

Toronto, March 1st, 1922.

Lieut Col. C. D. H. MacAlpine,
61 Adelaide Street East,
Toronto.

Dear Colonel:-

As requested I herewith give you my views with regard to the formation of development company.

It is only within the past few years that the extensive territory of Northern Ontario, lying North of the Canadian Pacific Railway has been accessible for Prospectors. During that time many valuable discoveries have been made and today this District can boast of both Gold and Silver mines which rank among the Great producers of the World.

During 1921 Ontario produced as much Gold as all of Canada did in 1920 and there is every assurance that 1922 will give a much larger production than any previous year. The present rate of Production for this new area of Northern Ontario is about thirty percent as much gold as the entire United States produced in 1920.

As an example of the rapid development of Gold mining in Northern Ontario, the progress of the Hollinger at Porcupine might be quoted. This property was staked in 1909 and to date has a total output of about \$50,000,000. to its credit and is reported to have ore reserves of value equal to the total production.

The first shipment of Silver Ore from the Cobalt camp was in 1904, when, 206,000 ozs were sent out. During 1910-11-12-13 Cobalt produced an average of 30,000,000 ozs per year and to date the Camp has produced over 315,000,000 ozs. of Silver.

The Camps of Porcupine and Cobalt are the heavy producers of Gold and Silver, but numerous camps have been started in other parts of the country, which are adding materially to the total production of both Gold and Silver.

Electric power is now being supplied to operate practically all producing mines in Northern Ontario and any new producing district is reasonably assured of having electric power supplied at moderate rates.

In addition to the Gold and Silver, some very promising discoveries have been made of asbestos, Iron, Barite, and Copper, but lack of transportation has retarded development of these properties.

It is the writer's opinion that only a fraction of the surface of this vast area has been prospected and that many valuable discoveries will yet, be made, from time to time.

It is my opinion that there are many claims in this district on which it would be well worth while to expend considerable money on further investigation. The procedure I would advise for a Development Company, would be to allow the present holder of the claim to retain a certain percentage of interest in the claim, and the Development Company to do a certain amount of work for a Controlling Interest.

By this method it would not be necessary to have a large amount of capital, as all monies expended would be on legitimate work in development.