SPECIAL CORRESPONDENCE

ONTARIO.

Cobalt, South Lorrain, Gowganda and Elk Lake.

With one or two exceptions the Cobalt camp now possesses no properties on a purely speculative basis; the money that has been diverted to the gold mines and the gold prospects of the province left the companies operating with the public's money with no alternative but to shut down. The Canadian speculator too has learned much wisdom by experience and will not now bite at every hook that is dangled before his eyes. And so it comes to pass that while the dividends taken out of the camp and distributed to shareholders from one end of Canada to another and all through the Eastern States are in aggregate larger than last year, the amount of money put into the ground and into the pockets of promoters is less. On a profit and loss account the year 1911 was much the most profitable that the premier camp of Ontario has as yet seen.

It is one of the most creditable features of the camp that each successive rise in the production has meant a commensurate increase in the aggregate dividends paid; the public has benefited by every advance either in the amount produced or the skill in mining that keeps down the costs in spite of a lower grade of ore.

	Production.	Dividends.
1909	$12,356,422	$6,308,316
1910	15,000,000	7,902,000
1911	16,000,000	8,395,585

It will be seen from the above table that whatever gain has been made in production the Cobalt shareholder has had his fair proportion of the advantage.

Last year saw the first scientific attempt to solve the problem of reducing the low grade ore of the camp to dollars and cents. All the big dividend paying mines of the camp have been content to make their profits out of nothing less than 30-ounce ore and allow the lower grade to remain on the dumps or in the stopes. This year the experiments at the Nipissing and the Nova Scotia, in every way successful, to amalgamate first and afterwards cyanide the tailings has rendered the treatment of 15-ounce ore remunerative. Next year will see another step forward in the process of scientifically picking up the scraps that are falling from the rich man's table, when the 200-ton mill of the Nipissing is in operation. It by no means denotes that the dividend paying mines are now running out of high grade and have to fall back upon the crumbs but it does show that the banqueters see that unless they mix their rich wines with water and tone down the rich viands with more modest fare there is an end of the feast within measurable distance.

Taking property by property there has been very little change in the past year. To the north of the west ridge the Temiskaming and Hudson Bay was able to submit a very business like report last October. It went to show that during the first year the new mill had been in operation a gross value of $424,488 had been produced at a cost of 14.7 cents an ounce, leaving a net profit to the shareholders of $288,972. As several new veins have been discovered during the year it is most probable that this production will be maintained next year. A 300 per cent. Temiskaming and Hudson Bay dividend only calls for $23,283, so that it is easily seen that the property is likely to raise the record of the payments several thousands per cent. yet.

It is to the Coniagas, perhaps, more than any other mine in the camp that 1911 was so far the apex year for the Cobalt camp both in dividends and production. After a long period of probation the Coniagas suddenly emerged last year as a 9 per cent. per quarter dividend payer with ore reserves in sight for years ahead. It seemed that every drift commenced, widened, and every crosscut started was sure to find ore. Though the Coniagas is to-day milling on an average 186 tons per day it is yet so rich in streaks that more than half the produuction still comes from the mine ore that is hand-picked in the mine and goes direct to the Thorold smelter. The progress of the Coniagas when set forth in production and ore reserves is very remarkable. Last year while nearly 4,000,000 ounces were mined it is very probable that as much was put in sight. Here are the figures:

	Production.	Ore Reserves.
1908-1909	1,407,228	12,557,700
1909-1910	1,929,531	15,368,400
1910-1911	3,789,273	15,750,000

It is true that when Mr. R. P. Rogers made his estimate it looked too good to be true, and he reduced it by 20 per cent. to be on the safe side, but the first estimate in view of the new ore bodies that have been found in new territory is the more likely to be correct. If the 20 per cent. were allowed off it would mean that practically all the ore taken out of the mine had not been offset by any ore put into sight last year at all, which, in view of the prolific character of the Coniagas ground would be most improbable. And not only is the Chairman of the Transcontinental Commission's mine producing at an extraordinary rate, but it is turning out the silver at a profit only equalled by the Crown Reserve and the Kerr Lake, when they were mining their half bullion veins. The 3,789,273 ounces produced last year from 25 acres of the West Ridge cost the company only 8.8 cents per ounce. As the price of silver advanced from one to two cents last year it is easy to see that the Coniagas will have no difficulty in maintaining its $1,440,000 dividend requirements for several years to come. It will next year join that select and delectable brotherhood of Cobalt mines that have more than redeemed their capitalization. To-day that list reads:

	Per Cent.	
Buffalo	137	$1,337,000
Crown Reserve	215	3,626,061
Kerr Lake	124	3,720,000
Nipissing	129	7,740,000
T. & H. B.	190,000	1,474,590

Next year should see the Coniagas and McKinley-Darragh join the hundred per cent. rank, while the Trethewey will only have to increase its gait by two per cent. to enter the same distinguished company.

While the Trethewey cannot compare in opulence to its neighbours to the west or the south—the Coniagas and the Nipissing—it has found new strength this year in the discovery of several ore bodies not hitherto suspected to exist or at any rate only dimly foreshadowed in previous development. The mill is now producing at the rate of 2,000 ounces a day in addition to mine ore, and in a report made two months ago by the general manager, Mr. Charles O'Connell, it was stated that there was underground two years' supply of ore for the mill and another year at the present rate of a hundred tons per day upon the dumps. It is anticipated that next year the Trethewey will not only redeem its old capitalization, but will make one of the mines producing a million ounces in the twelve months. The Buffalo, the first property on the West Ridge to attain its maturity as a producer had no difficulty in maintaining its production to its dividend levels and still carry a good surplus. It produced in the year 1910-1911 over a million and a half ounces, and there is little doubt that it will be able to maintain that figure in 1912. The mill treated during the year 41,484 tons averaging no less than 36.07 ounces per ton. In spite of the continued production on a large scale, Mr. Tom Jones was able to report at the end of last year that the ore reserves had been increased by 1,118,000 ounces principally on the No. 10 vein which has developed very satisfactorily.

While the City of Cobalt has been disappointing, the Cobalt Townsite bids fair to develop into a miniature Buffalo. Under the control of English interests little faith has till the