were interested in the proposition, but he had no further information. 10

There is an Old Country man here by the name of W. E. Bland, who claims to represent English capital and who has an engineer on his way here to examine properties. We have been discussing the Cadwallader Creek country and he says he thinks his engineer will go up there and look over the country. He claims that they have plenty of money back of them. He says the engineer left London on the 2nd of June and he is expected here any day. When he comes I will have an interview with him. 20

Butch has placed his account in the hands of Noble for collection. Say nothing about this.

Yours very truly,

AHW/MH

"A. H. WALLBRIDGE"

Exhibit  
No. 129  
(Defendants')  
Letter Copp to  
Wallbridge  
June 16, 1923

EXHIBIT No. 129

(LETTERHEAD PIONEER GOLD MINES, LIMITED)

A. H. Wallbridge,  
320 Homer St., Vancouver.

Mine, June 16, 1923 30

Dear Harry:

Your note with enclosure to hand and contents noted.

In what is outlined I have nothing to suggest or add, other than to say perhaps it would be advisable to have another Engineer's Report. If you decide to sell stock. My report to your Syndicate has been confirmed by McCanns and Davis report both in merits of properties and scheme of amalgamation and proposed development. I do not agree with them in regards to depth of oxidation. Possibly at the Looede it does reach a depth of 100 ft. But not at the Coronation or Pioneer Mines. The ore I stoped at the Coronation was undoubtedly primary ore, and is what impressed me so favourable with the "Little Joe" ore shoot. I expect to have the mine unwatered Monday night (18). At the Countless I will have the cave cleaned out tomorrow night and ready for 40

inspection, at the Coronation I should have the cave ground mucked out in 2 or 3 days in the main cross cut and will then be able to get the water out of the tunnel and then be able to get into where the winze is. If you have anyone coming in wire me ahead.

Yours respectfully,  
"C. L. COPP"

EXHIBIT No. 130

(LETTERHEAD PIONEER GOLD MINES, LIMITED)  
Mine,

July 9, 1923

10 Dear Harry (Wallbridge):

The cook is going out in the morning and will be in Vancouver Thursday night. I am enclosing pay sheet for June. I have issued time checks to Hanson and Scobie for June and July. I have not given Cague his May check yet. I asked Sloan to have you send in 1/2 pint of "Tasgon" you can get it from Fleck Bros., 110 Alexander St. There is one part of the pump that we cannot get apart and I want to try it on it. Sloan seemed well pleased with the assay results and I hope you will be able to get some interested.

20 Yours respectfully,  
"C. L. COPP"

EXHIBIT No. 60

REPORT ON THE PIONEER AND CORONATION MINES  
OF BRIDGE RIVER, LILLOOET DISTRICT  
By DAVID SLOAN, M.E.

Vancouver, B. C.,  
July 10th, 1923

LOCATION:

30 These mines are located on Cadwallader Creek, a tributary of Bridge River, which itself is a tributary of the Fraser River. By direct line they are approximately 80 miles north east of Vancouver, B. C., and lie on the eastern flank of the Coast Mountains in a country showing much evidence of glacial action and in many areas deeply covered by glacial drift.

TOPOGRAPHIC FEATURES:

40 The mountains immediately adjoining Cadwallader Creek rise to an altitude of about 7,000 feet, and these are backed by others to the north east which rise to an altitude of over 9,000 feet. The general trend of the mountain ridges is northwest and southeast and the Cadwallader slopes of these ridges are fairly

RECORD

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Exhibit  
No. 129  
(Defendants')  
Letter Copp to  
Wallbridge  
June 16, 1923  
(Cont.)

Exhibit  
No. 130  
(Defendants')  
Letter Copp to  
Wallbridge  
July 9, 1923

Exhibit  
No. 60  
(Plaintiff's)  
Sloan's Report  
on Pioneer  
Mine  
July 10, 1923

## RECORD

*In the  
Supreme Court  
of British  
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Exhibit  
No. 60  
(Plaintiff's)  
Sloan's Report  
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July 10, 1923  
(Cont.)

gentle, and even, and would present no difficulty to the experienced mountain climber.

## TIMBER:

Early forest fires or those of the days of discovery swept practically all the old timber from these slopes. More recent fires have in places killed the second growth, but there still is within easy access of these properties an abundance of suitable timber for all requirements. The mountain slopes are timbered to a height of about 5,500 feet, the main growth consisting of pine, spruce and fir.

## GEOLOGY:

The gold bearing veins of the Pioneer and Coronation Mines are contained so far as opened up in an augite-diorite formation which is an elongated mass contained between the Shulaps Volcanics which is a narrow strip backed by the Bridge River series of rocks on the one side and the Cadwallader Series on the other. These latter two series comprise a wide variation of rocks the details of which may be studied from Memoir 130 of the Geological Survey by W. S. McCann. The Diorite formation in which we are most interested as it contains the gold bearing veins is an eruptive rock sure to extend to depth and believed to be younger than the Cadwallader Series and Bridge River Series, which it intrudes but older than a large area of quartz diorite which roughly parallels the augite-diorite at a distance of about 2 miles to the northeast. It is difficult to determine the width of the gold bearing formation as the surface is so extensively covered with glacial drift and the development so far done has only exposed the southern contact or contact with the Shulaps Volcanics. It is safe to say, however, that for the entire length of the Pioneer and Coronation mines the gold bearing formation varies in width from 300 to 2500 feet wide and has probably got a greater width at depth. This, then, would lead us to believe that veins occurring in the Augite-diorite formation might carry to great lateral and vertical depth, and if so we at least have a chance of a permanent ore body in these veins.

Geology would not be complete in the case of the Pioneer Mine without mention of the Albite Dykes which occur along the vein and are often included in the vein and running through the formation. These dykes since they do not occur at the Coronation Mine where the vein although smaller is richer, leads us to believe that the deposition of values was in no way influenced by them, but as explained by W. S. McCann were the last solidifying ingredients of the augite-diorite consisting mostly of Albite, which were injected into the fractures formed in the parent mass.

## VEINS:

In the Pioneer property two main veins have been exposed. These were discovered by sluicing the surface gravel in an en-

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deavor to find the vein from which rich float had been found further up the mountain or above the veins discovered. It is therefore likely that at least a third vein occurs above the two exposed as rich float is reported to be found along the hill for some hundreds of feet. No effort has been made to expose a third vein underground as little or no crosscutting has been done from the different levels.

The Coronation Mine has two main workings, one on the Countless claim, and the other on the Little Joe claim. Two  
 10 veins are exposed on the Countless paralleling each other and two veins are exposed in the main Coronation workings on the Little Joe, one cutting into the other at a sharp angle and rather flat dip, which for purposes of distinction we will call the B. Vein as it appears to belong to a distinctly separate fissuring from all the others. About 600 feet further up the hill a third vein outcrops, but has very little work done on it. It apparently belongs to the main system of fissuring which strikes generally about 25° to 30° north of west, or roughly, about magnetic east and west. The dip  
 20 varies from vertical in the surface workings of the Pioneer to 50° to the north, or even more in some of the surface workings on the various claims but where the ore has so far been stoped out, would average about 80°.

#### DEVELOPMENT:

The finding of rich free gold quartz float above the present workings of the Pioneer combined with the fact that the formation was covered with a heavy overburden of glacial drift caused the early explorers to resort to ground sluicing to uncover the outcrops. The grade of the slope and the nature of the overburden made this method of exploration quite suitable so we find the mountain side  
 30 for at least a mile cut by deep open cuts but none apparently have opened up the vein from which the rich float is presumed to have come. The Pioneer outcrops and some small, though rich, showings on the Countless claim were discovered in this way.

The Pioneer Mine was then explored by shallow tunnels and an incline winze was sunk from the first level. This is now turned into the working shaft and has been sunk about 200 feet below the first level and continued up to the surface. About 2,000 feet of development has been done on the three levels about 500 being done on the lowest or third level.

40 The Coronation Mine was developed by four shallow tunnels, which do not reach a depth below the outcrop of much over 200 feet. These workings with the exception of the fourth or lowest level are closed by caving in and only parts of the old stopes can be entered. A winze has been sunk from the lowest level about 60 feet on the ore chute. Other workings are two crosscut tunnels on the Countless claim, both of which cut small veins but only a

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small amount of drifting has been done on them. Being placed midway between the Pioneer and Coronation mines they help to prove the continuity of the fissuring through from one property to the others.

## VALUES:

When first discovered on the Pioneer the No. 2 vein or most northerly vein, contained some rich free milling gold ore and this for the distance of about 100 feet above the first level is worked up to the overburden and the ore was milled in an arrastra, the motive power being provided by a water wheel arranged in the creek. For many years the original owner is reported to have made a living in this way, milling ore as long as the high water in the creek would permit. 10

The veins on this level as in the levels below run together for some distance the fissuring being close to the contact of the augite-diorite and Serpentine of the Shulaps Volcanics and roughly paralleling it. No. 1 vein lies next to the Serpentine, and No. 2 vein further away, yet values in No. 2 above the first level are greater than those in No. 1, which would indicate that the proximity of the contact had not everything to do with the richness of the ore as might be concluded from various observations in other workings, where the values are better close to the contact. 20

Samples taken on pillars left and in the faces and back of drifts on this level would indicate that the values on this level would have an average of about \$15.00 over an average width of about 2 feet, and an ore chute of about 300 feet length.

The second level shows a much longer ore chute as No. 2 Vein is followed westward about 300 feet from the shaft. To the east both veins swell and pinch in small chutes and narrow streaks so that up to the junction which is about 30 feet east of shaft, the average width does not exceed 15", and the average values \$10.00. It can be readily seen that in order to make this part of the mine profitable to work, only the larger and higher grade sections can be stoped, and the ore could only show a profit when most economically handled. From the intersection of the veins westward for about 200 feet the main ore body has been opened up on this level and is mined out with the exception of a portion of about 40 feet through which the shaft passes. Only a rough estimate of the values of this ore can be obtained from samples of the pillars which would indicate from \$15.00 to \$18.00 over a width of 3' 6". Following the No. 2 vein westward from the parting another ore chute has been worked up to the gravel, which, at this point is not over 50 feet above the level. This ore chute is narrower and lower grade and probably would not average over \$10.00 over a width of 3 feet for a length of 150 feet. These can only be roughly estimated as nothing except a few pillars and empty stopes, are left to judge from. 30 40

The third level is nearly 100 feet below No. 2. Here little drifting is done beyond the good ore. Samples taken from 20 feet east of the shaft to 160 feet west would indicate an ore body of an average grade of about \$18.00 per ton and width of 4 feet for a length of 180 feet. As this is the intersection ore body it is at least as good or better than the level above, and has every assurance of being persistent to depth. It is less faulted and displaced than on the levels above, where considerable faulting and crushing are showing. In this level the wall rocks are more silicious and impregnated with iron and arsenic sulphides and numerous stringers of quartz are to be found cutting into the wall rock. These also carry some values.

A short crosscut from the main ore body on this level cut the No. 2 Vein but no proof is to be found if this is not another vein, more work is required to determine. A stope about 60 feet long has been started here but could not be examined on account of bad air. Mr. Copp, who started this stope, reports a varying width up to 3 feet and values up to \$18.00 per ton so that the grade of ore here as broken down will probably be \$7.00 to \$10.00.

In all faces, on all the levels, the veins still continue and although small and low grade they might lead to other ore chutes and one level ought to be driven east and west as long as the chances appear favorable for opening up ore ahead.

The Countless claim outcrops, as exposed in open cuts, prove two distinct gold bearing veins, from which a small quantity of ore has been milled. These outcrops must belong to the same general fissuring as those of the Pioneer. The South or No. 1 Vein having about \$5.00 values over a width of about 18" and the No. 2 running up to \$45.00 over a width of 1 foot. In one place No. 2 assays \$5.20 over a width of 3 feet. These outcrops on No. 2 vein are so continuous and in line that Mr. Copp, who opened them up, found them by removing 10 feet of overburden, where he determined the vein ought to be.

A 500 foot crosscut driven about 250 feet west of the richest showing cutting the No. 2 vein at about 250 feet below the outcrop and No. 1 at about 180 feet, proves the veins to be where they were expected, but here there is only a few feet of drifting done and the values so far run low, but further drifting has fair chances of opening up pay ore.

The main workings of the Coronation could only be sampled on the fourth level and in the winze, which by hand power could only be unwatered to 40 feet below the collar. The average grade of the ore in this winze from 15 samples taken every five feet on both sides averages \$30.00 over an average width of 15". At the collar of the winze the vein is not over 6" wide, while in going down it gradually widens till at water level it was 20". Along the fourth level, on both sides of the winze, the vein can be sampled in the

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floor of the tunnel. Here the values run up as high as \$164.40 over 10", but no consistent sampling could be done without much work of removing track and filling, as the operators, being anxious to get all available ore, had gouged as deeply as they could get it out. Above this level the vein has been stoped through to the surface and is reported to have averaged \$40.00 per ton, when no wall rock was included, which in all probability is correct.

The ore chute on level above is reported to be 500 feet long, but narrows down to 4" or 5" of ore on east end.

The B. Vein before mentioned cuts the other vein at an angle on the horizontal of about 60 degrees and has a dip of 30 degrees to the West, the strike being about North 55 degrees east. This vein, samples where cut, in two places, in the workings, gave an average of \$6.00 per ton over a width of 3' 6" and 18" respectively. These two points will probably be 60 feet apart and this vein should be followed on this level, towards the contact of the diorite and serpentine as it has fair chances of containing good ore. 10

#### REMARKS:

The altitude at the No. 4 level of the Coronation is about 3600 feet or roughly speaking 400 feet below the first level of the Pioneer. The two properties are about 4,000 feet apart but if development proved the values in the Coronation to go down and the vein to get big enough in size, which it has a fair chance of doing, it would pay to centralize the operations of the two properties, but before that stage they must be operated separately. The Pioneer has an excellent chance of developing into a much larger mine than at present is apparent and it is almost a certainty that even with the limited equipment now on the property and economical handling the mine can be made to return any capital invested in it and if development proves, that more equipment is justified, as is most likely to be the case, it should become a dividend payer. 20 30

Capital is necessary for development and \$25,000.00 at least should be spent on the Pioneer in development before any attempt is made at milling and then a 50 ton plant or larger should be installed and a greater horse power developed to assure economical operation.

The stopes of poorer ore which were left when they pinched up or got poorer could then be worked at a profit, and the life of the mine thereby prolonged. 40

The Coronation has a somewhat slimmer chance of being a profit producer but is a good prospect and is well worthy of development. Power could be piped from the Pioneer and used for hoisting, drilling and pumping which should be carried on at the same time as development on the Pioneer. This would probably tax the capacity of the power plant but as Mr. Copp advises, the

power could be increased 25% by changing a 4" diameter pulley to a 5" diameter this should be done, \$25,000, spent on development in this way would develop the present workings to a depth of 300 feet below the fourth level and do some drifting. There is little doubt but that such development would put several times the expenditure in sight. This ore has a beautifully streaked appearance caused by the deposition of arsenical and iron pyrites in the parallel shearing fractures of the quartz and to the experienced miner the intensity of fracture determines to a great extent the richness of the ore as most of the gold is contained in the shearing plain. The Pioneer ore is much the same, but more of the gold is contained there in the unsheared quartz.

10

### EQUIPMENT:

It is obvious that these properties have suffered from lack of proper equipment as well as foresight in mine development. Their distance from the railroad and lack of proper transportation were difficulties that are partly solved today, but better equipment to provide more power and milling capacity will be necessary in the future to make a success. Plenty of water power can be obtained, by extending the flume, to operate both properties and a mill could be arranged to handle ore from both properties. The Coronation mine has been operated to date by hand.

20

This is now impossible to assure success. The 10 stamp mill and other equipment on it might be made some use of but this should depend on development.

### CONCLUSIONS:

These gold deposits occur under very favourable mining conditions, which are often a big factor in successful operation. No difficulty should be experienced in holding walls as they are not of a caving nature. The shrinkage method of stoping would work to perfection and the vein although hard in places is not tight, and would break easily, leaving little to be desired for favourable mining conditions.

30

Above ground the distance (55 miles) from railroad is an obstacle, but the road is suitable for truck and all heavy transportation could be done in the good weather. Timber is not a scarce article. Water power is the cheapest possible, and a suitable mill of required capacity is the big requirement. This should only be decided upon when development has reached a state that will enable you to comprehensively grasp the requirements. The ore apparently contains less free gold as depth is attained so it may be necessary to abandon amalgamation altogether, and cyanide all values. This can only be decided as development progresses.

40

Exploration work could be carried on by diamond drilling to good advantage from the drifts east and west under ground and

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the chances look favourable to discover ore chutes between the two properties either in the veins already discovered or new ones to be found.

The ground adjoining these properties on the north side should be included in any amalgamation as the vein may dip more than indicated on the surface carrying the ore beyond the side lines at depth.

The prospects for the success of an amalgamation of these two properties are very good and we would recommend the expenditure of \$50,000.00 on development, and giving most attention to the Pioneer, it being the major property of the two. 10

Respectfully submitted,  
(Sgd.) DAVID SLOAN, M.E.

Exhibit  
No. 132  
(Defendants')  
Letter  
Wallbridge  
to Copp  
July 20, 1923

## EXHIBIT No. 132

July 20th, 1923

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

Dear Charlie:

I do not think I can make a deal with Trites. I have the proposition up to another outfit from New York, who were in the Whitewater. The Engineer's name is Mr. Nicholl and he is traveling with Hammond. I had an interview with him this morning but whether we can do anything with him or not remains to be seen. They were at Bert Williams' a week ago and considered going up Cadwallader Creek but decided not to go. 20

I am sending up Hansen's time checks by cash today. I have not noticed Rooth around this office yet. Surely you are not keeping him up there.

I sent up half a pint of Tasgon oil by mail. This was mailed on Wednesday. 30

Yours very truly,  
"A. H. WALLBRIDGE"

AHW/MH

Exhibit  
No. 131  
(Defendants')  
Letter Copp to  
Wallbridge  
July 21, 1923

## EXHIBIT No. 131

PIONEER GOLD MINES LIMITED  
(Letterhead)

Mine, July 21st, 1923

Dear Harry (Wallbridge):

Yours of the 20th to hand and contents noted. Was sorry to hear that you could not land Trites. Their engineer has gone into the Whitewater. Bert Williams was telling me tonight that they were taking an assay outfit and that Shepherd was going in for 40

10 them. He also told me that Nicholl and Hammall were coming up here on their return from the Whitewater. But they kept agoing when they came out. I kept Rooth on until today. I was having trouble with the pump and the water was gaining. The pump needs some new parts and plunger. But I will try and manage with it until something is done. I wanted Hansen to stay on for a few days. But he is going to California. If any one should be coming up to examine the mine wire me in advance. I am keeping the tunnel cleaned out at the Coronation. I did not put any timber in when I cleaned out the caves this spring and it is sluffing. But I can manage to keep it open for some time. We cut up all the slabs that were piled near the mill and got 8 or 9 ricks of stove wood, put some new tables and zinc in the kitchen. Donohue left things in a pretty dirty shape when he left. He was shooting off along the River about how the Coy. had treated him, and that he was going to make them pay him for the balance of July, so if he starts anything I will put in a bill against him. I would like to have a copy of Sloan's report.

20 I am completely out of supplies. I am enclosing an order for groceries which I want you to get out for Saturday's stage. There will be enough to make it an object for Butch to come over. I also enclosing Craig's bill. Hoping to hear of something doing in a week or so.

I am, yours respectfully,  
"C. L. COPP"

---

EXHIBIT No. 86

July 26th, 1923

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

30 Dear Charlie:

Yours of July 20th received. I cannot do anything with Mr. Hamill or Mr. Nicholson. I got to see Mr. Hamill and had a long interview with him and showed him the reports and made an appointment with him for the next morning but they beat it out of town. I still have Trites on the string. If we cannot put a deal through we will have to endeavor to sell some stock to raise enough money to go ahead with the property. Encouragement to sell this through brokers is very slim and I am afraid we will have to get out ourselves and see what we can do with our friends.

40 Your order for groceries could not possibly be shipped here and get out on the stage on Saturday as the freight would not leave till Wednesday and is not delivered in Shalalth till Saturday so I sent this order on to Craig, except the eggs which will go from

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 131  
(Defendants')  
Letter Copp to  
Wallbridge  
July 21, 1923  
(Cont.)

Exhibit  
No. 86  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
July 26, 1923

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 86  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
July 26, 1923  
(Cont.)

here. I told Craig to get into communication with you with reference to the order. You asked for onions. It is impossible to buy onions to ship here. The old onions on the market would not be fit to use when they got up there. You will have to get on without any unless you can succeed in getting some up there, I have an idea you could get fresh eggs at Hansen for about 30 cents a dozen if Butch would bring them up, and I do not see why he should not. However, this is a matter for you to decide. There is not a lot of difference between the price which Craig charges and the wholesalers here, and I do not think we could get the wholesalers to ship such small quantities. It is 40 cents a pound for Premier bacon and then it would cost about 3 cents a pound to get it to Shalalth for such a small quantity. So as Craig is only charging 45 cents I gave the order to Craig. I sent him my personal cheque for his account in full.

10

Sloan gives a much better report of the property to the individual shareholders than he does in his report. I enclose herewith his assay sheets. What we have to do is mark time and not spend any unnecessary money until we get things into line.

Yours very truly,

"A. H. WALLBRIDGE"

20

Exhibit  
No. 133  
(Defendants')  
Letter Copp to  
Wallbridge  
July 28, 1923

## EXHIBIT No. 133

(LETTERHEAD OF PIONEER GOLD MINES, LIMITED)  
Mine,

A. H. Wallbridge,  
320 Homer Street, Vancouver.

July 28, 1923

Dear Harry:

Your favour of the 25th with enclosures to hand and contents noted. Also received wire re supplies I ordered from Craig and Butch brought them in this evening. We were pretty low. Rooth and I went down to Fish Lake and caught 46 trout which put us over for the week. We got back at 11 p.m.. The weather has been very hot up here for the last week. I have been cutting hay here in the spare time. Will try and get enough to do the team while hauling logs if you decide to start.

30

There is quite a number going into the Whitewater. I have not heard of Woods' and Trites' engineer coming out yet. Shepherd's brother went in to do the assaying for him. I have hopes that you may be able to get them to come in here. I feel sure that they would take hold if they seen the property.

40

Yours truly,

"C. L. COPP"

## EXHIBIT No. 61A

RECORD

## FACTS RE PIONEER GOLD MINES, LIMITED

Capital: \$1,000,000.00, divided into 1,000,000 shares, par value \$1.00

Issued: 750,000 shares                      Unissued 250,000 shares

The Directors of the Company have 250,000 shares of issued capital at their disposal for the purpose of financing further development of the property, which shares have been turned over by the shareholders to the Directors or their nominee for this purpose.

10 LOCATION: The properties are located on Cadwallader Creek in the Bridge River section of Lillooet, about 50 miles by auto road from Shalalth, a station on the Pacific Great Eastern Railway, 108 miles from Vancouver.

TOPOGRAPHY: The Cadwallader mineral belt is in extent about three miles long and 2000 feet wide, and is on the augite diomite belt.

The following extract from the Report of Mr. W. S. McCann, of the Canadian Geological Survey, made in 1922, Memoir 130, on the Bridge River district is of considerable interest:—

20 “There are no data available for determining whether rich ore shoots persist at depth in the gold-quartz veins of the district. The lowest depth attained by the present workings is a little over 300 feet below the outcrop of the vein. It is reasonably certain, however, that the fissures extend to great depth as long as they are contained in the augite diorite, and that the quartz and other minerals with which they are filled were deposited under almost uniform conditions within the limits of possible mining operations. Gold-quartz veins of other regions which are almost identical with those in the region under discussion in structural and mineralogical characters have been followed to great depths. At Grass Valley, California, the North Star vein has been proved to contain rich ore-shoots at a depth of over 6000 feet along the dip of the vein, or at a distance of over 2000 feet vertically below the surface. At Juneau some of the veins have been followed along their dip to a vertical depth of more than 2000 feet, and in the Kennedy Mine on the Mother Lode belt good ore has been obtained at a depth of 4000 feet.”

30 Mr. David Sloan, Mining Engineer, and a man of large practical experience in mining properties in the West and throughout the New Ontario gold fields for the last twelve years, says in his report made to the Company on July 10th, 1923:—

40 “The third level is nearly 100 feet below No. 2. Here little drifting is done beyond the good ore. Samples taken from 20 feet east of the shaft to 160 feet west would indicate an ore body of an average grade of about \$18.00 per ton and width of 4 feet for a length of 180 feet. As this is the intersection ore body it is at least as good or better than the level above, and has every assurance of being persistent to depth. It is less faulted and displaced than on

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 61A  
(Plaintiff's)  
Memorandum  
of Facts re  
Pioneer Mine  
prepared by  
Defendants'  
(undated)

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 61A  
(Plaintiff's)  
Memorandum  
of Facts re  
Pioneer Mine  
prepared by  
Defendants'  
(undated)  
(Cont.)

the levels above, where considerable faulting and crushing are showing. In this level the wall rocks are more silicious and impregnated with iron and arsenic sulphides, and numerous stringers of quartz are to be found cutting into the wall rock. These also carry some values.

"The Pioneer has an excellent chance of developing into a much larger mine than at present is apparent and it is almost a certainty that even with the limited equipment now on the property and economical handling the mine can be made to return any capital invested in it, and if development proves that more equipment is justified, as is most likely to be the case, it should become a dividend payer. 10

"Capital is necessary for development, and \$25,000 at least should be spent on the Pioneer in development before any attempt is made at milling, and then a 50-ton plant or larger should be installed and a greater horse power developed to assure economical operation."

Mr. Sloan has the following to say of the Coronation Mine, of which this Company has a very favorable option to purchase:—

"The Coronation is a good prospect and is well worthy of development. Power could be piped from the Pioneer and used for hoisting, drilling and pumping, which should be carried on at the same time as development on the Pioneer. \$25,000.00 spent on development in this way would develop the present workings to a depth of 300 feet below the fourth level and do some drifting. There is little doubt but that such development would put several times the expenditure in sight. This ore has a beautifully streaked appearance caused by the deposition of arsenical and iron pyrites in the parallel shearing fractures of the quartz, and to the experienced miner the intensity of fracture determines to a great extent the richness of the ore, as most of the gold is contained in the shearing plains. The Pioneer ore is much the same, but more of the gold is contained there in the quartz." 20 30

PRODUCTION: The Pioneer Gold Mines has produced, out of 8,000 tons of ore milled, \$135,000.00 in gold, and from the tailing dump has recovered values to the extent of \$4.55 per ton. This would show a value of around \$21.00 per ton.

WATER POWER: Already developed to 125 H. P.

TIMBER: Plenty on the property.

PLANT: Includes 2 Compressors, Bryan Quartz mill, Electric light plant, Sawmill, Hoists, Complete assay outfit, 40-ton cyanide leaching plant, Mill buildings, Blacksmith shop, Assay office, Bunkhouse and Kitchen, Ore bins, Timber shed and all other necessary buildings. 40

EQUIPMENT: Tools, Stopping Machines, Drills, Mine cars, including a 1½ ton Motor Truck in good order.

TITLE AND PROPERTIES: The Pioneer group consists of Ten crown-granted mineral claims containing about 369 acres, and the Coronation group consists of Six crown-granted mineral claims. These claims are all Crown-Granted and the Titles are in perfect order.

10 From Mr. Sloan's estimate of the Pioneer Gold Mines we should develop, after the expenditure of \$25,000.00, not less than \$325,000.00 worth of ore blocked out and ready to mine and mill. If we decide to go ahead on the Coronation the results of development are not so positive.

The 250,000 shares above mentioned are now being offered at 25 cents per share for the purpose of developing these two properties.

This offering is made in the belief that the Directors are giving their friends an opportunity to participate in a reliable, conservative mining venture of particular merit, and they do not hesitate to recommend the purchase of these shares.

20 Mr. Sloan has agreed to take charge of the property and develop it for the Company, and is prepared to subscribe for a block of stock on condition that we raise the capital necessary to carry out his scheme of development.

The Officers and Directors are as follows:

President: General J. Duff Stuart; Vice-President: A. E. Bull; Secretary Treasurer: A. H. Wallbridge; Directors: W. W. Walsh, A. Ferguson.

The following well-known men are also large shareholders in this company:

Dr. R. B. Boucher, Dr. F. J. Nicholson, Mr. H. C. N. McKim, Mr. W. J. Twiss, and Mr. Peter Ferguson.

30 (This document marked on Examination for Discovery of Defendant Bull as No. 5)

EXHIBIT No. 61 B

Vancouver, B. C.,  
August, 1923

I hereby agree to purchase from A. H. Wallbridge ..... shares of the ordinary capital of the Pioneer Gold Mines, Limited, held by him in trust for sale at Twenty-five (25c.) Cents per share for the purpose of financing the said Company and developing its properties, and I agree to pay for the same as follows:

- 40 Twenty (20%) per cent. Cash.
- Twenty (20%) per cent. on September 15th, 1923.
- Twenty (20%) per cent. on October 15th, 1923.

RECORD  
—  
*In the  
Supreme Court  
of British  
Columbia*  
—  
Exhibit  
No. 61A  
(Plaintiff's)  
Memorandum  
of Facts re  
Pioneer Mine  
prepared by  
Defendants'  
(undated)  
(Cont.)

Exhibit  
No. 61B  
(Plaintiff's)  
Formal  
Application  
for Shares  
to accompany  
Exhibit  
No. 61A  
Aug. 1923

RECORD

*In the  
Supreme Court  
of British  
Columbia*

No. 61B  
(Plaintiff's)  
Formal  
Application  
for Shares  
to accompany  
Exhibit  
No. 61A  
Aug. 1923

Exhibit  
No. 62  
(Plaintiff's)  
Printed  
Circular re  
Pioneer Mines  
(undated)

Twenty (20%) per cent. on November 15th, 1923.  
Twenty (20%) per cent. on December 15th, 1923.

-----  
Purchaser

I hereby agree to carry out above sale.

-----  
Vendor.

-----  
EXHIBIT No. 62

(This exhibit consists of a printed and illustrated pamphlet.  
The illustrations are omitted.)

10

-----  
A REAL OPPORTUNITY IN GOLD MINING IN  
BRITISH COLUMBIA

One that will bear the closest scrutiny.

(Illustration showing vein in Pioneer Mine)

This circular is published and circulated for the purpose of placing  
before the public the shares of the Company herein mentioned by

A. H. WALLBRIDGE

Broker and Financial Agent

320 Homer Street

Vancouver, B. C.

(End of Page One)

20

PIONEER GOLD MINES, LIMITED

Capital \$1,000,000.00

Divided into 1,000,000 Shares of the Par Value of \$1.00 Each.

Issued Capital 750,000 Shares

The holders of the Issued Capital have agreed to the sale of an  
amount of their stock not exceeding 375,000 shares, the proceeds  
to be used to finance the Company, a portion of these shares are  
now offered the public.

-----  
OFFICERS AND DIRECTORS

BRIG.-GEN. J. DUFF STUART, of The Clarke & Stuart Co., 30  
Ltd., President.

A. E. BULL, of Harris, Bull & Mason, Barristers, Vice-President.

DR. F. J. NICHOLSON, Director.

W. W. WALSH, of Walsh, McKim & Housser, Barristers, Direc-  
tor.

A. H. WALLBRIDGE, Secretary-Treasurer.

Two more Directors are to be added from the new stockholders.

LET BRITISH COLUMBIANS OWN A REAL GOLD MINE.  
KEEP THESE GREAT MINING PROFITS IN B. C.

(End of Page Two)

PARTICULARS IN BRIEF

PROPERTY:—On Cadwallader Creek, tributary of Bridge River, Lillooet District, fifty miles by good auto road from Shalalth, a station on the P. G. E. Railway, 108 miles from Vancouver, B. C.

10 AREA:—369 acres, or ten Crown Granted mineral claims, owned outright by the Company.

ORE:—Free milling, white-ribbon quartz—a true fissure vein.

VALUES:—Average value of ore already milled is \$21.80 per ton.

WORKING COST:—\$8.00 per ton considered high.

WATER POWER:—Abundant supply; flume built 1,700 feet long.

DEVELOPMENT:—Shaft sunk on vein 200 feet from collar of shaft; vein proved to that depth.

ILLUSTRATION

20 entitled

“View of Pioneer Gold Mines Mill and Shaft House”

PLANT:—Complete equipment including 25-ton per day mill, two compressors, mine cars, hoist, pumps, etc., also 40-ton cyanide plant.

EXTENSION:—With the proceeds of the sale of this stock it is proposed to further develop the property down some feet with cross cuts, etc.

30 PAST PRODUCTION—The Pioneer Gold Mines, Limited, has produced out of 8,000 tons of ore milled \$135,000. Added to this the Gold left in the mill tailings assay value \$5.20 a ton, would indicate a production of \$175,000 in Gold or over \$21.80 a ton. This has all been produced from within 200 feet of outcrop, leaving probably more than a third of the Gold in place in the ore bodies exposed above the third level.

40 ORE IN MINE:—Down to a further depth of 300 feet it is conservatively estimated there is a body of ore amounting to a value of \$300,000, of which at least \$150,000 will be profit and in conjunction with this development further ore bodies are almost certain to be discovered and the mine put into such condition which will warrant the enlargement of the present mill and leading to increased profits in the future.

ESTIMATED PROFIT ON A CONSERVATIVE BASIS  
—A definite estimate of the profits that this property may be expected to yield cannot be made until ore is blocked out and its value definitely determined, but for the purpose of determining a reasonable basis for computing possible profits it is assumed that

RECORD

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Exhibit  
No. 62  
(Plaintiff's)  
Printed  
Circular re  
Pioneer Mines  
(undated)  
(Cont.)



RECORD  
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 Supreme Court  
 of British  
 Columbia  
 Exhibit  
 No. 62  
 (Plaintiff's)  
 Printed  
 Circular re  
 Pioneer Mines  
 (undated)  
 (Cont.)

the ore will average \$18 per ton. Ore previously mined ran \$21.80 per ton.

Value of Ore, per ton .....	\$18.00
Mining, per ton; Milling, per ton; Development, per ton; Mill loss, per ton .....	8.00
Net profit per ton .....	\$10.00

Yearly profit on 50-ton plant daily production, or 250 days per year of 50 tons daily, \$125,000.00. A return each year of at least 12½ cents per share or 50 per cent. on your money.

ILLUSTRATION

10

entitled  
 "Dam giving cheap water power to the Pioneer Mine"

EQUIPMENT

WATER POWER:—Rock and crib dam 125 feet long, 10-foot face. 1,700 feet of 4 x 5 flume which supplies the water for a 30-inch Canadian Turbine water wheel, which under the present head, 40 feet, develops 125 horse power.

TIMBER:—Plenty on the property.

PLANT:—

- 1 5-foot Bryan quartz mill, capacity 25 tons per 24-hour shift. 20
- 2 Ingersoll Rand 12 x 12 Compressors, Receivers, etc., Air Capacity 600 feet per minute at 100 pounds pressure.
- Dynamo and complete electric light plant.
- 1 2½ American sawmill, connected to run from line shaft of the plant.
- 1 20 horse-power Vertical Steam Boiler which at present is used for heating purposes in the mill.
- 1 25 horse-power Vertical Steam Engine.
- 1 3 horse-power Vertical Steam Engine.
- 1 6 x 8 Jenckes Hoist. 30
- 1 5 x 8 Jenckes Hoist, Anaconda type.
- Complete assay outfit.
- 1 40-ton 48-hour contact cyanide leaching plant with water flumed to plant; also water wheel for driving solution pump, etc. Also furnace for smelting product.

MINE BUILDINGS—Mill building, blacksmith shop, equipped with the necessary tools, shaft and hoist house, assay office, bunkhouse and kitchen to accommodate 15 men, powder house, oil house, 100-ton ore bin roofed over, timber shed and other necessary buildings. 40

EQUIPMENT—Tools, stoping machines, mine cars, and everything necessary for the complete equipment of a go-ahead mine, including 1½ ton motor truck. The value of the plant and equipment is estimated at around \$40,000.00.

EXTRACTS FROM  
REPORTS ON PIONEER GOLD MINES, LIMITED

10 GEOLOGY—There has just been published a geological description of this area by W. S. McCann, of the Canadian Geological Survey (Memoir 130) geological maps are included. Mr. McCann also gives detailed descriptions of the various mines of the district, and sums up the situation in a very able manner. It will be noted in this connection that he believes that once below the oxidized portions of the veins, which he puts at about 100 feet, there is no reason to expect decreasing values for a great distance. The lowest depth, it may be observed, opened up in the camp at present is around 300 feet.

20 In W. S. McCann's Report referred to above, on page 46, he states: "The mining properties in the district are still in the prospect stage, except in the Cadwallader Creek gold belt, where there are a few well-established mines, namely: the Pioneer, Coronation, in which considerable work has been done. But even in these mines no vein has been explored to a depth exceeding 300 feet. No development work of any importance has been done on any other types of deposits than the gold-quartz veins, which will be discussed in detail in this chapter."

And on page 66 of the same Report, Mr. McCann says: "Though it has not been possible to examine the veins of the Bridge River map area at depth, on account of the shallowness of their workings, they are observed to be practically identical in mineralogy, structure, and relation to surrounding rocks, as the veins in Grass Valley, California, and in South-eastern Alaska, and it may be assumed that they are of practically the same origin."

30 (Page 61) "There is no data available for determining whether rich ore shoots persist at depth in the gold-quartz veins of the district. The lowest depth attained by the present workings is a little over 300 feet below the outcrop of the vein. It is reasonably certain, however, that the fissures extend to great depth as long as they are contained in the augite diorite, and that the quartz and other minerals with which they are filled were deposited under almost uniform conditions within the limits of possible mining operations. Gold-quartz veins of other regions, which are almost identical with those in the region under discussion in structural and mineralogical characters, have been followed to great depths. 40 At Grass Valley, California, the North Star vein has been proved to contain rich ore-shoots at a depth of over 6,000 feet along the dip of the vein, or at a distance of over 2,000 feet vertically below the surface. At Juneau some of the veins have been followed along their dip to a vertical depth of more than 2,000 feet, and in the Kennedy Mine, on the Mother Lode, California belt, good ore has been obtained at a depth of 4,000 feet."

Mr. David Sloan, Mining Engineer, and a man of large prac-

RECORD

*In the  
Supreme Court  
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Columbia*

Exhibit  
No. 62  
(Plaintiff's)  
Printed  
Circular re  
Pioneer Mines  
(undated)  
(Cont.)

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Exhibit  
 No. 62  
 (Plaintiff's)  
 Printed  
 Circular re  
 Pioneer Mines  
 (undated)  
 (Cont.)

tical experience in mining properties in the West, and throughout the New Ontario gold fields for the last twelve years, says in his Report made to the Company on July 10th, 1923, re Pioneer:—

“The third level is nearly 100 feet below No. 2. Here little drifting is done beyond the good ore. Samples taken from 20 feet east of the shaft to 160 feet west would indicate an ore body of an average grade of about \$18.00 per ton and width of 4 feet for a length of 180 feet. As this is the intersection ore body it is at least as good, or better than, the level above, and has every assurance of being persistent to depth. It is less faulted and displaced than on the levels above where considerable faulting and crushing are showing. In this level the wall rocks are more silicious and impregnated with iron and arsenic sulphides, and numerous stringers of quartz are to be found cutting into the wall rock. These also carry some values. 10

“That the Pioneer has an excellent chance of developing into a very much larger mine than at present is apparent and it is almost a certainty that even with the limited equipment now on the property and economical handling the mine can be made to return any capital invested in it and if development proves that more equipment is justified, as is most likely to be the case, it should become a dividend payer. 20

“Capital is necessary for development, and \$25,000.00 at least should be spent on the Pioneer in development before any attempt is made at milling, and then a 50-ton plant or larger should be installed, and a greater horse-power developed to assure economical operation.

“These Gold deposits occur under very favorable mining conditions, which are often a big factor in successful operation. No difficulty should be experienced in holding walls as they are not of a caving nature. The shrinkage method of stoping would work to perfection and the vein, although hard in places is not tight and would break easily, leaving little to be desired for favorable mining conditions.” 30

ASSAY SAMPLES  
 Taken from the 300-foot level  
 PIONEER GOLD MINES, LIMITED  
 By David Sloan, M.E., in July, 1923

Sample No.		
42.	Average 2 feet hard quartz, west of face, 20 feet east of shaft on No. 1 vein .....	\$ 1.20 40
43.	Average 1 foot hanging wall vein nearly opposite No. 42 .....	10.80
44.	Average 32 inches, 1 foot being gange 10 feet east of shaft .....	8.80
45.	Average 32 inches, opposite shaft where No. 2 vein is probably in hanging .....	28.40

		RECORD
	46. Average 2 feet 6 inches, 10 feet west of shaft, excellent looking ore .....	108.80
	47. Average 18 inches, on east end of large stope and 15 feet west of shaft .....	75.20
	48. Average of 4 feet, on east side of first pillar, 63 feet west from No. 47 .....	22.80
	49. Average 45 inches, on west side pillar, 10 feet west of No. 48 .....	19.20
10	50. Average 72 inches, hard, white quartz on east edge, next pillar 16 feet west of 49 .....	4.20
	51. Average 55 inches, 8 feet west of No. 50; hard, white quartz .....	22.40
	52. Average 24 inches, on west end of pillar, 16 feet west of No. 50, some heavy sulphides .....	75.60
	53. Average 20 inches, on east face next pillar, 40 feet west of No. 52. A pillar lies between, but vein pinched	13.60
	54. Average 2 feet, 8 feet west of No. 53, west side. Small pillar 6-inch wall rock .....	24.40
20	55. Average 10 inches, foot wall, streak cutting into formation opposite No. 54 .....	4.00
	56. Average 6 feet, half quartz and half foot wall, 50 feet west of No. 54, 15 feet west of winze .....	8.40
	57. One foot of hanging wall, opposite No. 56 .....	30.00
		\$457.80
		Average (16 samples) .....\$ 28.60

(This document is marked on Examination for Discovery of Defendant Bull as No. 6)

EXHIBIT No. 134

August 9th, 1923.

30 Mr. C. L. Copp,  
Lorne Mine P.O., B. C.  
Dear Charlie:

I got a slip today for \$8.18 for one barrel No. 66868. I cannot find this amongst the list of either of the two barrels on hand to be shipped when I was up at the mine; barrel No. 70676 and No. 9358 were on hand. If either of these barrels was shipped we would be entitled to a credit of \$15.00 per barrel. Did you take the number of the barrels you sent down? If so, please advise.

40 I have nothing new to report. I am doing the best I can to get things whipped into line.

I had an interview yesterday with O. B. Smith, who was quite interested in the proposition. I told him that I had the Coronation tied up and he said that he thought he could put it over and promised to let me know on Friday.

Exhibit  
No. 134  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Aug. 9, 1923

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 134  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Aug. 9, 1923  
(Cont.)

When Rooth was here he told me that the water in the Coronation winze had only risen 6 feet. Is this so? You might take a look and see how far the water is from the top.

I enclose herewith memorandum which please return to me. It is referring to the coming back of half our stock to the treasury for financing purposes. They have all agreed to this and we know it will meet with your approval but just in case something might happen we had better have it on record.

Yours very truly,

"A. H. WALLBRIDGE" 10

## EXHIBIT No. 135

August 17th, 1923

Exhibit  
No. 135  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Aug. 17, 1923

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.  
Dear Charlie:

Your favor of August 11th received. We will get after the tanks from the Imperial Oil Co. According to their slip they have only shipped one tank. I have asked the B. C. Equipment Co. to send you a list of repair parts for a prospector's size of pump.

Your wire of yesterday received, which I interpret as follows: "Trites' engineer leaves first boat for Lorne Mine. Our mine ready for examination if desires," which information I was glad to receive. I have not got into communication with Trites because I have a deal on with O. B. Smith, who is to get an answer from some engineer for old country people as to whether they will go up to the mine next Tuesday or not. But if they do not give me a decision immediately I will get in touch with Trites and see what we can do in the matter. 20

O. B. Smith has wired Noel asking for a price on the Lorne mine and he wired back that he would not give a price over the phone but that he was to come up there and deal. If he can get the Lorne mine he feels quite positive that he can put the deal through with these old country people. It all depends on whether they will go up or not. If Smith goes up I will immediately wire and let you know, and if not I will get in touch with Trites. A delay of two or three days will not make any difference because Trites can reach his engineer by wire. 30

Yours very truly,

AHW/MH

"A. H. WALLBRIDGE"

## EXHIBIT No. 136

August 24th, 1923

Exhibit  
No. 136  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Aug. 24, 1923

C. L. Copp, Esq.,  
Dear Chas.:

O. B. Smith could not make a deal at present. Trites has been out of town since your wire arrived and I only saw him this morn-

40

ing. He told me the Engineer asked him to go and see some property close to wagon road and he did not think they were near Lorne Mine. However you knew whether they were up there. He also told me the Engineer would be in Vancouver to-day.

10 I could not interest him in our properties at present as he states he has too many irons in fire now. I am not receiving much encouragement from Vancouver people re stock. I am working now on two other people whom I hope there may be some results from. They are dealing with Seattle people. These Canucks seem to be dead.

I think you should charge up your time to Coronation Mines and so fulfill our Bond if possible. How many days do you figure we have done on that Bond. Its hell raising money here. I guess I am too conservative in my statements they want more hot air.

Yours very truly,

“A. H. WALLBRIDGE”

---

EXHIBIT No. 137

August 31st, 1923

20 Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

Dear Charlie:

Your favor of the 25th stating that Mr. Wilson and Mr. Davis had examined the Pioneer and Coronation to hand. This information I was very glad to receive. Mr. Trites has been out of town and is expected home today. Whether we can do anything with him or not is a question. I had a chat with Col. Leckie and he told me that Mr. Wilson had gone into the property with Mr. Trites very thoroughly and that he was very favorable to our property.

30 I have been endeavoring to get some people interested on a stock proposition and have not met with any very great success. In fact, if we sell stock we cannot sell the mine, so I am between the devil and the deep blue sea just what move to make.

Jim McConnell is out of the city; when he comes back I will speak to him about the gun. You did not say how much money to send to your wife, so I am enclosing a \$20 note, which should see her through till she gets to Vancouver.

40 There are a lot of engineers around representing Old Country people but they do not seem to be closing any deals. Charlie Law says they are just looking around and he thinks they are trying to work up a great B. C. mining boom on the London stock exchange this winter. If anything important comes up before the next mail I will wire you. I have posted a letter before 12 o'clock regularly

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 136  
Letter  
Wallbridge  
to Copp  
Aug. 24, 1923  
(Cont.)

Exhibit  
No. 137  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Aug. 31, 1923

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 137  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Aug. 31, 1923  
(Cont.)

Exhibit  
No. 138  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Sept. 7, 1923

in the Post Office and I cannot see why you do not get this mail. I am going to take it up with the authorities.

The Imperial Oil Co. acknowledged the receipt of barrel No. 93258 but they have not yet received barrel No. 70767.

Yours very truly,  
"A. H. WALLBRIDGE"

AHW/MH

EXHIBIT No. 138

September 7th, 1923

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

10

Dear Charlie:

Yours of September 1st received. I have not been able to get in touch with Mr. Trites since Mr. Wilson's arrival, but hope to see him about the first of the week. The stock selling proposition is a tough one and I do not see how I can do anything in that line although you can never tell what may happen. I have one or two other schemes on, but whether I can succeed in doing anything is another question.

I will attend to the insurance at the S. C. R. when I get notice of the same.

20

I had a visit from your wife on Wednesday and she gave me a lot of information. Rooth is still around here.

You have not said what you figure the time on the Coronation is yet. Sloan's and your examinations of the property should help out in that situation. Is there any chance of digging out some fancy specimens from the open cut on the Countless claim? If you can succeed you might send me down some. At the same time send down that old piece of hose that was continually breaking so that I can get a refund, but only on condition that we get some samples to send along with it.

30

Yours very truly,  
"A. H. WALLBRIDGE"

AHW/MH

EXHIBIT No. 139

September 14th, 1923

Exhibit  
No. 139  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Sept. 14, 1923

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

Dear Charlie:

Yours of September 8th received. I figured up that you had worked far more than 91 shifts on the Coronation. A shift consists of 8 hours; you paid your men for a nine-hour shift with 9 hours work so we are entitled to that extra hour as credit on each

40

shift. We are also entitled to a credit for your time, at least more than half of it, and also we should be credited with the half of the cook's time, for he certainly was cooking for more men for the Coronation than for the Pioneer. We should also be credited with the time spent by Sloan and you in examining this property, and I think if you go into this carefully you will find that you have done easily twice as much work as you estimate. We would also be entitled to the time you were with Major Davis and Mr. Wilson in examining the Coronation mine.

10 I hope if you send any samples down you will send only rich specimens. I have plenty of the other samples on hand. I broke the big sample to comply with Mr. Dunlop's request to send over to the Provincial Exhibition at Westminster for the purpose of an exhibit for the Lillooet district. I certainly got a very good sample.

This proposition is put up to some people in Los Angeles, taken down by a man who is very familiar with that country. He told me he felt quite sure he could put the deal through. I have given him two weeks time on it. I quoted the Pioneer at \$125,000 and they can take over the bond on the Coronation.

20 I saw Trites on Monday, but he did not seem to want to see me just yet, so I will let him come to me first, until I hear from the South. I have some other things on, but I do not see much chance of disposing of any stock here. I cannot start selling stock in a promiscuous way until I can get \$15,000 or \$20,000 guaranteed to me, because if we stock it we cannot sell it; we would have to work it, and I am very anxious, as no doubt you are too, to dispose of this property.

Yours very truly,

AHW/MH

"A. H. WALLBRIDGE"

30 I saw B. Davidson yesterday. He has just come out of White-water and Shepherd was at Traughton waiting for instructions.

A. H. W.

---

EXHIBIT No. 140

(LETTERHEAD OF PIONEER GOLD MINES, LIMITED)  
Mine, Sept. 22, 1923

A. H. Wallbridge,  
320 Homer Street, Vancouver.

Dear Harry:

40 I did not receive any letter from you this mail.  
There is not much to report this week. I am keeping the Mine pumped as usual. I drained the water from the tanks of the Cyanide plant for fear of frost.

If the weather gets warm again I will use the hose to keep the tanks wet. I am putting a new floor down at the crusher and will put some new flooring down on the east side of the mill this week.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 139  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Sept. 14, 1923  
(Cont.)

Exhibit  
No. 140  
(Defendants')  
Letter Copp to  
Wallbridge  
Sept. 22, 1923



## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 140  
Letter Copp to  
Wallbridge  
Sept. 22, 1923  
(Cont.)

Exhibit  
No. 141  
(Defendants')  
Letter  
Wallbridge  
to Copp  
Oct. 4, 1923

Shepherd is still at Traughton waiting for he thought he might be going to Vancouver Monday. I asked him to call on you. Ike is sending down his May check this mail. There is a mistake in his June cheque so am holding it.

I want you to send my wife \$75.00 per month from my wages. She has moved and her house address is 1917 Commercial Drive.

Hoping to hear some news of interest next mail.

I am, yours truly,  
"C. L. COPP"

EXHIBIT No. 141

10

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

October 4th, 1923

Dear Charlie:

Yours of September 30th received. David Sloan is trying to organize a syndicate to take a bond on the Pioneer Gold Mines. We have quoted him a price of \$100,000; he is to spend \$25,000 on development and \$25,000 for a new mill. We have been negotiating with another party whom Sloan has interested. I am trying to get him up there on the same train with this letter but am not quite certain whether I can do so or not. I know that the mine at this price is very low but we have got to get from under the loan and get things going up there. The only condition is that he should go up there this fall and take hold of the property.

20

I have not heard from the people in California as yet. His time is now up and I have given up hope. I can do nothing with Trites; I saw him the other day.

I think that you should be on the lookout for a watchman in case we have to lock up this year. Perhaps Mr. Crane who with his wife has a cabin at Traughton Lake and proposes to winter up there, might go up there. You can get in communication with him through Bert Williams.

30

Sloan's idea is to take 100 H. P. boiler in there this fall and it might be well to see whether you could get somebody to contract for cordwood to supply same if necessary.

What do you think of shipping out the quicksilver in case we shut down for the winter?

The deal with Sloan is that we, the Syndicate to whom the Pioneer Gold Mines owes about \$25,000, are to retain a quarter interest in the property, and any stockholder who wishes to avail himself of any part in this quarter interest has the privilege of taking an interest for the amount of stock he has with a payment of so much in cash. You can see that I am trying desperately to make a deal on this property.

40

AHW/MH

Yours very truly,  
"A. H. WALLBRIDGE"

## EXHIBIT No. 142

(LETTERHEAD OF PIONEER GOLD MINES LIMITED)

A. H. Wallbridge,  
320 Homer St., Vancouver.

The Mine,  
Oct. 13th, 1923

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Dear Harry:

Your letter of the 10th to hand and contents noted.

10 If it is a case of shut down for the winter I will have to get enough supplies for a caretaker for the winter. Hope you will be able to give me some idea what is what by next mail. I will have to get a man to help me get the pump out and put an air lift in. Up to the present I have made no move regards a watchman. I am not in favor of getting Crane as you suggested. From what I heard last winter he is pretty useless. The men at the Whitewater had to cut the wood for him. We want some one here that can rustle some wood. There should be some wood cut this winter to be drying for next season in case you decided to put some men to work. The weather has been fine up to the present, but I am looking for a break any time.

20 Hoping to hear of something definite next mail.

I am yours truly,  
"C. L. COPP"

Exhibit  
No. 142  
(Defendants')  
Letter Copp to  
Wallbridge  
Oct. 13, 1923

## EXHIBIT No. 87

Mr. C. L. Copp,  
Lorne Mine P. O., B. C.

October 18th, 1923

Dear Charlie:

30 Since writing you I have interviewed the Game Warden and he states that the trapper has to be on the ground by the 14th of November, so I do not see that we can do anything at present with Bishopric unless you can find out whether Latimer, who has this ground registered, intends to take it up. Probably he might forget it for a few dollars, or probably you might get Latimer to act as caretaker, even if he did not cut any wood. You could get in touch with Latimer probably at Bert Williams' or Shalalth. He has a cabin on the Lake about three miles from Shalalth.

Is there any other ground near there that Bishopric could operate a line of traps on? Would Noel Creek be too far away?

Yours very truly,

40 AHW/MH

"A. H. WALLBRIDGE"

Exhibit  
No. 87  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
Oct. 18, 1923



## EXHIBIT No. 144

Mine, Oct. 20/23

A. H. Wallbridge,  
320 Homer St., Vancouver.

Dear Harry:

10 Your two letters of the 18th to hand and contents noted. I  
have engaged Bill for caretaker. I did not get your telegram until  
late Wednesday afternoon. I went down to Bridge River and got  
John Gruill to come up and help me get the pump out, etc. We got  
it out and got the air lift connected up today. Ike will be going  
down in the morning I have issued him time checks for his time  
for July, Aug., Sept. and Oct. and also gave him a statement of his  
June time. I will be going down next stage I have quite a lot to  
do to leave things in good shape. I want to dope the hoisting  
cable. It has been hanging in the shaft 4 months, and is begin-  
ning to show the effects. I want to turn the water out of the flume  
and make some repairs which will take a day and I will put the  
water in again and advise the watchman to keep it in as long as  
20 possible. The pump is to be opened up and the packing taken out  
and all parts cleaned and oiled. I will bring back the cable and  
buckets from the Coronation. Will take the books etc down  
with

Yours truly,  
"C. L. COPP"

## EXHIBIT No. 55

THIS AGREEMENT made this 6th day of December, A.D.  
1923.

BETWEEN:

30 PIONEER GOLD MINES, LIMITED, a body corporate  
having its Head Office in the City of Vancouver, Province of  
British Columbia, hereinafter called the "Vendor"

OF THE FIRST PART

and

CHARLES L. COPP, of the City of Vancouver, in the Prov-  
ince of British Columbia, hereinafter called the "Purchaser"

OF THE SECOND PART

40 WITNESSETH that upon payment of the sum of Two thous-  
and (\$2,000.00) Dollars by the Purchaser to the Vendor on or  
before the 15th day of January, 1924, as hereinafter set out, and  
in consideration of the faithful performance and observance of all  
the covenants, provisoes, conditions and agreements herein con-  
tained on the part of the purchaser, and so long only as the Pur-  
chaser shall observe and perform the said covenants, provisoes,  
conditions and agreements and promptly pay the instalments of  
purchase money at the times and in the manner hereinafter set

RECORD

—  
*In the  
Supreme Court  
of British  
Columbia*

—  
Exhibit  
No. 144  
(Defendants')  
Letter Copp to  
Wallbridge  
Oct. 20, 1923

Exhibit  
No. 55  
(Defendants')  
Option  
Pioneer Coy.  
to C. L. Copp  
Dec. 6, 1923

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 55  
(Defendants')  
Option  
Pioneer Coy.  
to C. L. Copp  
Dec. 6, 1923  
(Cont.)

out the Purchaser or his nominee shall have the sole and exclusive option to purchase free from encumbrances the mining property situate in the Lillooet Mining Division in the Province of British Columbia, being more particularly described as Lot Four Hundred and Fifty-six (456) known as Pioneer Mineral Claims, Lot Three Thousand and Forty-five (3045) known as Sunset Mineral Claim; Lot Three Thousand and Forty-six (3046) known as Great Fox Mineral Claim; Lot Three Thousand and Forty-seven (3047) known as East Pacific Mineral Claim; Lot Three Thousand and Forty-eight (3048) known as Clifton Mineral Claim; Lot Three Thousand and Forty-nine (3049) known as Corasand Mineral Claim; Lot Three Thousand and Fifty (3050) known as Emma-dale Mineral Claim; Lot Three Thousand and fifty-one (3051) known as Union Jack Fractional Mineral Claim; Lot Three Thousand and Fifty-three (3053) known as Titanic Fractional Mineral Claim and Royal Fractional Mineral Claim, the above mineral claims being known as the Pioneer Group, for the price or sum of One Hundred and Twenty-five Thousand (\$125,000.00) Dollars payable to the Vendor at the said City of Vancouver as follows:—

10

20

The said Two Thousand (\$2,000.00) Dollars on the 15th day of January, 1924; Twenty-five Thousand (\$25,000.00) Dollars on the first day of October, 1924; Twenty-five Thousand (\$25,000.00) Dollars on the first day of May, 1925; Twenty-five Thousand (\$25,000.00) Dollars on the first day of October, 1925, and Forty-eight Thousand (\$48,000.00) Dollars on the first day of May, 1926, time being the essence of the contract.

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED between the parties hereto that this option is upon and subject to the further conditions and stipulations hereinafter set out, and that this option will only be and remain in force during the faithful performance of the said conditions and stipulations:

30

1. The Purchaser, or his nominee, will on the first day of April, 1924, pay to the Vendor \$3,500.00 as a deposit for materials and supplies in Vancouver, B. C., and at the mine at the cost price of the same laid down at the mine and the balance to be paid on the first day of May, 1924.

2. That the Purchaser or his nominee shall commence development work upon the said mineral claims not later than the first day of April, 1924, and carry on such work in a proper miner-like manner continuously and expeditiously during the life of this option, and employing in such work and keep employed and working not less than ten (10) men between the first day of May and the first day of October during each year and before the first day of October, 1924, will sink a shaft on the Pioneer Claim at least two hundred (200) feet below the lowest level of the present workings

40

and shall at all times keep the said workings clear and clean of dirt and rock and properly timbered.

3. The Purchaser will at his own expense insure and keep insured the mill plant and buildings on the said property against loss by fire in the sum of not less than Twenty Thousand (\$20,000.00) Dollars in some Insurance Company approved of by the Vendor with the policy in the name of or payable to the Vendor as the Vendor shall require, and the Vendor shall be at liberty to effect said insurance and the Purchaser shall pay to the Vendor the premium thereon as and when the same is payable, according to the terms of any such policy.

4. The Purchaser shall pay all wages, claims and costs of all labor, material, tools and supplies in connection with the working of the said mineral claims, and shall indemnify and save harmless the Vendor therefrom and from all claims, liens or demands in connection therewith and before commencing the said development work shall deposit with the Vendor a good and sufficient bond of some Surety Company carrying on business in the Province of British Columbia, that no lien for wages or materials shall be filed against the said mineral claims or property, and if so filed the same shall be removed within thirty (30) days from the date of the filing thereof.

5. That twenty-five per cent. of the gross proceeds of all ore shipped or milled from the said mineral claims shall be forthwith paid to the Vendor and by it applied in reduction of the last instalment of purchase money falling due hereunder.

6. That all timber, materials, machinery and buildings brought upon the said property by the Purchaser shall be deemed to belong to and become part of the said mineral claims and plant and shall not be removable by the Purchaser, and in case of default hereunder or this option coming to an end, the said timber, materials, machinery and buildings and all supplies shall belong to and remain the property of the Vendor and shall not be removable by the Purchaser.

7. The Directors, Officers and Agents of the Vendor shall have at all times access to the said property and the workings thereof during the life of this option.

8. Time is the essence of this option.

9. That this option shall only be and remain in force until the time fixed for payment of the first instalment of purchase money as hereinbefore provided and upon payment of such instalment until the time fixed for the payment of the next instalment of purchase money and upon payment of such instalment until the time fixed for the payment of the next following instalment and so on until the time fixed for payment of all said instalments; PROVIDED ALWAYS that the other provisoes, conditions and stipu-

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 55  
(Defendants')  
Option  
Pioneer Coy.  
to C. L. Copp  
Dec. 6, 1923  
(Cont.)

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 55  
(Defendants')  
Option  
Pioneer Coy.  
to C. L. Copp  
Dec. 6, 1923  
(Cont.)

lations herein contained shall have been in the meantime duly and faithfully observed and performed.

10. That in the event of default being made in payment of any of said instalments of purchase money as hereinbefore provided, or any part thereof, this option without notice shall forthwith be at an end and in the event of the Purchaser failing or neglecting to comply with any other condition, stipulation or proviso herein contained this option shall be at an end after the Vendor shall have given the purchaser thirty (30) days notice of such default, failure or neglect, and such default, failure or neglect continuing after the said thirty days, any such notice may be given by delivering the same to the Purchaser or mailing the same as a registered letter addressed to the Purchaser at his address last known to the Vendor, and in either case of the default in payment of any instalment of purchase money, or the default, failure or neglect referred to in said notice continuing after the said thirty days this option shall be at an end and the vendor may forthwith re-possess itself of the property and of all work done and timber, materials, machinery, buildings and supplies thereon without making any compensation therefor to the Purchaser or his nominee.

10

20

11. That in the event of the Vendor giving any such notice by registered letter as herein provided said notice shall be deemed to be served on the purchaser or his nominee the day after the mailing of the same.

12. All adjustment of taxes, water record fees, insurance premiums and other expenses or outgoings in connection with the said property shall be made to the 15th day of January, 1924, and thereafter all the said taxes, water record fees, insurance premiums and other expenses and outgoings shall be borne and paid by the Purchaser as one of the conditions upon which this option depends.

30

AND IT IS HEREBY FURTHER PROVIDED that in the event of the Purchaser failing to pay any of the said instalments of purchase money or making default, failure or neglect in the observance or performance of any of the other conditions, provisos and stipulations any moneys paid hereunder and the proceeds of any ore shipped or milled and paid to the Vendor shall be deemed and taken as rent for the use by the Purchaser or his nominee of the said properties up to the time of such neglect, failure or default, and the Purchaser or his nominee shall have no claim whatever thereto.

40

This agreement shall enure to the benefit of and be binding upon the parties hereto respectively, and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year above written.

SIGNED, SEALED AND  
DELIVERED

in the presence of  
W. Logue  
Wm. Min,  
as to C. L. Copp

J. DUFF STUART,  
President  
A. H. WALLBRIDGE,  
Secretary

C. L. COPP

(Seal of Pioneer  
Gold Mines Limited)

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 55  
(Defendants')  
Option  
Pioneer Coy.  
to C. L. Copp  
Dec. 6, 1923  
(Cont.)

EXHIBIT No. 154

10 MEETING OF DIRECTORS OF PIONEER GOLD MINES,  
LIMITED, HELD AT OFFICE OF 432 RICHARDS ST., ON  
THE 6th DAY OF DECEMBER, 1923, AT 12 NOON.

Present: J. Duff Stuart, W. W. Walsh and A. H. Wallbridge.  
Minutes of previous meeting were read and adopted.

Bond of Pioneer Gold Mines Ltd. to C. L. Copp was produced  
and it was moved by W. W. Walsh, seconded by A. H. Wallbridge,  
that the President and Secretary sign and seal the Bond on behalf  
of Co. The terms of Bond are as follows: \$2,000 on the 15th  
20 May, 1924; \$25,000 on the 1st of Oct., 1924; \$25,000 on the 1st of  
May, 1925; \$25,000 on the 1st of October, 1925, and \$48,000 on  
May 1st, 1926. Total price \$125,000.

Moved by W. W. Walsh, and seconded by A. H. Wallbridge,  
that a commission of ten per cent. be paid to C. L. Copp on the  
sale of mine at the price of \$125,000, payment to be made to him  
as moneys is received by us, no commission to be paid on 1st instal-  
ment of \$2,000 until the next payment is made.

Moved by W. W. Walsh, and seconded by J. Duff Stuart, that  
the action of Secretary in calling the annual meeting for December  
12th, 1923, be and is hereby confirmed.

30 Moved by W. W. Walsh, and seconded by A. H. Wallbridge,  
that all money advanced by A. H. Wallbridge, A. E. Bull, H. C.  
N. McKim, J. Duff Stuart, R. B. Boucher and F. J. Nicholson dur-  
ing 1923 for the purpose of carrying on at Mine be and is hereby  
created a debt of Company and that same be secured by Promis-  
sory Note with interest at 8%, note to be signed by any two Direc-  
tors.

Moved that whereas the Williams Estate advanced to Com-  
pany \$300 to pay Fire Insurance premium be and is hereby created  
a debt of Company with interest at rate of 8% until paid.

J. DUFF STUART, Chairman.

Exhibit  
No. 154  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Dec. 6, 1923



## RECORD

## DOCUMENT "B"

*In the  
Supreme Court  
of British  
Columbia*

Document  
"B"  
(Defendants')  
Minutes of  
Annual  
Meeting  
of Coy.  
Dec. 12, 1923

MINUTES OF ANNUAL GENERAL MEETING OF THE PIONEER GOLD MINES LIMITED, HELD AT OFFICE OF CO., 432 RICHARDS ST., VANCOUVER, B. C., ON THE 12th DAY DECEMBER, 1923, AT 4 P.M.

Present J. Duff Stuart, in chair; A. H. Wallbridge, secretary; A. E. Bull; and W. W. Walsh.

Minutes of previous meeting were read and on Motion of W. W. Walsh, seconded by A. E. Bull, were adopted as read. Carried.

Auditors report was read and on motion of A. E. Bull, seconded by W. W. Walsh, was adopted and ordered filed. Carried. 10

Moved by A. E. Bull, seconded by W. W. Walsh, that the following Directors be elected: J. Duff Stuart, A. H. Wallbridge, W. W. Walsh and A. E. Bull. Carried.

Moved by W. W. Walsh, and seconded by A. E. Bull, that J. S. Salter be appointed Auditor for the ensuing year, and that his fee for same be fixed by Directors. Carried.

Meeting then adjourned.

A. E. BULL, Chairman.

Meeting of Directors held immediately after Annual meeting when all the following officers were elected: J. Duff Stuart, president; A. E. Bull, vice-president; and A. H. Wallbridge, secretary-treasurer. 20

J. DUFF STUART, Chairman.

Document  
"C"  
(Defendants')  
Minutes of  
Directors'  
Meeting  
April 2, 1924

## DOCUMENT "C"

MINUTES OF A DIRECTORS MEETING OF THE PIONEER GOLD MINES LIMITED, HELD AT THE OFFICE OF THE COMPANY, 432 RICHARDS ST., VANCOUVER, B. C., AT 3 P.M., ON APRIL 2nd, 1924

Present: J. Duff Stuart in Chair, A. E. Bull, A. H. Wallbridge, W. W. Walsh. 30

Minutes of previous meeting were read and on motion of W. W. Walsh, seconded by A. E. Bull, were adopted.

Bond on Pioneer Gold Mines to R. R. Land, of Binghamton, N. Y., was presented, and on motion of A. E. Bull, and seconded by W. W. Walsh, was ordered signed by President and Secretary. The Bond is \$100,000 payable as follows: \$10,000 on 1st of June, 1924; \$15,000 on 1st of December, 1924; and \$75,000 on 1st of December, 1925, with a royalty of 15% on all ore milled to apply on last payment. Carried. 40

Moved by W. W. Walsh, and seconded by A. E. Bull, that a commission of 10% be paid David Sloan and that same be paid as money is paid in. Carried.

J. DUFF STUART, Chairman.

## EXHIBIT No. 145

May 7th, 1924

RECORD

Dear Chas. (Copp):

Mr. Land and friend with Sloan and myself expect to leave for mine on the 16th inst. Can you arrange with Walt to go up to mine and get our truck out so as to meet us at the other side of big slide in case we are unable to get across by that time or probably you could arrange with Babyon, the french man with the Ford truck, to meet us, we could then get to slide by either Butch or someone else. You must arrange to get us in there. I see by your list that we have five gallons of gas at mine this would take us down to slide, then we could arrange to get some gas from Butch at slide to take us back. As I gather the slide is the only trouble, see what we want you arrange it the best way you can.

Dave asked me to write you about this matter. I saw your wire to him.

You better wire Dave your arrangements.

Yours very truly,

"A. H. WALLBRIDGE"

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 145  
(Defendants')  
Letter  
Wallbridge  
to Copp  
May 7, 1924

20

## EXHIBIT No. 146

The Mine, May 24th, 1924

A. H. Wallbridge,  
320 Homer St., Vancouver.

Dear Harry:

Yours of the 22nd to hand and contents noted. I could not take the so-called Engineer seriously. But I had hopes that they might go through. You will have to send \$5.00 to John Dunlop, at Lillooet, before the 31st of May for my Miner's certificate to keep this claim in good standing. I will phone him Monday to issue same.

Hoping to hear of those people coming back.

I am, yours truly,

"C. L. COPP"

Exhibit  
No. 146  
(Defendants')  
Letter Copp to  
Wallbridge  
May 24, 1924

30

## EXHIBIT No. 88

June 6th, 1924

Dear Chas. (Copp):

We have asked the Williams Estate and the rest to stand an assessment of two cents a share on their stock for the purpose of raising enough money to go ahead and sink the shaft down a 100 feet at least and put the mine in better shape for a larger price. From our first interview I do not think they will comply with our request and as there is some doubt as to when we will get started we feel that it would be unfair to keep you up there for an indefin-

40

Exhibit  
No. 88  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
June 6, 1924

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

No. 88  
(Plaintiff's)  
Letter  
Wallbridge  
to Copp  
June 6, 1924  
(Cont.)

ite period and another thing we cannot afford to pay you \$200 a month. We can get P. Hansen to go up and take your place at \$4.50 a day, and he and Cague should be able to keep things going in the meantime. You certainly would not work for that sum because I believe you can better your position by being outside where there is more chances of getting employment. Please let me know your decision by wire in the matter also if Cague will stay up there with Hansen. If you have anyone else in sight up there who would do the work in your place let us know. Hansen would leave here Tuesday, so you could catch the next stage out.

We are not going to carry the rest of the stockholders any longer we intend to have a show down right away.

No word came from the East so that deal is off.

Put everything in shape up there. Take a look at that powder, etc.

Yours truly,

"A. H. WALLBRIDGE"

10

Exhibit  
No. 155  
(Defendants')  
Minutes of  
Directors'  
Meeting  
July 16, 1924

## EXHIBIT No. 155

MINUTES OF MEETING OF DIRECTORS OF THE PIONEER GOLD MINES, LIMITED, HELD AT THE OFFICE OF COMPANY, 432 RICHARDS ST., VANCOUVER, B. C., ON THE 16th DAY OF JULY, 1924, AT 3:30 P.M.

20

Present: J. Duff Stuart in chair, A. E. Bull, W. W. Walsh, and A. H. Wallbridge.

Minutes of previous meeting were read and on motion of A. E. Bull, seconded by W. W. Walsh, were adopted as read.

Moved by W. W. Walsh, and seconded by A. E. Bull, that all money advanced by R. B. Boucher, F. J. Nicholson, A. E. Bull, H. C. N. McKim, J. Duff Stuart and A. H. Wallbridge, during 1924 to pay the liabilities of the Company at the request of the Managing Director or Directors be confirmed and that the same be created a debt of the Company and that same be secured by promissory notes of Company signed by any two Directors. Interest to be at rate of 8% per annum. The amount so advanced to include the payment of the \$3,500 note held by Union Bank of Canada and which note was paid by the aforesaid parties as endorsers of same.

30

Moved by W. W. Walsh, and seconded by A. E. Bull, that a working and development Bond of the property of the Company with an Option to purchase the same for \$100,000 be given to David Sloan along the lines and terms set out in the form of bond now produced or as may be varied by the Company's Manager or Solicitor and that the same be signed by the President and Secretary on behalf of Company and sealed with Company's seal.

40

J. DUFF STUART, Chairman.

## EXHIBIT No. 75

This Exhibit is an Option Agreement made between Pioneer Gold Mines, Limited and David Sloan, dated July 16th, 1924, and is set out in paragraph 10 of the Particulars of Defence of Bull et al, at Page 55 of this Record.

RECORD

*In the  
Supreme Court  
of British  
Columbia*

## EXHIBIT No. 63

WHEREAS David Sloan has this day entered into a Bond with the Pioneer Gold Mines Limited to work and develop the mining property therein mentioned with an option to purchase the same and has agreed to deposit Sixteen Thousand (\$16,000.00) Dollars, or such less sum as shall be necessary for the purpose of developing the said property in a Trust Account.

10

AND WHEREAS A. H. Wallbridge, A. E. Bull, General J. Duff Stuart, Dr. R. B. Boucher, Dr. F. J. Nicholson and H. C. N. McKim have agreed to contribute one-half of the moneys required in equal shares payable as set out in said Bond.

20

NOW THEREFORE, I, the said DAVID SLOAN, DO HEREBY DECLARE that, in consideration aforesaid, I do hold the said Bond and Option and all benefit to be derived therefrom or thereunder and the said money in trust as to one-half thereof for the said Wallbridge, Bull, Stuart, Boucher, Nicholson and McKim in equal shares and that said moneys and said account shall be used for the purposes set out in said Bond, and that I will personally take active charge of said mine and that my wages for such services shall not exceed Three Hundred (\$300.00) Dollars per month and board and travelling expenses, said wages to be only payable during the actual operations at the mine, and that the eighty-five (85%) of the proceeds of the returns for ore milled and sold shall be deposited to my said Special Trust Account to be used for the purpose aforesaid and any surplus divided in the proportions above mentioned.

30

DATED at Vancouver, B. C., this 16th day of July, A.D. 1924.  
"DAVID SLOAN, E.M."

Witness, J. I. Babe.

## DOCUMENT "D"

MINUTES OF MEETING OF DIRECTORS OF PIONEER GOLD MINES LIMITED, HELD AT OFFICE OF COMPANY, 432 RICHARDS ST., VANCOUVER, B. C., ON THE 2nd DAY OF AUGUST, 1924, AT 10 A.M.

Exhibit  
No. 75  
(Plaintiff's)  
Option  
Pioneer Gold  
Mines  
Limited  
to David  
Sloan  
July 16, 1924

Exhibit  
No. 63  
(Plaintiff's)  
Declaration  
of Trust by  
D. Sloan  
July 16, 1924

Document  
"D"  
(Defendants')  
Minutes of  
Directors'  
Meeting  
Aug. 2, 1924

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Document  
 "D"  
 (Defendants')  
 Minutes of  
 Directors'  
 Meeting  
 Aug. 2, 1924  
 (Cont.)

Present J. Duff Stuart in chair, A. E. Bull, W. W. Walsh and A. H. Wallbridge.

Minutes of previous meeting were read and on motion of W. W. Walsh, seconded by A. E. Bull, were adopted as read.

Moved by A. E. Bull, seconded by A. H. Wallbridge that the following notice be sent to all stockholders:

PIONEER GOLD MINES LIMITED

Dear Sir or Madam:

NOTICE is hereby given that an Extraordinary General Meeting of Pioneer Gold Mines Limited will be held at the office of Messrs. Walsh, McKim & Housser, 432 Richards Street, Vancouver, B. C., on Friday, the 22nd day of August, 1924, at 3:00 o'clock in the afternoon, for the purpose of considering, and, if thought fit, passing as an Extraordinary Resolution the following resolution, that is to say: 10

"That the Company be wound up voluntarily and that John S. Salter be and is hereby appointed Liquidator for the purposes of such winding up."

AND NOTICE is hereby also given (as authorized by Clause 69 of the Articles of Association) that should the above resolution be passed by the requisite majority, it will be submitted for confirmation as a Special Resolution to a second Extraordinary General Meeting, and that such meeting will be held at the same place at Vancouver, British Columbia, on Tuesday, the 9th day of September, 1924, at 3:00 o'clock in the afternoon, for the purpose of considering, and, if thought fit, passing a resolution confirming the above resolution as a Special Resolution. 20

AND NOTICE is hereby also given that at the said Extraordinary General Meeting of the Company, to be held on Friday, the 22nd day of August, 1924, the following resolution will be considered, and, if thought fit, passed, that is to say: 30

"That the Company make an authorized assignment under the "Bankruptcy Act", and the President and Secretary of the Company be and are hereby authorized to execute the said Assignment on behalf of the Company and to affix the corporate seal of the Company thereto."

DATED at Vancouver, British Columbia, this 8th day of August, A.D. 1924.

BY ORDER OF THE BOARD

A. H. WALLBRIDGE, Secretary 40

Moved by W. Walsh, and seconded by A. E. Bull, that notice of the above resolution be sent to Andrew Ferguson, Peter Ferguson and J. F. Noble as their solicitor.

## EXHIBIT No. 36

WALSH, McKIM & HOUSSER  
Barristers, Solicitors, Etc.  
(Letterhead)

Vancouver, British Columbia,

August 11th, 1924

McKim.

J. B. Noble, Esq.,

c/o Noble & St. John, Barristers and Solicitors,  
510 Hastings St. W., Vancouver, B. C.

10 Dear Sir:

Re PIONEER GOLD MINES LTD.

We are informed by the Secretary of the above mentioned Company that Notice of two Extraordinary General Meetings of the Company, to be held on August 22nd, and September 9th, for the purpose of passing and confirming a resolution that the Company be wound up voluntarily and that John S. Salter, be appointed Liquidator, was mailed to you on the 8th inst. This Notice was sent to you as Solicitor for Andrew Ferguson and Peter Ferguson. We understand that notices were also mailed to them, but as the only address the Secretary had for Andrew Ferguson was Seattle the notice may not reach him. Before Mr. Walsh left on his holidays he instructed us to write to you setting forth the position of the Executors of Adolphus Williams' Estate and of Katherine Williams' Estate.

As you are aware 51% of the stock of the above mentioned Company was sold to A. H. Wallbridge under Agreement dated January 6th, 1921, and afterwards by subsequent Agreement was transferred to him as fully paid up. After Mr. Wallbridge entered into the first mentioned Agreement he and his associates proceeded to work the mine but on account of the tailings assaying much less than represented and being only about one-third the quantity represented and on account of the development work requiring more money than the majority shareholders were willing to advance unless the minority shareholders advanced their proportionate amount they were eventually forced to shut down the mine. Repeated efforts were made to dispose of the property without success. Several options were given none of which were exercised, the last one being to New York and Washington capitalists for \$100,000 subject to 10% commission which expired June 1st last. These people spent over \$1,000.00 in pumping out and getting the mine in shape for inspection. They sent their engineer and three representatives from New York to examine the property and then promptly turned it down and threw up the option. The only arrangement the directors could make was a working bond given to David Sloan on the basis of him paying 15% of the pro-

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 36  
(Defendants')  
Letter Walsh  
McKim & Co.  
to  
J. B. Noble  
Aug. 11, 1924

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 36  
(Defendants')  
Letter Walsh  
McKim & Co.  
to  
J. B. Noble  
Aug. 11, 1924  
(Cont.)

ceeds of the ore spread over five years or until \$100,000 was received.

During operations the directors were forced to borrow over \$35,000.00 from the majority shareholders and the Company is also indebted to the Union Bank for over \$4,000.00. In view of the mine being turned down by the American capitalists these creditors and the Bank are nervous about their security and are pressing for their money. The majority shareholders have refused to advance any further money to the Company as none of the other shareholders appear willing to advance their share. The creditors of the Company threatened to put it into liquidation unless their claims were paid and as there did not seem to be any way out of it the directors held a meeting on August 2nd and passed a resolution that Extraordinary General Meetings of the Company be called as set forth in the notice you have already received, a copy of which we enclose herewith. Neither the Executors of Adolphus Williams Estate or of Katherine Williams Estate are willing to advance any money to the Company and as far as they can see there is no object in opposing the voluntary winding up of the Company, as it would simply mean that the Company would be forcibly wound up under the "Bankruptcy Act." Insofar as the shares of Andrew Ferguson and Peter Ferguson, which they hold as security to the indebtedness of the Fergusons to Adolphus Williams Estate, are concerned they are quite willing to give a proxy to each of these parties, allowing them to vote on their respective shares at the above mentioned meetings, if they are requested to do so, but as far as the Executors themselves are concerned they do not intend to oppose the passing of the Resolution for the Voluntary winding up of the Company, as it is a less expensive and less public method than bankruptcy and less liable to injure the prospects of a sale of the property by the Liquidator.

This letter is written you so that you will have an opportunity of advising your clients to take such action as they may see fit in the matter. If you would care to discuss this matter with us we will be glad to do so at any time.

Yours truly,

HCNM/EH  
Encls.

WALSH, McKIM & HOUSSER,  
Per H. C. N. McKim.

## EXHIBIT No. 29

Exhibit  
No. 29  
(Defendants')  
Notice  
convening  
Winding-up  
Meeting  
Aug. 8, 1924

## PIONEER GOLD MINES LIMITED

Dear Sir or Madam:—

NOTICE is hereby given that an Extraordinary General Meeting of Pioneer Gold Mines Limited will be held at the office of Messrs. Walsh, McKim & Housser, 432 Richards Street, Vancouver, B. C., on Friday, the 22nd day of August, 1924, at 3:00

40

o'clock in the afternoon, for the purpose of considering, and, if thought fit, passing as an Extraordinary Resolution the following resolution, that is to say:

"That the Company be wound up voluntarily and that John S. Salter be and is hereby appointed Liquidator for the purposes of such winding up."

AND NOTICE is hereby also given (as authorized by Clause 69 of the Articles of Association) that should the above resolution be passed by the requisite majority, it will be submitted for confirmation as a Special Resolution to a second Extraordinary General Meeting, and that such meeting will be held at the same place at Vancouver, British Columbia, on Tuesday, the 9th day of September, 1924, at 3:00 o'clock in the afternoon, for the purpose of considering, and, if thought fit, passing a resolution confirming the above resolution as a Special Resolution.

AND NOTICE IS HEREBY also given that at the said Extraordinary General Meeting of the Company, to be held on Friday, the 22nd day of August, 1924, the following resolution will be considered, and, if thought fit, passed, that is to say:—

"That the Company make an authorized assignment under the "Bankruptcy Act", and the President and Secretary of the Company be and are hereby authorized to execute the said Assignment on behalf of the Company and to affix the corporate seal of the Company thereto."

DATED at Vancouver, British Columbia, this 8th day of August, A.D. 1924.

BY ORDER OF THE BOARD

"A. H. WALLBRIDGE", Secretary.

EXHIBIT No. 66 A

List of Shareholders—Pioneer Gold Mines Limited  
August 12th, 1924

Name	No. Certificate	No. Shares	Numbered
Dr. F. J. Nicholson .....	53	1	1 only
P. Ferguson .....	2	1	2 only
A. H. Wallbridge .....	32	1	3 only
J. Duff-Stuart .....	33	1	4 only
Alfred E. Bull .....	34	1	5 only
K. W. Williams .....	51	7500	6- 7505
K. W. Williams .....	52	7500	7506- 15005
H. C. N. McKim .....	55	1	15006 only
Dr. R. B. Boucher .....	56	1	15007 only
A. H. Wallbridge .....	57	107098	15008-122105
A. Williams .....	17	87899	122106-210004
A. H. Wallbridge .....	57	137700	210005-347704
V. Lloyd-Owen .....	36	5000	347705-352704

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 29  
(Defendants')  
Notice  
convening  
Winding-up  
Meeting  
Aug. 8, 1924  
(Cont.)

Exhibit  
No. 66A  
(Plaintiff's)  
List of  
Shareholders  
of Pioneer  
Coy.,  
Aug. 12, 1924



RECORD	V. Lloyd-Owen .....	35	5000	352705-357704	
	H. C Seeman & Jos. Howat.....	47	10000	357705-367704	
<i>In the</i>	W. J. Twiss .....	46	30000	367705-397704	
<i>Supreme Court</i>	A. Ferguson .....	50	1	397705 only	
<i>of British</i>	W. Walsh, W. Godfrey				
<i>Columbia</i>	and K. W. Williams .....	49	72297	397706-470002	
Exhibit	C. Hap .....	18	1200	470003-471202	
No. 66A	L. C. Cowdry .....	19	600	471203-471802	
(Plaintiff's)	A. Rowan .....	20	200	471803-472002	
List of	F. N. Tribe .....	21	1000	472003-473002	10
Shareholders	Rev. A. Tait .....	22	600	473003-473602	
of Pioneer	Major J. H. Michel .....	23	300	473603-473902	
Coy.,	Dr R. L. Langdon-Down .....	24	3600	473903-477502	
Aug. 12, 1924	T. C. Winch .....	25	1000	477503-478502	
(Cont.)	E. J. Thomas .....	26	720	478503-479222	
	E. A. Clarke .....	27	200	479223-479422	
	V. Lloyd Owen .....	28	580	479423-480002	
	A. H. Wallbridge .....	57	137700	480003-617702	
	H. C. Seeman and Jos. Howat....	41	10000	617703-627702	
	H. C. Seeman and Jos. Howat....	42	10000	627703-637702	20
	W. Walsh, W. Godfrey				
	and K. W. Williams .....	48	112298	637703-750000	
			<u>750000</u>		

Exhibit  
No. 66B  
(Plaintiff's)  
List of  
Shareholders  
of Pioneer  
Gold Mines  
Ltd.  
(undated)

EXHIBIT No. 66 B

Exhibit No. 66 B (List of Shareholders of Pioneer Gold Mines Ltd.) is omitted, being identical with part of Exhibit 91, at Record pages 487 and 488.

Exhibit  
No. 67  
(Plaintiff's)  
List of  
Creditors of  
Pioneer Gold  
Mines Ltd.,  
in liquidation  
(undated)

EXHIBIT No. 67

PIONEER GOLD MINES LIMITED  
(In Liquidation)  
CLAIMS FILED

R. B. Boucher .....	\$15,184.35	
A. E. Bull .....	1,904.30	
Union Bank of Canada .....	4,231.90	
A. H. Wallbridge .....	11,055.68	
H. C. N. McKim .....	633.35	
J. Duff Stuart .....	1,353.00	
F. J. Nicholson .....	9,862.20	
Harris, Bull & Mason .....	384.00	
A. Williams Estate .....	325.25	40
Walsh, McKim & Housser .....	318.02	
	<u>\$45,252.05</u>	

## EXHIBIT No. 64

RECORD

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF PIONEER GOLD MINES LIMITED, HELD AT THE OFFICE OF WALSH, McKIM & HOUSSER, 432 RICHARDS ST., CITY OF VANCOUVER, B. C., ON THE 22nd DAY OF AUGUST, 1924, AT 3 P.M.

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 64  
(Plaintiff's)  
Minutes of  
Shareholders'  
Meeting,  
Aug. 22, 1924

Present:—A. E. Bull, H. C. N. McKim, A. H. Wallbridge, F. J. Nicholson.

10 The meeting waited fifteen minutes when the President not being present A. E. Bull, Vice-President, took the Chair. The Chairman reported a quorum present.

Notice of call of meeting was read.

Minutes of previous meeting were read and on motion of F. J. Nicholson, seconded by H. C. N. McKim, were adopted.

A statement of the Company's liabilities was presented by the Secretary.

20 Moved by F. J. Nicholson and seconded by A. H. Wallbridge that the Company be wound up voluntarily and that John S. Salter be and is hereby appointed Liquidator for the purposes of such winding up.

Chair declared the above resolution carried unanimously.

W. J. Twiss came into meeting and the above motion was explained to him also the financial position of the Company.

Motion mentioned in the notice calling the meeting to the effect that the Company make an authorized assignment under the Bankruptcy Act was considered by those present, there being no mover or seconder for the motion the same was dropped.

Meeting then adjourned on motion of F. J. Nicholson, seconded by H. C. N. McKim. Carried.

30 J. DUFF STUART, Chairman.

## EXHIBIT No. 65

Exhibit  
No. 65  
(Plaintiff's)  
Minutes of  
Shareholders'  
Meeting,  
Sept. 9, 1924

MINUTES OF THE SECOND EXTRAORDINARY GENERAL MEETING OF THE PIONEER GOLD MINES LIMITED, HELD AT THE OFFICE OF WALSH, McKIM & HOUSSER, AT 432 RICHARDS ST., CITY OF VANCOUVER, ON THE 9th DAY OF SEPTEMBER, 1924, AT 3 P.M.

Present:—J. Duff Stuart, in Chair, A. E. Bull, H. C. N. McKim, W. W. Walsh and A. H. Wallbridge.

40 Minutes of previous Extraordinary General Meeting were read and on motion of A. E. Bull, seconded by A. H. Wallbridge, were adopted as read.

Moved by A. E. Bull, seconded by A. H. Wallbridge, that the resolution passed at the Extraordinary General meeting as follows:

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 65  
(Plaintiff's)  
Minutes of  
Shareholders'  
Meeting,  
Sept. 9, 1924  
(Cont.)

Exhibit  
No. 11  
(Plaintiff's)  
Letter,  
George M.  
Stephenson  
to A.  
Ferguson  
Sept. 9, 1924

“That the Company be wound up voluntarily and that John S. Salter be and is hereby appointed Liquidator for the purposes of such winding up.”

be confirmed as a special resolution. Carried.

Moved by A. E. Bull, seconded by A. H. Wallbridge, that meeting adjourn.

## EXHIBIT No. 11

Pioneer Mine, Lorne Mine P.O.,  
20/9/24

Dear Mr. Ferguson:

As I have not heard from you for quite a time I thought I would drop you a few lines and enquire how you are getting on.

As you will see by the above address I am back in the old spot again and have been here a month now and it sure is a good change having regular work and if things continue to go well it won't be very long before I am out of debt again and able to look everyone in the face.

You are probably aware of the position of affairs of the Company far better than I am, but a little news of the progress up here might be welcome and I don't think I am acting disloyally to the present management in giving it to you as you are so vitally interested.

Copp of course is out of it now and Mr. Sloan (the bond holder) is in full charge. We are sinking to the 400 level and have gone down about fifty feet now and they expect to be at the bottom early next month, and if the level proves up good as there is every indication of it doing they say they will go another 100 feet, but personally I doubt it unless they purchase a whole lot of new equipment first, hoist, cable, etc., and with them I doubt if they can get enough power—In the meantime they are stoping the shaft pillar out and have had some good values and Mr. Sloan has just gone down with a 12½ lb. brick after “melting” it, he was not satisfied with the ordinary retorting. They thought they had struck a new vein when they cut the station at the 300 ft. for the pump, but it is the No. 2 vein. We are all expecting it to come in well when we reach the 400 feet. Every indication is that way, I sure hope for your sake it does and you are able to get something out of it after all this time.

I am back on the old crusher job after being in the woods cutting the timber for the shaft, he wants it from beyond the dam along Charley Noel's old trail and believe me I had quite a job getting a road wide enough for two horses besides falling and bucking the trees as I was all by myself, but I got through all right and now he has got two men out after the winter wood. He

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tells me he is going to try and run all winter but he does not know what he will be up against and he hasn't the right crew for it so I expect the camp will be closed early in December—the flume of course is in very bad shape—The camp is just the same as when you were here the same wooden bunks, kitchen, office, etc.

The Noels have made quite a “strike” at the Lorne, not high values but a big body of ore and they are expecting to make a deal early in the spring.

10 How are things progressing with you? Well I hope but as I have not heard from you I am afraid it is not so, still I am hoping for the best.

I presume you heard of Mrs. Williams death in San Francisco, she did not survive him long did she? Cancer I believe.

Well I must close now hoping to hear good news of you. Please remember me to Mrs. Ferguson and Andy and with kind regards to yourself.

Yours sincerely,  
“GEO. M. STEPHENSON”

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EXHIBIT No. 158

20 MINUTES OF A MEETING OF THE CREDITORS OF PIONEER GOLD MINES LIMITED, HELD AT THE OFFICE OF MESSRS. WALSH, McKIM & HOUSSER, 432 RICHARDS STREET, VANCOUVER, B. C., ON FRIDAY THE 26th DAY OF SEPTEMBER, A.D. 1924, AT THE HOUR OF 4 O'CLOCK IN THE AFTERNOON

Present:—J. Duff Stuart, A. H. Wallbridge, Dr. F. J. Nicholson, A. E. Bull, H. C. N. McKim.

In attendance J. S. Salter, liquidator.

30 Moved by Mr. Bull, seconded by Mr. Wallbridge, that Gen. J. Duff Stuart be chairman and J. S. Salter, secretary, of the meeting. Carried.

Notice calling the meeting was produced and read.

Moved by Mr. Bull, seconded by Mr. Wallbridge, that the appointment of J. S. Salter, as Liquidator of Pioneer Gold Mines Limited, be and is hereby confirmed and that no application be made to the Court for the appointment of any person as Liquidator in his place or jointly with him or for the appointment of a Committee of Inspection. Carried.

40 The Liquidator produced a statement of assets and liabilities of the Company as at Sept. 9th, 1924.

Moved by Mr. Wallbridge, seconded by Dr. Nicholson, that the Liquidator do forthwith proceed to advertise for sale by tender

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 11  
(Plaintiff's)  
Letter,  
George M.  
Stephenson  
to A.  
Ferguson  
Sept. 9, 1924  
(Cont.)

Exhibit  
No. 158  
(Defendants')  
Minutes of  
Meeting of  
Creditors of  
Coy.  
Sept. 26, 1924

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 158  
(Defendants')  
Minutes of  
Meeting of  
Creditors of  
Coy.  
Sept. 26, 1924  
(Cont.)

the entire assets of the Company and that such sale be advertised for two weeks, three insertions a week, in a daily newspaper published and circulating in the City of Vancouver, and that said sale be for cash, payable within one month from the acceptance of the tender and that each tender be accompanied by a marked cheque for 2% of the purchase price and that the Liquidator do call a meeting of the Creditors of the Company, on Wednesday, the 22nd day of October, 1924, at the hour of 4:00 o'clock in the afternoon for the purpose of considering any tenders received and, if thought fit, accepting same. Carried.

10

Moved by Dr. Nicholson, seconded by Mr. Bull, that the Liquidator be and is hereby authorized to pay to the Union Bank of Canada and to J. Duff Stuart in reduction of their claims of \$4200.00 and \$400.00 respectively any moneys of the Company coming into his hands. Carried.

On motion the meeting adjourned.

J. S. Salter, Secretary

J. Duff Stuart, Chairman

Exhibit  
No. 68  
(Plaintiff's)  
Advertisement for  
Sale of  
Pioneer Mine  
Sept. 30, 1924

## EXHIBIT No. 68

## SALE BY TENDER OF VALUABLE MINING PROPERTY

Tenders will be received up to 12 o'clock noon, Wednesday, October 22nd, 1924, by John S. Salter, 805 Hastings Street West, Vancouver, B. C., Liquidator of Pioneer Gold Mines Limited (in voluntary liquidation), for the purchase of all of the assets of the above company, consisting chiefly as follows:

20

Nine Crown-granted Mineral Claims on or near Cadwallader Creek, Lillooet District, British Columbia, generally known as the Pioneer Group, together with the machinery and equipment situate thereon, consisting of 5-foot Bryan Roller Quartz Mill, Cyanide Plant, etc.

The above property is subject to the terms of a certain working bond, on a royalty basis, dated the 16th day of July, 1924, held by one David Sloan, containing an option to purchase the said assets.

30

Terms of sale: Marked cheque for 2 per cent. of the bid to accompany tender, and the balance to be paid within one month from the date of the sale.

For further particulars and conditions of sale apply to Walsh, McKim & Housser, solicitors for the liquidator, 432 Richards Street, Vancouver, B. C.

Dated at Vancouver, B. C., this 30th day of September, 1924.

40

## IN THE MATTER OF THE "COMPANIES' ACT, 1921"

RECORD

—and—

## IN THE MATTER OF PIONEER GOLD MINES LIMITED

*In the  
Supreme Court  
of British  
Columbia*

TAKE NOTICE that a meeting of the Creditors of the above Company, pursuant to Resolution passed at a Creditors' meeting, held the 26th day of September, A.D. 1924, will be held at the offices of Messrs. Walsh, McKim & Housser, 432 Richards Street, Vancouver, British Columbia, on Wednesday, the 22nd day of October, A.D. 1924, at the hour of 4:00 o'clock in the afternoon,  
 10 for the purpose of considering such tenders as the Liquidator of the said Company may have received for the purchase of all of the assets of the above Company and for taking such action on the matter as the meeting may deem advisable; also for the purpose of considering and dealing with any other matters that may come before the meeting.

Document  
Attached to  
Exhibit 68  
included at  
Defendants'  
request.

DATED this 20th day of October, A.D. 1924.

"J. S. SALTER"

Liquidator

Pioneer Gold Mines Limited

20

## EXHIBIT No. 159

MINUTES OF MEETING OF THE CREDITORS OF PIONEER GOLD MINES LIMITED, HELD AT THE OFFICE OF WALSH, MCKIM & HOUSSER, 432 RICHARDS STREET, VANCOUVER, B. C., ON WEDNESDAY, THE 22nd DAY OF OCTOBER, 1924, AT THE HOUR OF 4:00 O'CLOCK IN THE AFTERNOON.

Exhibit  
No. 159  
(Defendants')  
Minutes of  
Meeting of  
Creditors of  
Coy.  
Oct. 22, 1924

PRESENT:

30 J. Duff Stuart,  
A. H. Wallbridge,  
Dr. F. J. Nicholson  
A. E. Bull  
H. C. N. McKim  
A. Williams Estate, represented by W. W. Walsh.  
Walsh, McKim & Housser, represented by H. C. N. McKim.  
Harris, Bull & Mason, represented by A. E. Bull.

In attendance J. S. Salter, Liquidator.

Moved by Mr. Bull, seconded by Mr. Wallbridge, that Gen. J. Duff Stuart be Chairman, and J. S. Salter, Secretary, of the  
 40 meeting. Carried.

Notice calling the meeting was read.

Minutes of the meeting held on Sept. 26th were read.

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 159  
(Defendants')  
Minutes of  
Meeting of  
Creditors of  
Coy.  
Oct. 22, 1924  
(Cont.)

Moved by Mr. Bull, seconded by Mr. McKim, that minutes be adopted as read. Carried.

Copy of advertisement calling for tenders for the purchase of all the assets of the Company was read.

The Liquidator reported that in response to the advertisement one tender had been received. This was produced and opened. It was from R. B. Boucher enclosing marked cheque for \$900.00 being 2% of his offer of \$45,000.00 for the assets of the Company in pursuance of the conditions of sale referred to in the advertisement.

10

Moved by Mr. Bull, seconded by Dr. Nicholson, that the tender of R. B. Boucher of \$45,000.00 for the assets of the Company be accepted. Carried.

Mr. Walsh on behalf of the Williams Estate desired to put on record as objecting to the acceptance of the tender.

The Liquidator reported that the claims filed amounted to \$45,251.05. That he had received from D. Sloan the sum of \$663.22 and had in accordance with the resolution of the creditors of Sept. 26th paid to the Union Bank of Canada on account of its claim \$500.75 and to J. Duff Stuart on account of his claim \$55.00, leaving a balance due the creditors of \$44,695.36.

20

On motion the meeting adjourned.

J. S. Salter, Secretary

J. Duff Stuart, Chairman.

## EXHIBIT No. 72

IN THE MATTER OF THE "COMPANIES" ACT, 1921

—and—

IN THE MATTER OF PIONEER GOLD MINES LIMITED

Dear Sir or Madam:—

NOTICE is hereby given that an Extraordinary General Meeting of Pioneer Gold Mines Limited will be held at the office of Messrs. Walsh, McKim & Housser, 432 Richards Street, Vancouver, British Columbia, being the registered office of the Company, on Friday, the 5th day of December, A. D. 1924, at 4 o'clock in the afternoon, for the following purposes, namely:—

30

1. Of confirming the action of the Board of Directors of the Company in granting a working bond containing an option to purchase all the mineral claims, buildings, plant, machinery, equipment, materials and supplies belonging to the Company, dated July 16th, 1924, to one David Sloan, representing himself for one-half interest and the following shareholders of the Company for one-half interest, R. B. Boucher, F. J. Nicholson, H. C. N. McKim, A. E. Bull, A. H. Wall-

40

Exhibit  
No. 72  
(Plaintiff's)  
Notice of  
Meeting of  
Pioneer Gold  
Mines Ltd.,  
Nov. 13, 1924

bridge and J. Duff-Stuart, of whom the three last mentioned are directors of the Company.

2. Of considering, and if thought fit, confirming or sanctioning the action of the meeting of the Creditors of the Company, held the 22nd day of October, A. D. 1924, in accepting a tender of \$45,000.00 for all the mineral claims, assets and property of the above Company, subject to but with the benefit of the said working bond, said tender being made by R. B. Boucher on behalf of the before mentioned six shareholders, who are also creditors of the Company to the extent of \$39,590.18.

3. Of considering, dealing with or acting upon any other offer or offers for said assets that may be submitted to the meeting or authorizing the Liquidator to sell said assets for such sum and on such terms as the meeting may determine.

Copy of letter of the Secretary of the Company is enclosed herewith at his request.

Dated at Vancouver, British Columbia, this 13th day of November, A. D. 1924.

20

To the Shareholders of  
Pioneer Gold Mines Limited

J. S. SALTER  
Liquidator

Pioneer Gold Mines Limited

RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 72  
(Plaintiff's)  
Notice of  
Meeting of  
Pioneer Gold  
Mines Ltd.,  
Nov. 13, 1924  
(Cont.)

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EXHIBIT No. 73

To the Shareholders of Pioneer Gold Mines Limited.

In view of the voluntary winding up of the Company I wish to submit to you shortly the endeavors that have been made during the last few years to operate the mine or dispose of the same.

30 Almost immediately after the Syndicate which acquired the majority of the stock in the Company acquired their interests they have had to advance money to the Company to operate the property until they had advanced nearly \$40,000.00 and made themselves liable for other moneys borrowed from the Bank but refused to advance any further moneys unless the minority shareholders would put up a proportionate amount.

I endeavored to raise money to carry on the Company and develop the property by trying to induce other people to take shares in the Company at an advantageous price and interviewed a great many business and financial people in Vancouver to this end without success.

40 The property was offered for sale many times to various people and a number of options were given on the property, none of which was taken up. The last one was as low as \$90,000.00 net to the Company given to New York and Washington Capitalists who spent \$1000.00 in dewatering the mine and considerably more

Exhibit  
No. 73  
(Plaintiff's)  
Letter,  
Wallbridge  
to Pioneer  
Shareholders  
enclosed with  
Exhibit 72  
(undated)



## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 73  
(Plaintiff's)  
Letter,  
Wallbridge  
to Pioneer  
Shareholders  
enclosed with  
Exhibit 72  
(undated)  
(Cont.)

money in sending their engineer and three men from New York to examine the property but promptly turned it down and the option was thrown up on the 1st of June last.

In view of the action of the New York people in so decidedly reporting against the property after spending the money on it for examination, the creditors began to fear for the safety of their advances to the Company and decided that immediate action would have to be taken to realize or protect their moneys and the Bank was also pressing for payment of its claim.

As there was no money to pay men to keep the mine pumped out, something had to be done quickly or the mine would fill up again and would appear to be an abandoned property after being so decidedly turned down by prospective buyers, so after considerable negotiations David Sloan was induced to take a working bond on the property for the purpose of developing the same with an option to buy at \$100,000.00 within five years, but he would only enter into such an agreement on condition that the Syndicate forming the majority of the shareholders, of whom three were directors, would put up one-half of the money and undertake one-half the responsibility, and the Syndicate to endeavor to save their advances and investments agreed to the proposal. The other local shareholders of the Company were asked to join with the Syndicate in the new undertaking but refused. 10 20

The voluntary winding up of the Company was then proceeded with.

Yours truly,  
"A. H. WALLBRIDGE"  
Manager and Secretary

## EXHIBIT No. 69

Exhibit  
No. 69  
(Plaintiff's)  
Letter, A. E.  
Bull to W. W.  
Walsh  
Nov. 28, 1924

This Exhibit is a letter from A. E. Bull to W. W. Walsh, dated November 28th, 1924, and is set out in paragraph 101 of the Statement of Defence of Bull et al, at page 42 of this Record. 30

## EXHIBIT No. 70

Exhibit  
No. 70  
(Plaintiff's)  
Letter J. Duff  
Stuart, et al  
to J. S. Salter,  
Dec. 5, 1924

This Exhibit is a letter from J. Duff Stuart et al to J. S. Salter, dated December 5th, 1924, and is set out in paragraph 106 of the Statement of Defence of Bull et al, at page 45 of this Record.

## EXHIBIT No. 160

RECORD

MINUTES OF MEETING OF THE SHAREHOLDERS OF PIONEER GOLD MINES LIMITED, HELD AT THE REGISTERED OFFICE OF THE COMPANY, 432 RICHARDS STREET, VANCOUVER, B. C., ON FRIDAY, DECEMBER 5th, 1924, AT FOUR O'CLOCK IN THE AFTERNOON.

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 160  
(Defendants')  
Minutes of  
Shareholders  
Meeting  
Dec. 5, 1924

## PRESENT:

	W. W. Walsh .....	representing	184,592	shares
	A. H. Wallbridge .....	representing	382,499	shares
10	H. C. Seaman .....	representing	30,000	shares
	Wm. J. Twiss .....	representing	30,000	shares
	J. Duff Stuart .....	representing	1	share
	A. E. Bull .....	representing	1	share
	Also W. W. Walsh, Executor of Kath- erine W. Williams Estate and Adol- phus Williams Estate .....	representing	102,889	shares
			<u>729,996</u>	shares

In attendance J. S. Salter, Liquidator.

20 Moved by Mr. Wallbridge, seconded by Mr. Seaman, that Gen. J. Duff Stuart be Chairman and J. S. Salter, Secretary, of the meeting. Carried.

Notice calling the meeting was read.

30 Moved by Mr. Twiss, seconded by Mr. Seaman that the action of the Board of Directors of the Company in granting a working Bond, containing an Option to purchase all the mineral claims, buildings, plant, machinery, equipment, materials and supplies belonging to the Company, dated July 16th, 1924, to one David Sloan, representing himself for one-half interest and the following shareholders of the Company for one-half interest, R. B. Boucher, F. J. Nicholson, H. C. N. McKim, A. E. Bull, A. H. Wallbridge and J. Duff Stuart, of whom the last three mentioned are directors of the Company, be and is hereby ratified and confirmed, and the said Bond declared to be valid and binding upon the Company, and the Liquidator is hereby authorized to carry out the terms thereof. Carried.

40 Letter dated Dec. 5th, 1924, to the Liquidator, signed by A. E. Bull, A. H. Wallbridge, F. J. Nicholson, R. B. Boucher, H. C. N. McKim and J. Duff Stuart offering to purchase all the assets of the Company, subject to but with the benefit of the working Bond and option given to David Sloan and the Royalties and purchase money payable thereunder was read.

Moved by Mr. Walsh, seconded by Mr. Seaman, that the offer of A. E. Bull, A. H. Wallbridge, F. J. Nicholson, R. B. Boucher, H. C. N. McKim and J. Duff Stuart contained in that certain letter dated December 5th, 1924, addressed to the Liquidator of the Company for the purchase of all the assets of the Company subject

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 160  
(Defendants')  
Minutes of  
Shareholders  
Meeting  
Dec. 5, 1924  
(Cont.)

to but with the benefit of the working Bond and Option given to David Sloan and the royalties and purchase moneys payable thereunder for the price and on the terms set forth, which letter has been read to this meeting, be and is hereby accepted, subject to the title to the mineral claims remaining in the Liquidator until payment of the debts, interest, cost of Liquidation and the sum of \$20,000.00 mentioned therein to the Liquidator, and the Liquidator is hereby authorized to sign, seal and deliver on behalf of the Company, all necessary documents for the purpose of accepting and carrying the said offer into effect. Carried.

10

Moved by Mr. Wallbridge, seconded by Mr. Bull, that the tender of R. B. Boucher, of \$45,000.00 as accepted by the meeting of Creditors held on October 22nd, 1924, for all the assets and property of the Company, be refused and that the Liquidator return him the amount of his deposit of \$900.00. Carried.

J. S. Salter, Secretary

A. E. Bull, Chairman.

## EXHIBIT No. 161

Exhibit  
No. 161  
(Defendants')  
Minutes of  
Meeting of  
Creditors  
of Coy.  
Jan. 21, 1925

MINUTES OF MEETING OF CREDITORS OF PIONEER GOLD MINES LIMITED, HELD AT THE REGISTERED OFFICE OF THE COMPANY, 432 RICHARDS STREET, VANCOUVER, B. C., ON WEDNESDAY, JANUARY 21st, 1925, AT THE HOUR OF EIGHT O'CLOCK IN THE EVENING

20

## PRESENT:

J. Duff Stuart

Dr. F. J. Nicholson

A. H. Wallbridge

A. E. Bull, representing his own claim and representing Harris & Bull.

H. C. N. McKim, representing his own claim and representing Walsh, McKim & Housser.

30

In attendance J. S. Salter, Liquidator.

Moved by Mr. Bull, seconded by Mr. Wallbridge, that J. Duff Stuart be Chairman, and J. S. Salter, Secretary, of the meeting. Carried.

Notice calling the meeting was read.

Minutes of the meeting held on Oct. 22nd, 1924, were read.

Moved by Mr. Bull, seconded by Dr. Nicholson that minutes be adopted as read. Carried.

Moved by Mr. Wallbridge, seconded by Mr. McKim, that the action of the Board of Directors of Pioneer Gold Mines Limited in granting a certain Bond containing an option to purchase all the mineral claims, buildings, plant, machinery, equipment, materials and supplies belonging to the Company, dated July 16th, 1924, to one David Sloan, representing himself for one-half interest and the

40

following shareholders of the Company for one-half interest, R. B. Boucher, F. J. Nicholson, H. C. N. McKim, A. E. Bull, A. H. Wallbridge and J. Duff Stuart, of whom the last three mentioned are Directors of the Company, be and is hereby ratified and confirmed and the said Bond declared to be valid and binding upon the Company and upon the Creditors and the Liquidator is hereby authorized to carry out the terms thereof. Carried unanimously.

10 Letter dated December 5th, 1924, to the Liquidator signed by A. E. Bull, A. H. Wallbridge, F. J. Nicholson, R. B. Boucher, H. C. N. McKim and J. Duff Stuart, offering to purchase all the assets of the Company subject to but with the benefit of the Working Bond and option to purchase given to David Sloan and the royalties and purchase money payable thereunder, was read.

Draft Agreement, dated the 21st day of January, A. D. 1925, between the Company, as Vendor, and J. Duff Stuart, A. E. Bull, A. H. Wallbridge, F. J. Nicholson, R. B. Boucher and H. C. N. McKim, as purchasers, covering the said offer to purchase contained in said letter, dated December 5th, 1924, was read.

20 Moved by Mr. Bull, seconded by Dr. Nicholson, that the resolution of the meeting of the Creditors, held October 22nd, 1924, accepting the tender of \$45,000.00 made by R. B. Boucher for all the mineral claims, assets and property of the Company, be and is hereby rescinded and that said offer be not accepted and that the action of the liquidator in returning the said Boucher his cheque for \$900.00, deposited in connection with said tender be and is hereby confirmed. Carried unanimously.

30 Moved by Dr. Nicholson, seconded by Mr. McKim, that the offer of A. E. Bull, A. H. Wallbridge, F. J. Nicholson, R. B. Boucher, H. C. N. McKim and J. Duff Stuart, contained in that certain letter dated December 5th, 1924, addressed to the Liquidator of the Company for the purchase of all the assets of the Company subject to but with the benefit of the Working Bond and option to purchase given to David Sloan and the Royalties and purchase moneys payable thereunder for the price and the terms set forth, which letter has been read at this meeting, be and is hereby accepted, subject to the title to the mineral claims remaining in the Liquidator until the payment of the debts, interest, costs of liquidation and the sum of \$20,000.00 mentioned therein to the Liquidator, and the Liquidator is hereby authorized to sign, seal and deliver on behalf of the Company the said Agreement, dated 40 January 21st, 1925, which agreement has been read to this meeting and also all necessary documents for the purpose of accepting and carrying said offer into effect. Carried unanimously.

Moved by Dr. Nicholson, seconded by Mr. Wallbridge that this meeting adjourn. Carried.

J. S. Salter, Secretary.

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 161  
(Defendants')  
Minutes of  
Meeting of  
Creditors  
of Coy.  
Jan. 21, 1925  
(Cont.)

RECORD

EXHIBIT No. 71

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 71  
(Plaintiff's)  
Agreement  
Pioneer Gold  
Mines Ltd.  
and J. Duff  
Stuart, et al  
Jan. 21, 1925

This Exhibit is an Agreement between Pioneer Gold Mines Limited, as Vendor and J. Duff Stuart, A. E. Bull, A. H. Wallbridge, F. J. Nicholson, R. B. Boucher, H. C. N. McKim as Purchasers, dated January 21st, 1925, and is set out in paragraph 14 of the Particulars of Defence of Bull et al, at page 60 of this Record.

EXHIBIT No. 91

Exhibit  
No. 91  
(Defendants')  
Declaration  
of A. H.  
Wallbridge  
with Exhibits  
There to  
Oct. 29, 1925

DOMINION OF CANADA PROVINCE OF BRITISH COLUMBIA	}	IN THE MATTER OF Pioneer Gold Mines Limited (in voluntary liquidation)	10
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TO WIT:

I, ADAM HENRY WALLBRIDGE, Broker, of the City of Vancouver, in the Province of British Columbia, DO SOLEMNLY DECLARE THAT:—

1. THAT I am Secretary of Pioneer Gold Mines Limited, a body corporate having its registered office at 432 Richards Street, in the City of Vancouver, Province of British Columbia.
2. THAT I did on the 8th day of August, A. D. 1924, pursuant to instructions contained in Minutes of Meeting of the Directors of the above Company, held August 2nd, 1924, mail under prepaid postage at the City of Vancouver, Province aforesaid, the Notice now produced and shown to me and marked Exhibit "A", to each of the persons shown on list of shareholders now produced and shown to me and marked "B", addressed as therein set forth. 20

And I make this solemn Declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act." 30

DECLARED before me at Vancouver, in the Province of British Columbia, this 29th day of October, A. D. 1925. "H. C. N. McKim" A Commissioner for taking affidavits within British Columbia.	}	"A. H. Wallbridge"
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## PIONEER GOLD MINES LIMITED

RECORD

Dear Sir or Madam:

NOTICE is hereby given that an Extraordinary General Meeting of Pioneer Gold Mines Limited will be held at the office of Messrs. Walsh, McKim & Housser, 432 Richards Street, Vancouver, B. C., on Friday, the 22nd day of August, 1924, at 3:00 o'clock in the afternoon, for the purpose of considering, and, if thought fit, passing as an Extraordinary Resolution the following resolution that is to say:

10 "That the Company be wound up voluntarily and that John S. Salter be and is hereby appointed Liquidator for the purposes of such winding up."

AND NOTICE is hereby also given (as authorized by Clause 69 of the Articles of Association) that should the above resolution be passed by the requisite majority, it will be submitted for confirmation as a Special Resolution to a second Extraordinary General Meeting, and that such meeting will be held at the same place at Vancouver, British Columbia, on Tuesday, the 9th day of September, 1924, at 3:00 o'clock in the afternoon, for the purpose of considering, and, if thought fit, passing a resolution confirming the above resolution as a Special Resolution.

20

AND NOTICE is hereby also given that at the said Extraordinary General Meeting of the Company, to be held on Friday, the 22nd day of August, 1924, the following resolution will be considered, and, if thought fit, passed, that is to say:

30 "That the Company make an authorized assignment under the "Bankruptcy Act", and the President and Secretary of the Company be and are hereby authorized to execute the said Assignment on behalf of the Company and to affix the corporate seal of the Company thereto."

DATED at Vancouver, British Columbia, this 8th day of August, A. D. 1924.

BY ORDER OF THE BOARD

"A. H. Wallbridge",

Secretary

This is Exhibit "A" referred to in the Declaration of Adam Henry Wallbridge, declared before me this 29th day of October, 1925.

"H. C. N. McKim",

40 A Commissioner, etc.

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 91  
(Defendants')  
Declaration  
of A. H.  
Wallbridge  
with Exhibits  
Thereon  
Oct. 29, 1925  
(Cont.)

LIST OF STOCKHOLDERS OF  
PIONEER GOLD MINES LIMITED

Peter Ferguson, Sanaachton, Vancouver Island, B. C.  
Katherine Wylie Williams, 432 Richards Street, City.

RECORD  
 ———  
*In the  
 Supreme Court  
 of British  
 Columbia*  
 ———  
 Exhibit  
 No. 91  
 (Defendants')  
 Declaration  
 of A. H.  
 Wallbridge  
 with Exhibits  
 Thereto  
 Oct. 29, 1925  
 (Cont.)

Adolphus Williams, 432 Richards Street, City.  
 W. W. Walsh and William Godfrey, 432 Richards Street, City.  
 Chas. Hap, Caldershaw, Rochdale, Eng.  
 Lucy C. Crowdy, 12 Nelson Crescent, Ramsgate, Eng.  
 A. Rowan, Fairview, Rousel St., Jersey, C. I.  
 F. N. Tribe, Albion Chambers, Bristol, Eng.  
 Alex. Tait, Church St. Halkirk, Eng.  
 J. H. Michel, Dewlish, Dorchester, Dorset, Eng.  
 R. Langdone Down, Normanhurst, Hampton, Wick.  
 Thos. C. Winch, 19 Cheapside, London, Eng. 10  
 E. J. Thomas, The Stud Lodge, Eaton Park, Chester.  
 Ernest A. Clark, 162 South Church Road, South-End-On-Sea.  
 Vernon Lloyd-Owen, Birken, B. C.  
 A. H. Wallbridge, 320 Homer St., City.  
 A. E. Bull, Bank of B. N. A. Bldg., City.  
 J. Duff Stuart, Clarke & Stuart Ltd., City.  
 H. C. Seaman and Jos. Howat, Royal Bank, Robson St., City.  
 W. J. Twiss, Board of Trade Building, City.  
 Andrew Ferguson, Seattle, Wash.  
 Andrew Ferguson, c/o Peter Ferguson, Sanaachton, Vancouver 20  
 Island, B. C.  
 Andrew Ferguson, Vancouver, B. C.  
 Dr. F. J. Nicholson, Standard Bank Bldg., City.  
 H. C. N. McKim, 432 Richards Street, City.  
 Dr. R. B. Boucher, Birks Bldg., City.

This is Exhibit "B" referred to in the declaration of Adam Henry Wallbridge, declared before me this 29th day of October, 1925.

"H. C. N. McKim",  
 A Commissioner, etc. 30

EXHIBIT No. 92

Exhibit  
 No. 92  
 (Defendants')  
 Declaration  
 of John S.  
 Salter with  
 Exhibits  
 Thereto  
 Oct. 29, 1925

DOMINION OF CANADA }  
 PROVINCE OF } IN THE MATTER OF  
 BRITISH COLUMBIA } Pioneer Gold Mines Limited  
 (In Voluntary Liquidation)

TO WIT:

I, JOHN S. SALTER, Accountant, of the City of Vancouver, in the Province of British Columbia, DO SOLEMNLY DECLARE:

1. THAT I am Liquidator of Pioneer Gold Mines Limited, a body corporate having its registered office at 432 Richards Street, in the City of Vancouver, Province of British Columbia. 40

2. THAT I did on the 14th day of November, 1924, mail under prepaid registered postage at the City of Vancouver, Province of British Columbia, the Notice now produced and shown to me and marked Exhibit "A" to each of the persons shown on list of shareholders of Pioneer Gold Mines Limited, now produced and shown to me and marked Exhibit "B", addressed as therein set forth.

AND I make this solemn Declaration, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and by virtue of the "Canada Evidence Act."

DECLARED before Me at Vancouver, in the Province of British Columbia, this 29th day of October, A. D. 1925.

"H. C. N. McKim"

A Notary Public in and for British Columbia.

(Notarial Seal)

"J. S. Salter"

RECORD  
In the  
Supreme Court  
of British  
Columbia  
Exhibit  
No. 92  
(Defendants')  
Declaration  
of John S.  
Salter with  
Exhibits  
Thereo  
Oct. 29, 1925  
(Cont.)

IN THE MATTER OF THE "COMPANIES' ACT, 1921"

—and—

IN THE MATTER OF PIONEER GOLD MINES LIMITED

Dear Sir or Madam:—

NOTICE is hereby given that an Extraordinary General Meeting of Pioneer Gold Mines Limited will be held at the office of Messrs. Walsh, McKim & Housser, 432 Richards Street, Vancouver, British Columbia, being the registered office of the Company, on Friday, the 5th day of December, A. D. 1924, at 4 o'clock in the afternoon, for the following purposes, namely:

1. Of confirming the action of the Board of Directors of the Company in granting a working bond containing an option to purchase all the mineral claims, buildings, plant, machinery, equipment, materials and supplies belonging to the Company, dated July 16th, 1924, to one David Sloan, representing himself for one-half interest and the following shareholders of the Company for one-half interest, R. B. Boucher, F. J. Nicholson, H. C. N. McKim, A. E. Bull, A. H. Wallbridge and J. Duff Stuart, of whom the three last mentioned are directors of the Company.
2. Of considering, and if thought fit confirming or sanctioning the action of the meeting of the Creditors of the Company, held the 22nd day of October, A. D. 1924, in accepting a tender of \$45,000.00 for all the mineral claims, assets and property of the above Company, subject to but with the benefit of the said working bond, said tender being made by R. B. Boucher on behalf of the before mentioned



RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 92  
(Defendants')  
Declaration  
of John S.  
Salter with  
Exhibits  
There to  
Oct. 29, 1925  
(Cont.)

six shareholders, who are also creditors of the Company to the extent of \$39,590.18.

3. Of considering, dealing with or acting upon any other offer or offers for said assets that may be submitted to the meeting or authorizing the Liquidator to sell said assets for such sum on such terms as the meeting may determine.

Copy of Letter of the Secretary of the Company is enclosed herewith at his request.

Dated at Vancouver, British Columbia, this 13th day of November, A. D. 1924.

"J. S. Salter"  
Liquidator  
Pioneer Gold Mines Limited

10

To the Shareholders of  
Pioneer Gold Mines Limited.

This is Exhibit "A" referred to in the declaration of John S. Salter, declared before me herein this 29th day of October, 1925.

"H. C. N. McKim"  
A Notary Public in and for the Province  
of British Columbia.

20

LIST OF STOCKHOLDERS OF  
PIONEER GOLD MINES LIMITED

- Peter Ferguson, Sanaachton, Vancouver Island, B. C.  
 Katherine Wylie Williams, 432 Richards Street, City.  
 Adolphus Williams, 432 Richards Street, City.  
 W. W. Walsh and William Godfrey, 432 Richards Street, City.  
 Chas. Hap, Caldershaw, Rochdale, Eng.  
 Lucy C. Crowdy, 12 Nelson Crescent, Ramsgate, Eng.  
 A. Rowan, Fairview, Rousel St., Jersey, C. I.  
 F. N. Tribe, Albion Chambers, Bristol, Eng.  
 Alex. Tait, Church St., Halkirk, Eng.  
 J. H. Michel, Dewlish, Dorchester, Dorset, Eng.  
 R. Langdone Down, Normanhurst, Hampton, Wick.  
 Thos. C. Winch, 19 Cheapside, London, Eng.  
 E. J. Thomas, The Stud Lodge, Eaton Park, Chester.  
 Ernest A. Clark, 162 South Church Road, South-End-On-Sea.  
 Vernon Lloyd-Owen, Birken, B. C.  
 A. H. Wallbridge, 320 Homer St., City.  
 A. E. Bull, Bank of B. N. A. Bldg., City.  
 J. Duff Stuart, Clarke & Stuart Ltd., City.  
 H. C. Seaman and Jos. Howat, Royal Bank, Robson Street, City.  
 W. J. Twiss, Board of Trade Building, City.

30

40

Andrew Ferguson, Seattle, Wash.  
 Andrew Ferguson, c/o Peter Ferguson, Sanaachton, Vancouver  
 Island, B. C.  
 Andrew Ferguson, Vancouver, B. C.  
 Dr. F. J. Nicholson, Standard Bank Bldg., City.  
 H. C. N. McKim, 432 Richards Street, City.  
 Dr. R. B. Boucher, Birks Bldg., City.

This is Exhibit "B" referred to in the declaration of John S. Salter declared before me herein this 29th day of October, 1925.

10

"H. C. N. McKim"  
 A Notary Public in and for the Province  
 of British Columbia

RECORD

—  
*In the  
 Supreme Court  
 of British  
 Columbia*

—  
 Exhibit  
 No. 92  
 (Defendants')  
 Declaration  
 of John S.  
 Salter with  
 Exhibits  
 Thereto  
 Oct. 29, 1925  
 (Cont.)



RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 93  
(Plaintiff's)  
Share Register  
of Pioneer  
Gold Mines  
Ltd.  
Miscellaneous  
Dates

EXHIBIT No. 93

EXTRACTS FROM SHARE REGISTER OF PIONEER GOLD MINES LIMITED

Date	Cert. No.	To or From Whom	S O L D		B O U G H T		Balance No. of Shares
			No. of Shares	Distinctive Nos. From To	No. of Shares	Distinctive Nos. From To	
Occupation: Barrister Name: Adolphus Williams Estate Address: 432 Richards St., Vancouver							
1916							
Dec. 2	1	Treasury			1	1 only	
		A. Williams	194999	210004	194999	15006	210004
10	57	A. H. Wallbridge	107100	122105	107100	15006	122105
					87899	122106	210004
1921							87899
Dec. 16	40	W. W. Walsh	1	1 only			
Occupation: Miner Name: Peter Ferguson Address, Saanichton, B. C.							
1916							
Dec. 2		Treasury			1	2 only	
1921							
Jan. 6	14	P. Ferguson	269998	750000	269998	480003	750000
	15				137700	480003	617702
20					132298	617703	750000
			132298	750000			
June 29	37				10000	617703	627702
	38				10000	627703	637702
					112298	637703	750000

Date	Cert. No.	To or From Whom	S O L D		B O U G H T		Balance No. of Shares
			No. of Shares From	Distinctive Nos. To	No. of Shares From	Distinctive Nos. To	
Peter Ferguson—Continued							
1922							
Mch. 29	41	H. Seaman & J. Howat...	10000	617703	627702		
— —	42	— — — —	10000	627703	637702		
June 6		Walsh, Godfrey, Williams .....	112298	637703	750000		
1924							
10 Aug. 6		A. H. Wallbridge .....	137700	480003	617702		1

Name: Andrew Ferguson

Occupation: Miner

Address: Seattle, Wash.

1916	Dec. 2	Treasury .....				1	3 only		
1920	Aug. 11	V. Lloyd Owen .....	10000	470003	480002	269998	210005	480002	
		A. Ferguson .....	259998	210005	470002	1	397705 only		
1921	Jan. 6	A. Ferguson .....	259998	210005	470002	259998	210005	470002	
	20	— — — —	—	—	—	137700	210005	347704	
	Jan. 17	A. Ferguson .....	122298	347705	470002	122298	347705	470002	
	— —	— — — —	—	—	—	5000	347705	352704	
	— —	— — — —	—	—	—	5000	352705	357704	
	— —	— — — —	—	—	—	112298	357705	470002	
Apr.	32	A. H. Wallbridge .....	1	3 only		10000	357705	367704	
June 29	35	V. Lloyd Owen .....	5000	352705	357704	30000	367705	397704	

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 93  
(Plaintiff's)  
Share Register  
of Pioneer  
Gold Mines  
Ltd.  
Miscellaneous  
Dates  
(Cont.)

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia

Exhibit  
 No. 93  
 (Plaintiff's)  
 Share Register  
 of Pioneer  
 Gold Mines  
 Ltd.  
 Miscellaneous  
 Dates  
 (Cont.)

Date	Cert. No.	To or From Whom	S O L D		B O U G H T		Balance No. of Shares
			No. of Shares	Distinctive Nos. To	No. of Shares	Distinctive Nos. From	
Andrew Ferguson—Continued							
June 29 1922	36	V. Lloyd Owen .....	5000	347705	72298	397705	470002
Apr. 26	2	A. Ferguson .....	112298	357705			470002
May 26		W. J. Twiss .....	30000	367705			397704
— 26		H. Seeman & J. Howat....	10000	357705			367704
		Walsh, Godfrey, Williams					
June 6 1924	50	{ A. Ferguson .....	72298	397705			470002
Aug. 6	54	A. H. Wallbridge .....	137700	210005			347704

Occupation: Barrister

Name: Harold C. N. McKim

Address: 432 Richards St., Vancouver

1916	Treasury .....	1	5 only
20 Aug. 1921	A. H. Wallbridge .....	1	15006 only
Apr.	A. E. Bull .....	1	5 only

			S O L D		B O U G H T		Balance
			No. of	Distinctive Nos.	No. of	Distinctive Nos.	No. of
			Shares	From To	Shares	From To	Shares
Cert. No.	To or From Whom						

Occupation: Barrister Name: Walter W. Walsh Address: 432 Richards St., Vanc.

1916							
Dec. 2	Treasury .....		1	4 only			
1921							
Dec. 16	Estate Williams .....		1	1 only			
Apr. 33	J. Duff Stuart .....	1	4 only				
10 1924							
June 30	Dr. Nicholson .....	1	1 only				

Occupation: Married Woman Name: Mrs. Katherine Wylie Williams Address: 432 Richards St., Vanc.

1916							
Dec. 2	Treasury .....		15000	6	15005		
	K. W. Williams .....	15000	6	15005			
Mch. 13	— — — — —	—	—	—	7500	6	7505
— — — — —	— — — — —	—	—	—	7500	7506	15005
							15000

Occupation: Broker Name: V. Lloyd Owen Address: Vanc., B. C.

1920							
20 Aug. 11	A. Ferguson .....		10000	470003	480002		
1921							
Jan. 17	V. Lloyd Owen .....		580	479423	480002		

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Exhibit  
 No. 93  
 (Plaintiff's)  
 Share Register  
 of Pioneer  
 Gold Mines  
 Ltd.  
 Miscellaneous  
 Dates  
 (Cont.)

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 93  
(Plaintiff's)  
Share Register  
of Pioneer  
Gold Mines  
Ltd.  
Miscellaneous  
Dates  
(Cont.)

Date	Cert. No.	To or From Whom	S O L D		B O U G H T		Balance	
			No. of Shares	Distinctive Nos. From To	No. of Shares	Distinctive Nos. From To		
			V. Lloyd Owen—Continued					
Jan. 13	}	C. Hap, Crowley, Rowan,						
		Tribe, Tait, Michel, 10000	470003	480002				
		Langdon Down, Winch, Thomas, Clarke, Lloyd Owen			5000	352705	357704	
					5000	347705	352704	10580

10 Occupation: — Name: Charles Hap Address: England  
 1921  
 Jan. 13 18 V. Lloyd Owen ..... 1200 470003 471202 1200

Occupation: — Name: Lucy Caroline Crowley Address: Ramsgate, Eng.  
 1921  
 Jan. 13 19 V. Lloyd Owen ..... 600 471203 471802 600

Occupation: — Name: Anna Rowan Address: Jersey, C. I. England  
 20 1921  
 Jan. 13 20 V. Lloyd Owen ..... 200 471803 472002 200

Date	Cert. No.	To or From Whom	S O L D		Name	B O U G H T		Balance	
			No. of Shares	Distinctive Nos. From To		No. of Shares	Distinctive Nos. From To		
Occupation: —									
1921			Name: Frank Newton Tribe						Address: Bristol, Eng.
Jan. 13	21	V. Lloyd Owen .....			1000	472003	473002	1000	
Occupation: —									
Name: Rev. Alex. Tait									
10 1921			Name: Major J. H. Michel						Address: England
Jan. 13	22	V. Lloyd Owen .....			600	473003	473602	600	
Occupation: —									
Name: Major J. H. Michel									
1921			Name: Dr. R. L. Langdon Down						Address: Dorchester, Eng.
Jan. 13	23	V. Lloyd Owen .....			300	473603	473902	300	
Occupation: —									
Name: Dr. R. L. Langdon Down									
1921			Name: Thomas C. Winch						Address: Hampshire, Eng.
Jan. 13	24	V. Lloyd Owen .....			3600	473903	477502	3600	
Occupation: —									
Name: Thomas C. Winch									
1921			Name: Thomas C. Winch						Address: London, Eng.
20 Jan. 13	25	V. Lloyd Owen .....			1000	477503	478502	1000	

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Exhibit  
 No. 93  
 (Plaintiff's)  
 Share Register  
 of Pioneer  
 Gold Mines  
 Ltd.  
 Miscellaneous  
 Dates  
 (Cont.)





Date	Cert. No.	To or From Whom	S O L D		B O U G H T		Balance No. of Shares
			No. of Shares From	No. of Distinctive Nos. To	No. of Shares From	No. of Distinctive Nos. To	
Name: J. Duff Stuart Address: Seymour St., Vanc.							
1921 Apr.	33	W. W. Walsh .....	1		4 only		1
Name: Alfred E. Bull Address: Bank of B. N. A. Bldg.							
1921 Apr.	34	H. C. N. McKim .....	1		5 only		1

Name: H. C. Seaman and Jos. Howat Address: Royal Bank, Vanc.							
1922 Mch. 29	41	P. Ferguson .....	10000		617703	627702	
— —	42	P. Ferguson .....	10000		627703	637702	
May 26	47	A. Ferguson .....	10000		357705	367704	30000

Name: W. J. Twiss Address B. of Trade Bldg., Vanc.							
1922 May 26	46	A. Ferguson .....	30000		367705	397704	30000

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Exhibit  
 No. 93  
 (Plaintiff's)  
 Share Register  
 of Pioneer  
 Gold Mines  
 Ltd.  
 Miscellaneous  
 Dates  
 (Cont.)

RECORD  
*In the  
 Supreme Court  
 of British  
 Columbia*  
 Exhibit  
 No. 93  
 (Plaintiff's)  
 Share Register  
 of Pioneer  
 Gold Mines  
 Ltd.  
 Miscellaneous  
 Dates  
 (Cont.)

Date	Cert. No.	To or From Whom	S O I, D		B O U G H T		Balance
			No. of Shares From	No. of Distinctive Nos. To	No. of Shares From	No. of Distinctive Nos. To	

Name: W. W. Walsh, Wm. Godfrey, K. W. Williams

Occupation: ——— Address: ———

1922							
June 6	48	P. Ferguson .....			112298	637703	750000
— —	49	A. Ferguson .....			72297	397706	470002
							184595

10

Name: Dr. F. J. Nicholson

Occupation: ———

Address: Standard Bank Bldg., Vanc.

1924							
Jan. 30	53	W. Walsh .....			1	1 only	1

Name: R. B. Boucher

Occupation: Doctor

Address: Birks Bldg., Vanc.

1924							
Aug. 6	56	A. H. Wallbridge .....			1	15007 only	1

## DOCUMENT "E"

MINUTES OF MEETING OF THE SHAREHOLDERS OF PIONEER GOLD MINES LIMITED, HELD AT THE REGISTERED OFFICE OF THE COMPANY, 432 RICHARDS ST., VANCOUVER, B. C., ON THURSDAY, JUNE 24th, 1926, AT 4 O'CLOCK IN THE AFTERNOON.

Present: A. H. Wallbridge, A. E. Bull, A. R. Thomson, W. W. Walsh.

In attendance J. S. Salter, Liquidator.

- 10 Moved by Mr. Wallbridge, seconded by Dr. Thomson, that A. E. Bull be chairman and J. S. Salter, secretary, of the meeting. Carried.

Notice calling the meeting was read.

Minutes of the meeting held on Dec. 5th, 1924, were read. Moved by Mr. Wallbridge, seconded by Dr. Thomson, that minutes be adopted as read. Carried.

Statement of cash receipts and disbursements to May 31st, 1926, as prepared by the Liquidator was produced and read.

The matter of the Liquidator's remuneration was discussed.

- 20 Moved by Dr. Thomson, seconded by Mr. Wallbridge, that the payment of \$15.00 a month to the Liquidator be confirmed and that his remuneration be continued at the same rate. Carried.

On motion the meeting adjourned.

J. S. Salter, Secretary.

"F. J. NICHOLSON"

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EXHIBIT No. 59

HARRIS, BULL, & MASON  
Barristers . . . .  
(Letterhead)

Vancouver, Canada,  
May 12th, 1927

- 30 Robert Smith, Esq.,  
Rogers Building,  
470 Granville Street, Vancouver, B. C.

Dear Sir:

Re Twiss and Wallbridge

With reference to your several interviews with me in this

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Document  
"E"

(Defendants')  
Minutes of  
Shareholders  
Meeting  
June 24, 1926

Exhibit  
No. 59  
(Plaintiff's)  
Letter from  
A. E. Bull to  
Robert Smith  
May 12, 1927

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 59  
(Plaintiff's)  
Letter from  
A. E. Bull to  
Robert Smith  
May 12, 1927  
(Cont.)

matter, and in compliance with your request that I should give you in writing the information which I have formerly given you verbally.

In 1921 a Syndicate consisting of Wallbridge, myself and others acquired from the Fergusons and the late Adolphus Williams, K.C., shares in the Pioneer Gold Mine Limited. The following year Ferguson wanted to dispose of further shares in the Company and got Mr. Wallbridge to effect a sale of the same to Mr. Twiss. This sale had nothing whatever to do with me or the Syndicate. For several years considerable gold was taken out and in 1922, I understand, the amount was about \$14,000.00, but the operating expenses were very heavy and there were quite a number of accidents in the following years requiring heavy expenses, for repairs and new machinery, with the result that the Company went behind and the Syndicate had to make advances to carry the Company or lose their first investment. The other shareholders refused to contribute so that in the Spring of 1924 the Syndicate had advanced or become liable for \$40,000.00 to \$50,000.00 in addition to their original investment. Several Options for sale had been given but not taken up. The last one in the Spring of 1924 to Americans, at a price that would have netted the Company \$90,000.00. After New York Engineers had inspected and reported against the property the option was thrown up. In view of this and their investment of over \$60,000.00 the Syndicate did not feel justified in making any further advances for the benefit of the other shareholders who refused to contribute, so voluntary liquidation was decided upon and we succeeded in getting Mr. Sloan to take a working bond on the property for over a period of five years with an option to purchase at \$100,000.00, but to induce him to take such a bond the Syndicate had to undertake one-half interest with him in the bond and put up one-half of the working capital in addition to their previous advances. To protect themselves, the Syndicate then purchased the property subject to the Sloan bond for the total amount of their advances and the other liabilities of the Company plus the sum of \$20,000.00 to be paid to the Liquidator of the Company out of the proceeds of the moneys coming in on the bond for distribution among the shareholders. This arrangement was un-  
animously agreed to by the shareholders and creditors of the Company.

Mr. Twiss was asked by both Mr. Wallbridge and myself to come in with the Syndicate on the new arrangement and put up his share of the advances and take his proportionate share in the new venture, and both Mr. Wallbridge and I pressed him to do so, but he absolutely refused.

During the first three years, up to 1924, we were all very hopeful and we thought we had a valuable property.

The members of the Syndicate had to take the risk of the new venture to try and protect their original investment and advances and Mr. Twiss was given ample opportunity to do the same but absolutely refused. The mine is now under new management and looks to be a successful venture and Mr. Twiss seems to look at it differently now. He will be entitled to his proportion of the \$20,000.00 when it is paid and distributed.

10 I have been very closely in touch with the whole matter and with the affairs of the mine since 1921 and from what I know of it I am firmly convinced that there was no misrepresentation of fact in connection with the Ferguson sale of the shares through Mr. Wallbridge to Mr. Twiss, and, of course, no member of the Syndicate nor I had anything to do with such sale.

Yours truly,

AEB/C

“A. E. BULL”

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Exhibit  
 No. 59  
 (Plaintiff's)  
 Letter from  
 A. E. Bull to  
 Robert Smith  
 May 12, 1927  
 (Cont.)

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DOCUMENT “F”

20 MINUTES OF MEETING OF THE SHAREHOLDERS OF PIONEER GOLD MINES LIMITED, HELD AT THE REGISTERED OFFICE OF THE COMPANY, 432 RICHARDS ST., VANCOUVER, B. C., ON THURSDAY, JUNE 30th, 1927, AT 4 O'CLOCK IN THE AFTERNOON.

Present: Dr. F. J. Nicholson, A. H. Wallbridge, W. W. Walsh.

In attendance J. S. Salter, liquidator.

Moved by Mr. Wallbridge, seconded by Mr. Walsh, that Dr. Nicholson be chairman and J. S. Salter secretary of the meeting. Carried.

Notice calling the meeting was read.

Minutes of the meeting held on June 24th, 1926, were read and approved.

30 Statements of Receipts and Disbursements for the year ending May 31st, 1927, as prepared by the Liquidator was produced.

Moved by Mr. Wallbridge, seconded by Mr. Walsh, that the statement of the Liquidator of his receipts and disbursements for the year ending May 31st, 1927, be received. Carried.

On motion the meeting adjourned.

J. S. Salter, Secretary.

J. Duff Stuart, Chairman

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Document  
 “F”  
 (Defendants')  
 Meeting of  
 Shareholders  
 of Pioneer  
 Gold Mines  
 Ltd.  
 June 30, 1927

RECORD

EXHIBIT No. 2

*In the  
Supreme Court  
of British  
Columbia*

EXTRACTS FROM AFFIDAVIT OF VALUE AND  
RELATIONSHIP

Form No. 1

(This affidavit to be made by the applicant, or one of the appli-  
cants, applying for letters)

Exhibit No. 2  
(Plaintiff's)  
Extracts from  
Succession  
Duty  
Affidavit  
in Estate  
of A. H.  
Wallbridge  
Dec'd (with  
inventories)  
Dec. 9, 1927

B. C. L. S. 10c.

“SUCCESSION DUTY ACT” BRITISH COLUMBIA  
(Section 21)

CANADA, PROVINCE OF BRITISH COLUMBIA, COUNTY OF VANCOUVER	}	IN THE SUPREME COURT OF BRITISH COLUMBIA IN PROBATE	10
--	---	---	----

Vancouver  
Filed Dec. 12, 1927  
Registry

In the Matter of the Estate of Adam Henry Wallbridge, late  
of the City of Vancouver, in the Province of British Columbia, de-  
ceased.

We, David Stevenson Wallbridge, of 525 Seymour Street, in  
the City of Vancouver, in the Province of British Columbia, Bar- 20  
rister, and Helen Aleathea Wallbridge, of 1300 Bute Street, Van-  
couver aforesaid, Widow, the Executors named in the Will of the  
above named deceased, severally make oath and say:

That we are the applicants for letters Probate to the estate of  
Adam Henry Wallbridge, who died on or about the 10th day of  
September, A. D. 1927, domiciled in British Columbia.

\* \* \* \* \*

(Irrelevant portions of affidavit omitted)

\* \* \* \* \*

That we have in the Inventories respectively marked “X” and  
“Y” hereto annexed, set forth the assets, debts and liabilities of 30  
the deceased and the names of the several persons to whom the  
property of the said deceased will pass, the degree of relationship  
(if any) in which they stand to the deceased, their addresses so  
far as we can ascertain them, and the nature and value of the prop-  
erty passing to each of these persons respectively.

Sworn by the said David Stevenson Wallbridge and the said Helen Aleathea Wallbridge severally before me at Vancouver in the Province of British Columbia this 9th day of December, 1927.

D. S. Wallbridge  
Helen A. Wallbridge

RECORD

*In the  
Supreme Court  
of British  
Columbia*

“C. F. Campbell”

A Commissioner for taking affidavits within British Columbia

Exhibit No. 2  
(Plaintiff's)  
Extracts from  
Succession  
Duty  
Affidavit  
in Estate  
of A. H.  
Wallbridge  
Dec'd (with  
inventories)  
Dec. 9, 1927  
(Cont.)

10 VANCOUVER  
Apr. 10, 1933  
REGISTRY

Certified a true copy  
“H. Brown”  
Deputy District Registrar

SEAL OF S. C. of B. C., Vancouver Registry

INVENTORY “Y”

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN PROBATE

“SUCCESSION DUTY ACT” (BRITISH COLUMBIA)

IN THE MATTER of the Estate of Adam Henry Wallbridge, deceased late of the City of Vancouver, in the County of Vancouver, Province of British Columbia.

20 N.B.—Relationship by marriage only must be so stated.

Name	Relation-ship	Address	Property Passing	Value
Wallbridge Mrs. Helen Aleathea	Widow	1300 Bute St., Vancouver, B.C.	Amounts payable under Policies (\$15,880.00 and \$725.00) Total \$16,605.00	No Duty
30 Ditto	Ditto	Ditto	One-half of balance of net estate .....	\$16,997.05
Wallbridge, Lewis Kelso	Son	1300 Bute St., Vancouver, B.C.	One-half of Policy Monies (\$725.00) .....	No Duty
Ditto	Ditto	Ditto	One-half of balance of net estate .....	\$16,997.06



RECORD  
*In the  
Supreme Court  
of British  
Columbia*

VANCOUVER  
April 10, 1933  
REGISTRY

SEAL OF S. C. of B. C  
Vancouver Registry

Exhibit No. 2  
(Plaintiff's)  
Extracts from  
Succession  
Duty  
Affidavit  
in Estate  
of A. H.  
Wallbridge  
Dec'd (with  
inventories)  
Dec. 9, 1927  
(Cont.)

This is Inventory "Y" referred to in the affidavit of Value and Relationship of David Stevenson Wallbridge and Helen Aleathea Wallbridge.

Severally sworn to at Vancouver, British Columbia, on the 9th day of December, A. D. 1927.

"C. F. CAMPBELL",  
A Commissioner, etc. 10

INVENTORY "X"

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN PROBATE

"SUCCESSION DUTY ACT" (BRITISH COLUMBIA)

In the matter of the Estate of Adam Henry Wallbridge, deceased, late of the City of Vancouver, in the County of Vancouver, Province of British Columbia.

REAL ESTATE

\* \* \* \* \*

(Schedule of Realty Details omitted)

Total Value.....\$16,468.00 20

MONEYS SECURED BY MORTGAGE, INCLUDING  
DECEASED'S INTEREST IN JOINT INVESTMENTS

Nil

SECURITIES FOR MONEY INCLUDING LIFE INSURANCE AND CASH, DECEASED'S INTEREST IN JOINT INVESTMENT AND JOINT DEPOSITS

\* \* \* \* \*

Details omitted—Total.....\$17,330.77

BOOK DEBTS AND PROMISSORY NOTES, ETC., INCLUDING INTEREST TO DATE OF DEATH

		Principal Interest	Total	RECORD
	Liquidator of Pioneer Gold Mines Limited for money advanced to the Company .....	\$ 5,828.52	\$ 5,828.52	<i>In the Supreme Court of British Columbia</i>
BANK AND OTHER STOCKS				
		Principal Interest	Total	Exhibit No. 2 (Plaintiff's) Extracts from Succession Duty Affidavit in Estate of A. H. Wallbridge Dec'd (with inventories) Dec. 9, 1927 (Cont.)
10	Undivided one-twelfth interest in 382,498 shares in the Pioneer Gold Mines Limited in Liquidation .....	Nil	Nil	
	Golskiesh Mines Ltd., 500 shares.....	Nil	Nil	
	Surf Inlet Gold Mines Ltd., 18,333 shares @ 1¼c .....	\$ 172.91	\$ 172.91	
	Coronation Consolidated Mining Co. Ltd., 7500 shares @ 75c .....	5,625.00	5,625.00	
	Mainland Ice & Cold Storage Co. Ltd., 126 shares @ \$100 .....	12,600.00	12,600.00	
20	Camp McKinney Development Co. Ltd., 11,500 shares .....	Nil	Nil	
			\$18,397.91	

\* \* \* \* \*

This is Inventory "X" referred to in the Affidavit of Value and Relationship of David Stevenson Wallbridge and Helen Aleathea Wallbridge, severally sworn to on the 9th day of December, A. D. 1927.

"C. F. CAMPBELL",  
Commissioner, etc.

VANCOUVER  
April 10, 1933  
30 REGISTRY

EXHIBIT No. 76

THIS INDENTURE made in duplicate the thirtieth day of March in the year of our Lord one thousand nine hundred and twenty-eight.

BETWEEN:

DAVID SLOAN of the City of Vancouver, in the Province of British Columbia, Mining Engineer.  
hereinafter called the "Assignor" OF THE FIRST PART  
AND

40 PIONEER GOLD MINES OF B. C. LIMITED (Non Per-

Exhibit No. 76 (Plaintiff's) Deed of Assignment from David Sloan to Pioneer Gold Mines of B.C. Limited March 30, 1928

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 76  
(Plaintiff's)  
Deed of  
Assignment  
from David  
Sloan to  
Pioneer Gold  
Mines of B.C.  
Limited  
March 30,  
1928

(Cont.)

sonal Liability), a body corporate having its Head Office at the City of Vancouver, in the Province of British Columbia hereinafter called the "Company" OF THE SECOND PART WHEREAS by Agreement dated the 16th day of July, 1924, made between Pioneer Gold Mines Limited as Vendor and the Assignor hereto as Purchaser, the said Pioneer Gold Mines Limited granted to the said Assignor the right to take possession of, work, mine and develop the mining property situate in the Lillooet Mining Division in the Province of British Columbia, being more particularly described as Lot Four hundred and fifty-six (456), known as Pioneer Mineral Claim; Lot Three thousand and forty-five (3045), known as Sunset Mineral Claim; Lot Three thousand and forty-six (3046), known as Great Fox Mineral Claim, Lot Three thousand and forty-seven (3047), known as East Pacific Mineral Claim; Lot Three thousand and forty-eight (3048), known as Clifton Mineral Claim; Lot Three thousand and forty-nine (3049), known as Corasand Mineral Claim; Lot Three thousand and fifty (3050) known as Emmadale Mineral Claim; Lot Three thousand and fifty-one (3051), known as Union Jack Fractional Mineral Claim, and Lot Three thousand and fifty-three (3053) known as Titanic Fractional Mineral Claim and Royal Fractional Mineral Claim; the above Mineral Claims being known as the Pioneer Group, together with the buildings, plant, machinery and equipment thereon, on the terms and conditions therein mentioned and by virtue of which agreement the said Assignor has the privilege or option of purchasing the said property up until the first August, 1929, for the sum of One hundred thousand (\$100,000.00) Dollars, payable at the times and in the manner in said agreement, of 16th July, 1924, more fully set out and contained.

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AND WHEREAS the Assignor has for some time past carried on mining business and operations on the said mining property and has acquired certain plant, machinery and equipment, goods, chattels and effects in connection therewith.

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AND WHEREAS the Assignor has agreed to sell and assign the said recited agreement and option and other premises to the Company for the consideration hereinafter mentioned.

NOW THIS INDENTURE WITNESSETH that in pursuance of the said agreement and in consideration of the sum of One million six hundred thousand (\$1,600,000.00) Dollars which shall be paid and satisfied by the allotment to the Assignor or his nominee or nominees of one million six hundred thousand (1,600,000) fully paid ordinary shares in the capital of the Company of One (\$1.00) Dollar each, the Assignor DOETH HEREBY ABSOLUTELY GRANT, ASSIGN AND TRANSFER to the Company its successors and assigns the said recited agreement and option of 16th July, 1924, and all the rights, benefits and advantages of the Assignor thereunder and therein, and all the estate,

40

right, title and interest of the Assignor therein and thereto, and of, in and to the said mineral claims, and property and every part thereof, together with all buildings, plant, machinery, equipment, furniture and stock in trade, the property of the Assignor situate in, on, around or about the said mining properties or any of them, and all other property to which the Assignor is entitled in connection with the said mining business and operations.

These presents shall enure to the benefit of and be binding upon the Assignor and the Company hereto respectively, and their

10

respective heirs, executors, administrators, successors and assigns. IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals the day and year first above written.

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF "Malcolm McGregor" Bridge River, B. C. Mining.

20

"David Sloan" (Seal) Pioneer Gold Mines of B. C. Limited Non Personal Liability (Seal of the Company) "A. H. Miller" Chairman "A. McK. Bull" Secretary

Seal, Registrar of Companies British Columbia

Certified a true copy April 7th, 1933 "H. G. GARRETT" Registrar of Companies

ORIGINAL Filed and Registered the 30th day of April, 1928 "H. G. GARRETT", Registrar of Companies

EXHIBIT No. 77

30

THIS AGREEMENT made the 30th day of March, A. D. 1928.

BETWEEN:

DAVID SLOAN, of the City of Vancouver, in the Province of British Columbia, Mining Engineer, hereinafter called the "Vendor" OF THE FIRST PART

AND

PIONEER GOLD MINES OF B. C. LIMITED (Non Personal Liability) hereinafter called the "Company" OF THE SECOND PART

40

AND

ALFRED EDWIN BULL; HELEN A. WALLBRIDGE AND DAVID STEVENSON WALLBRIDGE, Executrix

RECORD

In the Supreme Court of British Columbia

Exhibit No. 76 (Plaintiff's) Deed of Assignment from David Sloan to Pioneer Gold Mines of B.C. Limited March 30, 1928 (Cont.)

Exhibit No. 77 (Plaintiff's) Agreement between Sloan and Pioneer Gold Mines of B.C. Ltd. and A. E. Bull, et al March 30, 1928

## RECORD

*In the  
Supreme Court  
of British  
Columbia*

Exhibit  
No. 77  
(Plaintiff's)  
Agreement  
between Sloan  
and Pioneer  
Gold Mines  
of B.C. Ltd.  
and A. E.  
Bull, et al  
March 30,  
1928

(Cont.)

and Executor of the Will of Adam Henry Wallbridge, deceased; BRIGADIER GENERAL J. DUFF STUART; DR. ROBERT B. BOUCHER; DR. FRANCIS JOHN NICHOLSON; DR. ANDREW R. THOMSON; all of the City of Vancouver, in the Province of British Columbia; MARGARET A. SLOAN, of 3760 14th Avenue East, in the City of Vancouver, Province of British Columbia; HILDA URSULA SMITH, of 3760 14th Avenue East, in the City of Vancouver, Province of British Columbia; and MONICA A. SMITH, of Loch Gelly, Scotland; hereinafter called the "Parties of the Third Part"

10

OF THE THIRD PART

AND

COLONEL VICTOR SPENCER, of the said City of Vancouver, hereinafter called the "Party of the Fourth Part"

OF THE FOURTH PART

WHEREAS by an Indenture (hereinafter called the "Principal Indenture") dated the 30th day of March, 1928, and made between the Vendor of the First Part and the Company of the Second Part, the Vendor granted, assigned and transferred to the Company a certain agreement and option of 16th July, 1924, covering mineral claims known as the Pioneer Group, together with certain other premises, therein more particularly referred to, for the consideration of One million six hundred thousand (\$1,600,000.00) Dollars, to be paid and satisfied by the allotment to the Vendor or his nominee or nominees of 1,600,000 fully paid ordinary shares in the capital of the Company of One (\$1.00) Dollar each.

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AND WHEREAS it is desired and has been agreed that the two shares which by the Company's Memorandum of Association the Subscribers thereto have agreed to take shall be credited as paid up and form part of the above mentioned 1,600,000 shares.

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AND WHEREAS the Vendor desires to have divers of the said shares allotted to the said Parties of the Third Part as his nominees and to place the Company in a position to file a contract constituting the title of such allottees to such shares.

NOW THEREFORE IT IS AGREED as follows:

1. IT IS HEREBY UNDERSTOOD AND AGREED that the two shares which by the Company's Memorandum of Association the subscribers thereto have agreed to take shall be credited as paid up and form part of the above mentioned 1,600,000 shares and that the said two shares shall be transferred by the said subscribers to Alfred Edwin Bull to be held by him in trust for all the parties hereto of the third part, in equal shares.

40

2. The Company shall forthwith allot ordinary shares in the capital of the Company of One (\$1.00) Dollar each as follows:

133,333 fully paid shares (Numbers 3 to 133,335 both inclusive) to Alfred Edwin Bull;

10 133,333 fully paid shares (Numbers 133,336 to 266,668 both inclusive) to Helen A. Wallbridge and David Stevenson Wallbridge, executrix and executor of the Will of Adam Henry Wallbridge, deceased;  
 133,333 fully paid shares (Numbers 266,669 to 400,001 both inclusive) to Brigadier General J. Duff Stuart;  
 133,333 fully paid shares (Numbers 400,002 to 533,334 both inclusive) to Dr. Robert B. Boucher;  
 133,333 fully paid shares (Numbers 533,335 to 666,667 both inclusive) to Dr. Francis John Nicholson;  
 133,333 fully paid shares (Numbers 666,668 to 800,000 both inclusive) to Dr. Andrew R. Thomson;  
 50,000 fully paid shares (Numbers 800,001 to 850,000 both inclusive) to Margaret A. Sloan;  
 50,000 fully paid shares (Numbers 850,001 to 900,000 both inclusive) to Hilda Ursula Smith;  
 100,000 fully paid shares (Numbers 900,001 to 1,000,000 both inclusive) to Monica A. Smith;  
 20 400,000 fully paid shares (Numbers 1,200,001 to 1,600,000 both inclusive) to Colonel Victor Spencer;  
 all as nominees of the said Vendor, the said shares being part of the said 1,600,000 shares hereinbefore mentioned.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals.

SIGNED, SEALED AND DELIVERED

30 in the presence of  
 Pioneer Gold Mines of B. C.  
 Limited  
 (Non Personal Liability)  
 "A. H. Miller" Chairman  
 "A. McK. Bull" Secretary

"David Sloan"  
 "Francis John Nicholson"  
 "A. E. Bull"  
 "Monica A. Smith"  
 Per David Sloan  
 "Victor Spencer"  
 "J. Duff Stuart"  
 "D. S. Wallbridge" Executor  
 "Helen A. Wallbridge" Executrix  
 "A. R. Thomson"  
 "R. B. Boucher"  
 "Margaret A. Sloan"  
 "Hilda Ursula Smith"

40 (Seal) Registrar of Companies  
 British Columbia

Certified a true Copy  
 April 7th, 1933  
 "H. G. GARRETT"  
 Registrar of Companies

ORIGINAL  
 Filed and Registered the  
 30th day of April, 1928  
 "H. G. GARRETT"  
 Registrar of Companies

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Exhibit  
 No. 77  
 (Plaintiff's)  
 Agreement  
 between Sloan  
 and Pioneer  
 Gold Mines  
 of B.C. Ltd.  
 and A. E.  
 Bull, et al  
 March 30,  
 1928  
 (Cont.)

## RECORD

## DOCUMENT "G"

*In the  
Supreme Court  
of British  
Columbia*

Document  
"G"  
(Defendants')  
Minutes of  
Meeting of  
Shareholders  
of Pioneer  
Gold Mines  
Ltd.  
July 27, 1928

MINUTES OF MEETING OF THE SHAREHOLDERS OF PIONEER GOLD MINES LIMITED, HELD AT 605 ROGERS BUILDING, 470 GRANVILLE STREET, VANCOUVER, B.C., ON FRIDAY, THE 27th DAY OF JULY, 1928, AT 5 O'CLOCK IN THE AFTERNOON.

Present: Gen. J. Duff Stuart, A. E. Bull, Dr. A. R. Thomson.

In attendance J. S. Salter, liquidator.

Moved by Mr. Bull, seconded by Dr. Thomson, that Gen. Stuart be chairman and J. S. Salter, secretary of the meeting. 10  
Carried.

Notice calling the meeting was read.

Minutes of the meeting held on June 30th, 1927, were read and approved.

Statement of receipts and disbursements from the beginning of the liquidation to June 23rd, 1928, as prepared by the Liquidator was produced and read.

Moved by Mr. Bull, seconded by Dr. Thomson, that statement be received. Carried.

On motion the meeting adjourned. 20  
J. S. Salter, Secretary of meeting.

## DOCUMENT "H"

Document  
"H"  
(Defendants')  
Minutes of  
Shareholders  
Meeting of  
Pioneer Gold  
Mines Ltd.  
July 27, 1928

MINUTES OF EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF PIONEER GOLD MINES LIMITED, HELD AT 605 ROGERS BUILDING, 470 GRANVILLE STREET, VANCOUVER, B. C., ON FRIDAY, THE 27th DAY OF JULY, 1928, IMMEDIATELY AFTER THE SHAREHOLDERS MEETING AT WHICH THE LIQUIDATOR'S ACCOUNT WAS RECEIVED.

PRESENT: 30

Gen. J. Duff Stuart, representing 1 share.

A. E. Bull, representing 1 share.

Dr. A. R. Thomson, representing 1 share.

A. H. Wallbridge Estate by Proxy A. E. Bull, representing 382,499 shares.

In attendance J. S. Salter, liquidator.

Moved by Mr. Bull, seconded by Dr. Thomson, that Gen. Stuart be chairman and J. S. Salter secretary of the meeting.

Carried.

Notice calling the meeting was read. 40

Moved by Mr. Bull, seconded by Dr. Thomson that the following resolution be passed as an Extraordinary resolution:

“The books and papers of the Company and of the Liquidator shall be delivered to the Pioneer Gold Mines of B. C. Limited (Non Personal Liability), and after one year from the dissolution of the Pioneer Gold Mines Limited, no responsibility shall rest on the Company, or the Liquidator, or any person to whom the custody of the books and papers has been committed, by reason of the same not being forthcoming to any person claiming to be interested therein.”

RECORD  
 In the  
 Supreme Court  
 of British  
 Columbia  
 Document  
 “H”  
 (Defendants’  
 Minutes of  
 Shareholders  
 Meeting of  
 Pioneer Gold  
 Mines Ltd.  
 July 27, 1928  
 (Cont.)

Carried unanimously.

- 10 On motion the meeting adjourned.  
 J. S. Salter, Secretary of meeting.

EXHIBIT No. 1

IN THE SUPREME COURT OF BRITISH COLUMBIA  
 IN PROBATE

Vancouver Registry 17272

Exhibit No. 1  
 (Plaintiff’s)  
 Letters of  
 Administra-  
 tion in re  
 Estate of  
 Peter  
 Ferguson  
 May 18, 1932

- 20 BE IT KNOWN that on the 10th day of May, 1932, Letters of Administration of all the estate which by law devolves to and vests in the personal representative of PETER FERGUSON, late of Saanichton, Province of British Columbia, deceased, who died on the 12th day of February, 1929, at Saanichton, Province afore-said, intestate, were granted by the Supreme Court of British Columbia to Andrew Ferguson, of the City of Vancouver, Province of British Columbia, the lawful brother of the said intestate.

GIVEN under the Seal of the said Court, this 18th day of May, A.D. 1932.

(VANCOUVER  
 May 18, 1932  
 REGISTRY)

“H. Brown”  
 Deputy District Registrar

(SEAL OF S. C. of B. C.)

- 30 Extracted by Messrs. Lawrence & Shaw.

B. C. L. S.	Estate sworn under .....	\$1
\$2.00	Probate Duty .....	Nil
	Succession Duty .....	Nil



## EXHIBIT No. 78

Form 17 "COMPANIES ACT" (Section 125)

Certificate No.....

Return of Shares Allotted By.....PIONEER GOLD MINES OF B. C. LIMITED (Non Personal Liability)

RECORD

In the  
Supreme Court  
of British  
ColumbiaExhibit  
No. 78  
(Plaintiff's)  
Return of  
Allotments  
Pioneer Gold  
Mines B.C.  
Ltd.  
April 26,  
1928

Date of allotment	FULL NAME, ADDRESS, and DESCRIPTION OF ALLOTTEE	Number of Shares Allotted for Cash	Number of shares allotted for other consideration such as property	Kind of share "Preference," "Ordinary," etc.	Serial Numbers of the shares	Nominal Amount of a single share	Amount paid up in cash or treated as paid up or otherwise	Amount (if any) due and payable at date of this return	Amount or rate of Commission or in the case of a Specially Limited Company, Discount, paid or allowed, or agreed to be paid or allowed.
"A. E. B."									
10 30th March 1928	Arthur Harold Miller, 535 Garden Dr., Vancouver, B.C. Barrister .....	Nil	1	Ordinary	1	\$1.00	\$ 1.00	Nil	Nil
30th March 1928	Armour McKenney Bull, 605 Rogers Bldg., Vancouver, B. C., Student at Law .....	Nil	1	Ordinary	2	1.00	1.00	Nil	Nil
20 30th March 1928	Alfred Edwin Bull, 605 Rogers Bldg., Vancouver B. C., Barrister .....	Nil	133,333	Ordinary	3- 133,335	1.00	133,333.00	Nil	Nil
30th March 1928	Helen Wallbridge and David Stephenson Wallbridge, Execu- trix and Executor under Will of Adam Henry Wallbridge, de- ceased, 1300 Bute St., Vancouver, B. C., Widow .....	Nil	133,333	Ordinary	133,336- 266,668	1.00	133,333.00	Nil	Nil
30th March 1928	Brigadier General J. Duff Stuart, 525 Seymour St., Vancouver, B.C., Merchant .....	Nil	133,333	Ordinary	266,669- 400,001	1.00	133,333.00	Nil	Nil
30 30th March 1928	Dr. Robert B. Boucher, 718 Granville St., Vancouver, B. C., Physician .....	Nil	133,333	Ordinary	400,002- 533,334	1.00	133,333.00	Nil	Nil
30th March 1928	Dr. Francis John Nicholson, 1826 Nelson St., Vancouver, B. C., Physician .....	Nil	133,333	Ordinary	533,335- 666,667	1.00	133,333.00	Nil	Nil

Date of allotment	FULL NAME, ADDRESS, and DESCRIPTION OF ALLOTTEE	Number of Shares Allotted for Cash	Number of shares allotted for other consideration such as property	Kind of share "Preference," etc.	Serial Numbers of the shares	Nominal Amount of a single share	Amount paid up in cash or treated as paid up or otherwise	Amount (if any) due and payable at date of this return	Amount or rate of Commission or in the case of a Specially Limited Company, Discount, paid or allowed, or agreed to be paid or allowed.	
Totals Brought Forward—Nil										
10	30th March 1928	Dr. Andrew R. Thomson, 3775 14th Ave. W., Vancouver, B. C., Physician .....	Nil	133,333	Ordinary	666,668– 800,000	\$1.00	\$133,333.00	Nil	Nil
	30th March 1928	Margaret A. Sloan, 3760 14th Ave. W., Vancouver, B. C., Spinster .....	Nil	50,000	Ordinary	800,001– 850,000	1.00	50,000.00	Nil	Nil
	30th March 1928	Hilda Ursula Smith, 3760 14th Ave. W., Vancouver, B. C., Spinster .....	Nil	50,000	Ordinary	850,001– 900,000	1.00	50,000.00	Nil	Nil
20	30th March 1928	Monica A. Smith, Loch Gelly, Scotland, Spinster .....	Nil	100,000	Ordinary	900,001– 1,000,000	1.00	100,000.00	Nil	Nil
	30th March 1928	David Sloan, 3760 14th Ave. W., Vancouver, B. C., Mining Engineer .....	Nil	200,000	Ordinary	1,000,001– 1,200,000	1.00	200,000.00	Nil	Nil
	30th March 1928	Colonel Victor Spencer, 515 Hastings St., W., Merchant .....	Nil	400,000	Ordinary	1,200,001– 1,600,000	1.00	400,000.00	Nil	Nil

If the return includes shares allotted for consideration other than cash complete the return as follows:

- (a) contract(s) in writing dated 30th March, 1928, is filed herewith relating to 1,600,000 shares allotted to David Sloan and his nominees as therein.

30

DATED this 26th day of April, 1928.

"Signature"  
"A. E. Bull"  
(Relationship to Company)  
Secretary-Treasurer

(CERTIFIED A TRUE COPY)  
April 7th, 1933  
"H. G. Garrett"  
Registrar of Companies

Original filed and registered the  
30th day of April, 1928  
"H. G. Garrett"  
Registrar of Companies

RECORD

In the  
Supreme Court  
of British  
Columbia

Exhibit  
No. 78  
(Plaintiff's)  
Return of  
Allotments  
Pioneer Gold  
Mines B.C.  
Ltd.  
April 26,  
1928  
(Cont.)