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THE BIG GOLD OPTION DEAL.

Papers Brought Down to the Legislature.

THE SOUTH AFRICAN DEVELOPMENT CO'S REPRESENTATIVES.—MEMORANDA WHICH ONTARIO MINING MEN SHOULD PRESERVE.

THE conditions upon which the Ontario Government has granted an extensive mining concession in the Rainy River country to Col. Engledue of Byfleet, Surrey, England, and his associates, Messrs. James Reid and J. K. Kerr, of Toronto, were officially disclosed on the 15th inst., when Lieut. Col. Gibson, the Commissioner of Crown Lands, laid on the table of the Legislature a partial return of the papers. In doing so the Minister stated that he desired before the return is absolutely completed and formally presented to obtain copies of all the correspondence leading up to the decision of the Government, correspondence going as far back as July last.

The following is the copy of the order in Council which was approved by Col. Sir Casimir Gzowski on February 19th, 1897 :—

"Upon consideration of the memorandum of Mr. Aubrey White, Assistant Commissioner of Crown Lands, and Mr. Archibald Blue, Director of the Bureau of Mines, dated 1st December, 1896, and of the report of the Hon. the Commissioner of Crown Lands, dated 7th January, 1897, the Committee of Council advise that upon a deposit of \$20,000 being made to the credit of the Commissioner by way of security and subject to the terms and conditions expressed and contained in the said memorandum a license of occupation be granted to Col. Engledue of Byfleet, Surrey, England, and his associates, covering the locations in the district of Rainy River set forth in the schedules herewith annexed and designated respectively as block 'A' and block 'B.'"

MINISTER'S RECOMMENDATION.

Then follows the letter of the Commissioner of Crown Lands to the Lieut.-Governor in Council recommending the issue of a license of occupation to the syndicate :—

Toronto, January 7th, 1897.

The undersigned has had under consideration the application of Col. Engledue and his associates for a license of occupation of two locations in the Rainy River district for mining purposes in pursuance of the terms of a letter addressed to the syndicate represented by Col. Engledue, bearing date the 3rd day of December last. A memorandum on the subject of the policy of making a special arrangement such as is proposed by Messrs. Aubrey White, Assistant Commissioner of Crown Lands, and Archibald Blue, Director of the Bureau of Mines, is attached hereto and sets forth the advantages which may be derived from the proposed concession to this company and deals with objections that may be urged thereto.

The undersigned concurs in the conclusions arrived at by the Assistant Commissioner and the Director of the Bureau, and respectfully recommends that upon a deposit

of \$20,000 being made to the credit of the Commissioner of Crown Lands by way of security according to the terms suggested in the annexed memorandum, a license of occupation be granted to Col. Engledue and his associates, covering the locations set forth in the schedules hereunto annexed, designated respectively as schedule "A" and schedule "B."

(Signed) J. M. GIBSON,
Commissioner of Crown Lands.

DESCRIPTION OF THE PROPERTY.

The locations are described in these words :—

Block "A"—Commencing on the northerly shore of Porter Inlet (Red Gut Bay of Rainy Lake), District of Rainy River and Province of Ontario, at a point where the said northerly shore of Porter Inlet meets the lands known as Indian Reserve, 26 B, thence following the easterly limit of said Indian Reserve to the northeast angle of such reserve; thence westerly to the line known as Niven's sixth meridian, run in 1894; thence northerly following the said sixth meridian to the northerly shore of Crow Rock Bay; thence on a course due east to the easterly shore of Otukamandan Lake; thence following the easterly and northerly shores of Otukamandan Lake to a point due north of the head waters of Spawn Inlet; thence to the head waters of Spawn Inlet; thence along the middle of the said head waters and of Spawn Inlet to Red Gut Bay; thence southeasterly and westerly along the westerly and northerly shore of Red Gut Bay to Porter Inlet, and thence following along the easterly and northerly shores of Porter Inlet to the place of beginning, together with all islands, islets, and reefs and land covered by water along the shores of the said above described parcel of land situate and within three hundred feet from the shore line of the above parcel or block of land.

Block "B"—Commencing on Carl Bay (Shoal Lake), west of the Lake of the Woods, District of Rainy River, Province of Ontario, at a point where Deadman Portage meets the waters of Carl Bay aforesaid, to the waters of Portage Bay of the Lake of the Woods, thence following the waters' edge along the westerly and southerly edge of Portage Bay and along the edge of the waters of Outer Bay and other waters of the Lake of the Woods and Monument Bay to the southwesterly extremity of the head of Monument Bay; thence in a northwesterly direction to Shoal Lake to a point where the 95th line of longitude intersects the southeasterly shore of Shoal Lake aforesaid; thence northeasterly following the edge of the waters of Shoal Lake along the southeasterly shore of Shoal Lake to the place of beginning, together with all islands, islets and reefs and land covered with water along the shores of the said above described parcel of land situate and within three hundred feet from the said shore line, saving and excepting therefrom Indian Reserve, 31 B, south of Portage Bay, mining locations D 128, D 157 on Outer Bay, D 156 on north end of Cochrane Island, islands 186 P and

187 P on Shoal Lake, also a proposed mining location applied for south of Outer Bay (L 18,335, 1896), and one at the foot of the bay east of Pine Island on Shoal Lake.

AN OFFICIAL OPINION.

The policy of granting the application of Col. Engledue and his associates is discussed by Messrs. White and Blue in the following memorandum for the guidance of the Commissioner :—

The undersigned have the honor to report as follows upon the application of Col. Engledue, of Byfleet, Surrey, England, and his associates. The proposition is that Col. Engledue and his associates shall form a company with the object of entering upon vacant and unclaimed lands of the Crown in the district of Rainy River to explore and determine their mineral value, with a right to purchase or lease such areas of these lands as may be found valuable, and to develop or dispose of them to companies or individuals who desire to invest in mining properties.

It has been pointed out in support of this proposal that to induce substantial investment in such an enterprise the work should be on a considerable scale, and that a reasonable time should be given to make such a close exploration as is intended. As to the areas applied for, Col. Engledue asks that two locations of 23,000 acres each should be set apart for this object, to be selected in such regions not hitherto explored as may be approved by the Department of Crown Lands, and that control by the applicants should extend, if necessary, for a period of three years. With respect to the merits of the proposal, the undersigned beg leave to say that while it is a novel one and not, perhaps, contemplated by existing regulations, yet, under all the circumstances, it is worthy the favorable consideration of the Government. In the first place, it is most desirable that the auriferous wealth of lands in the Rainy River district and of the other parts of the Province should be determined accurately and beyond doubt. As you are aware, it has been a matter of criticism that neither the work of the Geological Survey of Canada nor of the Provincial surveys is a sufficiently close and thorough basis to determine the existence of minerals in the waste lands of the Crown in the Province. The Governments have been called upon from time to time to make an exhaustive exploration of different localities, and it has even been suggested that the Government of Ontario should open up and operate mines in order to demonstrate the mineral wealth of the Province and as an object lesson to encourage investors. The department has to some extent by the purchase of a diamond drill provided the means for a close examination, and although this drill is at the disposal of parties who may require its services to explore their lands, upon very liberal terms, it has not been taken advantage of to any large extent. But here is a company proposing to do at its own expense, in a thorough manner upon limited areas, what the Government has been urged to do on a large scale, and agreeing to purchase at the full ordinary