

under the Charter which has just been granted them under letters patent of the Province of Canada, without any liabilities.

The license is granted upon the conditions of paying a moderate rent or bounty to the Indian Department, for the benefit of the Indians, to the amount of about one cent per gallon on all Oil obtained in the territory during the term of the lease, and without any further taxes or charges whatsoever. The license also admits of the use of all building materials, fuel and timber required for the purposes of the Company, subject only to the ordinary trifling Crown dues on timber.

The property is of easy access, being on the route of steamers plying on Lake Huron. Consequently, direct communication may be maintained with the railway lines in Canada and the United States; and vessels may be loaded at the wells and sail direct to any foreign port without transshipment. The harbors are deep and safe, as will be seen on reference to a copy of Bayfield's Map and Chart attached.

The distance from the oil region to Collingwood—the nearest point where railway communication may be had to all parts of Canada and the United States, is one hundred and twenty miles.

The Oil, as proved by samples taken on Cape Smith, where surface indications most abound, possesses the finest lubricating qualities. Samples were obtained by sinking holes from eighteen inches to two feet deep, which immediately filled with water and oil mixed. The oil was skimmed from the surface, and in the short space of one hour, a gallon measure of oil was collected in this manner. It is thought, therefore, that the *surface* indications are of a character so unmistakable and promising as to justify the inference, which will shortly be practically tested, that an abundant supply of the article can be obtained from surface wells at a very trifling cost.

The explorations also establish the fact that the oil