Court File No. CV-17-11779-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

CRYSTAL WEALTH MANAGEMENT SYSTEM LIMITED, CLAYTON SMITH, CLJ EVEREST LTD., 1150752 ONTARIO LIMITED, CRYSTAL WEALTH MEDIA STRATEGY, CRYSTAL WEALTH MORTGAGE STRATEGY, CRYSTAL ENLIGHTENED RESOURCE & PRECIOUS METALS FUND, CRYSTAL WEALTH MEDICAL STRATEGY, CRYSTAL WEALTH ENLIGHTENED FACTORING STRATEGY, ACM GROWTH FUND, ACM INCOME FUND, BULLION FUND, ABSOLUTE SUSTAINABLE DIVIDEND FUND, ABSOLUTE SUSTAINABLE PROPERTY FUND, CRYSTAL WEALTH ENLIGHTENED HEDGE FUND, CRYSTAL WEALTH INFRASTRUCTURE STRATEGY, CRYSTAL WEALTH CONSCIOUS CAPITAL STRATEGY, CRYSTAL WEALTH RETIREMENT ONE FUND and CHRYSALIS YOGA INC.

Respondents

QUESTIONING PURSUANT TO COURT ORDER OF:

ROBERT MALJAARS

CALGARY, ALBERTA, CANADA

MARCH 22, 2018

VOLUME 1

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(PROCEEDINGS COMMENCED AT 9:00 A.M.)

ROBERT MALJAARS, having been duly sworn, questioned by Mr. van Zandvoort, testified as follows:

Q MR. van ZANDVOORT: Good morning, sir.
A Good morning.
Q Can you state your full name for the record, please?
A Robert Jacob Maljaars.
Q You were sworn in or affirmed to tell the truth this morning?
A Yes, just now.
Q And your date of birth?

MR. POPOWICH: Again, counsel, I said personal information, address, phone number and the like, that's not relevant or necessary to your questioning.

MR. van ZANDVOORT: And you have our position from yesterday, counsel, as to why it is relevant.

So is your position for today's examinations of Mr. Robert Maljaars and Mr. Jeffrey Maljaars going to be the same, that no undertakings are going to be provided whatsoever?

MR. POPOWICH: Yes. And as I said, the witnesses are here by agreement and cooperation and we will reconsider that, but as understood now, there is no requirement to produce documents or authority for that from the receiver.

MR. van ZANDVOORT: And we understand that. We, of course, disagree on that based on the court orders issued and provided prior to this examination.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Mr. Maljaars, do you reside in Lethbridge, Alberta?
A No.
Q Mr. DenHollander, during his examination yesterday, indicated that you did reside in Lethbridge.
MR. POPOWICH: He doesn't know what Mr. DenHollander said.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Sorry, where do you live?
A Coalhurst.
Q At 222014 Twin 9 Fork, Coalhurst?
MR. POPOWICH: As I said, personal information such as that isn't necessary.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Your son is Jeffrey Maljaars?
A Yes.
Q Just a couple of things --
A Middle name --
Q Just make sure you speak up so the reporter can hear you, and always be sure to let me finish my questions before you answer, otherwise it's very difficult for Madam reporter to get the answers down.

Jeffrey Maljaars is your son?
A Yes.
Q Mr. Maljaars resides where, your son?
A Sorrento area.
Q Do you know Darcy Pahl?
A Yes.
Q How do you know Darcy Pahl?
A I know him from doing business together.
Q Can you be more specific, please?
MR. POPOWICH: Does he have to?
MR. van ZANDVOORT: Yes, he does.
MR. POPOWICH: I don't think so.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: When did you meet Darcy Pahl?
A 2008.
Q How did you meet?
MR. POPOWICH: I don't think that matters, either.
MR. van ZANDVOORT: You are not allowing the witness to answer that question?
MR. POPOWICH: No.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: But you would agree that with respect to the subject matter of this proceeding, you and Darcy Pahl had business dealings together with Dome Mountain Resources that resulted in over $12

million in financing being received from Crystal Wealth; correct?
A Correct.
MR. van ZANDVOORT: You are still not going to allow the witness to answer as to how he knows Darcy Pahl?
MR. POPOWICH: Correct.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Were you introduced to Darcy Pahl by someone?
MR. POPOWICH: Again --
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: I understand from Mr. Pahl's examination yesterday that you introduced him to Jerry Froese at Frontline Factoring Inc.?
MR. POPOWICH: Again, he doesn't know what was said in the investigation (sic).
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Did you introduce Mr. Pahl to Jerry Froese of Frontline Factoring Inc.?
A I don't know if I'm the one that introduced him.
Q When did you first meet Mr. Froese? When was the first time you were introduced to Mr. Froese or learned of him?
A To the best of my memory, I would think it was around 2009.
Q Were you introduced to Mr. Froese or Frontline Factoring

from someone or had you had prior business dealings with them?
A Well, I knew Jerry since 2009; well before any factoring.
Q How did you know Jerry?
MR. POPOWICH: Again, that doesn't make any difference.
MR. van ZANDVOORT: I disagree.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Do you recall -- who did you meet first, Mr. Froese or Mr. Pahl?
A Oh, Mr. Pahl.
Q When were you introduced to Mr. DenHollander, David DenHollander?
A I think it was early 2009.
Q Just so I have this straight, between Mr. Froese, Mr. DenHollander and Mr. Pahl, what was the order of who you knew first to the most recent?
A I would say it was Mr. Pahl first, then Mr. DenHollander and then Mr. Froese, in that order.
Q What is your experience, work experience or otherwise, in the mining industry?
A Right now?
Q No, starting let's say in the year 2000 and moving forward.
MR. POPOWICH: I don't think that's relevant.

(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Did you provide any of the consulting services that formed the invoices of 1566496 Alberta Ltd. to Dome Mountain?
A Yes.
Q Those were your services?
A Yes.
Q Did anybody else provide those consulting services that formed 156's invoices to Dome Mountain?
A No.
Q Solely you?
A Yes.
Q And that was for consulting with respect to the Dome Mountain mine owned by Gavin Mines Inc.?
A Yes, regarding Gavin Mines.
MR. van ZANDVOORT: So my question, counsel, is I would like to know what experience Mr. Maljaars has in the mining industry from 2000 moving forward, given that he provided significant monetary consulting services in connection with the Dome Mountain mine which were invoices to Dome Mountain and which are at issue in this proceeding.
MR. POPOWICH: Right. So I would think if you had some interest, you would want to know what the services are. I don't understand there is any issue arising with respect to the ability or willingness to provide the service, counsel, so -- you have my

objection.
MR. van ZANDVOORT: I think the questions I'm asking have been established by Mr. Maljaars to be in connection with the Dome Mountain mine. He provided consulting services. I want to know his background in the mining industry to give the expertise to provide those consulting services.
Q Can you explain that, sir?
MR. POPOWICH: You can ask him about what happened here; okay?
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Have you read the receiver's first or second report to the court in this proceeding?
MR. POPOWICH: Again, as I have indicated to you, privileged and irrelevant.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: In the receiver's second report to the court, it outlines the three 156 Alberta invoices to Dome Mountain which remain outstanding. Two are to Dome Mountain and one is to a company called IC Commerce. What is IC Commerce?
A That's a company that was doing a lot of other international transactions.
Q What type of international transactions?
A Raising capital for projects.
Q My understanding is Darcy Pahl is the president of IC

Commerce -- is that correct --? to your knowledge?
A Is that a question? Yes. To my knowledge, yeah.
Q Was Darcy Pahl the representative of IC Commerce that you conducted business with on behalf of 156 Alberta?
A Yes.
Q Was there anyone else from IC Commerce that you dealt with?
A No.
Q Is there, beyond Mr. Pahl, any other employees or officers, directors or representatives, to your knowledge, of IC Commerce?
A I don't know. Not that I know of.
Q To your knowledge, does IC Commerce have a separate business address or a place from which it operates aside from where Mr. Pahl would operate Dome Mountain?
A Yes.
Q What address is that?
A I don't know.
Q Are they both in Alberta?
MR. POPOWICH: Again --
MR. van ZANDVOORT: Again what?
MR. POPOWICH: I don't know how that's relevant.
MR. van ZANDVOORT: I'm just trying to see where the debtor companies operate from. The merchants sold these invoices on their proposed factoring arrangement to these debtors, and you are not going to

tell me where the debtors operate from?
MR. POPOWICH: Not their offices. The gentleman doesn't know, anyways. I don't know why --
MR. van ZANDVOORT: Well, let the gentleman answer.
MR. POPOWICH: I thought he did.
Q MR. van ZANDVOORT: Let me ask again. Are both the offices in Alberta?
A I don't know where his corporate office is.
Q Do you know if he has one?
A I don't know.
Q You don't know?
A I don't know.
Q Do you know if Dome or IC Commerce has a corporate office?
A I have already said I don't know about ICC. I know that Dome does not have a corporate office.
Q When you were dealing with Dome or with ICC, being IC Commerce, you were just dealing with Darcy Pahl?
A No.
Q What do you mean no? Who else were you dealing with?
A The question is two companies combined. You asked ICC and Dome.
Q Yeah.
A That's not only Darcy Pahl.
Q Who else is it?
A All the Dome invoices was everything done on Gavin.

Q All of your invoices to Dome was everything done on Gavin?
A Um hmm.
Q For Dome Mountain to whom --
A Correct.
Q But I'm just looking to confirm, whenever you were dealing with Dome Mountain Resources of Canada Inc. or IC Commerce, you were just dealing with Darcy Pahl, that's it?
A That's right, from that perspective.
Q What other perspective is there?
A Just how you asked the question.
Q What do you mean from that perspective?
A I said the work through Dome was all on Gavin.
Q The work through the company, Dome Mountain Resources, was all on the Gavin Mines?
A That's right.
Q But it was -- that work was commissioned by Dome Mountain Resources of Canada Inc., which is why 156 would have invoiced Dome Mountain Resources of Canada Inc., I would assume?
A Right.
Q Do you know Lloyd Tattersal?
A Yes.
Q How long have you known Mr. Tattersal?
A To the best of my memory, it was 2009; late 2009 or early '10. I don't recall exactly when I met him.

Q So in the order of going back to what you said previously, you met Mr. Pahl first, then Mr. DenHollander, then Mr. Froese. Where was Mr. Tattersal in that sequence?
A To the best of my memory, I believe I met him after Mr. DenHollander but before Mr. Froese.
Q Okay. So explain to me how you became involved with Dome Mountain Resources of Canada Inc. and Gavin Mines.
A There is a guy, Jordan McBean, who was going to fund Gavin Mines for us.
Q Sorry, what do you mean when you say going to find Gavin Mines for us?
A Fund.
Q Sorry, going to fund Gavin Mines for us.
A So I approached Jordan McBean to fund Gavin Mines.
Q How did you know Jordan McBean?
A Through a guy in Calgary.
Q Sorry, when was that?
A 2000 -- oh, brother. I think '14. I honestly don't know the exact year. Maybe 2013.
Q You said to help us fund Gavin Mines. Who is us?
A Darcy and I.
Q When you say "fund Gavin Mines," what were you looking to fund?
A Like how much money or what?
Q How much money, but also for what purpose? What were you funding?

A To purchase, to acquire Gavin Mines.
Q All of the shares of Gavin Mines?
A Yeah, that was the goal.
Q So what happened with discussions with Mr. McBean concerning the funding?
A He said he had the ability to fund us 150 million -- I believe it was 150, starting with 100 to acquire all the stock and to put it into production.
Q Was it just you at that time having the discussions with Mr. McBean or were others involved in those discussions?
A I believe it was initially Darcy.
Q Just Darcy and Mr. McBean?
THE COURT REPORTER: I didn't hear an answer.
THE WITNESS: I said initially Darcy.
Q MR. van ZANDVOORT: Was dealing with --
A I say Darcy, Mr. Pahl.
Q And then how did that change? So it was initially Darcy, Mr. McBean, around 2013, then you got involved, or who else became involved?
A Darcy called me the next day and said Bob, I think we have the guy to solve --
Q To solve?
A To fund --
Q Sorry, your counsel looked at you and you stopped talking --
MR. POPOWICH: I put my hand down to look at my paper --

THE WITNESS: I thought -- sorry.
Q MR. van ZANDVOORT: To solve...?
A To solve the funding issue to supply the capital to buy Gavin.
Q So Darcy calls you, says I think I found the guy. Then what happens to advance the discussions with Mr. McBean from that point?
A I came up to Calgary in a very short period of time, I don't remember, a day or two, to meet with them.
Q With Darcy?
A And McBean.
Q And what happened at the meeting?
A He went through his protocol. He went through what he can do. And he showed us a proof of funds, and we thought hey, we finally have the right person to do this.
Q Sorry, I didn't ask this before. What does Mr. McBean do? Where was this funding coming from?
A He claimed to have international connections with large capital pools.
Q So where did he say the 150 million was being raised from? Where was that financing coming from?
A He said it would be facilitated through Nassau, Bahamas.
Q Was the funding an investment from -- was it a mutual fund? Where was that funding coming from? Was it private investors, was it --
A I don't know the exact details of his source, I just

know what his arrangement was going to be with us.
Q You didn't know where the 150 million was being sourced from --
A No.
Q -- all you both knew was that he was going to make $150 million available to you and Darcy to buy the entirety of the shares of Gavin Mines?
A Correct.
Q Did either of you ask him where that funding was going to come from?
A He would only say he has various parties, different banks and different groups. He never gave us specifics; not that I recall.
Q So at what point in time are we at in the chronology of when that meeting would have been with you, Darcy and Mr. McBean?
A I don't understand what you mean.
Q Sorry, was that 2014 or --
A As I mentioned earlier, I think 2013, 2014, somewhere in there.
Q At this point, are you providing any consulting services to Dome Mountain with respect to mining projects for which 156 Alberta invoiced Dome?
A Yeah, I have been doing that since 2010.
Q Okay. So 156 Alberta has been invoicing Dome Mountain Resources since 2010?
A I have been putting my time in since 2010 on that

project.
Q The first invoices from 156 Alberta to Dome Mountain of which we are aware are from February of 2015. Were there any ones prior to that time?
A So that means that my '13, '14 date is probably 2014 to 2015, and I'm off by one year.
Q So these meetings probably occurred around that time period that you started invoicing in February of 2015?
A Prior.
Q Would you be able to review your records and try and confirm -- maybe a calendar you keep to confirm when this meeting was with Mr. McBean and Mr. Pahl?
MR. POPOWICH: As we said, we are not going to give undertakings, but there is a note of it and we will consider it all again afterwards.
THE WITNESS: I don't recall that year or that time.
UNDERTAKING NUMBER 1:
TO ADVISE WHEN THE FIRST MEETING OCCURRED WITH MR. MCBEAN AND MR. PAHL (REFUSED)
Q MR. van ZANDVOORT: So you have been involved with the project, you said, since 2010. What's the project?
A Gavin Mines.
Q Like when you say Gavin Mines, do you mean the actual mines owned by Gavin Mines or do you mean Dome Mountain

and Darcy Pahl's interest of acquiring the shares of Gavin Mines?
A No, because Dome Mountain didn't exist back then.
Q Dome Mountain, the company, didn't exist; correct?
A Since 2010, I was working with different groups to acquire Gavin.
Q Who were the different groups?
A Names? Specific names? There was one group, I don't even know the group's name, represented by a Ludovic out of Switzerland. There was another group represented by a Brenda. There was another guy by the name of Mark. Then there was another one, his name was Ron, and then it was Jordan.
Q But it wasn't Jordan who wanted to acquire the mine, he was just going to help raise the financing. Or was he going to have an ownership -- a share interest in Gavin Mines as well?
A I don't know. No, he was not, he was funding.
Q Were you meeting with different potential financiers as opposed to different people who were actually looking to acquire the mine?
A They were a mix of equity or debt. Each one was a different deal.
Q Of the five, did any of them involve Mr. Froese or Frontline Factoring?
A No.
Q Of the five, did any of them -- did you have any

discussions with Crystal Wealth or Mr. Housego?
A I didn't know those people prior to Jordan.
Q Who introduced you to Mr. Housego?
A As far as the first initial -- I don't recall, but it would either be DenHollander or Froese.
Q MR. van ZANDVOORT: I will put it on the record. Can you provide me with the actual company or entity names and names of the individuals sort of involved in the five groups that you dealt with about a potential acquisition involving an equity in Gavin Mines?
MR. POPOWICH: Again, no undertakings, and I'm not sure why that would be relevant.
UNDERTAKING NUMBER 2:
TO ADVISE THE ACTUAL COMPANY OR ENTITY NAMES OF THE INDIVIDUALS INVOLVED IN THE FIVE GROUPS THAT WERE DEALT WITH ABOUT A POTENTIAL ACQUISITION INVOLVING AN EQUITY IN GAVIN MINES (REFUSED)
Q MR. van ZANDVOORT: I just want to go back to February 2015. You have just had that meeting with Mr. McBean and Mr. Pahl. We don't know exactly when that is, but '14 to '15, it sounds like.
A Yes.
Q And so did you and Mr. Pahl have to bring Mr. McBean any project-related documents or information so that he could secure this funding or what did you have to give Mr. McBean to secure the 150 million in financing?

A I had to give him information on Gavin.
Q On the company or the mines?
A No, on the mines.
Q And what information did you give to Mr. McBean on the mines?
A The only thing they cared about was the 43-101.
Q So what would you and Mr. Pahl have actually given to Mr. McBean by way of documents in connection with raising this financing?
You said the only thing he cared about was the 43-101, but I want to know what you guys actually gave to him to secure this financing.
A I don't recall exactly what we all gave. It's any info we had on the mine.
Q Which mine are you referring to?
A Gavin.
Q On Gavin Mines, the company, or Dome Mountain, the mine, or Taz or Big Onion?
A Again, Dome wasn't even in existence then.
Q I'm not talking about Dome Mountain, the company, I'm talking about Dome Mountain, the mine.
A The mine, it's called Gavin Mines. The company is Gavin, the mine is Gavin.
Q Is there a mine called Dome Mountain?
A Gavin Mines is in a mountain called Dome Mountain.
Q The mine is actually owned -- so you are saying it's called Gavin Mine?

A The name of the mine is Gavin Mines, yes.
Q And that's on Dome Mountain?
A It's in Dome Mountain, yeah, like the physical Dome Mountain.
Q Does Gavin Mines, the company, own any other mines?
A I'm not a hundred percent sure on their share structure.
Q Do you have the documentation still in your possession or ability to obtain that you would have given to Mr. McBean in connection with this financing?
A Possibly.
Q Where would that be kept?
A That would be an e-mail.
Q Like not at a physical location, just an e-mail?
A Yes. Everything was by e-mail.
Q What is your e-mail address? Counsel is motioning no, that he will not give --
MR. POPOWICH: No, that's not relevant. Again, circumstances, not personal information --
MR. van ZANDVOORT: I have your position, counsel. I disagree with it. Let's move on.
MR. POPOWICH: Perhaps just let me finish. You don't have to repeat it again. It will move really quickly.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: So move me forward in time. You have the meeting with Mr. Pahl and Mr. McBean in 2014 or early 2015. The $150 million is supposedly

secured. What happens next?
A We wait.
Q For...?
A McBean to perform.
Q Was there like an agreement pursuant to which the financing was supposed to be advanced?
A Yeah, of course.
Q Who were the parties to that agreement?
A That would have been Jordan, of course --
Q Like Jordan or did he have a company?
A Yeah, he did. I don't remember the name of his company. And that would have been with Jordan and Darcy, Mr. Pahl.
Q Were you a party to it?
A I was a party to the meetings. I don't know that I was a party to the agreement. I don't recall.
Q Given the magnitude of the financing -- I'm not asking for the names -- were lawyers involved with respect to the preparation of the agreement leading up to the execution of it?
A I believe so, in the background. I was never present with any --
Q On your and Darcy's side or on Mr. McBean's side?
A On Mr. McBean's side.
Q Did your and Darcy's side have lawyers involved with respect to it?
A I believe -- I think Darcy had counsel.

Q I'm not asking for the advice given to Mr. Pahl, just the name of the lawyer.

MR. POPOWICH: No. Even then, the factor retaining may very well be privileged.

(OBJECTION TO A QUESTION)

Q MR. van ZANDVOORT: Do you have a copy of the agreement that was signed?

A I don't think I do.

Q Did you ever have a copy of it?

A I don't think so. I don't recall.

Q When was the funding supposed to be provided by, the 150 million?

A The first 50 I believe was within 90 days, 60 to 90 days, and then a subsequent 50 shortly thereafter. And then upon performance of Gavin Mine meeting certain criteria, the final 50 would be advanced.

Q At the time the agreement was signed with Mr. McBean, was an agreement already in place with the shareholders -- the existing shareholders of Gavin Mine for the acquisition and sale of a hundred percent of the shares?

A Say that again?

Q Well, this funding was to acquire 100 percent of the shares, so I would imagine that at the time the funding was secured, you already had an agreement in place with the shareholders of Gavin Mines saying they would sell the entirety of the shares for X dollars.

A The agreement was with Lloyd.
Q Lloyd alone?
A And Lloyd controls Gavin.
Q So the agreement was only with Lloyd?
A Yeah. And who he all talked to in the background, I don't know, but I only dealt with Lloyd and his attorney.
Q Who was Mr. Tattersal's attorney?
A I don't know. I never met him, only over the phone and in his e-mails. Patrick. I don't even know his last name.
Q Did you and Darcy deal with anyone else concerning the acquisition of a hundred percent of the shares of Gavin Mines other than Mr. Tattersal?
A No, I only spoke to Mr. Tattersal.
Q To your knowledge, did Mr. Pahl only deal with Mr. Tattersal as well?
A He never did.
Q So did Mr. Pahl ever deal with anyone from Gavin Mines or was that always you?
A I believe it was always me.
Q So the agreement with Mr. Tattersal, was that in writing or was that --
A Yes.
Q Who was that between?
A That was between -- it was between Mr. Pahl and Mr. Tattersal, Lloyd.

Q But not between any other shareholder of Gavin Mines; correct?
A Correct.
Q Do you have a copy of that agreement?
A I should have somewhere.
Q Would you produce a copy of it, please?
MR. POPOWICH: Same answer.
UNDERTAKING NUMBER 3:
TO PRODUCE THE AGREEMENT BETWEEN MR. PAHL AND MR. TATTERSAL (REFUSED)
Q MR. van ZANDVOORT: The agreement was between Mr. Tattersal and Mr. Pahl, but Mr. Pahl never dealt with Mr. Tattersal, so did somebody give you that agreement to give to Mr. Pahl to sign?
A No, Lloyd would e-mail it directly to Mr. Pahl.
Q And you would be copied, presumably?
A Yes.
Q When was that agreement signed, just in relation to when the financing was secured with Mr. McBean? Before?
A Yeah, of course before. But I do not recall how many days or weeks before.
Q So you have this agreement signed with Mr. Tattersal. You and Mr. Pahl go meet with Mr. McBean. You get the financing agreement signed. The first tranche is supposed to come in 60 days to 90 days of 50 million. Does it come in?
A No.

Q Why not?
A He didn't perform.
Q Were there conditions that had to be met by yourself or Mr. Pahl or Dome Mountain Resources which were not met which is why the money wasn't funded?
A No.
Q So to your understanding, all of the conditions required of yourself, Mr. Pahl or Dome Mountain Resources had all been fulfilled?
A Yes.
Q But Mr. McBean just failed to come through?
A That's correct, yeah.
Q I would imagine you approached Mr. McBean to say what happened and what -- can you tell me about that?
A Yeah, it was one excuse after the other. It was many phone calls and meetings, what's happening, and it was always another story.
Q During what time period would that have been in, approximately? If it helps you, your invoices from 156 Alberta to Dome Mountain that we are aware of began February 27, 2015, March 15, 2015, March 30th and through April, May, all through 2015, 2016, and then of course more recently. So would it have been during any of this period that the funding would have came through, to your recollection?
A That Jordan's funding should have come through?
Q Yeah.

A Yeah, it was supposed to be I'm thinking like March, April area.
Q Of 2015?
A Yeah. That's a long time ago. I don't remember the exact specifics on that.
Q So what did Jordan tell you as to why he didn't come through?
A He said his source of capital didn't materialize.
Q Did you ever obtain any additional details beyond that?
A No. He would call us out of the blue: I got good news, we are funding real soon, people are on board. Then he would go quiet for another couple of weeks and nothing happened. It was just a sporadic weird event.
Q My understanding was the agreement to fund -- I would assume that was a binding agreement, it didn't give him an out not to provide the funding, or did it?
A You mean -- if he doesn't perform, he didn't perform. I don't know what you mean.
Q We are talking about a $150 million acquisition, a massive monetary acquisition, and most people if their source of funding aren't able to close on a deal and it was because somebody breached that funding, I would assume it would be elevated to quite a high scale, I would imagine. So my question was --
MR. POPOWICH: So that's if your bank doesn't lend you money, you elevate it to a high scale? I think there just might be a misunderstanding here.

MR. van ZANDVOORT: That's why I'm asking Mr. Maljaars --
THE WITNESS: I'm not understanding your question --
Q MR. van ZANDVOORT: Did you have a binding agreement with him that he was required to fund --
A We thought we did.
Q Were any legal proceedings ever initiated by you or Dome or Mr. Pahl against Mr. McBean or his company as a result of the failure to fund?
A No.
Q Why not?
MR. POPOWICH: Look, that's not going to be relevant one way or another. And as a matter of common sense, how do you make somebody give you money if they can't find it; okay?
MR. van ZANDVOORT: He said they had a binding agreement to fund.
MR. POPOWICH: Counsel --
Q MR. van ZANDVOORT: Maybe your counsel misheard you. My understanding was you didn't have an agreement that he would try to raise the money, my understanding was that the financing was secured and that it was going to be provided in 60 to 90 days; correct?
A That was our understanding.
Q That's what I thought, too. Did Mr. McBean receive any fee at any time for raising this financing, to your

knowledge?
A Yes.
Q Can you tell me about that?
A We had to pay for the fund. So we were giving a $50 million fund, the blocks were $50 million, and each fund cost 160,000 to establish and set up.
Q Sorry, walk me through that one more time. Explain to me what the monetary fee he received was. Explain to me about these funds that were set up?
A As I recall, he was setting up a fund of 50 million.
Q What kind of fund?
A Like a -- I don't know. As a fund in Nassau that would provide the funding for the mine. So for a hundred million, there had to be two of them.
Q So you set up mutual funds or --
A I don't know what the exact name of the fund was called.
Q There was three different of them?
A There was a total -- yes, for the Gavin, there would have been three.
Q So these are funds that investors would invest in?
A His source of capital he would put into there.
Q Let's say it's a mutual fund --
A I don't know it's a mutual, but for example. And then he would deploy that capital to this project -- to this mine, sorry.
Q Going back to the question of was Mr. McBean paid a fee for raising this funding, what was the fee?

A Do you mean how much was the fee?
Q How much or a percentage of the financing. You tell me what it was.
A It was 160,000 per fund. I remember that clearly.
Q A hundred sixty thousand per fund and there was three funds?
A Yes.
Q And his entitlement to that fee, was that in the agreement between him and Mr. Pahl or were there offering memorandums to investors for each of these three funds that provided for that fee?
A I don't know.
Q Do you know if yourself or Mr. Pahl or through the alternate arrangements with Crystal Wealth and Frontline Factoring, was money ever paid to Mr. McBean or his company?
A Yes.
Q By who?
A By Dome.
Q By Dome. Using the financing which was ultimately received from Crystal Wealth?
A Some of it, partially.
Q How much did he receive from the Crystal Wealth funding?
A I don't know the exact amount, but I know the exact amount that Mr. McBean received.
Q What was the exact amount he received?
A He received 640,000.

Q And how much of the 640,000 came from the funding Dome received from Crystal Wealth?
A From my Dome receipt?
Q Yeah.
A If I recall right, I believe 40.
Q Forty thousand?
A Yes.
Q So between November 2014 and December 2015, Dome Mountain received over $12 million from Crystal Wealth. Is that when Mr. McBean would have received 40,000?
A No.
Q When would he have received the 40,000?
A Way prior to that.
Q And that would have been based on money Crystal Wealth provided to factor previous invoices such as the ones we looked at at paragraph 110 of the second report?
A The 40,000?
Q Yeah.
A Correct.
(BRIEF ADJOURNMENT)
Q MR. van ZANDVOORT: So before the brief break we just took, you had indicated that Mr. McBean received a total of $640,000 in fees to date for his services; is that right?
A For his fund fee. So I don't know, call it services or whatever.
Q Has he ever raised any funds?

A For us?
Q Yeah.
A No.
Q Why was he paid?
A Had to pay for the fund structure upfront.
Q Pursuant to what agreement?
A To the agreement that he had with Darcy on the --
Q The same agreement?
A Yeah.
Q And that was a fixed fee of $640,000?
A Yes.
Q And that fee had to be paid by Darcy and Dome Mountain Resources?
A Yeah. That also included another fund or another project.
Q Sorry, what do you mean it include -- what included another fund for another project?
A Three of them were for Dome; right?
Q Okay.
A Two were paid for from Dome. I paid 40.
Q You paid 40,000?
A I paid 40 from -- I don't know how they -- it's been so long ago, I don't know --
Q Let's take a step back. At paragraph 110 of the receiver's second report, there's a chart based on information provided to the receiver from Frontline Factoring. It indicates for your company, 156 Alberta,

starting with your invoice of February 27th, 2015 through your invoice of April 15th, 2016, 2.157 million -- sorry, to be specific, $2,157,409 was advanced to your company to factor invoices to Dome Mountain; is that correct?
A Correct.
Q And so you received in funding from Crystal Wealth through Frontline that 2,157,000 figure during that time. What was that money used for?
A It all went -- the majority of it went into Gavin.
Q In what sense?
A Various aspects of what Gavin needed. So it either went to Gavin Mines -- Gavin Mines and Frontline. In fact, I don't know that I sent any money directly to Gavin, maybe one --
Q Maybe what?
A Frontline wanted control of the funds. They said they do that with their clients to make sure the money went to what it was factored for.
Q And then how would you know how Frontline deployed the $2,157,490?
A I would not necessarily know, but I do know that Gavin received what they were supposed to.
Q How do you know that?
A Because I spoke to Lloyd.
Q We are going to get into the fact that you signed loan documents, things like that, on behalf of Dome Mountain

Resources of Canada Inc., but these invoices that we just talked about at paragraph 110 of the second report from your company to Dome, were those invoices you created?
A Again, Frontline created them.
Q And is that true of all of 156 Alberta's invoices?
A Yes.
Q Including to IC Commerce?
A Yes.
Q Why would Frontline create your invoices?
A I asked the same question.
Q To who?
A To Jerry. And he said this is how we do it for our clients. We prefer to do it this way for our clients, something to that effect. So I said okay.
Q Help me understand this. Let's use an example from paragraph 110. You have an invoice February 27, 2015. The invoice amount is $152,250. How is that amount invoiced? Like did you have -- how did you know that was the amount to invoice?
A It was probably an even 200 or something, but he would only factor 75 or 80 cents on the dollar. That's why it came to a weird number like that.
Q I'm not talking about the weird number. And in fact, the following column, as you can see, that is your invoice amount? Then the next column, you see the funds which were actually advanced to you, which is $119,364.

So my question is, how was that amount generated, the invoice amount?

A Fair enough. So I was working with Lloyd on Gavin since 2010. I paid everything. I spent a lot of time -- all my expenses, whether I travelled there, whether I travelled to Switzerland, whatever I did on behalf of Gavin, whether it's sourcing different equipment, whether it's working with funders, it was a lot, a lot of time. And in this deal with Jordan McBean I was going to get a 6 or 7 percent fee for putting all that together both sides.

So I went to Jerry and I said: Hey, I have this fee coming out of this mine, is that something that I -- is that something that I can be invoicing. And he says: Are you kidding me? And I said: Well, I did all this, I'm putting it together. You see I have these contracts, I have the agreements with Lloyd, like this is all work that's been done.

So we agreed that I could -- well, he asked Al, I guess, because if Al would have said no, it would have never happened -- if I could factor those fees since I was having this kind of money come in as a closing fee.

So we did it in portion, 200 here -- you can see it. The list has, as we needed it, to enhance -- to pay a fee, to pay Jordan, to pay insurance, to put into the mine, it was all geared for the projects, underlying projects. I was going to get the fee.

I don't know if I explained that right.
Q So in other words, all of the invoices issued by 156 Alberta from February 27th, 2015 moving forward, the invoice amounts are arbitrary amounts which would essentially add up to the 6 to 7 percent fee you were supposed to get through the Jordan McBean financing of 150 million?
A Right. But it didn't come close to that fee, it was a portion of it. So it would have been 6 or $7 million, and I invoiced two, or whatever it was. That's what that is.
Q So who was in charge of your invoicing schedule for 156 Alberta? Like who decided to issue -- like we can see again at paragraph 110 of the second report --
A I was.
Q You would call Jerry and say: Jerry, I want another 120 grand. Jerry would then do the math to kind of gross up 120 grand to whatever the invoice amount should be, generate an invoice, report the factor to Crystal Wealth, give you the $119,364, using the February 27th, 2015 invoice as an example?
A Yeah.
Q So essentially whenever you needed cash, that's the process you would go through with Jerry?
A I would ask: Hey, can I factor another 200 and I would wait to hear what would happen. I would get a yes and I would do it.

Q Did you ever get a no?
A Sometimes there was a no.
Q Why would you be told no?
A I have too many other deals, I have other stuff pressing, I can't do it, sorry, that kind of thing.
Q And what discussions would you have with Al Housego concerning this arrangement?
A I hardly ever spoke to him. I didn't meet him until, I don't know -- I met him -- we wanted him to meet Jordan to make sure that he knew Jordan was legit. Because he wasn't going to do it unless he met Jordan as part of his due diligence. So I met him at that meeting.
Q Who was at that meeting?
A Jordan and Darcy.
Q Was Jerry there?
A I don't know if Jerry was there, but the guy from Calgary that introduced me, I know he was there.
Q Who was that?
A His name is Jeff, but he introduced us to Jordan -- or he introduced Jordan to us, however you say that.
Q Does Jeff have a last name?
A Wilkie.
Q W-I-L-K-Y?
A No, I-E.
Q So you, Darcy, Jordan, Jeff and Al had a meeting?
A Yes.
Q Do you remember -- would that have been before or after

the February 2015 invoicing started?
A Again, I don't recall the exact date that that was. I'm thinking -- yeah, I don't --
Q Maybe this will help out in the chronology. I'm going to show you a document. It's a factoring agreement made this 8th of January, 2015 between the predecessor to what we call the factoring funds, being the Crystal Enlightened Income Fund and 156 Alberta. So that's a month before the invoicing starts as set out at paragraph 110 of the second report.
A Um hmm.
Q So this factoring agreement is signed by -- it says it's Jeff Maljaars, president/owner, then Clayton Smith. I'll just show you -- well, I'll show you the whole agreement. Take a moment to look at it if you want.
My question to you, though, will be, is that your son's signature or is that your signature?
A This is my son.
Q Who provided you or your son with that agreement to sign?
A That would have been Frontline.
Q Have you ever met or had any dealings with Clayton Smith?
A No, I never met him, never even spoke to him.
MR. van ZANDVOORT: We are just continuing from exhibit numbering further to the examinations conducted yesterday. So if it's okay, counsel, we will mark this

agreement as Exhibit 13.

EXHIBIT NUMBER 13:

FACTORING AGREEMENT DATED 8TH OF JANUARY, 2015 BETWEEN CRYSTAL ENLIGHTENED INCOME FUND AND 156 ALBERTA

Q MR. van ZANDVOORT: What involvement did -- your son Jeff signed this. Your son is listed as the sole director and officer, I believe, of 156 Alberta. You are nowhere listed as a director or officer.

So my question is, does Jeff have any involvement with 156 Alberta or has he ever aside from being the sole director and officer?

A He used to live in Alberta and he incorporated that company. So we had a few things going on in Alberta with that company. Then he moved back to B.C. and I continued -- I just continued running it.

Q So when is the last time Jeff -- let me rephrase.

Has Jeff had any involvement with Gavin Mines or Dome Mountain or Frontline, Crystal Wealth?

A He has had no involvement with them. I was running 156.

Q So did Frontline send this document directly to Jeff or did Frontline send this document to you and you sent it to Jeff to sign?

A I believe he sent it directly to Jeff because Jeff was the listed owner, registered owner.

Q And why would Jeff sign this? Did he have any concerns about signing this without any knowledge of what was

happening in this arrangement?
A I did it through that company because that's what I was doing everything in Alberta with. And I said I'll do this in this company because I'm getting a large fee for closing the mine deal and I'll roll that into that company and then we have some funds together in that company to do whatever business venture we would want to do when the mine deal closed.
Q Does Jeff know Jerry Froese?
A Yes, he does.
Q How does Jeff know Jerry Froese?
A From -- as a friend, as -- because he used to live out there. I have known Jerry for eight years; he has met him in between then.
Q Are your families close? Do you travel together? Do you have dinners together?
MR. POPOWICH: All that doesn't make a difference, but --
Q MR. van ZANDVOORT: Have you ever travelled with Jerry --
A No --
Q Sorry, is that --
MR. POPOWICH: He already answered.
MR. van ZANDVOORT: He didn't answer.
MR. POPOWICH: He said no.
MR. van ZANDVOORT: No, he didn't.
MR. POPOWICH: Did you answer?

MR. van ZANDVOORT: Counsel, stop putting words in your client's mouth. I really do not appreciate it. This is not the first time it's happened over the last two days, so I'm going to ask you to please let me conduct my examination.

MR. POPOWICH: Number one, I asked him if he answered the question. Nobody put a word in anyone's mouth.

Did you answer the question?

THE WITNESS: I thought I did. I said no, I haven't.

MR. van ZANDVOORT: Neither myself or the reporter --

THE WITNESS: I nodded my head again. Sorry about that.

MR. POPOWICH: He said no, which is why I asked him again, otherwise the record wouldn't have been accurate. I wanted to --

MR. van ZANDVOORT: Counsel, please --

MR. POPOWICH: -- what is wrong with that?

MR. van ZANDVOORT: Counsel, no, I want to continue.

MR. POPOWICH: In fact, I helped you, because the record now records what the witness said. You are welcome.

MR. van ZANDVOORT: That's not at all accurate.

MR. POPOWICH: Sorry, what's not accurate?

MR. van ZANDVOORT: I'm not taking up any more transcript room on this issue, counsel.
MR. POPOWICH: Then be accurate and you won't be followed up on.
Q MR. van ZANDVOORT: You said Jeff is friends with Jerry Froese. Why did you say that?
MR. POPOWICH: Irrelevant.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: I showed you the factoring agreement that Jeff signed, and I showed you that because it was dated in January 2015, and I was hoping that that would assist your recollection as to when the meeting happened with Mr. Housego, Mr. McBean, Mr. Pahl and Jeff Wilkie. Was it before or after that you signed?
A That was before.
Q The meeting was before?
A It was when we first -- yeah, when we met McBean.
Q So what was discussed at the Housego, McBean, Pahl, Wilkie meeting that then led to the factoring agreement being signed? I would assume -- you said you wanted to provide Mr. Housego with comfort as to what it was you were going to do.
A Yes, because I had asked Jerry earlier -- because there were fees. I said: Well, this is my arrangement here, so can I invoice all my time -- basically my fee that's coming, can I factor part of that to cover these fees.

Q He said, I believe, to use your words: Are you kidding? And I assumed or I took that, based on how you said it to me, are you kidding, of course you can factor this.
A No, the other way. As if I don't think so, but I'll ask Al.
Q Okay, that's all.
A This is a few years ago; right? My recollection is that then Al said: I want to meet this guy and make sure that this money is indeed going to come because 6 or $7 million closing fee is a lot of money and I want to make sure that Jordan is really going to fund you guys before I factor any of your -- that's the chronological to the best of my --
Q And that's a helpful explanation. The meeting with Mr. Housego, Mr. Pahl, yourself, Mr. McBean, Wilkie takes place to provide Mr. Housego with the level of comfort he needs to allow this factoring arrangement to proceed, both with, I assume, 156 Alberta and with Dome Mountain Resources; is that right?
A Dome Mountain Resources factoring the 12 million wasn't even part of that conversation. That had nothing to do with Jordan. That was quite a bit later.
Q It just had to concern the 156 Alberta factoring arrangements based on the 6 to 7 percent fees to taking it from the McBean financing?
A Yeah.
Q What was discussed at that meeting in order to provide

Mr. Housego with the comfort, I assume, he must have received to allow this to proceed?
A I don't honestly remember the details of that. But I know that Jordan gave his credentials. He shared his background. He shared the strategy or the funding mechanism that he was going to utilize to give a comfort level for us to proceed. And we couldn't proceed unless he would factor my fee coming out of that.
Q Sorry, you said you weren't going to proceed?
A Darcy and I couldn't have proceeded, either, if we weren't comfortable with what Jordan was doing, obviously. We just wanted another pair of eyes to --
Q Sorry, I thought you said you and Darcy weren't going to proceed unless Crystal Wealth agreed to factor your invoices.
A Both. If we come away from that meeting saying: This guy is nuts, this is never going to work, forget it, this is too risky, we are not going to do this, that's what we would have done.

But we were getting comfortable, we were getting -- yeah, we were happy with -- we were getting confident, I should say, in what he was going to do for us.
Q At the time of that meeting, I had understood that Mr. Pahl and Jordan had already signed the agreement that the 150 million would be financed or did that happen after --

A That happened after that.
Q In a short period of time -- let me rephrase.
Did Mr. McBean present documents to Mr. Housego at this meeting to give him the comfort?
A I don't remember the specifics what he shared, if he had paper or not.
Q Do you know where the meeting was? Do you remember?
A It was in Calgary.
Q But was it at a food court, at a mall or at somebody's office or --
A It was in -- I think it was in a restaurant. To be exact --
Q Were there any subsequent group meetings between that group or that involved you where Mr. Housego was involved to do further due diligence into this proposed arrangement?
A No.
Q Was it shortly following that meeting that Mr. Pahl signed the agreement with Mr. McBean?
A I believe so. However long it took for Jordan to produce all his documentation and stuff.
Q Shortly after the meeting that you would have had -- that Jeff would have signed the factoring agreement between 156 Alberta and Crystal Wealth?
A Correct.
Q So now that agreement is signed in January 2015. If we look back at paragraph 110 of the second report, 156

Alberta's first invoice goes out in February, so now you have the green light at that point from Mr. Housego that you can factor this fee?
A Correct. Yeah.
Q Now --
A My memory is bad. This is like three, four years ago. That's the problem.
Q Moving forward, you said that first tranche, the first $50 million, was supposed to come out in 60 to 90 days. So going through the chronology as we just have, you have the meeting. The January 2015 factoring agreement is signed. February 2015 Jerry is making your first invoice and giving you money to factor through Crystal Wealth. Everything is now moving along. Housego is on board.
When, roughly, to the best of your recollection, did the funding not come through?
A Well, it never has come through. But the day that we said: Oh, boy, this guy is not going to perform? The best of my guess is that summer.
Q Now, your invoices from 156 Alberta, which were factored through Frontline to Crystal Wealth from which you were paid, continued through the summer of 2015, and in fact continued into 2016, and as we know, into 2017.
A Yes.
Q What happened when the funding didn't come through vis-a-vis Mr. Housego to allow you to continue to factor

your fee when now the funding never came?
A Right.
Q Why did they continue to factor invoices after the funding never came?
A Okay. So Darcy and I started saying this Jordan is not going to perform, we are getting very concerned. We started talking to each other.
Q Okay.
A Darcy said: What about Steve? I'll ask Steve. He was working with Steve of MGE.
Q Stephen Miller?
A Yeah. He said: I'll ask Steve if this is something that he could do. So between Jordan engaging and Miller coming on, I don't know how many months that was.
Q Were there discussions with Al Housego and Jerry Froese about: Guys, can you keep factoring these, we are bringing in this MGE, they are going to give us some bridge funding to -- you know, which will repay Crystal Wealth? How did the discussions unfold?
A That first part, was that a question or a statement? I'm confused.
Q So we are in the summer of 2015. The funding doesn't come through with McBean. You and Darcy are concerned. Darcy says: I'm going to go to Stephen Miller at MGE to try and raise the money for us to acquire Gavin Mines.
A Correct.
Q Correct so far; right?

A That's correct, yeah.
Q I would think at that time you are also saying we've got another issue, which is will Crystal Wealth continue to factor our invoices given that the McBean funding didn't come through?
A Agreed.
Q So was there a discussion at that point where you or Darcy had to go to Jerry or Al Housego and say: Guys, I know the McBean deal fell through, but will you keep factoring our invoices kind of based along the same monetary terms, being what would have been the 6 to 7 percent fee, because we are very confident we are going to get bridge funding -- sorry, not bridge funding, but acquisition funding through MGE Corporation?
A That's not a yes or no answer.
Q Okay.
A It's no, because when we realized Jordan wasn't performing, how could I ever send another invoice against a fee that was in question? So there was a break there.

And then we engage Steve. Steve said he could. That's not just over a night on a hundred million dollar deal -- he was only 80 -- that was several weeks. And he had conditions. And I know Lloyd and I know Gavin Mines well enough that I knew those conditions could be met.

So then he is committed. He gives us a contract.

Then it's like: Hey, guys, the same thing, I'm going to get my fee and is this going to be okay to send another invoice for some more costs at Gavin Mines.

Q I agree with one thing you said, which is the invoicing -- the factoring invoicing should have stopped when the deal fell through and before the MGE deal picked up, and that's what you said happened.

What I'm seeing here, and again looking at paragraph 110 of the second report, doesn't align with what you just said. Because we see invoicing on a monthly basis in 2015 starting in February, twice in March --

A I see it right away.

Q -- April, May, then there was a gap to August.

A Um hmm.

Q But in August it resumes again; August, September, October, November, but as you know, the mandate letter and term sheet with MGE was not signed until November.

A I don't remember the exact timing of that.

Q So you see the issue with what you just said; right?

MR. POPOWICH: You can take an argument with it; okay? But it's not fair to the witness -- you can give it whatever interpretation. That's his evidence.

MR. van ZANDVOORT: I'm just giving him an opportunity to clarify his evidence because it does not match with his invoicing schedule.

MR. POPOWICH: In your view it doesn't, and you didn't give him an opportunity to clarify. It's being argumentative when you start with saying: I agree with one thing you said. This isn't about that, if I may, counsel. Ask him the questions. It's not here for him to be badgered or troubled with your view.

MR. van ZANDVOORT: He is not being badgered or troubled with my view --

MR. POPOWICH: I think he is.

Q MR. van ZANDVOORT: Mr. Maljaars, I'm giving you the opportunity to take -- again, this chart has been sitting open the whole examination.

A I appreciate that.

MR. POPOWICH: It's your chart. We have no idea if that has any air of reality to it.

MR. van ZANDVOORT: He has already admitted he received all the monies set out in the chart --

MR. POPOWICH: He never received any of the money, which is the other thing that was missing --

MR. van ZANDVOORT: He said it was money back to Frontline and Frontline disbursed it. Mr. --

MR. POPOWICH: Correct. He didn't receive any money.

THE WITNESS: Personally I didn't take any money, no.

MR. POPOWICH: And he never gave that evidence.

MR. van ZANDVOORT: Enough interfering, counsel.
MR. POPOWICH: That's not interfering, please.
Q MR. van ZANDVOORT: I'm giving you the opportunity. You said that the factoring of the 156 Alberta invoices stopped when the McBean financing fell through; correct?
A When I realized he wasn't going to fund.
Q The factoring of 156 Alberta invoices you said only resumed once the commitment from MGE had been signed to provide the acquisition funding.
A Incorrect. When I knew that Steve could do this -- when Steve said yes, I can fund that, then I knew that we were -- again, he was doing all kinds of stuff, he could do this, then I knew we were going to be okay.
Q So you didn't need to have the formal written agreement with MGE signed to resume factoring 156 Alberta's invoices through Crystal Wealth, you just had to go to either Jerry or Al to say: I'm comfortable that Steve is going to come through; we still have to paper the deal, but this is going to happen, guys, can we resume the factoring. Is that how it occurred?
A Yeah. But I don't recall the exact timing of that, but --
Q More or less?
A More or less. I don't know the specific chronological

order at this time.
Q Did you have to go back and bring Mr. Housego back into the fold as you did at the original Calgary meeting with Mr. McBean to explain to him with Mr. Miller how that funding was going to work to give him comfort?
A I never met Mr. Miller.
Q But did a discussion have to occur with Mr. Housego and you and Darcy of Dome and Mr. Miller to give Mr. Housego the similar comfort that you were all required to give him as part of the Mr. McBean financing?
A I believe they spoke -- I believe Al spoke with him on the telephone sometimes. I don't know Crystal Wealth's due diligence, if Clayton did that or Al did that with Stephen Miller, I don't know.
Q Were you ever involved in any discussions when Mr. Miller and Mr. Housego were both on the line?
A When Mr. Miller wasn't performing towards the end of that first contract, yes.
Q So only in approximately October 2016, but not before that?
A Correct.
Q And so now we are approaching in the chronology November 2015 when -- I'll bring you the paper, but when the mandate letter and term sheet is signed between Dome and MGE, Dome signs a factoring agreement with Crystal Wealth, and we are going to get to that.
But up until this present time, what has David

DenHollander's role been in all of this?
A David introduced me to Gavin way back originally.
Q When you say "Gavin," do you mean he told you about the mine or a specific individual associated with the mine?
A Lloyd.
Q I think you said you started with that project in 2010, so was that shortly prior to that time?
A That's what I mean with when I started, when I was introduced.
Q What was David's involvement with Gavin and Lloyd?
A I don't know. He obviously knew of them through a friend and said: Hey, you should check this out, maybe there is something we can do.
Q What was the nature of your and David's relationship such that you would think this would be of interest to you?
A He knew that I helped fund projects.
Q Helped to raise funding?
A Yeah.
Q And Mr. DenHollander is in a similar space, I guess, as far as he raises project funding as well?
A Yeah.
Q Had you and Mr. DenHollander worked on other projects previously to raise funding together?
A Prior to that -- we might have started one prior to that.
Q Started a mine or just a different fund --

A No, a project. A project, yeah.
Q Where you needed to raise money from investors?
A Yeah.
Q What project was that?
MR. POPOWICH: I don't think that's necessary or relevant.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: So David introduces you in 2010 to Lloyd Tattersal?
A Yeah.
Q What was David doing, if anything, with Gavin Mines and Lloyd at that time?
A He was doing due diligence and checking it out.
Q So was he already trying to raise funding on his own for somebody to buy the shares of Gavin Mines?
A I don't think so. I don't know.
Q Do you know why he was doing due diligence? What was he working towards?
A I believe it was from an interest in mining.
Q The reason why he called you is he thought there was -- and I don't want to put words in your mouth. Was it he knew you were in the mining business and maybe you want to acquire it? He knew Lloyd was looking to sell Gavin Mines? Like why did he reach out to you?
A Because Lloyd needed investment and he knew that I was tied to some investors.
Q Who were the investors you were tied to at that time?

MR. POPOWICH: It doesn't matter.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: So in 2010, do you go up to Smithers to meet with Lloyd, then, as a result of that introduction?
A I don't remember when, but we did go for a visit, a site visit. I don't remember if it was '11 or '12, I don't know.
Q Who would have been at the site visit, you, Lloyd and David?
A Yes.
Q Would Darcy have been there, too?
A Darcy was not there.
Q And at that point at the site visit, is Darcy at all in the loop on the Gavin Mines potential acquisition or did that come later with Dome Mountain Resources?
A That came later.
Q And then you said you had been working on this project since 2010. Just take me between the period of 2010 and when you brought Darcy into the fold as far as potentially acquiring Gavin Mines.
A It was soon after that visit that an investment group that Darcy and I were both aware of or associated with or in communication with, and I said: Hey, do you think these guys would be interested in funding this mine? That was that first name I gave you.
Q The first five groups?

A Yeah.
Q The first of the five groups being the Ludovic, Switzerland group?
A Yeah.
Q Was Darcy, then, in a similar space then as you and David, being all three of you carried on business as essentially individuals who raised financing from investors for projects?
A Darcy not as much as raising finances.
Q So was Darcy on board as far as when you say to him may we use the Switzerland investor group to take a look at this opportunity?
A Yes.
Q And in 2014, Dome Mountain Resources of Canada Inc. is incorporated. Was that for the sole purpose of ultimately acquiring the shares of Gavin Mines Inc.?
A Correct.
Q Was it -- did you say to Darcy: We should incorporate this company -- I mean, Darcy is the sole shareholder, president, officer, director, as I understand it, but did you tell him -- were you more the business person, as I understand it?
A I don't know who said what, but yes, he went to register a company.
Q And again, you were never a shareholder of Dome Mountain Resources?
A I have never been a shareholder.

Q And so between 2010 and 2014, how were you -- were you getting paid from any source?
A No.
Q Did you make any income during that period of time?
A Enough to stay alive and to cover my travel.
Q Where was that income derived from?
MR. POPOWICH: That's not relevant.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: So the first time you were ever supposed to be compensated with respect to the Dome Mountain Gavin Mines project, let's call it, was the McBean financing fee?
A Yes.
Q And then when MGE came in, you said you were going to get a fee on that, but I haven't seen anywhere in any documents that specifies what that fee was supposed to be. So what was that fee?
A That was like a 6 or 7 percent. That's how we set it.
Q Who set --
A Darcy and I. I said: Darcy, I'm working my butt off here. I put all these pieces together. I got Lloyd on side for a very nice purchase agreement, I want 6 percent of this as a fee.
Q In other words, you had no agreement with MGE about that, it would just be from the proceeds of the financing that Dome Mountain Resources would receive you would get 6 to 7 percent?

A Yes.
Q And nothing in writing, that was just an agreement between you and Darcy?
A Correct.
Q When I say you would get it, it was going to go to 156 Alberta?
A Correct. Repay the factoring invoices and Jeff and I -- I would have had a profit.
Q When you say "repay the factoring invoices," are you talking about invoices from 156 Alberta to Dome and IC Commerce, or are you talking about the Dome invoices to MGE or the 647 B.C. invoices to Dome or all of the above?
A Not all of the above. My fee would have gone -- I would have subtracted what I had factored Dome. So if it's one or two or three, that would have been subtracted, so I would have only taken the net.
Q Let's use the chart at paragraph 110 of the second report as an example.
A Okay.
Q If we look at the bottom, the funds advanced to merchant was $2,157,490. The invoice amount was $2,751,900. So the idea would have been the front you received, being the first figure I just mentioned, you would have received that upfront, then when you ultimately got paid the 6 to 7 percent fee, that would be used to retire the actual invoice amount to Crystal Wealth?

A Correct. More than that, because of how everything delayed. The interest would have accumulated to more than that.

Q We'll use the chart at 110 as an example. But earlier we talked about how -- it was the receiver's understanding from Frontline that all of the invoices in the chart at paragraph 110 had been repaid.

In other words, the amounts were factored, 156 Alberta was paid, but the actual invoice amounts were ultimately repaid.

Were those repaid, I guess, as a result of the Crystal Wealth funding in November of 2015?

A Yes.

Q Okay. And the same, to your knowledge, was true of how the 647 B.C. invoices to Dome were repaid?

A I believe so.

Q With respect to 647 B.C., it sounds to me like you had an active involvement both dealing with Gavin Mines, dealing with McBean and meeting with Al Housego and also with Jerry from Frontline.

What was David DenHollander's project management role that his company, 647 B.C., was invoicing Dome Mountain for?

A He did a lot more on the due diligence side. I'm not a mining expert. He has more mining background. I'm not saying that he is a geologist, but --

Q Do you know how his invoices from 647 B.C. to Dome were

structured? Were they structured in the same manner as yours, being it wasn't for specific project management services per se that could be calculated on a monetary basis, but based upon some sort of fee he was supposed to get as well?
A I don't know what he did.
Q Do you know anything about his invoices or how he was paid?
A No.
Q Do you know anything about monies 647 B.C. or David DenHollander would have received from the Crystal Wealth financing to Dome Mountain?
A No.
Q So during the period of 2010 up till going back to where we were earlier in the chronology just before 2015, David's involvement -- who are you primarily dealing with, Lloyd, David, Darcy, Jerry?
A When Jordan isn't performing?
Q Yeah.
A I just want to know your spot.
Q Throughout this time, who are the active people involved in moving towards this hopeful acquisition of the Gavin Mine shares?
A Lloyd and I, primarily. And I saw David as an advisor, bounce things off.
The reason it was Lloyd and I and not Darcy -- Darcy was going through a really tough time in life and

was distracted, was dealing with a very sick friend, and I realized I needed to make sure I stayed focused on this transaction.
Q So in November of 2015, we are now at a point where we are on the doorstep of Crystal Wealth advancing in the order of $12 million to Dome Mountain.
A Um hmm.
Q And a factoring agreement gets signed. There is a mandate and term sheet letter, as you know, between MGE and Dome Mountain. And when you read that mandate/term sheet, it appears that the financing from Crystal Wealth was supposed to be bridge financing. Do I have that right?
A That's --
MR. POPOWICH: You are asking him to --
MR. van ZANDVOORT: Why does --
MR. POPOWICH: Because he can't interpret the agreement.
MR. van ZANDVOORT: Counsel, I said is that your understanding.
MR. POPOWICH: Even that's not relevant.
MR. van ZANDVOORT: Counsel, I'm telling you, let your client answer the question if it's relevant --
MR. POPOWICH: I'm sorry --
Q MR. van ZANDVOORT: Is your understanding that that money from Crystal Wealth was bridge funding?
MR. POPOWICH: His understanding isn't

relevant.
MR. van ZANDVOORT: Of course it is.
Q What was the 12 plus million dollars from Crystal Wealth for?
A All I know is we had a binding contract from MGE and we asked Jerry: Is this something that could be factored. He says -- again, he said: I don't think so, I'll ask.
I don't know who talked to who in the background, all I know is we got word from Clayton via Jerry. Clayton said this is a factoring deal. That's all I know.
Q So Jerry told you Clayton said this is a factoring deal?
A Yes. If he would have said no, we would have gone somewhere else to raise some funds.
Q You had been raising money for a lot of years, and my only question was, in your experience, in your understanding, was the money from Crystal Wealth, not provider of bridge funding, contemplated by the term sheet with MGE? That's all I was asking.
MR. POPOWICH: I don't understand the question.
THE WITNESS: I don't, either.
Q MR. van ZANDVOORT: Was it not bridge funding pending the --
MR. POPOWICH: Can I ask what bridge funding is, in your words?
Q MR. van ZANDVOORT: It was supposed to be

repaid when the actual funds came through from MGE?
A Correct.
Q At paragraph 84 of the receiver's second report, they set out how $12,507,676 was advanced to Dome Mountain as a result of these financing arrangements in November and December 2015.
A Um hmm.
Q Where did that money -- where was that money deployed?
A To my knowledge, to Gavin and to Crystal Wealth to repay all the interim -- all those factored invoices.
Q To repay all of the factored invoices from 647 B.C. and 156 Alberta up until that time?
A Correct. And also 600 -- if I remember correctly, 600,000 insurance wrap. That was one of Clayton's conditions, that he needed a wrap on it.
Q According to Jerry?
A Yes.
Q You said it was one of Clayton's conditions. Where did you get that information from?
A From Jerry. Jerry related to us that --
Q Then we marked yesterday as Exhibit 6 two invoices. One from Dome Mountain to MGE Corporation in the amount of $80 million. I'm just showing that to you now for the record.
A Right, that's tied to his term sheet.
Q Who generated that invoice?
A I have no idea.

Q You said the $12,507,676 from Crystal Wealth was deployed to Gavin from Crystal Wealth to pay the 647 B.C. and 156 Alberta invoices, $600,000 for the insurance wrap. How else was that money used?
A I don't know. We sent it all -- Jerry wanted it all coming to Frontline so he could make sure that factored invoices, insurance wrap, whatever, that it was all indeed being paid.
Q So did that money ever get transferred to you or Darcy or Dome Mountain Resources or did it only ever go to Frontline?
A It only went to the project, yeah.
Q Sorry --
A It was all for the mine, the mine transaction.
Q Let me review my question just so we are clear. Did Crystal Wealth only advance that money to Frontline and then Frontline deployed it for these various reasons that you just outlined or did it ever come to you, Darcy or Dome and then you sent it back to Frontline for some reason?
A I believe it went to Dome. The money went to Dome and Dome paid it to Frontline. I don't know like exactly because I wasn't involved in any of that movement.
Q Who was involved in the movement?
A If I remember right, I thought Jerry even wanted to be on that account to make sure that nothing funny could happen to the money.

Q To be on the Dome Mountain Resources' account?
A Yeah, just on a -- not on the corporation, but on the bank account. He wanted to be able to see the statements. He wanted to make sure that nobody was moving money anywhere.
Q Who would direct Jerry to transfer the money to Gavin for the insurance wrap --
A That would have been -- well, Darcy, that would have been -- I don't know who directed about the insurance wrap, I don't know.
Q What amount of the 12.5 million would have went to the mine in some capacity?
A Close to seven, if I remember correct.
Q What was that money used for?
A Further drilling and enhancing the asset.
Q Can you be more specific?
A In a mine, drilling. You drill and you get results and you record them and now your asset has just increased in value due to the 43-101 improving.
Q Who did the drilling?
A I have no idea.
Q Who was in charge of getting all of the stuff done using the 7 million?
A Lloyd.
Q Was the 7 million essentially transferred to Lloyd to do whatever he thought needed to be done?
A No, because some of it was already advanced with the

invoicing through 156.
Q What do you mean some of it was already advanced to him?
A Some of the monies -- when I invoiced for my fee that was coming, those monies went to Gavin already as prepayment of what was coming when we got the funding.
Q I understand that. You said some above the 7 million was used to repay those invoices, so I get that.
But you said -- apart from that, 7 million was sent to Gavin, and I'm trying to find out exactly, what was the 7 million used for and who was lining up the drilling company and making these decisions?
A Lloyd had all that responsibility.
Q Did he have a management contract or something to --
A He probably would have.
Q With who?
A With the contractor that has a drill rig and --
Q No, I mean the Dome Mountain Resources. Because again, Dome Mountain Resources being the company who receives the financing, did they have an agreement with Lloyd to say: You are going to be the management company to do all this drilling for us or to sub-direct it?
Because 7 million bucks to Lloyd, that's a lot of cash going out the door without really knowing what it's going to be used for.
A It was in the purchase contract. He had obligations to meet.
MR. van ZANDVOORT: I think I have asked for

that, counsel, but I'm going to repeat it.
Q Can you provide any more specifics as to what was done with the $7 million with respect to the drilling and enhancement of the mine, as you said?
A Yes. It was over a period of time that he was advanced those monies, and it was for operations. He cleaned up some payables. Because he was at risk with one creditor coming after him, so that was all cleaned.
Q How much of the Crystal Wealth financing to Dome was ultimately used to clean up Lloyd's accounts payable?
A Of this six and-a-half to $7 million, I don't know exact. If I remember right, I believe that the drilling was -- I thought it was 2 million.
Q So drilling 2 million and 5 million to clean up Lloyd's payables?
A No, there was permit fees. He was trying hard to get a permit. So I don't know the exact breakdown. And it's been a while ago, so --
Q And I appreciate that. I'm not holding you to an exact anything --
A I'm under oath now, so I'm concerned that I say a number that's incorrect.
Q I'm telling you, I want your truthful testimony today, but the drilling $2 million, you said there were accounts --
A I think that's what it was.
Q The drilling -- or sorry, the cleaning up Lloyd's

account payables, I'm just asking -- if you don't remember an exact number, you don't have to guess, I'm just saying do you have an idea ballpark-wise of the remaining 5 --
A When you say "ballpark," that indicates that I need to guess, and that's where I'm struggling.
Q I guess I'm saying, we knew 80 percent of the 5 was going to be to pay payables or was it going to be like 10 percent, a small amount?
A I don't remember, but I know that that was in the agreement. The money went where it was supposed to on his side.
(BRIEF ADJOURNMENT).
Q MR. van ZANDVOORT: Just a couple of points to clarify from before the break, Mr. Maljaars.
So we talked about the payments that you and 647 B.C. would have received as set out in the chart at paragraph 110 of the second report under the column Funds Advanced to Merchant.
When you received those funds, did they come from Frontline to your company or did they come directly from Crystal Wealth to your company?
A I think the majority came direct from Crystal Wealth.
Q Did you have to interact with somebody from Crystal Wealth to set up those transfers?
A I never did.
Q Who took care of that?

A Jerry.
Q Does 156 Alberta have a bank account to which funds were always transferred as a result of its arrangements with Frontline and Crystal Wealth?
A Yes.
Q Could I have copies of the statements for that bank account from February 2015 forward?
MR. POPOWICH: To be asked with everything else, so I have a record of it. We will make the consideration after.
UNDERTAKING NUMBER 4:
TO PRODUCE COPIES OF THE BANK STATEMENTS FOR THE BANK ACCOUNT FROM 156 ALBERTA TO WHICH FUNDS WERE ALWAYS TRANSFERRED AS A RESULT OF ITS ARRANGEMENTS WITH FRONTLINE AND CRYSTAL WEALTH FROM FEBRUARY 2015 FORWARD (REFUSED)
Q MR. van ZANDVOORT: With what institution is it?
I believe you let the witnesses yesterday answer that question, counsel. Is there a reason why today that Mr. Maljaars cannot?
MR. POPOWICH: Did I? If I did, then he can. If I didn't, it's a trick, it will be too late.
MR. van ZANDVOORT: It's not meant to be a trick. I don't want to repeat other witnesses' --

MR. POPOWICH: Go ahead.
Q MR. van ZANDVOORT: Can you just tell me where 156 Alberta's bank account is?
A TD.
Q In Calgary?
A West Lethbridge.
Q Is that account still maintained there?
A Yes.
Q What would the current balance of the account be?
MR. POPOWICH: No.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: One other point of clarification from before the break. So going back in time to when the McBean meetings first started and then you had the meeting to bring Mr. Housego, Mr. Froese and Wilkie, we talked about that meeting with Mr. McBean --
A Yeah, I don't remember if Mr. Froese was there.
Q Okay, sorry. But my question is, how did Frontline/Crystal Wealth become involved in this? Who was the one who brought them into this following the discussions with McBean?
A I think it was me that asked Jerry, but I don't know for sure. It would have either been me or David.
Q You had both done factoring arrangements with Jerry previously?
A No, I did not.
Q So why did you think to go to Jerry?

A Because I knew he was factoring.
Q But David -- was David at the McBean/Wilkie meeting, David DenHollander?
A I don't know. I don't recall if he was.
Q And then it would have been Jerry who said to you and David: Well, this Crystal Wealth fund and Mr. Housego, might this be something they would be interested in?
A I don't know what he said to David. I just asked him if I could factor these invoices, and he said let me see.
Q But at that point in time, did you or Darcy or David DenHollander, did any of you know about Crystal Wealth or was that Jerry who then plugged you into the potential factoring arrangement with Crystal Wealth and Mr. Housego?
A I heard about Crystal Wealth, but I don't know if it was -- I don't know the timing of that. I would have known because Al -- he wanted Al to come and see me in terms of Jordan.
Q I guess that's my question. At that point in time when you or David go to Jerry at Frontline, do any of you know about Crystal Wealth or Al Housego? Or when you said is this something I can factor, was Jerry then saying: Well, it depends on Crystal Wealth -- you know, there is this company or mutual fund called Crystal Wealth, they might be interested in doing this type of investment?
A To the best of my memory, I think I would have known of

them prior to that.
Q Do you know why you would have known them prior to that?
A Talking to Jerry.
Q Do you remember what you knew about Crystal Wealth or any of the funds in receivership?
A I just knew he had multiple sources of capital. I don't --
Q Before the break, we were talking about the November 2015, December 2015 time period when Dome Mountain gets the $12 and-a-half million from Crystal Wealth.
You said that Jerry told you that it had met Clayton's conditions to, I guess, proceed with it. I thought that was --
A Maybe I said that wrong.
Q I was just wondering, why -- because Clayton didn't sound like he was involved -- up until that time, it sounded like it was Mr. Housego who was dealing with this.
A I don't know their order of command in Crystal Wealth.
It was my understanding that the buck stops at Clayton.
Q Okay.
A On a large transaction, he had to approve it. This is my understanding. I'm trying to answer your question respectfully.
Then I understood that Clayton got back, whether it was writing or telephone, that it's a factoring deal,

all day long, I think is what I heard Jerry tell me, if I remember right, but that he wanted it to be wrapped with insurance.
Q I want to go back to the paper that was signed in November 2015 with MGE and with Crystal Wealth.
I'm just going to show you some documents from the receiver's second report.
At Appendix 19 of the second report, there is a mandate letter and term sheet?
A Where?
Q You are looking at it. It says Overseas Exploring Holdings Ltd. at the top, but I understand that this is essentially the term sheet entered into by Dome Mountain Resources with MGE concerning the $80 million in acquisition funding that was supposed to be provided.
A Um hmm.
Q You will see it talks about bridge funding in the second paragraph, and that's where I said, was the bridge funding contemplated under that agreement ultimately the 12 and-a-half million bucks that Dome received from Crystal Wealth?
MR. POPOWICH: So again, it's difficult for him to know --
MR. van ZANDVOORT: I'm not asking for a legal interpretation --
THE WITNESS: I just want to understand this so I can understand -- I don't know.

Q MR. van ZANDVOORT: What was your involvement in the negotiation of this -- you can keep it in front of you -- this mandate letter and term sheet?
A This was primarily Darcy. Darcy had the relationship with Steve. I never met him.
I'm trying to remember if I had any conversations with him prior to executing this. I don't believe so. I believe Darcy was a hundred percent.
Q Do you know if that was a document that went back and forth between Darcy and MGE, you know --
A If I remember right, he told me it went back a few times, back and forth.
Q Did Dome Mountain have a lawyer involved acting on the MGE acquisition financing?
A Again, I believe he did.
Q I think earlier you said it was Patrick?
A No, that was Lloyd's.
Q Sorry, that was Lloyd's, right.
A I don't remember her name that Darcy had. I don't remember her name.
Q Where was she based out of; do you remember? Calgary?
A I don't know about Calgary, but Alberta.
Q Do you have any way of finding out what the lawyer's name was for Dome?
A It's probably best to ask Darcy. He would know.
Q So how were you -- did you sign this agreement at Appendix 19, the 2015 mandate letter and term sheet?

A I don't recall. I don't believe so. I don't remember signing that, no.
Q Were you ever provided with a copy of it before it was signed or an opportunity to comment on it?
A I don't recall.
Q Would you have taken a look at the conditions set out in this term sheet in order to ensure what was happening on the ground of the mine was aligning with the conditions precedent with the financing coming in?
A Yes, I was well aware of the condition of drilling. I believe he wanted seven years.
Q If you turn to page 9 of Appendix 19 of the second report, there's a number of conditions precedent.
Who was in charge of taking steps on behalf of Dome to ensure that all of the conditions precedent necessary to fulfill the agreement were completed?
A That would have been Lloyd.
Q Why would it have been Lloyd if the agreement had been entered into with Dome Mountain?
A Maybe I need to -- your previous question. Lloyd's operating Dome --
Q Dome Mountain Resources, the company.
A Darcy. Darcy would have --
Q But I got the impression that Darcy was pretty much hands-off of the mine itself.
A He was, but he was tight with Steve.
Q Would your understanding be that, you know, Darcy --

Dome would have gotten the 12 and-a-half million from Crystal Wealth, he repaid $5 million and factored invoices from 156 Alberta, 647 B.C., and then likely the 7 million went to Lloyd at Gavin Mines to use on his payables and to trust that Lloyd would do what had to be done under the agreement with MGE to make sure the financing came through?
A Yes.
Q Okay.
A That would be my understanding. I don't see the term -- the condition that I knew.
Q Being what?
A That we had to have seven years of drilling. And I knew we were going to get more than eight because of working tight with Lloyd.
Q Do you know if the bank accounts on page 8, where it says "other bank accounts", were ever established or opened? It says all revenues were -- at the bottom, it says "other bank accounts", it talks about a common account where revenues will be paid.
A I don't know. That's another account.
Q Where is Dome's account where the $12 and-a-half million came from Crystal Wealth, what institution?
A Same.
Q TD. Same branch?
A No, Calgary. I don't know which branch, I have never been there.

Q Did you have the ability to access that account?
A No.
Q Did Lloyd ever provide any sort of accounting to you or Darcy concerning how he utilized the $7 million?
A I don't know what I got from him as far as that. Because it came over time, and each time it was sent, I knew where it was going.
Q Can you produce whatever accounting or reporting Lloyd gave concerning how the $7 million he received from the Crystal Wealth financing was deployed and utilized on the mine or to pay payables?
MR. POPOWICH: Same as always.
THE WITNESS: I wouldn't know if we got that.
UNDERTAKING NUMBER 5:
TO PRODUCE WHATEVER ACCOUNTING OR REPORTING LLOYD GAVE CONCERNING HOW THE $7 MILLION HE RECEIVED FROM THE CRYSTAL WEALTH FINANCING WAS DEPLOYED AND UTILIZED ON THE MINE OR TO PAY PAYABLES (REFUSED)
Q MR. van ZANDVOORT: So that mandate letter and term sheet signed November 7, 2015, at Tab 20 of the second report, there is a performance guarantee bond for the period November 6, 2015 to November 5th, 2016 in the sum insured of $20 million with a $600,000 premium required.

A Correct.
Q Is that the insurance wrap that you said $600,000 of the 12 and-a-half million received by Dome was used for?
A Yes.
Q Thank you. And that would have been paid by Jerry, who was controlling the 12 and-a-half million?
A I don't know who paid that. I imagine.
Q Okay. Did you have any dealings with the representatives of the insurance company or the re-insurer broker?
A No.
MR. van ZANDVOORT: For the record, that insurance and performance guarantee is dated November 6, 2015 at Tab 20.
Q So on November 4, 2015, a factoring agreement -- a factoring agreement dated November 4, 2015 between Crystal Wealth Management System Ltd. in trust and Dome Mountain was signed. This is three days prior to the MGE mandate and term sheet.
I'm going to put this in front of you.
And on page 15, there's a signing line, Robert Maljaars, title director for Dome Mountain?
A I don't know that I'm a director.
Q I don't think you are, sir, but I'm just saying that's what it says on page 15. And is that your signature?
A Yes.
Q Do you know why you signed this document purportedly as

a director of Dome Mountain?
A If I remember right, Crystal Wealth, so either Al or Clayton, I don't know who, I was told that I had to sign because I was the one that had done all the communication and negotiation with Lloyd and they wanted me to be on this.
Q Is that why you were asked and ultimately executed a personal guarantee?
A Yes. He wouldn't do it without that -- well -- he said I had to do that.
Q Did you have any involvement in the negotiation and preparation of this factoring agreement document?
A No.
Q Who would have sent this to you for execution?
A Either Darcy or Jerry.
Q Was that all done by e-mail exchange?
A Yes.
Q So you were never with Clayton Smith who looks like signed on behalf of the Crystal Wealth?
A No, I have never met him.
Q And had no dealings with Mr. Housego or Mr. Smith concerning the terms of this agreement?
A I don't recall, no.
MR. van ZANDVOORT: We will mark this as Exhibit 14, factoring agreement between Dome and Crystal Wealth dated November 4, 2015.
EXHIBIT NUMBER 14:

FACTORING AGREEMENT BETWEEN DOME AND
CRYSTAL WEALTH DATED NOVEMBER 4, 2015

Q MR. van ZANDVOORT: But obviously at that point when it was signed, you had satisfied Mr. Froese and Mr. Housego that the imminent arrangements with MGE were on solid footing such that they would continue to factor a large amount of money?
MR. POPOWICH: Sorry, such that? You are asking him to make a conclusion of why they did it?
MR. van ZANDVOORT: Sorry, let me rephrase.
MR. POPOWICH: Thank you.
Q MR. van ZANDVOORT: So even though the mandate and term sheet between Dome Mountain and MGE had not yet been signed, Mr. Froese and Crystal Wealth, as of November 4, 2015, were prepared to advance to (sic) Crystal Wealth the $12 and-a-half million based on the proposed arrangements between Dome and MGE?
A That's my understanding, yes. We thought it was a done deal with MGE.
Q Then at Schedule A to the factoring agreement at Exhibit 14, it talks about a 16.25 percent funding fee.
A Um hmm.
Q What is that?
A I believe that's Crystal Wealth's fee.
Q And the forward percentage?
A I don't know what that is. I don't know.
Q Okay. So when this was signed, what did you understand

was going to happen as far as monies that Dome was going to receive from Crystal Wealth and when that was to be repaid?

A I understood that they factored a term sheet from MGE, and that 10 or 12, I didn't know the exact amount, was going to be coming in and it was going to complete funding the Gavin Mines and repay the fee that I had already invoiced to Dome, and it was going to repay all that.

Q So the factoring agreement that we just looked at says that it has a commencement date of November 4, 2015, and the period of the agreement was 12 months. So --

A Sorry, I didn't finish answering your question. That it would be repaid upon his funding. And he had up to 12 months to fund.

Q You are saying it would be repaid by the MGE funds?

A Correct.

Q And then to complete the paperwork under the factoring agreement, the invoice we looked at earlier for 80 million from Dome Mountain to MGE was then prepared to go as part of the factoring package to Frontline?

A I imagine, yeah.

Q But you don't know who prepared that invoice at Exhibit 6?

A Yeah.

Q So then the 12 and-a-half million comes in to Dome Mountain from Crystal Wealth November, December. We know 5 million or so is used to repay the factored invoices from 156 and 647. We know 7 million went to Lloyd.

Walk me through what happens between November 2015 and November 2016 as far as why the MGE financing didn't come through.

A As to what I thought it was or what I know now?

Q Both. I would like to know both.

A Because there were some -- I was going to swear, sorry.

MR. POPOWICH: What were you going to do?

THE WITNESS: Swear.

MR. POPOWICH: I thought you didn't swear.

THE WITNESS: I try not to.

When he started making excuses not to perform --

Q MR. van ZANDVOORT: Who?

A Steve.

Q Miller?

A Miller.

Q Of MGE?

A Yes. I said what the -- and he said your seven years of drilling isn't enough, it has to be seven years industry standards.

And I said what on earth are you talking about? Every mine has a life of its own. There is no such thing of seven-year industry average. Obviously he didn't know what he was talking about.

That was the day I realized the son of a gun

isn't going to perform.
Q When was that, approximately?
A Getting close to the end of this agreement.
Q So October 2016?
A You know what, I don't know exactly when.
Anyways, we get to this situation where we have to renew a contract and insurance or do something. And he said: Well, if you guys sue me -- Jerry wanted to sue --
Q Sue MGE?
A MGE. And if I remember right, Darcy was telling us, if you sue him, you are going mess up his bonds that he is monetizing and that will be a blemish against him and there is no way he will be able to close on this.
So I said: What are the options? What can we do?
He said: My math doesn't work.
I said: Okay, I have an idea. I can get 29 percent, I can make an arrangement to get that on payments of this mine from another party. I can talk to Lloyd and see if he wouldn't consider a lower amount for his.
And Lloyd agreed, we will talk. The other guy agreed. So we had a deal that now the math worked and it would be much less than 80 million and he would be able to fund.
He said: I can do that.

I said --

Q Who said I can do that?

A Stephen Miller said I can make this work now. I said: Well, we are at a serious decision here to either sue you for nonperformance and call in the insurance wrap, or whatever you call it, performance bond, or can we renew the insurance and can we go forward on another deal that will work that Lloyd is in agreement with, et cetera, et cetera. He said he could.

I was on the phone with Stephen Miller at that time working out the math. Because I said: Last time you screwed up on your math and you realize that you didn't have enough ore out of our drill to make your bond -- to service your bond.

So this time I said: I want to make darn sure that you and I are talking exactly the same numbers, I want to know that you know that this math is going to work now.

I said: In fact, we better get Jerry on the phone, too, to make sure he is in agreement.

And he said: I want you guys to get Al on and I want Al and you and Stephen and Darcy, the four of us. We agreed that the new math works. Steve said he can get an extension on the insurance. So we said okay.

So we did a new contract with Stephen Miller and we had a new insurance policy -- or an extended, or whatever you call it, from the same company. For an

additional fee, they would extend it out another year.
Q And who was responsible for paying the additional premium?
A It was my understanding that Crystal Wealth was responsible.
Q How would -- Crystal Wealth, who had already advanced well over 12 and-a-half million, how was Crystal Wealth responsible?
A I don't know how to answer that. All I know is that my understanding of the conversation was that Al would arrange the funds to pay for the wrap. At this point, him and Clayton are also trying to protect their investors.
Q You had no dealings with Clayton, though?
A No.
Q Why do you say him and Clayton were trying to protect their investors?
A Because the comments that I heard on the conversation regarding Clayton wanting to extend it.
Q Was DenHollander involved in these discussions?
A No, he was not.
Q Why not?
A I was the one working with Lloyd to make sure the numbers were working. Darcy was working with Steve, so we got the four of us on the call -- three of us, sorry. Lloyd wasn't on that call.
Q So it was you, Steve Miller, Darcy and Al Housego?

A Correct.
Q And I didn't quite understand what you said Darcy's concern was about calling on the performance guarantee, the insurance wrap. You said it was going to interfere with Steve Miller's ability to raise money -- can you just explain that maybe in a little bit better detail?
A Darcy worked closely with Steve, and Steve had a bond that he was going to monetize to make sure he could take care of this funding.
And if we decided no, we are going to sue him, we are going to go call on the insurance, Darcy advised us that that would jeopardize Steve's ability to fund his bond that he was using to fund the money.
So we had a dilemma to go after them and call on the insurance, and if that's not successful, then we have no more cooperation from Steve to try and rectify the situation.
After the calls, after the math, after agreement on all parties to work to make this work, we chose to go that way.
And we didn't choose. Al made the decision yes, we will renew the contract.
Q Because the decision really was either call on the insurance, get Crystal Wealth repaid, but if we do that, Dome's hope of acquiring the Gavin Mines shares is gone because MGE has taken a hard walk away from this thing because they are going to be upset because we called on

the bond --
A No, that's not the way I would phrase that.
Q So it wasn't two options? I thought you said the concern with calling on the insurance was that would jeopardize MGE's ability to provide the funding.
A Correct. That's different than closing on Gavin. We needed him to do the funding so we could honour the factoring contract. That was the first priority at this point when we were dealing with a decision to make.
That's why we had Al come in to hear the math, and he make the decision, do we go after the insurance or do we renew it and give another 12 months with new numbers that Steve said will work. The drilling was done at that point, so there was no more guessing.
Q But if you went after the insurance -- because what if you --
A Well, that was the other side of the dilemma. Steve was telling us that I've already talked to the insurance guys, and I told them it didn't meet the conditions and you won't collect on the insurance, anyways.
And I said: What kind of... is that? We paid 600,000 for that insurance wrap and we met those conditions.
His math didn't work anymore. He didn't know how to do the math is what conclusion I came to. So then we sit there with: Okay, guys, good luck, you are not even going to collect on the insurance, to: Okay, if we do

these new numbers, it will work, and now the insurance -- you will be covered because the numbers work, the drill results are in, there is no more guessing, and all the parties agree the insurance would be valid, an extension, that the numbers work and that Crystal Wealth would be covered -- protected, I should say.

Q So did Jerry or Al Housego or Dome, for that matter, prior to the extension in late 2016, obtain legal advice concerning the validity of the insurance policy in place or did everybody just trust Steve Miller's advice that the insurance company is not going to pay?

A I believe -- I do not know for sure, but it's my understanding or recollection that Clayton did that. I was told that Clayton investigated the insurance.

Q Who told you that?

A I believe Jerry told me that.

Q Jerry said Clayton was satisfied we are not going to get paid, so it makes sense -- you know, Crystal Wealth is on board to extend --

A Say again?

Q Sorry, you said --

MR. POPOWICH: He didn't hear you.

Q MR. van ZANDVOORT: So Jerry said Clayton looked into the insurance policy. I guess he thought there was a risk that for whatever reason it wasn't going to be paid out, so if Crystal Wealth was going to

get repaid, it had no choice but to extend under those circumstances?
A I would say that's probably an accurate summary.
Q And you said that it was going to be Crystal Wealth who was responsible to pay the 600,000 --
A Yes --
Q Sorry, excuse me. That was going to be Crystal Wealth who was responsible for paying the $630,000 premium for the new policy; correct?
A That's what my understanding was because --
Q Why would they pay --
A Again --
Q If they thought that they weren't going to get paid out before, why pay the --
A After that conversation with all the parties, that's when Al got comfortable that yes, the best option is to extend it. We left it up to him.
And I said: Who is going to pay for this? I remember clearly. And he said: I think I have the capital to do that.
Q And that was going to get tacked on to whose debt?
A I don't know.
Q Was it going --
A We didn't even talk about that. He just said we have it. So I seen it as him -- my understanding was Crystal Wealth protecting their investors by putting an extension or a new wrap, however you want to call it.

That's how I viewed it.
Q Crystal Wealth, the fund, was going to eat that as a loss?
A The 630?
Q Yeah.
A I don't know. I don't know if they have provision for legal fees or contracts.
Q And so on November 4th, 2016, a deed of guarantee is signed by Dome Mountain and MGE Corporation which we marked as Exhibit 4 yesterday.
Did you have any involvement in the preparation or execution of that document?
A I don't remember this document.
Q At Exhibit 5 yesterday, we marked a further document called a factoring agreement dated the 4th of November, 2016 between Dome and Crystal Wealth.
A That's renewal again?
Q If you flip to page 15 -- like the 2015 version that I showed you earlier, it lists your name as a director of Dome Mountain. Is that your signature?
A That's my signature.
Q Why was a new factoring agreement prepared and executed?
A I imagine because the other one needed to be replaced because it was outdated now.
Q As a result of the November 2016 arrangements, was additional funding advanced by Crystal Wealth to Dome or any of the numbered companies?

A I don't think so.
Q Then at Exhibit 6, there is a further invoice from Dome to MGE. This one is in the amount of 36 million instead of 80 million.
A That's the new number that we negotiated.
Q And that's because Miller could only raise 36 million, you said, as opposed to 80?
A My understanding based on the math that he was doing correctly now, 36 was what would work. And the reason 36 could work was because one-third of it, or 29 percent of it, was negotiated from a separate entity that wasn't owned by Lloyd.
Q Who was that entity?
A Andy Clark or -- I don't know his company name. Grace Mining, I think it was.
Q Was a one-third shareholder of Gavin Mines?
A 28 percent. And he was really hard pressed for finances and stuff and we were able to secure that for a really low price, and that's why 36 worked. Now Lloyd wasn't taking too much of a haircut.
Q It was Andy who was taking a haircut on his 30 percent?
A Correct.
Q -- originally the idea was --
A Was to take everybody out.
Q How much was going to be paid for a hundred percent of the shares of Gavin Mines originally?
A Eighty million.

Q But of that 80 million, you were going to use 12 and-a-half million minimum, plus interest and fees, to repay Crystal Wealth?
A Um hmm.
Q Where were you going to get the shortfall?
A Because we have equity -- we have stock in Gavin.
Q So you already have --
A We have stock. Dome, Darcy -- like our group, like Darcy and I were working on purchasing this thing, we have 16 percent of Gavin stock backing up that position.
Q So you only needed to purchase 84 percent?
A Yeah. But now this new one, we only needed to purchase -- do 84 minus 28.
Q Sorry, I'm not following.
A Fifty-six. It was really small money for the 28, so that's why the 36 worked now. We had to pay Lloyd 20 million, I think. I don't remember.
Q I just want to run through those numbers one more time.
A Yeah.
Q Originally Dome Mountain Resources of Canada Inc. already had 16 percent of the shares of Gavin Mines Inc.?
A Because of the money that was forwarded through the other factoring, the 12 million.
Q And so Dome Mountain Resources obtained that 16 percent gradually over time?
A Yes.

Q And so when you looked to get the 80 million in financing from MGE Corporation, call it approximately 13, 14, 15 million bucks that was to going to be used to repay Crystal Wealth, and the remaining, by my math, 84 percent of $80 million is $67,200,000 that would be what you needed to acquire the other 84 percent of the shares?
A Approximately, yes.
Q And then after the MGE financing fell through, you spoke to Lloyd about we can't raise this type of money. He ultimately comes back and says you can buy the remaining 84 percent not for 67 million, but for 36 million?
A Not quite. I didn't say we couldn't raise this kind of money, I said Stephen Miller isn't performing. His math isn't working.
Q Just tell me, what was the number? Originally you needed approximately 67 million to buy the 84 percent of Gavin Mines?
A Correct.
Q Ultimately what was the number?
A I think it was right around 20. Because I got some on terms that didn't require cash. And behind Steve's first one, he told us he had multiple bonds that were coming so we could really put this thing into production and really increase the infrastructure.
Q So Lloyd says, all right, MGE is not going to do it, we will shave 47 million, approximately, off the price to

sell the entire --
A Lloyd never offers anything like that.
Q You said had the MGE financing came through, 67 million, approximately, would have been used to purchase the remaining outstanding shares, being 84 of the company.
You said it was restructured such that you only needed 20 million to purchase the 84 percent of the outstanding shares. That's a reduction of approximately $47 million.
A Yes.
Q And so early this morning you had told me that there was an agreement that had been signed with Lloyd originally in the McBean days structuring the sale of all of the shares.
A Yes.
Q I assume that agreement changed over time?
A Yes.
Q Do you have copies of those agreements?
A Not the last one.
Q Who would have that?
A I don't know. Because what happened was two things. I don't know that Lloyd issued that second one.
Q Second agreement?
A Um hmm.
Q The one that reduced the purchase price to 20 million?
A Yeah.
Q MGE didn't require that as part of the November 2016

mandate and term sheet?
A But because of the deadline on insurance, there was, okay, can we renew this. I got on the phone with them, I said yes, I talked with Lloyd, that will be forthcoming. I think it was right around -- it was around Christmas or --
Q We looked at the November 2016 mandate letter and term sheet, the factoring agreement.
A Yeah.
Q So that was all signed without an agreement in writing from Gavin Mines saying that the purchase price had been reduced --
A That's correct.
Q -- to 20 million. So when we talked about the fact that the new arrangements with MGE was only going to give rise to $36 million in financing, 16 of that, approximately, was to be used to repay to Crystal Wealth?
A Right.
Q And 20 million would be used to purchase the 84 percent of the shares?
A Correct.
Q Did you ever have any dealings with Mr. Clark?
A Yes.
Q In addition to Lloyd Tattersal, who else from shareholders of Gavin Mines did you deal with?
A Only those two.

Q So currently, what is your understanding of the breakdown of shareholdings in Gavin Mines Inc.?
A Lloyd's group owns 53.
Q And that's -- when you say Lloyd's group --
A Gavin Mines. Their company is called --
Q Lloyd Minerals Inc. or what is his company? Metal Mountain Resources?
A MMR -- technically their structure, I think, is MMR holds 53 percent of Gavin. Then there is another guy that holds 3.
Q Who is that?
A I think his name is Troy.
Q Does Troy have a last name?
A Yeah. I think it's Walker.
Q Okay.
A Walker. I'm not sure. I have never talked to him, I have never met him, I have never --
Q Andy Clark, how much?
A Yeah. 28. There might be some decimals in there, but that's the rough breakdown. And we have 16, I believe.
Q From its shareholdings in Gavin Mines Inc., has Dome or you or Darcy ever received any monies, dividends?
A No.
Q Capital, payments of any kind?
A No.
Q No?
A No, I never received a dime.

Q At Appendix 23 of the receiver's second report, there is a copy of the November 4th, 2016 performance guarantee, which I understand is -- from your testimony, is the insurance wrap that Crystal Wealth was going to pay the 630,000 premium on because Al Housego said they had the money to do it?
A Yes.
Q Did you learn at some stage that the premium had never been paid?
A Yes.
Q When did you learn that the premium had not been paid?
A I don't know the date. I know exactly where I was when I got that call.
Q Can you tell me about it?
A I was on a snowy road in Calgary. I said Al -- I called up, I said: Al, I just want to make sure, did you guys pay the insurance wrap, I just want to make sure that's been done. He said he didn't.
I said: What?
He said: Well, I don't have any money, Clayton took it for something else, so I can't.
I said: That's not a good reason. You are fully exposed now, you need to get that wrap in place.
So I was completely shocked that it wasn't done.
Q You said you were on a snowy road in Calgary. Do you know roughly when that was?
A It's impressed in my mind.

Q I'm sure it was.
A September to May in Calgary. Because I just followed up within a couple weeks of --
Q Of all this paper being signed in November 2016?
A Yeah, so I don't know what date -- but I want to say somewhere in November.
Q And you called Al?
A Yes, I did. And then I immediately called Jerry and asked him what the heck was going on.
Q Did you ask him what Clayton used the money for?
A No.
Q So when you called Jerry after, Jerry Froese, how did that discussion proceed?
A You know, I don't remember the details. But I remember saying to Jerry: Did you know that Crystal Wealth has not purchased or paid for that insurance wrap, you better get on that, what's going on.
Q What did Jerry say?
A I don't remember.
Q After that call, did you have any further discussions with anyone concerning the payment of the premium of the insurance policy?
A I believe there was a couple with Jerry as to why on earth it wasn't and when and how.
Q What do you remember?
A All I remember is that it wasn't paid for.
Q Was Jerry pointing the finger at somebody whose fault it

was?
A I don't remember. I believe he understood as well that Crystal Wealth was going to do that. That would be my understanding. And then -- can I back up one?
Q Of course.
A I just want to get this straight.
Q No, please.
A I believe the reason I called Al was because Darcy called me that Steve had told him hey, the insurance wrap wasn't paid for yet. That was what triggered my call.
And I just assumed that it had been paid for like the next morning after that was all done.
Q All right. Move me forward in time.
You know the premium is not paid. What happens to the MGE financing? Why does that not come through for 36 million?
A I discovered that he is struggling to monetize a bond. Then he tells me he has another bond of which he would advance us 20, because he wants to clear up the Crystal Wealth thing.
And at that point, it was just advancing Crystal Wealth -- pay off Crystal Wealth and him not being able to fund the acquisition of Gavin at all.
Q Are people still working on this, trying to repay Crystal Wealth?
I assume all of you understand the magnitude of

the situation. Are people still working, discussing, raising the money to pay out Crystal Wealth's indebtedness here?

A It never stopped.

Q I'm sure you haven't, because I'm listening to what you're saying --

MR. POPOWICH: Sorry, all the fundraising, whatever is going on with the mine is fine, my question being, struggling to pay Crystal Wealth or pay anybody?

Because that may get into privilege, and that you can't make a representation of position on the record.

But ask all you want about the continually fundraising efforts to get the mine going.

On that, may I ask, we are into the afternoon. It's been a long morning. Why don't we take a lunch --

(BRIEF ADJOURNMENT)

Q MR. van ZANDVOORT: So before the break, we talked about why did the $36 million from MGE not get financed.

You said an issue arose, I believe, that the bond through which Steve Miller was going to finance the $36 million, something occurred, so he said: I could probably raise 20 million through a different bond. Do I have that right?

A Yes.

Q Do you have any names associated with those?

A No.

Q Did you ever ask him?
A No.
Q So to your understanding and knowledge, it wasn't that Dome Mountain didn't do what it was required to do under the mandate letter and term sheet with MGE, it was just that MGE did not have the money to finance?
A That's correct.
Q Take me back. Up until this point, where has Jordan McBean's company been throughout the period of November 2015 and now into, I presume, late 2016 or early 2017?
A We get the odd phone call out of the blue from him: Yes, guys, I'm going to get -- yes, guys, the funding is gone, that's never happening. He is trying to get our money back for the fees. He has comitted that back. And that was in the guarantee, in the paperwork. If he didn't perform, we were going to get the money back, to the best of my memory.
Q Where did the $640,000 McBean received come from? Did that come from the factored invoices from 156 Alberta and 647 B.C.?
A Correct.
Q The monies -- call it 2015 onwards, till the MGE discussions began, all of the money 156 Alberta and 647 B.C. received from Crystal Wealth was either to pay Gavin Mines towards Dome's progressing shareholdings or to McBean until he received the 640K?
A Correct. And each tranche that we issued to Gavin, he

would issue a little bit of stock, so we always had stock to back up what we did.

Q The period of time, can you give me any more specifics on the McBean $640,000 payments?

A I don't remember, that's the problem. I'm thinking -- I want to say late '14 or spring of '15. I'm not sure. In that window.

Q Yeah. So the 647 B.C. -- going back to paragraph 110 of the second report, the 647 B.C. factored invoices began in November 2014, then yours started February 2015.

So it was probably when the 647 invoices started that those monies were used again to Gavin and to --

A That would probably be a good assumption, yeah.

Q Okay. And you said McBean guaranteed the repayment of the financing income through -- and that's in the documents. Again, I've asked for those. I would like copies of those.

A Yeah, he is still committing to somehow pay us back.

Q Did Al Housego know that monies being deployed by Crystal Wealth and factoring the 647 B.C. and 156 Alberta invoices was being used to pay McBean's fee on the failed financing?

A I don't know. We just wanted him to know that McBean was going to perform; that our fees and our money coming from him was indeed going to be legit.

Q Did money continue to get paid to McBean after his financing failed?

A No. Are you kidding me?
Q So we wouldn't be able to draw a line in the sand as to when -- by memory, when the payments to McBean stopped, but needless to say, they stopped when he got paid his full amount, which he did, which was 640,000?
A Yeah. And he did produce the funds, like the vehicles, the fund.
Q The four mutual funds?
A Yes. He did register them and he did have the legal work down there and he did have them executed, but he never funded them.
Q Never raised the money?
A Correct. So there were some definite legit expenses, but not 160 for each of those.
Q Do you know what McBean's background is?
A Yes. He was an RCMP officer in the crimes division. That kind of accelerated everybody's trust level.
Q Did he leave that to get an MBA or something or what is his business background or investment background?
A Through the crimes -- I understood it -- if I remember correct, through the crimes investigation he came across different people that he started associating with to raise money.
Q You're laughing as you say that.
A Because that's how I remember it. It was impressive. Big banks had hired him to do investigation and --
Q Do you remember roughly when it was when Steve Miller

advised that the $36 million was not going to come through?
A I don't know that -- I don't remember.
Q So based on the information the receiver has, paragraph 65 of the second report sets out a chart showing currently the amount of principal and interest owing to both of the two funds from which monies were advanced to Dome, one by 156 Alberta and 647 B.C. --
A As of what date is that?
Q This would be as of October 26, 2017. I just want to give you an opportunity, to the extent that you disagree with any of these numbers, to tell me and to tell me why.
A That's their breakdown --
Q Interest, principal.
A I thought it was 12. I don't know what that is. I just know the number today is around 15; right?
Q Owing from Dome?
A Yeah, principal and interest.
Q And then according to again the records in the receiver's possession, principal that went from your company, 156 Alberta, under extended factored invoices to Dome is 824,039, then the principal from 647 B.C. owing is $439,698?
A They are a little low for current because of ongoing interest.
Q But you generally -- you have no reason --

A Yeah.
Q You agree?
A Yes.
MR. POPOWICH: What are we agreeing with?
THE WITNESS: That those are accurate numbers.
Q MR. van ZANDVOORT: When you said that Darcy told you Steve called me and the premium wasn't paid, you were the one who got on the phone to Al Housego?
A Um hmm.
Q Up until telling me that in this examination, it didn't sound like you and Mr. Housego had a direct line of communication.
A No, we did not. But because it was just a short time prior to that that I was on the phone with him and Steve and Darcy, and I understood that he was paying it, that's why I called him and that's why I had his number.
Q I want to go back to the efforts that are currently being made by yourself and, to your knowledge, others involved, whether it's Mr. Housego, Mr. Froese, Mr. Miller, Mr. McBean, Mr. Pahl, to raise the money to repay the money --
A I don't know what Mr. Pahl --
MR. POPOWICH: Again, efforts made to repay Crystal Wealth, perhaps not. Efforts made on the mine and for you to look at and see where the security is, but insofar as you are looking for an admission --

MR. van ZANDVOORT: I think what Mr. Maljaars said, correct me if I'm wrong, is there is a collective interest here to take Crystal Wealth out of the scenario by simply repaying them.
Q Is that fair to say?
A I would say yes.
Q I'm just asking, what recent efforts have been undertaken to further that interest?
A You've asked a whole bunch of names. I have no clue what Froese or Al or whatever are doing. I know that Darcy is still actively with Steve working on a bond monetization. And I am currently also raising the capital to take out Gavin, all aspects of Gavin, whoever is holding the stock.
Q And Darcy and Steve's efforts as well as your independent efforts are all geared out towards taking out Crystal's indebtedness?
A Yes.
Q Can you be more specific about your current efforts?
A I hesitate to. I'm totally thrilled what is going on, but I want to stay quiet until I have it in my hand.
Q Well, I'm going to repeat the question, because I would like to know what the current effort is and --
MR. POPOWICH: I think if there was a consummated deal you would likely hear from us. But on efforts now to try to buy a mine, I don't think that's something that needs to be disclosed; okay?

(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Is the effort that you are undertaking independent of Mr. Pahl, Dome Mountain Resources and Mr. DenHollander?
A Correct.
Q Is Mr. DenHollander actively involved in everything we have discussed about today or efforts to fund the acquisition of Gavin or to repay or to pay out Crystal Wealth?
A That's a pretty big question, so I have to break it up.
Q Fair enough.
A Everything we discussed today, some of it he may or may not have been involved in it, so I can't say yes to that. For example, the call with Steve Miller, Darcy and Al and me, he was not part of that --
Q You are talking about David DenHollander?
A Yes. I'm answering your question.
But as far as what he is doing, as what I'm doing as far as what I have secured and what I'm working on, he has not been part of that. I'm doing that independently.
I know that Darcy is working on something independently as well.
Q And is your effort and Darcy's effort still for Dome Mountain Resources to get the other 84 percent of the shares or would the shares be acquired by a different entity under your current efforts?

A No, we would fund it up.
Q Through Dome Mountain Resources?
A Correct.
Q Do you have any knowledge of -- when is the last time you would have communicated with Mr. Housego?
A That's a good question. It's been a while. I would say September, October. I'm guessing.
Q What did that concern? I assume of 2017?
A Yes.
Q What did that concern?
A A property. A property opportunity in Vegas, a shopping mall.
Q Sir, can you give me more context?
A I had a guy that wanted to invest in real estate, so I just introduced him.
Q Was Mr. Housego -- is he working somewhere else now?
A I don't know. I haven't talked to him. All Mr. Housego did was introduce me to this guy Alberto running a real estate thing, and I introduced the funding guy to that fellow. I don't recall exactly what month that was.
Q Who is the funding guy?
A His name is Walter.
Q Walter --
A I don't know. Walter -- I don't know.
Q And you don't know the purpose for which Al -- you said he called you because he had a property opportunity in Vegas. Was he doing it on behalf of -- he was looking

for investors or do you have any more --
A No. And I don't know if he called me or I called him, but I knew that he had a real estate arm in Crystal Wealth. I wasn't familiar with it very much at all.
Q But this is post receivership appointment; right? The receiver was appointed in April 2017.
A I thought the receiver was appointed -- that would be post then, yeah.
Q Was he still purporting to act on behalf of Crystal Wealth?
A That's why. I was thinking November, but November is when we got our motion; right? We got this in November.
So he went down in what, April or something?
Q Sorry, when you say "he went down" --
A Like Crystal Wealth --
Q The receivership appointment over Crystal Wealth occurred in April 2016.
A Right.
Q When you spoke to Al in September or October of 2017, did you say he was still purporting to act for Crystal Wealth?
A No. I knew that in the Crystal Wealth fund, he had some real estate. And I had a guy with an appetite for real estate, so I thought maybe there was something there for that group he had been running.
Q And Al had introduced you to Alberto Storelli, you said?
A That's his name, yeah.

Q When was that introduction?
A It was by telephone. I said: Hey, I have a guy who wants to invest in real estate, if your real estate thing is still going --
Q But after the receiver was appointed?
A Correct.
Q Have you had any discussions with Al about all of the money owed to Crystal Wealth as part of the Dome 156 and 647 financings?
A When?
Q In the last year?
A No. I never did have much of a dialogue with him, it was always Jerry.
Q When is the last time you would have had communications with Jerry Froese?
MR. POPOWICH: In regards to this?
Q MR. van ZANDVOORT: Yes.
A The insurance wrap -- he calls me occasionally to see -- for an update on what I'm doing with financing activities because he knows I'm actively involved, actively pursuing.
Q Do you continue to do other business with Jerry Froese aside from everything we talked about today?
A No.
Q How much have you kept Jeff apprised of the events that we have discussed this morning concerning the efforts to raise money to acquire Gavin and dealings with

Frontline, Crystal Wealth, et cetera?
A Almost zero. He doesn't live in my town, so the odd time we are together for dinner or something, he might overhear something, but next to nothing.
I was going to purchase the company. We even had an agreement written, but we never transferred the shares. Like after they were paid out the first time, we never knew it was going to --
Q Did Jeff ever receive any of the money that flowed into 156 Alberta through Crystal Wealth?
A I don't think so. I don't know.
Q Were you aware -- are you familiar with the company GIC Capital Corp.?
A Um hmm.
Q What is that company?
A That's Jeff Wilkie.
Q That's Jeff Wilkie? What is the business of that company?
A Same thing, he connects people with projects, or people with money.
Q Pretty much the same thing you and Dave DenHollander and Darcy Pahl do, you just raise money for projects, in a nutshell, not to oversimplify it?
A Yeah. That's oversimplifying, so I wouldn't totally agree.
Q Does GIC Capital have any other employees or representatives aside from Jeff Wilkie?

A Right now? Yes.
Q Who?
A I'm one of them.
Q What is your role?
A Just recently. Liaison officer; doing the same thing with projects.
Q Anyone else?
MR. POPOWICH: What has that got to do with anything we are doing today, my friend?
MR. van ZANDVOORT: GIC Capital, as I think Mr. Maljaars would be able to confirm, was one the debtors under factored invoices from 647 B.C.
THE WITNESS: Okay, I didn't know that. It's just recently that we -- like three weeks ago that we started utilizing that company.
Q MR. van ZANDVOORT: Did David DenHollander and Jeff Wilkie know each other?
A I don't think so.
Q Have you heard of the company Biodiesel Canada Corp.?
A I have heard of it, but I don't know anything of it.
Q Do you know who is the representative of that company?
A No.
Q Do you know Jeremy or Jocelyn Ostrowski?
A I know of them.
Q How do you know of them?
A Jeff Wilkie introduced them to Frontline.
Q How do you know Jeff Wilkie introduced them to

Frontline?
A Because he told me.
Q Do you know anything about what dealings, if any, they have had with Frontline?
A I have heard the odd bit here and there.
Q What have you heard?
A That he does TV advertising. I don't know.
Q That Jeremy does?
A Yeah.
Q Do you know anything about his companies, the Zomongo entities?
A No. Just vague --
Q Do you know -- were you at all involved in the discussions concerning Crystal Wealth and Frontline's factoring arrangements with the Zomongo entities?
A No. I made one phone call with Jeremy, because Jeff told me Jeremy was looking for factoring, so I introduced him -- I talked to him, and I says: No, it doesn't sound like factoring, but you can talk to Jerry, if you want.
Q So you introduced Jeremy to --
A Indirectly through Jeff. That was it. I never met his wife.
Q And then were you paid a fee for that introduction?
A No.
Q Were your companies paid a fee for that introduction?
A No.

Q Did Zomongo pay anybody a fee as a result of introduction to Frontline Factoring?
A Did Zomongo?
Q The Zomongo entities or Jeremy.
A Not that I'm aware of.
Q Are you aware of anyone else paying fees for being introduced to Frontline Factoring?
A I had a few over the years. I brought them a few clients.
Q Jerry Froese would pay you a fee?
A Yes.
Q What clients did you introduce to Jerry Froese?
MR. POPOWICH: I don't think any of that is relevant unless they are a player in this piece.
MR. van ZANDVOORT: We looked at yesterday, counsel, as you will recall, and I can take Mr. Maljaars to it, but Jerry Froese's invoice summaries where he talks about his history and background with some of the companies we are discussing.
Q I'm just trying to understand if you were previously a client of Jerry Froese before this, and when I say Jerry Froese, Frontline, or were you simply -- you had a relationship to him because you referred him --
A Yeah, I had a relationship. Yeah, I wasn't a client.
Q Would you get a set fee for each client you would bring to him?
MR. POPOWICH: I don't think any of that's

relevant, counsel.
THE WITNESS: Plus it was very minimal.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: There is a number of other factoring merchants. Have you had any involvement or dealings with the company Advanced Metal?
A No, I don't know them.
Q Or Investoration (ph) Energy?
A No, I don't know them.
Q Or Single Source?
A I don't know them. I don't know them at all.
Q Have you ever had any dealings with Dale Wells or Jeffrey Muchalak (ph)?
A I don't know who they are.
Q Had you ever had any investments with Jerry Froese?
A I don't think so, no. As I can recall, I don't.
Q Have you ever had any investments -- when I say you, I mean you and your companies -- with Al Housego?
A No.
Q With David DenHollander?
A Yes.
Q What were your investments in together?
A No, I didn't have anything invested by David, sorry.
Q Like a mutual project that you both invested in, is what I'm asking.
MR. POPOWICH: Why would that be relevant?
MR. van ZANDVOORT: I'm trying to understand

the exact business dealings that these entities --
MR. POPOWICH: No.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Darcy Pahl, any investments with Darcy?
A Yes, years ago.
Q What was that?
MR. POPOWICH: That's irrelevant.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Do you or 156 Alberta over the last three years -- have you had an accountant?
A Yeah.
Q Who is that?
A John Van Dyk.
Q D-Y-K-E?
A I don't think there is an E on the end. Maybe, I don't know.
Q Is he based out of Calgary?
A Lethbridge.
Q Is he also the accountant for Frontline Factoring?
A I don't know. I don't think so.
Q Does he have an office he operates out of in Lethbridge?
MR. POPOWICH: We won't find Mr. Van Dyk, for whatever reason --
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: Does 156 Alberta maintain financial statements?

A Yes.
Q Are they up to date?
A No.
Q When are they current to?
A I think -- I don't know, it's all at the accountant's and he is so behind.
Q Audited financial statements?
A No, review.
Q Do you maintain balance sheets, profit and loss statements for 156 Alberta?
A Yes.
Q Can I have production of those financial statements for 156 Alberta since January 2014?
MR. POPOWICH: No.
UNDERTAKING NUMBER 6:
TO PRODUCE THE FINANCIAL STATEMENTS FOR 156 ALBERTA SINCE JANUARY 2014
(REFUSED)
Q MR. van ZANDVOORT: Do you know who Chuck Pinnell is?
A Yes, I know Chuck.
Q How do you know Chuck?
MR. POPOWICH: Why does that matter?
MR. van ZANDVOORT: Why does it matter?
MR. POPOWICH: You are here to inquire as to recovery under factoring agreements.
MR. van ZANDVOORT: I'm here to fulfill the

receiver's mandate in accordance with the court --
MR. POPOWICH: The only way you can get the examination is to show reasonable grounds upon which to get it. The reasonable grounds here are because of the factoring arrangement.
And you know my concern with matters that aren't related and to any personal matters and matters of the sort.
(OBJECTION TO A QUESTION)
Q MR. van ZANDVOORT: So Exhibit 12 is an e-mail from David DenHollander to a number of individuals: Al Housego, Jeff N., Chuck Pinnell, Paul (sic) Maljaars, Jerry Froese, Paul Dick, David DenHollander and Ryan Waechter, and it concerns -- and I'll put it in front of you, sir. It concerns your investment in a property in Chili called Laguna --
MR. POPOWICH: The receiver's interest in that is what?
MR. van ZANDVOORT: -- Laguna Torca. My interest flows from Mr. Maljaars' statement that he didn't have any joint investments with Mr. Housego or Mr. Froese or with Mr. DenHollander. And then I asked him about Chuck Pinnell, and this is before you now --
MR. POPOWICH: So what? Objection. Whether he has an investment with Housego or DenHollander or anybody else -- and you have the evidence yesterday --

MR. van ZANDVOORT: I'm giving your client an opportunity to elaborate on his statement that he has no investments with them, if you would like to explain this.

MR. POPOWICH: Again, there is nothing to explain and it's completely irrelevant.

MR. van ZANDVOORT: So that's refusals to ask questions on this?

MR. POPOWICH: I have objected. Same as yesterday.

(OBJECTION TO A QUESTION)

MR. van ZANDVOORT: It will be an objection to my question about what he invested in Laguna Torca?

THE WITNESS: I can tell you.

MR. POPOWICH: No.

THE WITNESS: Zero.

Q MR. van ZANDVOORT: Are you aware of what the individuals I just named invested into Laguna Torca?

MR. POPOWICH: No.

Q MR. van ZANDVOORT: You are not aware?

MR. POPOWICH: No, no, no. He shouldn't be doing any of that and it's not relevant to you.

MR. van ZANDVOORT: You are confused, counsel. You let him answer --

MR. POPOWICH: I didn't let him answer. He answered on his own.

That's okay, Bob, go ahead.

That's irrelevant, counsel. You have had a morning where you asked questions that were relevant and you got a lot of information. I think you understand that --

MR. van ZANDVOORT: Is there a refusal -- I'm hearing you.

MR. POPOWICH: -- you have some honest witnesses -- and you know now what their life is in this project. It has nothing to do with an olive farm.

MR. van ZANDVOORT: That's your opinion.

MR. POPOWICH: If you can convince me otherwise or even take a shot at it, my friend --

MR. van ZANDVOORT: Are you going to let him answer questions about where the money came from to purchase that property or whether or not people invested --

MR. POPOWICH: He didn't put any money into it. You got zero; okay?

MR. van ZANDVOORT: Either you let me ask questions about --

MR. POPOWICH: No. The man said he put no money into it. That's the end of the day. If you can link it somehow, be my guest.

(OBJECTION TO A QUESTION)

MR. POPOWICH: We have been here now for nearly four hours without a break --

MR. van ZANDVOORT: Well, that's not true.

Q In any event, I will say as I'm done today's examination, my conclusion of today's examination is of course on the basis that I reserve the receiver's right to continue it pending answers to undertakings or should we desire or feel the need to continue the examination based on a court order compelling responses to questions all of which were refused by your counsel today. Thank you.

(WHICH WAS ALL THE EVIDENCE TAKEN AT 12:50 P.M.)

CERTIFICATE OF TRANSCRIPT

I, CATHY GINGRAS, hereby certify that the foregoing pages are a complete and accurate transcript of the proceedings taken down by me in shorthand and transcribed from my shorthand notes to the best of my skill and ability.

Dated at the City of Calgary, Province of Alberta, this 31st day of March, A.D. 2018.

Original Copy Signed

C. E. Gingras, CSR(A)

Court Reporter

EXAMINATION OF ROBERT MALJAARS

HELD MARCH 22, 2018

EXHIBITS **PAGE**

EXAMINATION OF ROBERT MALJAARS

HELD MARCH 22, 2018

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