

Mr. Riehle in speaking of the quality of asbestos in this property, says:—"It is of the best that Canada produces," and that "the area of practically undeveloped ground would alone form reserves for several generations to come."

The Southwark Mine adjoins the Union and Johnson's. It was worked some years ago for crude asbestos only, at a time when the milling of short fibre had not reached its present stage of development, and some 600 and 700 tons of crude are said to have been shipped from the property, of which 50 per cent. was No. 1 grade.

Mr. John J. Penhale in his report says:—"With the amount of development done on this property it is easy to see that, with a well equipped mill of good tonnage capacity, this property could soon be made a good paying producer, and the quality of the product would equal that of any mine in the district."

Mr. Riehle in his report estimates that net profits from this mine, when equipped with a 500 ton mill, will be \$143,000 per annum, or deducting administration and depreciation charges, \$130,000.

The Imperial Asbestos Mines, the controlling interest in which has been acquired by this company, will be worked independently under the management of the Black Lake Company. Mr. Fritz Cirkel has made an extensive report on this property, and in conclusion states:—"I have no hesitation in saying that amongst the many properties which I have examined all through the asbestos region, this one appears to me as having the best surface showings I ever came across." He estimates that this property, when equipped with a 500 ton mill, will earn \$146,000 net per annum.

The Black Lake Chrome and Asbestos Company. Owing to the vast area of this property, over 5,000 acres, and the inability of Mr. Riehle on account of the limited time at his disposal, to examine the whole of it at the present time, attention is called to the fact that his report is limited to certain areas, which, however, demonstrate the great possibilities of this property. Speaking of these he says:

"These workings all show veins of asbestos of good value, quite evenly distributed through the rock. Owing to the contour of the land here, it would be an easy matter to feed a 500 ton mill in a very short time as the working faces will almost immediately become so extensive that the cost of mining will be extremely low." In conclusion he says:—"The value of this property is very great, and, in the writer's opinion, it should by all means be developed on a large scale immediately, as, considering the many outcroppings of asbestos, the workings, which have produced good asbestos, and also the general trend of the asbestiferous formation through the property, you cannot help but develop a very large mine. It would then be only a question whether to build one large centrally located mill or operate several smaller mills of say 300 tons capacity each."

Chrome Iron:—Although the deposits of high grade chrome iron ores of the Black Lake Chrome & Asbestos Company are believed to be the largest known on the American continent, they have not been taken into consideration, though undoubtedly of great value.

Mr. Riehle in his report says:—"Upon the Black Lake Chrome Company's properties there is a splendid manager's residence, stables, offices, new thirty stamp mill for chrome, in good working condition, and all the attendant mining and pumping rig to mine and mill chromic iron on an extensive scale. This is an electrically driven plant, which has been well maintained and well kept up. There are also several houses on the property for the employees. The Black Lake Chrome Company has its own siding on the Quebec Central Railway. The chromic iron deposits are very extensive and well developed, and the ground in the chromic iron areas has been well proven, both by extensive underground workings and by diamond drilling, but as this report is essentially upon the asbestos contents of the property, I will confine myself to same."

The policy of the company will be aggressive. In accordance with the recommendation of Messrs. Cirkel and Riehle, two mills will be erected immediately, the revenue from which, as estimated by them, after deducting administration and maintenance charges, should be \$251,000

To be applied as follows:—

Interest on \$1,000,000 Bonds to be presently issued	\$60,000	
Interest on outstanding Imperial Bonds	6,000	
Dividend on \$1,000,000 Preferred Stock	70,000	136,000

\$115,000

Surplus

at the rate of over 3 1-2 per cent. on \$3,000,000 Common Stock.

The erection of a third mill, after making allowance for depreciation and contingencies, should add to the surplus available for dividends on common stock, about 130,000

\$245,000

Making a surplus of

at the rate of about 8 per cent. on \$3,000,000 Common Stock.

The Black Lake Chrome & Asbestos Company will in due course be equipped with one large mill or several smaller ones, in accordance with the recommendation of Mr. Riehle, the earnings of which, together with the profits from the chromic iron mill, which is fully equipped, will materially increase the revenue.

The Black Lake Consolidated Asbestos Company, when the full amount of the present bond issue is paid in, will have all of its properties paid for and more than \$500,000 available for their equipment and development, etc.

The remarkable growth of the asbestos industry in Canada is demonstrated by the fact that all grades have doubled in value during the past eight years in spite of the enormous increase in the output from 24,000 tons in 1901 to 68,000 tons in 1908, proving that the demand has kept ahead of the supply.

Power is furnished in the form of electricity from the Shawinigan Power Company and the St. Francis Power Company, both of which have transmission lines to the Black Lake district.

It is intended that application will be made to list all securities of the Company on the Stock Exchange of Montreal and Toronto.

We offer for each \$1,000 subscribed—

\$1,000 par value First Mortgage Bonds
250 " " preferred stock
500 " " common stock

payable 5 per cent. on subscription, 15 per cent. on allotment, 10 per cent. on the first day of October next, and 10 per cent. on the first day of each and every month thereafter until fully paid, as per Subscription Agreement. All payments carry interest at the rate of 6 per cent. per annum from date of payment.

(See Application form on next page)

Additional information can be obtained from or subscriptions made through—

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