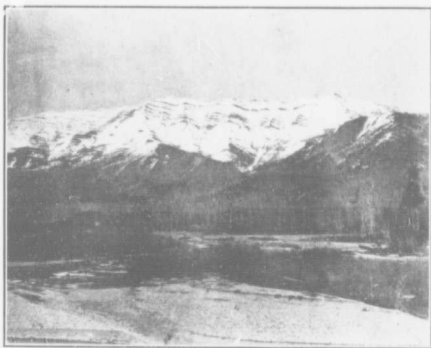


a black clay was encountered which gave off a powerful odor of petroleum and a scum of oil covered the pools of water on the floor of the tunnel. In some instances bubbles of oil rose to the surface and spread out in rainbow-colored rings. Samples of rock from the workings were sent to Mr. Carmichael, Provincial Analyst, at Victoria, B. C., for examination, and in each case he pronounced them to contain crude petroleum. Recently in excavating for their road bed from Morrissey to Fernie through the Company's properties, the contractors of the Great Northern railway made cuttings through the bluffs, exposing considerable seams of bituminous shale and coal.

Mr. J. E. Woods, C. E., of Frank, Alta., who has had a very successful experience as consulting engineer for coal companies



Portion of the Valley of the Elk River on the Company's property.

in the Crow's Nest District, made an examination of the Company's properties, and under date of Sept. 24th, 1904, writes as follows:

"I have examined the railway cuttings on your coal claims fronting on Elk River, from Morrissey to Lizard Creek. There are several exposures of shales, mostly of the same age, as the railway runs along the strike of the formation. In two cuttings I found a very black shale mixed with coal.

* * * * * The formation undoubtedly belongs to the coal formation. * * * *

From the float found on the claims there is without doubt coal seams on the property."