

question of markets does not concern a copper producer, in view of the rapidly increasing consumption of the metal, and at the present price of refined copper, exceeding 15 cents, the above estimated profits would be much greater, as they are based on a ten cent figure—the low level of prices. All authorities agree that the tendency of the price of the metal is steadily upward, and a seventeen cent market for copper is confidently predicted.

Capital Required—During the next twelve months it is considered that

- 1st—Underground development work should be continued.
- 2nd—The extension of the deposit to the south should be prospected with a diamond drill to prove the extent of ore reserves.
- 3rd—A concentrating plant of moderate initial capacity, say 25 tons per day, should be installed.

In the meantime the company is advised to mature plans for—water power development—increasing the capacity of the concentrating plant—erecting a smelter—and investigating the advisability of a drainage and working tunnel—in readiness for these works to be taken up in the following year and year after. \$75,000 to \$100,000 (£20,586) will be required during the current year. It is proposed to increase the operations of the Company gradually, and further capital to extend the output and development of the mine will be obtained according as new features of the enterprise require to be taken up.

Custom Smelting—A subject which the Company has in view is the opportunity for conducting custom smelting and refining works at some central point in Nova Scotia for the accommodation of the copper and lead mines of the Maritime provinces and Newfoundland. Ores and materials for the plant could be assembled by water. There is at present nothing of the kind in Eastern Canada and a number of promising mining properties are being developed at various points, usually located at tide water. Newfoundland mines already ship 20,000 tons of copper ore per year, principally to Swansea. The possession of the large Cheticamp deposit insures the requisite of ore supply and may give this Company the key to carrying out the project of a public refinery and smelter, while a mixture of ores would economise the cost of treating the company's own ore.

Virgin Territory—The northern part of Cape Breton embracing about one thousand square miles is virgin territory so far as mineral development is concerned. Cheticamp is the gateway to this section. There are a number of fishing settlements around the coast, but prior to the prospecting work performed by the promoters of this Company no systematic effort is known to have been made to locate the source of the gold found for years in the bottom of some of the streams. It is believed now that this alluvial gold came from the extensive copper schists on the Company's property, the precious metals being released by gradual disintegration of the ore by weathering. The immense size of the Cheticamp Company's mineral deposit has attracted wide attention and references to same have appeared in the N.Y. Eng. & Min. Journal (Feb 18 1904), Toronto Globe, Canadian Gazette (London) London Mining Journal, Canadian Mining Review, New York Herald and many other leading papers. The articles of the Eng. & Min. Journal and the Globe were illustrated, two boats from Pictou and Mulgrave make twice-a-week connection with Cheticamp. There is a daily coach between Cheticamp and Inverness. Subsidies have been authorized for continuing the Inverness railway to Cheticamp, the work to be commenced in 1905.

The Copper Industry—75 per cent of the world's production is derived from low grade sulphide ores, varying from 2 to 4 per cent. copper. In some cases carrying by-products. Big deposits of fairly uniformly mineralized material permit of a large output of ore and consequent cheapening of cost of production. With a visible supply of ore for many years, they offer the permanency necessary to justify the employment of capital sufficient for large scale operations. Given material for years of operation, with the average value per ton and the cost of the finished product determined and the project becomes a manufacturing rather than a mining undertaking, the amount of profit per year being made a matter of executive control, subject to be increased according as the plant employed in the undertaking is extended and the output enlarged. The world's production and consumption of copper has increased from 50,000 long tons in 1860 to 592,700 long tons in 1902. The normal yearly increase, six per cent, will call for 79,000,000 pounds of new copper next year and more still each succeeding year. This is equivalent to a Calumet & Hecla, a Boston & Montana, or a Rio Tinto and statisticians of the trade wonder where the increase is to come from to meet the increase in demand. Well situated copper deposits are as valuable as good deposits of iron ore. The red metal has taken a high position in the arts and manufactures and copper production is now among the great staple industries. Mining journals point out that the copper companies of the United States distributed more money in dividends in 1904 than the railways of the country and the general tendency of the price of copper is upward, in consequence of the increasing ratio of demand and decreasing ratio of production.