

on the commercial value of the Gooderham-Blackstock mines would have similarly reflected on the Le Roi, seeing that all three mines are in much the same condition as regards the comparative exhaustion of their "good ore" and the possession of the large bodies of lower grade ore they have exposed, with this exception that the Le Roi has opened up important shoots of ore at deeper levels than the other mines have yet reached. Passing by the incorrect reference to the "Le Roi group of companies" we have to remark that the Le Roi Mining Company—not group of companies—has not made any secret of the fact that negotiations have been in progress with a view to amalgamation as suggested. On the same date as the publication by the *Critic* of the above-quoted paragraph the *B. C. Review*, also published in London, gave its readers an account of an interview with Mr. A. J. McMillan, managing director of the Le Roi Mining Company, in which it stated that:—

"In answer to a question as to the truth of reports of an amalgamation of several of the big mining companies in British Columbia, Mr. McMillan said it was quite true that negotiations were on foot looking to the possible amalgamation of several of the largest companies engaged in mining in that district, all of the mines concerned being well developed and well equipped, and each capable of producing a large daily tonnage of ore. He further expressed the opinion that there would be many advantages in one company owning various mines with a large tonnage of ore of different kinds, and also owning smelters and mills, thus keeping within the company all the profits available. As nearly all the mines of British Columbia contain much low-grade ore, it is desirable that they should be operated on a large scale, and thus secure all the advantages of economy in management."

As regards the ore reserves and producing capabilities of the Centre Star and War Eagle mines there are no mining companies in British Columbia that publish fuller particulars of their operations, costs, and results than do the companies owning these mines, so that even if the first advances in the direction of amalgamation had been made by these companies—which it is understood was not the case—there had been unusual candour shown in making it clear how these mines stood in the matter of development and production. Full information taken from the last annual reports of these companies on these points, has already been published in this journal. From these reports it is gathered that "Developments up to date show that these mines have experienced the same general change in the character of their ore deposits which has occurred in all other productive mines in the Rossland district, and which is the general rule throughout the mining districts of the world. This is the transition from the occurrence of high-grade bonanza ore bodies, capable of profit under the expensive process of smelting to masses of lower grade, requiring a cheaper treatment by milling.

"As the bodies of smelting ore in the vein become less frequent and their average size diminishes, the proportion of this ore to the increasing quantity of

development or dead work required to expose it rapidly lessens to a point where its profit is consumed by the cost of the dead work. The relief to be derived from milling will, therefore, be not only in the direct saving of cost expected, but also in the increased proportion of pay ore to development work, while the stoping of low-grade blocks will assist the exploration work by disclosing the unknown bodies of smelting ore contained within their limits.

"The development work of the year has continued to add to the great masses of ore too low in grade for smelting, but rich enough to afford a profit to successful milling. Now that the mill of the Rossland Power Company assures an outlet for these ores, their contents will soon be available. It is impossible to present any reliable estimate of their quantity or precise value, because their limits have not been defined, and until milling begins they cannot be exposed or sampled accurately without excessive expense. They occur in extensive bodies 15 to 30 feet in width, and exposed very imperfectly by the mine workings, since these have been in the past directed to the exposure of smelting ore bodies only.

"The necessity for milling has long been foreseen, but although every effort has been made towards the desired end there has been unexpected delay, owing to unusual difficulties and obstacles. The technical problem presented by the nature of the ore has been a serious one, and the business arrangements necessary for success have also taken time."

The output of the Centre Star mine last year was 88,387 tons, averaging \$10.58 per ton, smelter's gross assay value. The net profit in excess of all expenditures was \$228,358.90. The War Eagle's ore sales were 60,030 tons, averaging \$13 full assay value, or \$9.87 smelter's gross assay value. The excess of revenue over expenditure was \$68,512.21. (For reasons stated, War Eagle costs are higher than those of the Centre Star.)

At present we are in no sense expressing an opinion as to the desirability or otherwise of the suggested amalgamation, but are endeavouring to show that reflections on the value of the Centre Star and War Eagle mines along the lines that appear to have been adopted in the correspondence commented on by the *Critic* do not fairly indicate the real position. With the exception of the deeper development of the Le Roi, there is much in common in the situation as it affects the three mines concerned, which are adjoining properties or the same veins or bodies of ore. Further, both the "Gooderham-Blackstock" companies made substantial profits last year, and those in control of them have lately shown in a very practical manner,—viz., by financing the Rossland Power Company's enterprise in erecting the large concentrating works now treating the lower grade ores of the Centre Star and War Eagle mines—their confidence in their ability to continue to make money out of their mines. When they undertook the large expenditure involved in the establishment of these works there was no suggestion of amalgamation; they honestly believed the value of the ore reserves in their