

F. W. GUERNSEY
744 WEST HASTINGS STREET
VANCOUVER, B. C.

Handwritten:
HSM
check

810919

30 November, 1935

L.W. Wickes, Esq.,
1206 Pacific Mutual Building,
Los Angeles, Calif., U.S.A.

My dear Mr. Wickes:-

The following is a resume of the information I have regarding the Proserpine Gold Mines, about which you wrote me on the 4th and 18th of November.

Staked by E.E. Armstrong - F.J. Tregillus and
J.A. Blair

- 1919 - The Mining Corporation of Canada took an option and did some work,
- 1920 - Mining Corporation relinquished their option,
- 1932 - Walter D. Hoover took option on two groups, namely:-

No. 1 - 9 claims	-	\$110,000.00
No. 2 - 10 claims	-	\$120,000.00

He offered to transfer these options to me for the following consideration:-

Cash	-	\$5,000.00
July 1, 1933		\$5,000.00
Payments in		
next four years		\$90,000.00
20% interest in any		

Company to be formed, which would make a total of \$412,500.00 for the two options. I told Hoover this was absurd, and I would not have anything to do with it. Later on he optioned these two claims to Fred Searls, Jr., at a considerably less price. Searls dropped the option shortly afterwards.

Ridgeway R. Wilson took an option from Tregillus, Blair and Armstrong until 1933, and in 1934, Proserpine Gold Mining Company was formed, with a capital

of \$3,000,000.00, of which 1,150,000 shares were allotted for the property, 1,585,000 shares kept in the Treasury, and 400,000 shares offered to the public.

W.R. Wilson was listed as President, but later told me, the Company was formed by his son, Ridgeway R. Wilson and associates, and he (W.R. Wilson) had no interest in it.

The Proserpine Gold Mines still owe \$19,000.00 to Tregillus, Blair and Armstrong, payment on the property, also about \$19,000.00 to other creditors. It has been proposed, and I believe agreed to, to wipe out this indebtedness by issuing shares of the Treasury at a price per share of 20 cents, which would mean, 190,000 additional shares allotted for property.

About three months ago, I had a discussion with Ridgeway Wilson regarding further financing - it was rather in the nature of a fishing expedition - Newmont was willing to help, but not at the price of 20 cents per share. Wilson told me they were negotiating with an Old Country syndicate to dispose of a block of Treasury shares at 20 cents, and I consequently told him, I did not care to interfere, and the matter dropped.

Since returning from California, I have not referred to the matter, and do not know whether Mr. Snider has mentioned to him that you have been approached.

The group is considered to be favourably situated, and has numerous exposures. I saw the assay map of the Mining Corporation made in 1920, which did not impress me, as apparently no discrimination was exercised in cutting samples; and country rock, as well as vein rock were sampled with rather sad results. There appeared to be enough sweeteners to make further prospecting very much worthwhile.

Fred Searls took the option from Hoover at the height of the boom in 1932 - 33, and the owner's conditions of the option was the reason he dropped it.

The Island Mountain Mines Company, with whom

L.W. Wickes,

- 3 -

30 November, 1935

I am associated, owns the Proserpine East, Proserpine South, Proserpine West and Wilkinson claims to the north-west of this group. Some underground work was done last summer with only fair results, but next season further prospecting on these claims will be undertaken, with a natural expectation of uncovering something worthwhile.

I do not know if Mr. Snider has submitted any proposition, but assuming the property will eventually become a producer, it will require \$300,000.00 to \$400,000.00 to place it in that position, and it looks as if the capital structure of the Company will have to be revamped.

I certainly would not advise an option at 20 cents per share for the shares now in the Treasury (which is the price offered the English Syndicate), as one would only hold a minority interest in the Company.

If one could get in on reasonable terms, I consider it a good gamble.

Yours very truly,

A handwritten signature in cursive script, appearing to read "W. G. Guernsey". The signature is written in dark ink and is positioned below the typed name "W. G. Guernsey".

FWG:C

F. W. GUERNSEY
744 WEST HASTINGS STREET
Vancouver, B. C.

15 November, 1935

Mr. L. W. Wickes,
1206 Pacific Mutual Building,
LOS ANGELES, Calif., U.S.A.

My dear Mr. Wickes:-

Your letter of November 4th, regarding the Proserpine property in the Cariboo District was handed to me when I was leaving the Leviathan property.

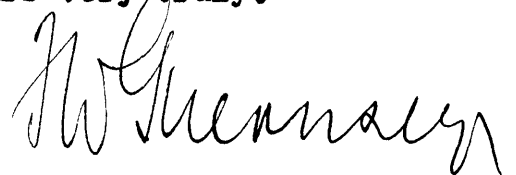
I have quite a lot of indirect information regarding the Proserpine Gold Mine Limited, and will look it up and write you again in a day or two.

Mr. W. R. Wilson told me some time ago that he was not interested, although he had been listed as President when the prospectus was issued. His son, Ridgeway R. Wilson, Managing Director, is very reliable, and of a splendid character. However, I will look up all the data I have and send you a resume of it.

A satisfactory physical examination of the property cannot be made this season, it is fairly high and is now covered with snow.

Yours very truly.

FWG/EC



November 12, 1935

Mr. F. W. Guernsey,
Palace Hotel,
San Francisco, Calif.

Dear Mr. Guernsey:

I am sending you herewith information left with us by Mr. R. P. Snyder of Vancouver on the Paymaster Mine at Bridge River and the Proserpine in the Cariboo District.

If you are now at liberty to do the work, Mr. Mudd would like to have you give us a preliminary report on the Paymaster. Please use your own judgment as to whether or not you think a trip to Bridge River would be worth while at this time of the year. We understand that the country is still open but that it may be snowed in almost any time. Mr. Mudd thought that if you did make the trip you might find it advisable or desirable to take an assistant. If you feel that is the case we would be glad to have you do so. The enclosed papers give the full picture as we have it.

In regard to the Proserpine, it is our thought that a trip to the property at this time of year is more or less out of the question as little would be gained but if you can give us a summary of the situation we will be glad to have it.

In the conversations with Mr. Snyder I told him that we hoped to have you make some investigation for us if and when you were available so that he is prepared. I do not think there is any great hurry in regard to this except that we do not want to hold up Mr. Snyder any longer than is necessary. We have told Mr. Snyder very definitely that we do not wish to stand in his way if he has a chance to do business with others. On the other hand, I think he is holding off until he gets some sort of word from us.

With kindest regards,

Sincerely yours,

LWW:LF

Enclosures

Proserpine

November 4th, 1935

Mr. F. W. Guernsey,
P. O. Box 132,
Minden, Nevada.

Dear Mr. Guernsey:

Thank you very much for the copies of the letters to Mr. Judson and Hugh Wright dated October 29th. It certainly looks as if the end of the season was at hand.

We have received a number of communications and some information from Mr. R. P. Snyder of Vancouver regarding the Proserpine property at Cariboo. This is a group of sixteen claims lying at the extreme south end of the Cariboo Gold Belt in the Barkerville Area. It is our impression that this ground is in the hands of very estimable people, headed by Mr. W. K. Wilson, of the Premier, who has associated with him his brother, Mr. H. R. Wilson.

The British Columbia bulletins speak of this ground as being entirely possible. Mr. Snyder states that those in control are open for some sort of a deal and asks if we would be interested and also suggests that you could probably tell us something pertinent regarding the holdings. Have you any information which you could pass on? We have no conception as yet just what the Messrs. Wilson want to do and there seems no particular hurry as little or no investigation could be made on the ground until next summer. On the other hand, some preliminary correspondence will probably be had and we would like to have your general reaction insofar as you are prepared to give it to us.

With kindest regards,

Sincerely yours,

LWW:LF

P.S. Memoir 181 of the Canadian Dept. of Mines by G. Hanson describes the property, giving some interesting widths, etc. but says little or nothing about values, the only statement being that picked samples go 4 oz. of gold and that some veins locally will assay an ounce over a width of two feet. Could you add anything to this?

L. W. W.