

On the 2nd October, 1907, a further agreement or option covering the same mining claims and certain other mining properties or claims was entered into between the parties varying the terms of the two former agreements as follows: The price of the mining claims was increased to \$100,000, \$2,000 of which was acknowledged as having been paid, and the balance was to be payable in ten instalments in varying sums, and at varying dates between October 6th, 1907, and July 6th, 1909. This agreement also provided that on October 6th, 1908, the purchaser should be entitled to exercise one of several options therein set out.

On February 7th, 1908, the plaintiffs, through their solicitors, wrote a letter, from which I quote as follows: "You say in your letter that you cannot complete the purchase of their properties at the price named in the option, but that if the Dube Bros. will consider giving you an option for a lesser amount you will again try to complete the purchase and build a railway to the mines. Now, although the Messrs. Dube feel that the price named in the former option was not a bit too great for the properties, still if you will not take it that settles it. They would like, however, to learn from you at what price and upon what terms of payment you would be willing to take a new option on the said properties? It is possible that a deal might still be made between you, and they feel that after you have spent so much money developing the property that they would prefer giving you the opportunity of purchasing in preference to any other person if there would not be too great a difference in the price offered."

On February 13th, the defendant replied as follows: "I would suggest that the Dube Bros. make me an offer of what they will take for the property on a year's option, or cash transaction. As I have stated before, I have seen a lot of the iron ore people, but they do not care to take up a concentrating proposition at the present time. I am very much disappointed that I did not get rich commercial ore in any large quantities, but it may be possible to locate some rich lenses in another summer's work. I would consider the question of working there this summer, provided a reasonable option, at a very much reduced price. Probably the better way would be for the Dube Bros. to come down and see me."

Plaintiffs' solicitors wrote again on February 15th, as follows: "They also say that they do not wish to give an