

ating extensively in Porcupine had secured an option from the owners. It had gone upon the land and had spent considerable money in prospecting, and it had erected certain buildings upon the property. Its option of purchase had been allowed to lapse before McCaffery obtained his option. McCaffery made no secret of this. He claimed that in abandoning this property the company had not acted wisely.

Stimson was a broker who had carried on business in Toronto for many years. He had not had great experience in dealing with mining properties. McCaffery secured an introduction to him, and produced and exhibited to him not only the option but some samples said to be of ore taken from this property, together with a report made by one Meyers, a mining engineer. Some assays were made of samples of this ore. Stimson concluded to buy on the basis of \$61,000: that is to say, he paid McCaffery the \$5,000 and assumed liability for the \$30,000 due the vendors for the balance of their purchase money, he taking a half interest in the property. When I say "he assumed liability," it must be understood that the agreement was in the form of an option; but this is not material, as the price was ultimately paid. \$3,500 was paid at the time.

Baugh is a broker residing and carrying on business in Montreal. He is a remote connection of Stimson, and had had many financial dealings with him. Shortly after the making of the agreement under which Stimson acquired an interest in the property, he was in Montreal, in Baugh's office, mentioned to Baugh his agreement with McCaffery, and suggested to Baugh that he should try to buy out McCaffery on the best possible terms, and that they—Stimson and Baugh—should then pool their interests, equalizing the cost and the amount of their holding; Stimson fearing at this time that McCaffery would not be found an entirely easy man to co-operate with in the flotation of the property.

Baugh fell in with this suggestion, and the result was that a telegraphic message was sent by Stimson to McCaffery, calling him to Montreal. Finally the agreement already referred to was arrived at, by which Baugh put up the one thousand dollars on account of three thousand to be paid if Baugh was satisfied upon personal examination, it being understood that the one thousand dollars was to be refunded if as the result of the examination Baugh was not satisfied with the outlook.