

running from such point due north, east, south or west. The land along a base line shall be divided into blocks, each block to extend 3 miles along the base line & to extend 3 miles backwards on each side of the base line. On each base line there shall be at least 8 of such blocks, but there may be more at the option of the contractors. These blocks shall be numbered from 1 up consecutively; the odd-numbered blocks shall be the property of the contractors; the even-numbered shall remain the property of the Government. The contractors shall take at least 4 blocks on each base line established by them for the purpose of selection, but shall not be bound to take more, but they may take as many more as they desire & as circumstances permit. Thus upon each base line so established there shall be laid out a tract not less than 24 miles along the course of the base line by 3 miles on each side thereof in width, making 8 block of 3 miles by 6 miles. Provided that if in the selection of lands along any base line the courses thereof prevent rectangular blocks being laid out, the blocks shall be adjusted to the required angles, preserving as far as practicable blocks of an area of 3 miles by 6. Any shortage or surplus of such area shall be adjusted by the prolongation or shortening of such base line. The contractors may also at their option select additional blocks lying on either end of any odd-numbered block along a base line, but such additional blocks must be 3 miles square each and they shall not exceed 3 in number on each end of each such odd-numbered block.

13. The contractors shall make selection of $\frac{1}{2}$ of the lands to which they become entitled under this contract within 3 years from September 1, 1898, & of the remainder within 6 years from that date.

14. No portions of the beds of the Rivers Yukon, Lewes or Hootalinqua, or of the lakes Teslin, Bennett, Tagish, Labarge or Marsh (said lakes & rivers forming continuous water-courses) or of the banks thereof for 25 ft. on each side from ordinary high water mark, shall pass to the contractors under any selection of lands made under the agreement.

15. The free rights of passage and use along navigable or floatable streams within the lands selected by the contractors shall not be impeded by them, & if any stream be diverted by them from its natural channel an equally convenient navigable or floatable channel shall be provided in lieu, & the Gold Commissioner of the district shall decide any dispute which may arise as to whether such equally convenient channel has been provided & from his decision there shall be an appeal to the Governor General in Council.

16. Any & all mining claims actually held & recorded pursuant to Government regulations by a free miner or free miners & being within a block of land taken or selected by the contractors, shall be excepted from the grant & shall not pass to the contractors, provided that such claims have been so actually held & recorded prior to the base line, along or with reference to which such block is taken,

being actually run & marked on the ground by the contractors.

17. There shall be payable to & reserved by the Government a royalty of 1 per cent. upon

Yukon district, a royalty of an equal amount up to 1 per cent., but no more, shall be payable to & reserved by the Government upon all gold got by quartz mining in the land selected hereunder.

18. So soon as any 10 continuous miles of the railway between Stikine River and Teslin Lake have been completed & in running order, & certified so to be by an officer named by the Minister of Railways in that behalf, the contractors may select 92,160 acres, or 2 blocks of land hereunder, & thereupon such blocks shall be reserved by the Government from sale or location or free miners' claims, & upon the completion from time to time in a similar way of any other 10 miles, the contractors shall have a similar right to select 92,160 acres, or 2 blocks, which shall thereupon be similarly reserved, & upon the completion of the railway & acceptance thereof by the Government as completed, the blocks so reserved shall be granted to the contractors, all free miners' claims being excepted, as provided by clause 16.

19. In case any land is excepted out of blocks taken by contractors on account of free miners' claims, or otherwise, the quantity so excepted shall not be counted in the acreage of lands to which the contractors are entitled hereunder.

20. The contractors shall upon application sell to actual settlers for farming purposes, at prices to be fixed by the Governor in Council, any arable lands forming part of those selected hereunder. Provided, however, that upon such sale all minerals & the right to mine same shall be reserved, & this clause shall not extend to lands suitable for village or town sites.

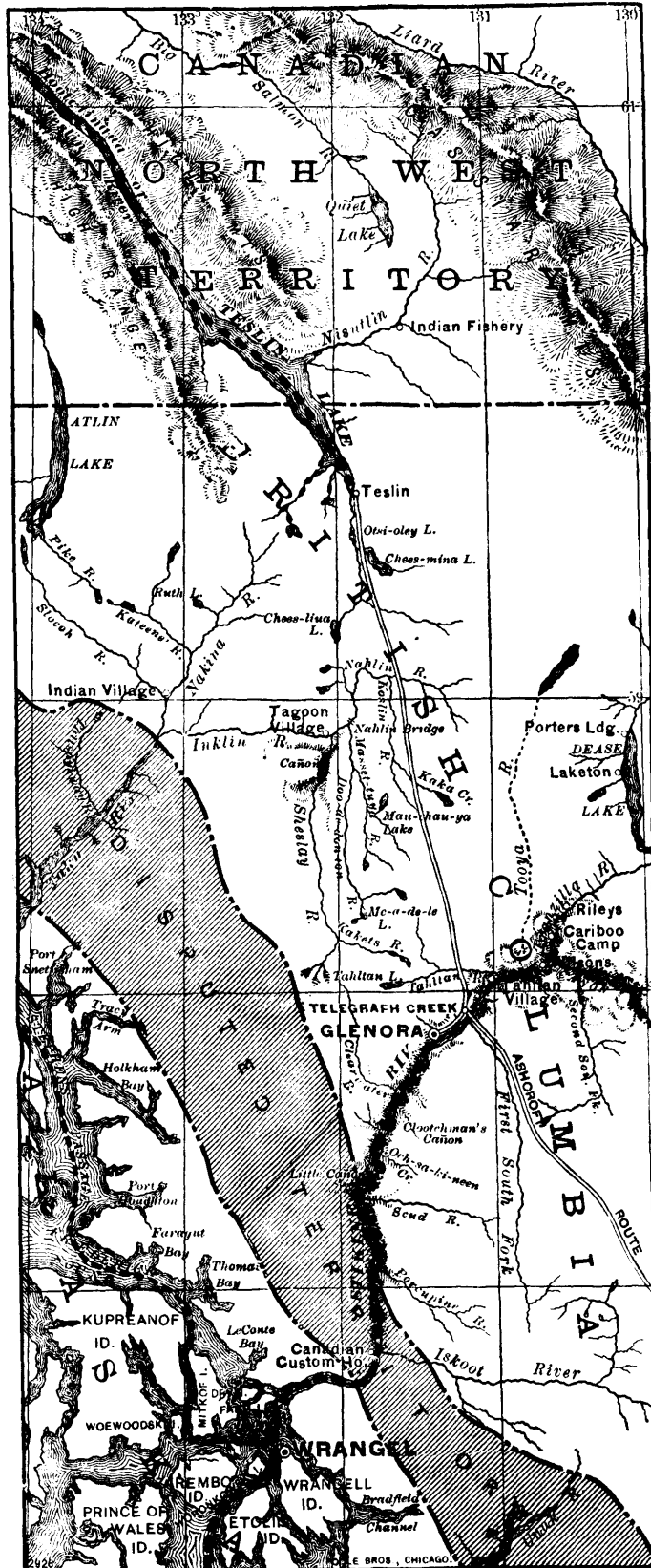
21. So soon as the contractors notify the Minister of Railways to send an engineer to inspect & approve of any 10 miles of the railway, such engineer shall be sent without delay to make such inspection, & shall thereafter remain ready to inspect such each 10 miles, until the whole line is completed.

22. The grants of lands selected by the contractors shall be in fee simple, & shall include all precious metals & all minerals whatever, reserving only the royalties above provided for.

23. Provision shall be made in the Act incorporating the contractors' Co. against any discrimination by such Co. in operating its railways between customers, whether by discriminating rates or treatment or otherwise, or by means of its steamships or other connections or otherwise.

24. Water available for hydraulic or placer mining on the contractors' lands, or on Government lands, shall be used by those mining on such lands under such regulations as may be established by or under the authority of the Governor General in Council for the purpose of securing an equitable & fair division & use thereof.

25. This contract shall be subject to the approval of Parliament.



THE CANADIAN YUKON RAIL AND RIVER ROUTE.

all gold mined by placer or alluvial or hydraulic mining upon the lands selected hereunder, & if & so long as any royalty up to 1 per cent. is levied by the Government upon all gold got by quartz mining in Government land in the

Mr. Jennings' estimates, on page 3, are for a standard gauge railway, equal to that required of bonused railways by the Government, & as if done under a manager of construction acting for the Government.