

The Commercial

A Journal of Commerce, Industry and Finance,
specially devoted to the interests of Western
Canada, including that portion of Ontario
west of Lake Superior, the provinces
of Manitoba and British Colum-
bia and the Territories.

Eleventh Year of Publication
ISSUED EVERY MONDAY

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The Commercial certainly enjoys a very much larger circulation among the business community of the country between Lake Superior and the Pacific Coast, than any other paper in Canada, daily or weekly. By a thorough system of personal solicitation, carried out annually, this journal has been placed upon the desks of the great majority of business men in the vast district designated above, and including northwest Ontario, the provinces of Manitoba and British Columbia, and the territories of Assiniboia, Alberta and Saskatchewan. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

WINNIPEG, JULY 17, 1893.

A Big Mining Deal.

There seems to be authority for stating that the big mining deal which has been on the tapis for over a year has at last been consummated. I refer to the Silver King group of mines on Toad Mountain, West Kootenay. THE COMMERCIAL has already stated that W. C. Ward, Inspector of the Bank of British Columbia, and a respectable authority on such matters, had given publicity to the fact that "The mine was floated for £300,000, of which amount the present owners secured £200,000 in paid up stock. The remaining £100,000 is to be subscribed in cash, and of this £70,000 had been subscribed when the Victoria Colonist's informant left London. The original owners are to receive back from this the amount so far expended, the balance being utilized in the development of the property."

Later details state that the Silver King and associated claims have been floated in England under the title of the Hall Mines, Limited, British Columbia, with a capital of £300,000, stg., divided into 50,000 seven per cent cumulative shares of £1 each, and 250,000 ordinary shares of £1 each. The following are the directors:—Sir Jos. W. Trutch, K.C.M.G., Chairman; James Roberts Brown, London; J. R. Drake, Sydenham; Rankine Dawson, M.A.M.D., London; Robert Day, High Sheriff of Cork; D. H. Gribb, Isle of Bute; Walter Neilson, Eisenfeld, Ayr; Secretary, F. Ramsay. The offices are at 111 Wool Exchange, London, E.C.

THE COMMERCIAL has been in possession some time of a "private and confidential" preliminary prospectus of the "Kootenai Bonanza Mining Co.," which was accompanied by a report of Mr. Roepell, an English expert, who examined the mine last year. In this the terms of sale and provision for working capital were as follows:—

Purchase price—

Cash	£ 75,000
Shares	195,000
Cash or shares	45,000
	£315,000

Working capital—

Cash	£60,000
Reserved shares	25,000
	£85,000
	£400,000

It will be seen, therefore, that the terms have been considerably modified, doubtless a necessity of the present condition of the money market as well as the distorted state of silver.

Mr. Roepell's report is an exhaustive one, and goes thoroughly into details, which to a large extent are technical and would weary readers to follow. However, the gravamen of the report is that he estimates the ore in sight will yield 55,000 tons of ore at a net profit of £12 10s per ton, or in other words that the net value of ore in sight developed by the lower workings alone amounts to £657,500, to which must be added £10,000 for the ore in the ore house and on the dumps, giving a total of £667,500. This conclusion is founded on pretty safe data, because Mr. Roepell assumes that the tunnel has traversed the bodies of ore at their greatest width and that they are wedge-shaped, that is, terminating at a point above and below, thus adopting a form to give to give the least possible cubical contents, whereas, as he says himself, there is no reason to believe that the ore does not increase in width either above or below the tunnel. But his calculation, to be safe, assumes that it "peters" out on both sides.

The total quantity of ore shipped from this mine was 184 tons, averaging 18.17 per cent. of copper and 213.9 oz. of silver to the ton, the average value realized per ton of 21 cwt., at the smelting works being \$215. That was certainly a very fair working test. Mr. Roepell says: "A yearly extension of 6,000 tons could be obtained during the second and third year and a yearly output of 8,000 tons or possibly more after this. A profit of £9 per ton of 21 cwt. of shipping ore should be realized; the profit could be further increased by the erection of smelting works whenever coke can be had on cheaper terms."

He computes the probable output as above and the returns as follows:—

Cost—Mining and concentrating, inclusive of prospective work	£5, 0s. 0d.
Sacking of ore	1, 0 0
Transport to England	5 16 0
	£11, 16 0

Value—Ore of 17½ per cent. copper and 100 oz silver to the ton of 2,240 lbs. £20, 17, 0

Profit—Per ton of 21 cwt. delivered in England £9, 1, 0 |

It is possible; he remarks, that a larger profit might be obtained by selling the ore in the United States. However, at the rate of about \$250,000 per annum the shareholders would be pretty well satisfied, and at the purchase price would be a fair investment.

This is really the first great mining deal in British Columbia, and may be said to form an epoch in quartz mining. If this be successful it is sure to be followed by the stocking of other large mines, when the era of real work shall have been begun. It has been said before, and it may be safely repeated here, that up to the present year there has not been a mine in British Columbia. The Silver King was the nearest approach to one, but never shipped ore in the regular way. And with the development work already done Mr. Roepell finds considerable fault, as being to a considerable extent "hap hazard." When ore is being shipped regularly or smelters are in operation then and only then can it be said that we have

mines. We have hundreds of good prospects. The Silver King has crossed the Rubicon, and practical work will now commence. There are stages in mining development, which are of necessity very slow. First, the prospector makes the discovery, records his claim, and does his assessment work. It gives promise of being a "good thing," and along comes a mining broker or expert and bonds the claim or buys it on certain conditions. This is the second or speculative stage. The new owner is not a miner, nor does he want the claim for mining purposes. He spends or induces others to spend a certain amount in development work, so as to prove its value as a mining proposition. Then he forms a company in one of the centres of capital, stocks it in a large amount, disposing of his own interest for cash or its equivalent in stock. Considerable of the capital is reserved for working and then what so far has been a proposition only, becomes a mine. In British Columbia only one or two propositions at the outside have reached the latter state and now that the road has been opened, the difficulty of future operations will be minimised. The experience in Great Britain has been that eras of depressions, such as are now being experienced, are usually followed by corresponding periods of inflation and speculation, but always in new fields and the probabilities are that B. C. will be the next field of operation. We have seen Australia, the United States, South America, South Africa and so on, each taken hold of by the British capitalist, in some instances with great profit and in some instances with great loss to him, but he will "plunge" at stated periods. It is evidently British Columbia's turn next, or all of Canada for that matter. The difficulty will be to prevent fraudulent and wild cat schemes being mixed up with the bona fide propositions which this country has to offer.

Mining development has been slow, considering the great mineral wealth of which we boast, but in view of the long drawn out preliminary stages and the lack of communication with the best mineral properties mining has been necessarily very slow if not impossible heretofore. With one big mine fairly floated and railways tapping the principal mining camps, British Columbia may be said to have just started on the road to mining prosperity concerning which so much has been predicted for many years but never realized.

Silver.

Quotations for silver have continued to recover ground this week, the New York market keeping considerably in advance of London. The rise there was from 33½d per ounce for bars to 34½d, while New York prices, which were quite irregular, went up from 73½c to 75c, the movement being somewhat accelerated by the covering of a short interest in silver bullion storage certificates. The activity in the latter was somewhat peculiar, inasmuch as the amount of silver on deposit at New York against certificates has shrunk to little over 200,000 ounces. The commencement of the government purchase for the current month was awaited with interest, and some disappointment was felt when the treasury on Monday rejected all tenders, on the ground that the figures based on New York quotations were so far above the London market as to suggest a speculative influence. The course was pursued in regard to Thursday's tenders, though this affected the market in less degree than the announcement that certain large Colorado smelting concerns had reconsidered their decision to suspend operations and that many mines had refused to shut down. Prices therefore reached the New York quotation falling to 73½c, while London quoted 34d. The Treasury on Friday accepted a tender of 100,000 ounces at 72. Silver prices July 7. London, 34½; New York, 72½c.

The Johnston & Johnston company, wholesale druggists, Toronto, have assigned for the benefit of their creditors.