

Although not a high-grade ore by any means, the abundance of it so near the surface, with the unusual facilities for raising and shipping, should render it a most valuable property. Its chief value to the present Company, I understand, consists in its ready fusibility, thereby acting as a flux for the less tractable ores of Nova Scotia. Moreover, as these latter ores contain little or no phosphorus, and the former rather more than is necessary, a mixture of the two in the furnace affords about the requisite quantity of this substance in the resultant pig for the production of a good class of steel. The Nova Scotia Steel Company, Limited, of New Glasgow, are but the lessees of the property. They pay a royalty of five cents per ton on all ore raised to the original holders of the grants. These grants are four in number, comprising an area of one square mile each. The remainder of the island is held under licenses to search for minerals by several different parties. The facilities for working and shipping ore from these claims are equally as favourable as those described above. Were it hereafter considered advisable to smelt these ores on the spot, the island is admirably situated for the purpose, and many eligible sites for the erection of such works are available.

In conclusion I may add that I know of no more promising deposits of this class of iron ore in this country, nor do I think there are many in North America more favourably situated in every respect.

I have, &c.

JAMES P. HOWLEY.

Hon. R. Bond,
H. M. Colonial Secretary.

Enclosure 2 in No. 1.

*Extract from "St. John's Evening Herald" of 27th
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The success attending mining operations at Bell Isle, and the excellent quality of the product, give ground for the hope that the continuance of work there may result in a large increase in the output, and a consequent augmentation of the prosperity of that flourishing settlement. We learn that every satisfaction is being experienced with the people, who are turning out capital miners, and the island promises to benefit very largely from the discovery of these hematite deposits.

It is rather a pity, in this connexion, that coal cannot be found in such close proximity as to make it possible to establish smelting furnaces and refine the ore right at the pit mouth. This would be a matter of immense importance, and it would exercise no small influence on the Colony's future if the coal areas of the interior could be worked at a figure that would enable the output

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