

IN THE GRAND COURT OF THE CAYMAN ISLANDS

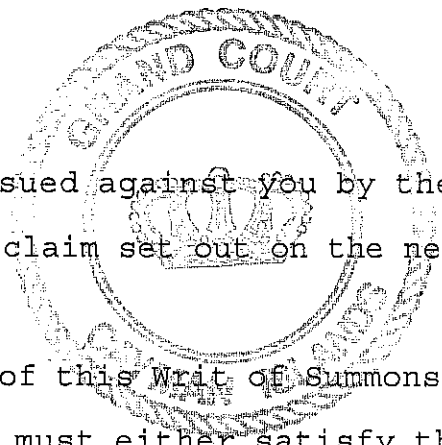
CAUSE NO. 332 OF 1997

BETWEEN: SPARTACUS CORP. PLAINTIFF  
AND: BARCLAYS BANK PLC DEFENDANT

WRIT OF SUMMONS

TO: BARCLAYS BANK PLC  
P.O. Box 68  
Barclays House  
George Town  
Grand Cayman

MAY 27 1997



THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within 14 days after the service of this Writ of Summons on you, counting the day of service, you must either satisfy the claim or return to the Courts Office, P.O. Box 495, George Town, Grand Cayman, the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgement within the time stated, or if you return the Acknowledgement without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

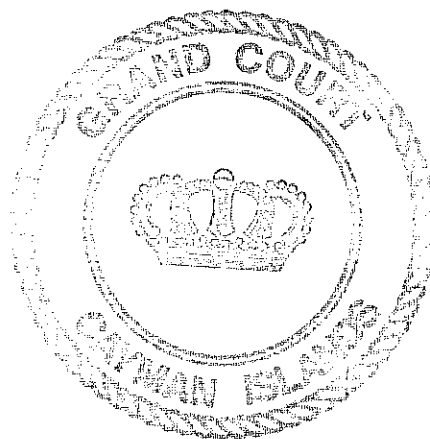
Issued this 27<sup>th</sup> day of May 1997.

NOTE:- This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by Order of the Court.

**IMPORTANT**

Directions for Acknowledgment of Service are given with the accompanying form.

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INDORSEMENT

The Plaintiff's claim against the Defendant is for:

1. An order that the Defendant do forthwith pay the proceeds of a Certificate of Deposit (including principal and interest) purchased by the Plaintiff from the Defendant in about October 1996 in the sum of US\$5 million ("the CD") into the Plaintiff's US\$ call account #2667699 held with the Defendant ("the Plaintiff's account #2667699");

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2. An order that the Defendant shall repay the whole or any part of the monies in the Plaintiff's account #2667699 against the orders of the Plaintiff, its servants or agents in accordance with the terms of the agreement between the Plaintiff as customer on the one hand and the Defendant as banker on the other.
3. An order restraining the Defendant from interfering with or preventing the Plaintiff from operating the Plaintiff's account #2667699 in accordance with agreement between the parties hereto;
4. Alternatively, an order that the Defendant do forthwith pay the proceeds of the CD to the order of

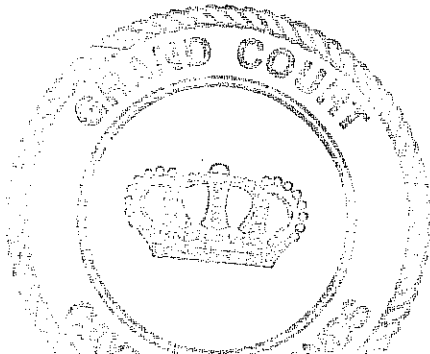
the Plaintiff;

5. Alternatively, an order that the Defendant do pay the proceeds of the CD to the Plaintiff as money had and received by the Defendant to the use of the Plaintiff.
6. Damages;
7. Such further or other relief as the Court deems just;
8. Costs.

*Charles Adams Ritchie & Duckworth*

CHARLES ADAMS, RITCHIE & DUCKWORTH  
ATTORNEYS-AT-LAW FOR THE PLAINTIFF

MAY 27 1997



This Writ was issued by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Plaintiff herein whose address for service is P.O. Box 709, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 332 OF 1997

BETWEEN: SPARTACUS CORP. PLAINTIFF

AND: BARCLAYS BANK PLC DEFENDANT

ACKNOWLEDGMENT OF SERVICE  
OF WRIT OF SUMMONS

If you intend to instruct an Attorney to act for you, give him this form IMMEDIATELY.

Important. Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

1. State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged.

2. State whether the Defendant intends to contest the proceedings (tick appropriate box)

yes

no

3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (tick box)

yes

Service of the Writ is acknowledged accordingly

(Signed) .....

[Attorney] for

[Defendant in person]

Address for service:

Notes on address for service

Attorney: where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

Defendant in person: where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered or principal office.

Indorsement by Plaintiff's Attorney (or by Plaintiff if suing in person) of his name, address and reference, if any, in the box below.

Charles Adams, Ritchie & Duckworth  
Attorneys-at-Law  
P.O. Box 709  
George Town  
Grand Cayman

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Indorsement by Defendant's Attorney (or by Defendant if suing in person) of his name, address and reference, if any, in the box below.

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FILED BY: MESSRS. W.S. WALKER & COMPANY, Attorneys-at-Law for and on behalf of the Defendant herein whose address for service is that of its said Attorneys-at-Law, P.O. Box 265, Caledonian House, Mary Street, George Town, Grand Cayman, B.W.I.

## Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgment of Service and return it to the Courts Office.
2. For the purpose of calculating the period of 14 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
3. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (the name stated on the Writ of Summons)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
6. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

IN THE GRAND COURT OF THE CAYMAN ISLANDS

CAUSE NO. 332 OF 1997

BETWEEN: SPARTACUS CORP. PLAINTIFF  
AND: BARCLAYS BANK PLC DEFENDANT

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STATEMENT OF CLAIM

1. The Plaintiff is an exempted company incorporated in the Cayman Islands having its registered office at Corporate Filing Services Ltd., P.O. Box 613 G.T., 4th Floor Harbour Center, George Town, Grand Cayman.
2. The Defendant is a Class A bank licensed to carry on business in the Cayman Islands having its main office and place of business at Barclays House, Shedden Road, George Town, Grand Cayman. Its postal address is P.O. Box 68, George Town, Grand Cayman.
3. The Plaintiff is and was at all material times a customer of the Defendant and in or about October 1996 opened a U.S. \$ call account #2667699 with the Defendant.
4. It was an express term of the agreement between the Plaintiff, as customer, and the Defendant, as banker, (the

"agreement") or alternatively it was implied that the Defendant would comply with instructions given by or on behalf of the Plaintiff in relation to all accounts opened with the Defendant.

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5. On or about October 1996 the Plaintiff purchased a seven day certificate of deposit ("the CD") from the Defendant in the sum of U.S. \$5 million. The CD was held on terms which provided that it would be automatically renewed for a similar period at the prevailing interest rate unless other instructions were received by the Defendant at least two business days prior to the maturity date of the CD.
6. On or about 16th April, 1997 Mrs. Ingrid Felderhof, ("Mrs. Felderhof") the sole director of the Plaintiff and sole signatory of the Plaintiff's account, instructed the Defendant not to renew the CD upon its maturity but instead to pay its proceeds into the Plaintiff's account #2667699.
7. On 5th May, 1997 Mrs. Felderhof instructed the Defendant to transfer from account #2667699 US\$500,000 to her personal US\$ current account #1646310 and US\$250,000 to her personal CI\$ current account #1646337 all held with the Defendant.
8. Subsequent to Mrs. Felderhof giving the instructions referred to in paragraphs 6 and 7 herein, the Deputy Country

Manager of the Defendant, Mr. Roy Massey ("Mr. Massey"), spoke with Mrs. Felderhof regarding the Felderhof's affairs. Mr. Massey informed Mrs. Felderhof that due to certain concerns which the Defendant had as a result of reports in the media regarding the affairs of Bre-X Minerals Ltd. ("Bre-X"), the Defendant had decided not to permit any dealings with respect to accounts held by Mrs. Felderhof or her husband, John Felderhof ("Mr. Felderhof"), or by any companies controlled by either of them.

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9. Mr. Massey stated that as Mr. John Felderhof was a director and vice president of Bre-X, the Defendant was concerned that third parties might have valid claims against the funds which Mr. and Mrs. Felderhof or companies controlled by them held in accounts with the Defendant. Mr. Massey told Mrs. Felderhof that a letter dated April 28th, 1997 had been posted addressed to Mr. and Mrs. Felderhof advising them of this decision. Mr. and Mrs. Felderhof found this surprising as previously the Defendant had generally communicated with them via fax, particularly when the matter was one of such urgency and importance as this decision by the Defendant obviously was. At the request of Mrs. Felderhof the Defendant faxed to her a copy of the April 28th, 1997 letter which she received on the 5th May, 1997.

10. The Plaintiff will, at the trial of this action, refer to the letter of 28th April, 1997 for its precise terms and effect. In summary, the April 28th, 1997 letter from the Defendant to Mr. and Mrs. Felderhof referred to the "considerable speculation in the international media over the last few weeks regarding the dramatic fluctuations in the share price of Bre-X Minerals Ltd." The letter also claimed that "There have even been suggestions in the media that there may have been some deliberate attempt to manipulate the share price, and of course, the media have made considerable comment on the fact that you sold a large number of Bre-X Minerals Ltd. shares during 1996." The letter went on to refer to the Defendant's belief that the Canadian authorities had launched an investigation into the allegations made in the media and stated that the Defendant would not permit the transfer or release of the funds held by Mr. and Mrs. Felderhof or any companies controlled by them "until the position is clarified, and we can determine whether any third parties may have a valid claim against the funds we hold."

11. It is admitted that there has been speculation in the media about the affairs of Bre-X, of which Mr. Felderhof is a former director and former vice president, concerning the dramatic fall of its share value following the release of reports which appear to indicate that the deposits of gold

which had previously been thought to exist at the site of Bre-X mining operation in Busang, Indonesia were considerably less than originally estimated.

12. The reports suggest that there had been tampering with core samples that resulted in falsification of assay values with respect to Bre-X's Busang mining operation. However, the reports typically did not conclude that Mr. Felderhof personally participated in the alleged tampering or falsification or that he was aware that it had in fact taken place. Mr. Felderhof has publicly expressed his shock at the findings of the independent mining consultants, Strathcona Mineral Services Limited, which Bre-X retained to conduct a technical audit of the Busang mining operation.

13. Mr. Felderhof has publicly and strenuously denied any knowledge of or involvement in the alleged tampering or falsification, if in fact it did take place, or of any dishonest or unlawful scheme and nothing pleaded herein should be taken as an admission of the accuracy of the findings in the reports herein referred to. Mr. Felderhof avers that if in fact there was any scheme to tamper with or falsify the assay values as is suggested, as a director and shareholder of Bre-X, he too has been a victim of that scheme.

14. The Plaintiff contends that the media reports herein referred to concerning Bre-X do not justify the failure and/or refusal on the part of the Defendant to comply with the instructions of Mrs. Felderhof on behalf of the Plaintiff.
15. In the meantime, prior to the receipt on the 5th May, 1997 of the April 28th, 1997 letter from the Defendant, Mrs. Felderhof, in good faith and in the legitimate expectation that the Defendant had followed her instructions, had written a significant number of cheques on her personal accounts: US\$ current account # 1646310 and C\$ current account #1646337. Most of the cheques were returned by the Defendant marked "Refer to drawer". The reason given by the Defendant for the return of the cheques was "insufficient funds". This reason was plainly untrue as Mrs. Felderhof had given to the Defendant clear and unambiguous instructions to fund her personal current accounts from the Plaintiff's account #2667699 which itself was to have been credited with the proceeds of the CD. Consequently, if which is not admitted, there were insufficient funds in Mrs. Felderhof's said personal accounts it was as a result of the failure of the Defendant to comply with Mrs. Felderhof's instructions.

16. Following Mrs. Felderhof's objections to the position taken by the Defendant, the Defendant wrote to Mrs. Felderhof on 8th and 9th May, 1997 indicating that the Defendant was prepared to arrange for standing orders to be set up to cover "routine domestic expenses" and to honour "routine domestic cheques ..... written ahead of your knowledge of the Bank's stance regarding your bank account." In each case however, the Defendant included the caveat "provided that there are sufficient funds on the account in question". The Plaintiff will at the trial of this action refer to the said letters of 8th and 9th May, 1997 for their precise terms and effect.

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17. In breach of the express and/or implied terms of the agreement between the Plaintiff and the Defendant, the Defendant has refused and continues to refuse to accept the instructions of Mrs. Felderhof relating to the Plaintiff's account #2667699 or the CD notwithstanding that she is the signatory for the Plaintiff. As a consequence Mrs. Felderhof is unable to fund her personal current accounts from the Plaintiff's account #2667699 and/or the CD and is therefore unable to cover even "routine domestic expenses" from these accounts.

18. On 14th May, 1997 Mrs. Felderhof wrote to the Defendant setting out specific instances of the Defendant's refusal to

follow her instructions with respect to, inter alia, the Plaintiff's account and the CD. Additionally, Mrs. Felderhof by that letter demanded that the Defendant carry out her earlier instructions to pay the proceeds of the CD into the Plaintiff's account #2667699 and provide her with written confirmation that the transfer had been effected and that the Defendant would not prevent the operation of the Plaintiff's account. The Plaintiff will at the trial of this action refer to the said letter of 14th May, 1997 for its precise terms and effect.

19. On 16th May, 1997 the Defendant wrote to Mrs. Felderhof acknowledging receipt of her demand letter of 14th May, 1997 and advising her that further communications regarding this matter should be between the attorneys-at-law for the respective parties.

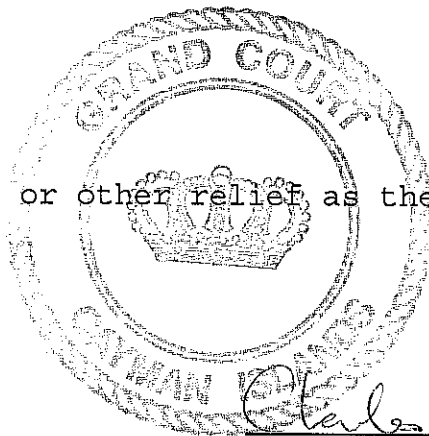
20. On 16th May, 1997 Messrs. W.S. Walker & Company wrote to Messrs. Charles Adams, Ritchie and Duckworth, attorneys-at-law for the Plaintiff and for Mr. and Mrs. Felderhof, acknowledging receipt of Mrs. Felderhof's letter to the Defendant of 14th May, 1997 and confirming that they acted for the Defendant. Messrs. W.S. Walker & Company also confirmed that the Defendant had "determined not to make any large payments to Mr. and Mrs. Felderhof or the companies controlled by them until the situation becomes clearer."

21. In the premises the Defendant is in breach of the express and/or implied terms of its agreement to act as banker to the Plaintiff by wrongfully refusing to carry out instructions given by Mrs. Felderhof, the sole director of the Plaintiff and sole signatory of the Plaintiff's account #2667699 and the CD and in the result the Plaintiff has suffered and continues to suffer loss and damage.
22. Further, the Defendant has wrongfully converted the CD to its own use and has wrongfully deprived the Plaintiff thereof whereby the Plaintiff has suffered loss and damage.
23. Further and in the alternative, the Defendant has had and received the proceeds of the CD to the use of the Plaintiff and is liable to pay the proceeds of the CD to the Plaintiff.

**AND THE PLAINTIFF CLAIMS:-**

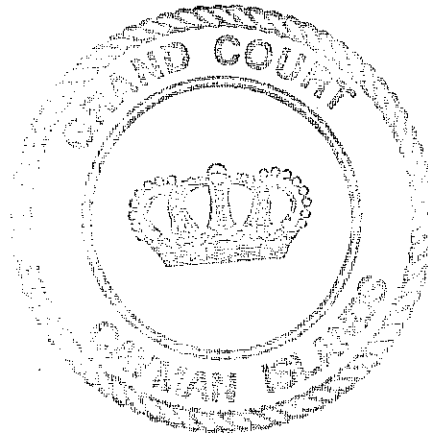
1. An order that the Defendant do forthwith pay the proceeds of the Certificate of Deposit (including principal and interest) purchased by the Plaintiff from the Defendant in or about October 1996 in the sum of US\$ 5 million ("the CD") into the Plaintiff's account #2667699 with the Defendant (the Plaintiff's account #2667699");

2. An order that the Defendant shall repay the whole or any part of the monies in the Plaintiff's account #2667699 against the orders of the Plaintiff, its servants or agents in accordance with the terms of the agreement between the Plaintiff as customer on the one hand and the Defendant as banker on the other.
3. An order restraining the Defendant from interfering with or preventing the Plaintiff from operating the Plaintiff's account #2667699 in accordance with the agreement between the parties thereto;
4. Alternatively, an order that the Defendant do forthwith pay the proceeds of the CD to the order of the Plaintiff;
5. Alternatively, an order that the Defendant do pay the proceeds of the CD to the Plaintiff as money had and received by the Defendant to the use of the Plaintiff.
6. Damages;
7. Such further or other relief as the Court deems just;
8. Costs.



*Charles Adams Ritchie & Duckworth*  
CHARLES ADAMS, RITCHIE & DUCKWORTH  
ATTORNEYS-AT-LAW FOR THE PLAINTIFF

MAY 27 1997



This Statement of Claim was filed by Charles Adams, Ritchie & Duckworth, Attorneys-at-Law for and on behalf of the Plaintiff herein whose address for service is P.O. Box 709, Zephyr House, Mary Street, George Town, Grand Cayman, British West Indies.