

LE ROI MINING COMPANY, LIMITED.

539b, Salisbury House,
London, Wall,
London, E.C.

To A. J. McMillan, Esq.

Pursuant to Article 108 (f), we, the undersigned, being, all the other directors of Le Roi Mining Company, Limited, hereby request you to resign your office of director of the said company.

Dated this Thirtieth day of August, 1905.

H. W. TYLER,
GEO. S. WATERLOW,
F. W. ROLT,

Directors, Le Roi Mining Co., Limited.

The Board has meanwhile replied to Mr. McMillan's circular in the following "memorandum," dated Sept. 23:

At the general meeting on the 31st January, 1905, the shareholders of the Le Roi Mining Company agreed to the principle of amalgamation with other companies, after that question had been referred to at considerable length; and much time and labour has since been devoted to it.

The progress that has been made is, so far, satisfactory in the interests of the Le Roi Company, and the directors hope to be in a position to lay before the shareholders, at a meeting to be called, probably, in the coming month of October, a complete scheme, which cannot fail to meet with their approval, and to place them in the position of receiving regular dividends in the future.

But this scheme is in direct conflict with two interests (1) the personal interest of Mr. McMillan; (2) the interest of the Great Northern Railway, a powerful American Railway company carrying traffic between the Le Roi Mine in Canada and the Northport Smelter in the United States. These two interests appear—at all events as it would seem to the Board—to be jointly and actively working against the true interests of the Le Roi Company; and hence the circular addressed by Mr. McMillan to the shareholders on the 18th September, and his active exertions in obtaining, through the press in Canada and England, approval for himself and opposition to the proposed amalgamation. Recent purchases of large blocks of stock in the names of Mr. McMillan and others tend to confirm this view.

Mr. George S. Waterlow, who spent much time in Canada during the present year, and took great pains in promoting this amalgamation, found himself continually opposed by Mr. McMillan, and he was compelled, in the interest of the shareholders, to differ from Mr. McMillan, with whom he had been for many years amicably associated, and whose advice had been proved to be misleading. And later, when Mr. Aldrige, the eminent mining engineer, who was so prominently referred to at the last general meeting, came to England to confer on behalf of the other companies with the Le Roi Company as to the arrangements it would be possible to effect, it was found that no progress could be made so long as Mr. McMillan remained on the Board. It was thereupon intimated to Mr. McMillan that the other members of the Board were dissatisfied in two respects: (1) his management of the mine, and (2) his opposition to the proposed scheme of amalgamation. On his declining voluntarily to resign his position, the Board had no alternative, but were compelled, in the interests of the company, to exercise the power in this respect given to them by the Articles of Association.

Mr. McMillan claims for himself that he has made a great success in the past year at the mine. It is therefore necessary to state that, having regard to the much improved price of copper, and to the better results to the company from the Tacoma contract, arranged by Mr. Parrish and Mr. Wilson, the receipts of the company were, after all, disappointing; and also that larger profits would have been secured if the recommendation made by Mr. Mackenzie (but opposed by Mr. McMillan) of sending the Le Roi ores to the Trail Smelter, instead of to Northport, had been adopted.

In August, 1904, Messrs. Bradley & Mackenzie resigned their position as consulting engineers to the company, for the following reasons, given in their own words:—"We do not approve of keeping the Northport Smelter in operation under existing conditions, as the ore now mined can be sold in the open market at a rate that will effect a saving of a dollar per ton, equivalent to \$80,000 a year, at the present rate of shipments." In fact, they found that their ideas, as Mr. McMillan himself expressed it, "did not harmonize" with those of Mr. McMillan. Fortunately, as Mr. McMillan has left the Board, Messrs. Bradley and Mackenzie have now consented to resume their position, and the Board are proceeding on the advice of this firm, as regards the proposed amalgamation, having full confidence in them, and knowing that they stand at the head of their profession on the American Continent.

Mr. McMillan has constantly desired to obtain full power, and to have complete control in his own hands. After the unfortunate circumstances of Mr. Parrish's management, this was conceded to him. He reported Mr. Parrish's resignation on the 27th May, 1904, and one of the early uses he made of it was to draw, for four months, Mr. Parrish's salary as general manager, in addition to his own salary as managing director, without communicating with London. This abuse of his position was only discovered in London after the receipt of the accounts from Rossland; and on the 30th November a letter was written to Mr. McMillan containing the following passage:—"The Board were sorry to find you were drawing salary at the rate of \$10,000 per annum without any previous communication with the Board, especially as such action does not carry out the terms expressed in your cable of the 30th August last to the effect that you 'intended to reorganize arrangements with economy,' in consequence of which your proposal to act as general manager, as well as managing director, was agreed to by the Board." This matter was afterwards rectified as regards future payments, by allowing him to draw £1,500 a year, with the title of managing director only, in place of £2,500 a year.

The Board consider it only right to state thus much at once for the information of the shareholders, by way of reply to Mr. McMillan's circular, which might otherwise lead to much misapprehension. They will be prepared to enter at greater length into these and other matters in future. Meanwhile, they will lose no time in issuing a report, and calling a general meeting when they receive from Canada the information of shareholders' meetings having been held in that country of the other companies to be included in the proposed amalgamation; and this report will give full information in regard to these companies, which are not, as stated by Mr. McMillan, of "very doubtful merit," but which, with the Le Roi Company, are calculated to form a powerful combination capable of earning substantial and regular dividends for all the parties interested in them. In fact, the actual resources of the proposed combination will be sufficient to provide the new combined company, so to be formed, with the necessary working capital without coming to the public for subscriptions.

MINING IN BRITISH COLUMBIA.

(From Our Special Correspondent.)

The principal feature in the mining at the Coast last month was the commencement of extensive development operations at the Britannia mine. The ore is giving trouble in its reduction, as it is highly silicious and a suitable flux of oxide of iron, which it is stated can be procured in the properties of the vicinity, is now being sought for.

In the Boundary camp the principal item of news is perhaps the increase of the Granby smelter to eight furnaces in order to deal with the greatly enlarged output of the Granby mines. In addition from the Boundary comes the news that the Dominion Copper Company is also likely to erect a smelter at Grand Forks. In the camp on the north fork of the Kettle River, where a new railroad is projected, which will probably find its outlet at Vernon, the McKinley, has recently been opened up in a