

Cores taken from Bores Nos. 7 and 8 were assayed by Mr. J. O'Sullivan, F. C. S., of Vancouver, and the following results obtained

Bore No. 7, coal at 535 ft.

Moisture .....	2.0 p. c.
Volatile Matter .....	36.4 p. c.
Fixed Carbon .....	50.2 p. c.
Ash .....	10.5 p. c.
Sulphur .....	.4 p. c.
100 p. c.	

60 p. c. coke, hard and coherent.

Bore No. 7, coal at 764 ft..

Moisture .....	2.5 p. c.
Volatile matter .....	37.7 p. c.
Fixed Carbon .....	54.8 p. c.
Ash .....	5.2 p. c.
Sulphur .....	.3 p. c.
100 p. c.	

59 p. c. coke, hard and coherent.

Bore No. 8, coal at 70 ft.

Moisture .....	2.3 p. c.
Volatile matter .....	38.6 p. c.
Fixed carbon .....	50.3 p. c.
Ash .....	8.5 p. c.
Sulphur .....	.3 p. c.
100 p. c.	

58.8 p. c. coke, hard and coherent.

Bore No. 8, coal at 222 ft.

Moisture .....	2.1 p. c.
Volatile matter .....	37.5 p. c.
Fixed carbon .....	54.4 p. c.
Ash .....	6.0 p. c.
Sulphur .....	.2 p. c.
100 p. c.	

60 p. c. coke, hard and coherent.

Mr. O'Sullivan's covering letter on the foregoing assays reads as follows:

"Gentlemen:—

"Please find my analysis report on the four samples of coal submitted to me by your Mr. T. J. Smith.

"I have pleasure in stating for your information that the coal is bituminous, of excellent quality, and compares favorably with the best Vancouver Island and British Columbia mainland product.

"It is a good coking coal and is therefore very suitable for metallurgical as well as steaming and domestic purposes."

From the logs of the diamond drilling the following strata is shown:

50 to 70 feet gravel, sand and clay wash, 70 to 700 feet, sandstone with bands of slate and shale, varying in thickness from 6 inches to 10 feet. In each boring the coal was shown to lie between a hard sandstone roof and bottom.

Prospecting for the outcropping seams to the north of the property has been diligently carried on, with the result that these seams have been exposed, and with their dip being to the south, it directly indicates that the basin of the upper measures lie well within the Company's area.

Prospecting for the lower measure is now being carried on, and indications are exceedingly favorable, coal in small cubes having been found in the wash from the prospect opening.

In addition to the above mentioned borings, prospecting and development, a considerable amount of work has been carried out on the outcropping seams to the south of the Coldwater River (now being operated by the Nicola Valley Coal & Coke Co.) and combining the whole under one heading, it is correct to state that the Company's property takes in practically the whole of the coal basin of the valley, and the coal seams may be tabulated as follows:—

Seam A .....	4 feet
Seam B .....	4 feet
Seam C .....	5 feet
Seam D .....	14 feet
Seam E .....	6 feet
Seam F .....	17 feet
Total .....	50 feet

#### Development.

Under this heading the work has been considerable.

#### No. 2 Shaft.

This shaft, measuring 6 by 13 ft. in the clear, has been sunk on the north bank of the Coldwater river, and at a depth of 68 feet, the coal seams shown by Bore Hole No. 8 was won, the dip of the seam being to the north of 30 degrees.

The development of the mine has been carried out by driving a slope to the dip for 300 feet, with 10 cross entries, 5 driven to the east and 5 west.

The equipment and plant connected with this mine consists of:

Trestle work and timber framing for tippie, and mine car track.

One 280 h.p. Babcock & Wilcox boiler. One feed pump. One feed water heater with pump. One double cylinder hoisting engine, capacity 4 tons at 600 feet. One Ingersoll Sargent Air Compressor, capacity 350 cub. feet. One belt drive engine and dynamo, 100 light, 16 c.p. Two No. 7 Cameron pumps, capacity 160 gals. per min. One No. 9 Cameron pump, capacity 200 gals. per min. One Snow Duplex pump, capacity 600 gals. per min. One 30 h.p. Loco. type boiler. Two Rand rock drills.

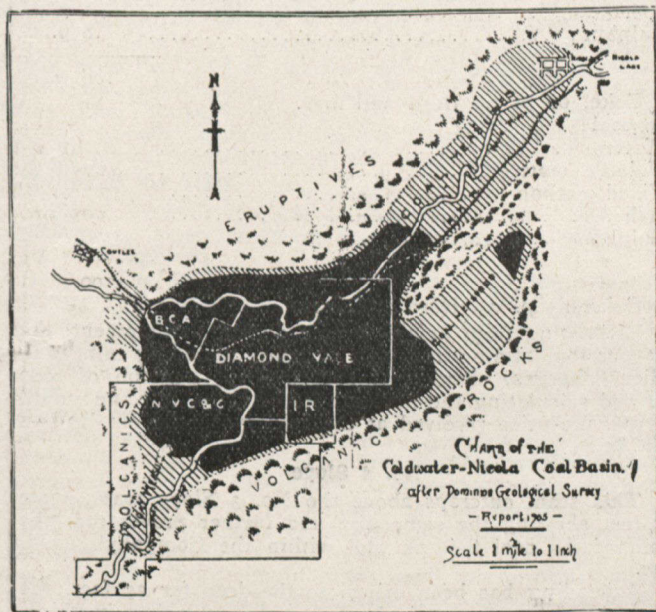
The buildings comprise:

Engine room, 28x40, boiler room, 28x47; wood framing, with galvanized corrugated iron roof, and sides. Pit head engine house. Blacksmith shop, 16x20. Warehouse 20x30, oil house and magazine. Superintendent's office, 16x16. Office building, 28x36, two storeys.

Wooden framed sawmill is located in the colliery yard, and the equipment consists of: One h.p. steam engine, circular saw, gang edger, the capacity of the mill being 20,000 feet per day.

It has been decided to discontinue further work on the seam already exposed in this shaft, and that plans be made for sinking to the 134 foot level, the ultimate object being to develop on a larger scale than is now possible with the single shaft.

At a later date the question of sinking the shaft to a still further depth in order to win the lower measures, already proved to the south, may be well considered, and if decided upon, the Company would have an extensive area that could be worked from this mine.



#### No. 3 Slope.

This is situated on the north west quarter of Section 14, the portal of the slope being 24 feet above, and distant some 200 feet from the main line of the C. P. R. track, the direction of the heading being to the south, and the dip 32 degrees.

The entry, which is 10 ft. by 6 ft. in the clear, was started on July 23rd, and square timbering has been used for a distance of 86 feet; beyond this the roof being solid enough to stand without timbering or props.

On the 20th of October the main slope was down 275 feet, measuring from the first set of timbers to the face of the heading.

The thickness of the coal seam, allowing for bone and rock, shows an average thickness of 48 inches of coal, increasing in thickness and quality at greater depth.

A counter slope, ten feet in the clear, was completed on the 6th of October, which provides for return air way, also walking road for men, horses, etc.

Underground development is being carried out upon the following plans:

At the 100 foot level, cross entry No. 1 east was driven, and is now complete, to connect with the counter, and if found necessary will be continued for a further air return.

At the 200 foot level No. 2 east is now being driven, and will be continued for 60 feet, then driven to the rise to connect with No. 1 east.

Cross entries Nos. 1 and 2 west will be started as soon as possible, and for ventilation of western district, an over-cast will be driven at No. 1.