

In the Lower Coal Measures, eight seams, five of which with a total thickness of 34 feet, while the other three seams and also a number of smaller seams and other seams insufficiently tested nearly double this thickness.

Assays of the coal show: (from the mixed samples obtained in 1911)	Fixed Carbon...	74.00%	to	86.74%
	Volatile	3.5	"	13.51
	Sulphur	0.02	"	1.0
	Ash	5.0	"	13.0
	Hyd. Water....	3.5	"	4.5

The samples tested in 1911 were taken from moist and dirty surface workings, and were not so good in analysis as those examined in 1910, which will, it is expected, be equalled or excelled when the property is operated. But even the worst of these samples gives far more fixed carbon than the best of the bituminous coal mined in Canada, which as a rule gives less than 53 per cent. of fixed carbon.

Since the examination by Mr. McEvoy the Company's property has also been examined by Mr. Gustav Grossmann, a distinguished Mining Engineer of Pennsylvania, whose report confirming, as far as the extent of his examination would allow, the reports of Messrs. Campbell-Johnston, Monckton and McEvoy, will be found annexed.

The claims are held under lease from the Government of British Columbia subject to the mining laws of the Province and to the payment of an annual rental of \$4700 (\$100 per claim) and to a royalty of 10 cents per ton of coal mined.

The mining act of the Province permits the purchase of the land instead of its lease, at any time, upon payment of \$5 per acre, for coal, or \$10 per acre, for coal and surface rights.

The coal deposit is on the Skeena River 150 miles north of Hazelton which is on the Grand Trunk Pacific Railway. Hazelton is 180 miles from Prince Rupert, the Pacific coast terminal of the G. T. P. The Skeena is navigable for light draught river steamers from Hazelton to Prince Rupert.

The engineers are of opinion, after examination of the country, that a good line for a railway can be had from the coal deposit to ocean navigation at the mouth of the Naas River—about 50 miles north of Prince Rupert. This line would be about 200 miles long, but it will have very little adverse grade against the hauling of the coal, from its elevation of 3,600 feet to tidewater; it will develop a