

tions of both the former. This was done in order to economise in the matter of taxes. Further still up the river we applied last year for another licence of 640 acres, on which we know there is good coal, and we are in negotiation for the purchase of a licence adjoining it of 640 acres. The importance of these last lies in the fact that they are near a piece of land, fully 62 acres in extent, which we own absolutely, and which we consider to be by far the most suitable site for a smelter, when operations of this kind begin in our district. The spot is close by Copper and Kennedy mountains, on which the great ore bodies are, and when ore reduction begins, it will be most advantageous for us to possess coal bodies near the camp. Our next piece of property is Lot 157, an area of 243 acres, situate about three miles up the Similkameen river from Princeton, which we call The Rancho. The land is all fenced. We have an excellent dwelling-house on it besides other buildings. Some of the land is already under cultivation, and much more is available. As population grows in Princeton, there will, no doubt, be a ready market for the produce of this farm. Then we have two hydraulic leases, together 240 acres, which we tested to some extent a number of years ago and proved that there is gold to be won if sufficient water-power be provided. We have maintained our rights here, paying the annual tax of £20. We have also considerable water rights in the Bromley and Stevenson creeks, kept up by paying about 25s. a year. It is possible that we may find here at least a partial source of water supply for the town. Lastly, but by no means of least importance, there is the town of Princeton. We have already sold in lots about 21 acres, at an average of fully £200 an acre, and we have about 300 acres left, but you must not run away with the idea that we shall get £200 an acre for this. Naturally the best sites have been chosen by the first purchasers, although I should point out that the company has retained many specially chosen sites to be disposed of by and by when population grows and values increase. This is bound to follow on the advent of the railway, and we cannot tell what demand there may be for our town property or where prices may go to. As some indication, however, of the trend of events, I may say that Mr. Waterman, who is on the spot, and knows best what is judicious, has told us in a letter received yesterday, that he has raised the price of lots as from May 1, by, we understand, 50 per cent.

This is our property, gentlemen, and, as mining men say, it is a very fair showing, the value of which it is impossible to estimate and might be hard to exaggerate; but intrinsically valuable as not only our property, but far more besides, in the region of the Similkameen is, the value has until now been absolutely dormant, since we have had no transportation facilities by which the country's products could be conveyed to market. Happily we have the prospect, amounting we trust to certainty, that all will soon be changed. Copies of two cablegrams which we received from our manager have been sent to you: one received on April 19, "Railway certain," the second April 22, "Construction will commence immediately; will probably arrive about the beginning of next year." These messages were received so recently that we have not yet had time to get confirmation by letter of the second one, so that we are not now in a position to tell you precisely how and where the line is to run, but we do know that its construction is being undertaken by the Great Northern Co., at the head of which is Mr. J. J. Hill. The intention, as far as we can gather, is to continue from Midway through the Similkameen valley to Princeton, and eventually on to the coast via Abbotsford. By rapid construction it is expected that Midway will be linked to Princeton, a distance of about 120 miles, within a year from now. We have every reason to believe that construction is now actually under weigh. We do know, at any rate, that the actual survey to locate the route for the rail was begun at Princeton nearly four weeks ago, and it is very important for us to know that the survey started on the bench immediately above our present coal pit on our land. I may say here that we have heard, on what appears to be fairly reliable authority, that simultaneously with the

construction of the Great Northern line, the Canadian Pacific will commence building to us from their main line at Spence's Bridge. It may be, therefore, that within the next twelve months we shall have two great railway corporations tapping at the doors of the Similkameen for its traffic. We seem, therefore, to be within reasonable grasp of the prosperity we have patiently waited for for seven years. Before we can touch it, however, there is a good deal to be done, and some money to be spent. We must provide for the year that is before us, and to do so we require £1,500. First of all we must pay off a bank advance to the extent of £420; but the most essential payment is for the purchase outright of our principal coal licence, No. 1,822, to which I have already referred. We have the option of purchasing these 312 acres for £312, being £1 an acre, but that right will expire on the 28th of this month. Unless we exercise it the price to us after that date will be exactly double, or £624. There is no question about the wisdom of at once making the purchase. Those two items are referred to in the short report we issued to the shareholders. The balance of the £1,500—viz., fully £700, will suffice to pay for management in British Columbia and taxes there, as well as office expenses here, with a little over for some necessary work in the town—such as grading of lots and streets, and so forth, in preparation for the influx of population, miners, and agriculturists, which we hope to see. Even larger questions than these will be forced on our attention by and by. I refer to the proper method of dealing with our coal property, whether by working it ourselves, by leasing it on either a rental or royalty basis, by selling it outright, or it may be by forming a subsidiary company to work it. Similar with our mineral claims, our town, our water supply, our rancho, and our smelter site. I mention these things only to show you that we are, as far as we are able, anticipating events. You may rest assured that we shall come to no decision on such vital matters without the fullest consideration of what is best for the company, or without taking the best available advice.

Now as regards the sum of £1,500 which we require. As explained in the report, we wish to raise it by issuing 1,000 "A" shares at £1 10s. each. They carry the benefit of six times the dividend of ordinary shares. Every shareholder will be offered the proportion to which he is entitled by his present holding of shares in the company. These are, of course, generous terms, but as all the shareholders have the chance of taking their proportion, no one is injured. Our shares have a greater prospective value than ever before, and I would strongly advise all to apply for their full quota. We have already had intimation from several shareholders that they wish to have more than proportion. We feel sure that whatever shares you do not take we can easily place.

Mr. Hickling: I may say that the chairman has gone so fully into every subject connected with our properties, that he leaves me very little to add. There are, however, one or two things I should like to draw your attention to. In the first place you will see from this map an indication of our belief as to which way the railway is going. The Great Northern have, up to the present, built to Midway, and they have also a line which runs down to Republic in Washington State. Some reports state they intend making their connection from Republic up to Princeton, but whichever way the line goes it will make little difference in distance. The point to which they are going, or to which their surveys have been made, is Oroville, where they will be working in the States. They will then come to a place called Night Hawk, on the boundary. They did all this survey work last year, and this spring they have started two survey parties, one from Hedley, down the river, and the other from Hedley up to Princeton. The surveyors have already been in Princeton. It is perfectly certain they will follow the Similkameen river to Princeton. The Canadian Pacific will work from Spence's Bridge through Nicola; and they are going to build to Nicola this year. The only additional remark I have to make is in regard to a letter which I received from Mr. Waterman last night, and in which he mentions matters of interest. He says, "As far as the railway situation is concerned, all doubt is passed. I cabled to Mr. Neave