



PROSPECTUS.

The
GRACE
MINING
COMPANY,
LIMITED.



GOLD.

The Grace Mining Co., Ltd.

No Personal Liability.

Incorporated under *The* Ontario
Mining Companies Incorporation
Act, September 4th, 1901.

CAPITAL STOCK, \$1,000,000
Shares. Par Value \$1.00 each.
Non Assessable.

Mines:

Eagle Lake, Ontario, Canada. . .

Offices:

Ridgeway, Ontario.
578 Ellicott Square, Buffalo, N. Y.

Telephone,
Seneca 3695-R.

Officers and Directors:

JOHN H. CASLER, President.
B. FRANKLIN RAZE, Vice-President.
WILLIAM H. WARHUS, Secretary and Treasurer.
WILLIAM F. WILLSON.
WILLIAM J. CASLER.

Consulting Engineers:

WALPOLE ROLAND, Mining and Civil Engineer,
Port Arthur, Ont.
EDMUND SEAGER, Mining Engineer and Surveyor,
Rat Portage, Ont.
L. F. S. HOLLAND, Metallurgist and Mining Engineer,
68 Granville Street, Halifax, Nova Scotia.

Counsel:

WILLIAM H. WARHUS, Buffalo, N. Y.

General Manager:

JOHN H. CASLER, Buffalo, N. Y.

Banks:

Manufacturers and Traders National Bank, Buffalo, N. Y.
The Marine National Bank, Buffalo, N. Y.
Bank of Buffalo, Buffalo, N. Y.
Bank of Ottawa, Rat Portage, Ontario.

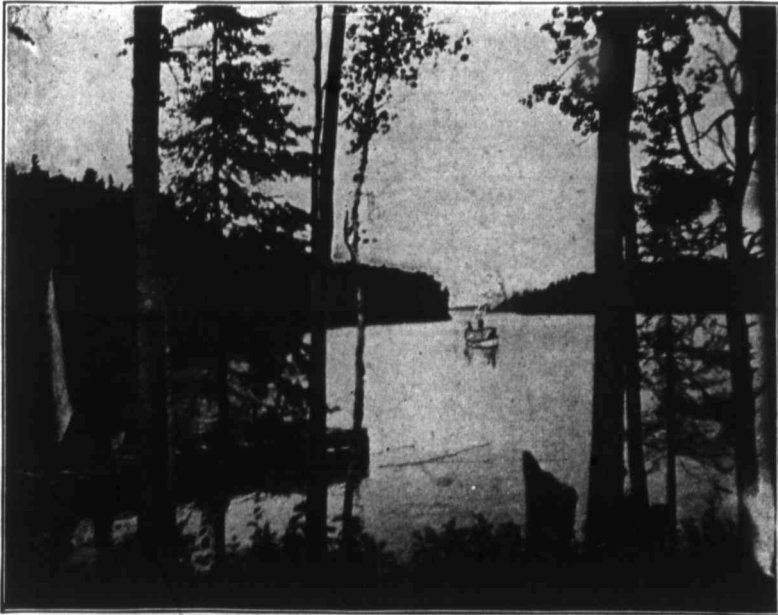
Offices:

RIDGEWAY, ONTARIO, CANADA.
578 ELLICOTT SQUARE, BUFFALO, N. Y.

PROSPECTUS.

Location of Mines.

The properties of the Grace Mining Company are about 1300 miles northwest of Buffalo, N. Y., and 245 miles west of Port Arthur, the head of navigation



*This beautiful view taken near the office upon Grace Mine, looking Northeast.
Company's Steamer in the distance.*

on Lake Superior via the Canadian Pacific Railway, and are located in the Rainy River District on Eagle Lake, in the northwestern portion of the Province of Ontario, Canada. Our railway station is Vermillion Bay, which is twenty miles from our mines by steamboat.

Discovery of *The Grace.*

About four years ago, Mr. John H. Casler (now President of this Company), upon invitation, accompanied his brother-in-law, a surveyor, to Eagle Lake region. The brother-in-law at that time surveyed adjoining properties all around the claim now owned by the Grace Mining Company. All the adjoining properties had been taken up except the present Grace Mine, which was known as the "Gold Seekers Happy Home." The property has a natural dockage and was an ideal camping ground, and the general camping ground



Grace Mine facing the East showing Camp in the background. The Tramway can also be traced in the background from Dock up to our No. 2 shaft.

of prospectors. Each miner as he came evidently thought this property had been over prospected so they prospected on the surrounding properties and country, unconsciously leaving behind them the best property, the "Gold Seekers Happy Home." Mr. Casler was advised by his brother-in-law to file a claim at once, as he believed it to be a good property for speculation. Mr. Casler took the advice, filed a claim, and later on purchased the same from the Canadian Government.

First Development Work.

The first work done upon the Grace by Mr. Casler (assisted by Ralph McKinstry, our present foreman) was to blast 100 pounds of ore from Vein No. 1, where No. 1 shaft is now located. This ore yielded a gold button valued at \$6.70, an average of \$134.00 per ton. This was amalgamated in a barrel August 15th, 1900, by Charles Brent, Assayer, at Rat Portage, Ontario. A small quantity of the pulp was taken from the barrel and assayed by Thomas Heys, Jr., of Rat Portage, and showed a value of \$465.88 per ton gold. This was the first test ever made by any person of ore taken from Eagle Lake District. Mr. Casler became so enthusiastic over the unexpected results that he immediately employed a number of men at Rat Portage and returned to his claim and began sinking on No. 1 Vein.



Miner carrying sacks of selected rich ore at Grace Mine.

First Mill Run.

A mill run of six and three-quarter tons of ore taken from the surface of veins Nos. 1 and 2, was made by Mr. Casler in September, 1900. The amalgam, was treated, formed into a brick, and tested and weighed by Charles Brent, September 27th, 1900; it yielded a gold brick valued at \$168.03, being an average of \$25.00 per ton. This brick contained simply the free gold taken from the plates. The concentrates were bagged and brought to Buffalo, N. Y., assayed by H. O. Nightingale, of Buffalo, and showed that only one-fourth of the gold had been saved by amalgamation,

Grace Mining Company Incorporated.

No further work was done at the Grace after this by Mr. Casler. During the summer of 1901, Mr. Casler became convinced that it would be impracticable and unwise for him to operate the mine alone, and the formation of a company was the result. September 4th, 1901, by Letters Patent, the Grace Mining Company, Limited, was Incorporated under Ontario Mining Companies Incorporation Act?

Grace Mine Proper.

The Grace Mine proper, originally, consisted of two Mining Claims and a Road Allowance, covering an area of about forty-one acres. The Company is the owner in fee (having deeds from the Crown) of the two mining claims, and a qualified title, granting full right and liberty to mine and take minerals that may be found, under the Road Allowance.

Annual Report.

At the annual meeting of the shareholders of the Grace Mining Company, Limited, held September 9th, 1902, the Secretary reported as follows:

Total amount of shares sold and disposed of by the Company of its treasury stock, was.....	127,775
Total amount of cash received by the Company.....	\$15,372.33
Total expense of Company since its inception.....	10,087.78
Balance cash on hand.....	\$5,284.55

In September, 1902, there were 302,225 shares in the treasury.

New Properties Acquired.

Since our annual election, September 9th, 1902, the Company has acquired one thousand and one (1001) acres of valuable gold mining properties. Most of these properties have good veins, some of which pan Gold freely, and others showing free Gold upon the surface. At one place in particular, Gold can be seen glistening in two feet of water close to the shore.

Mining Properties of the Company.

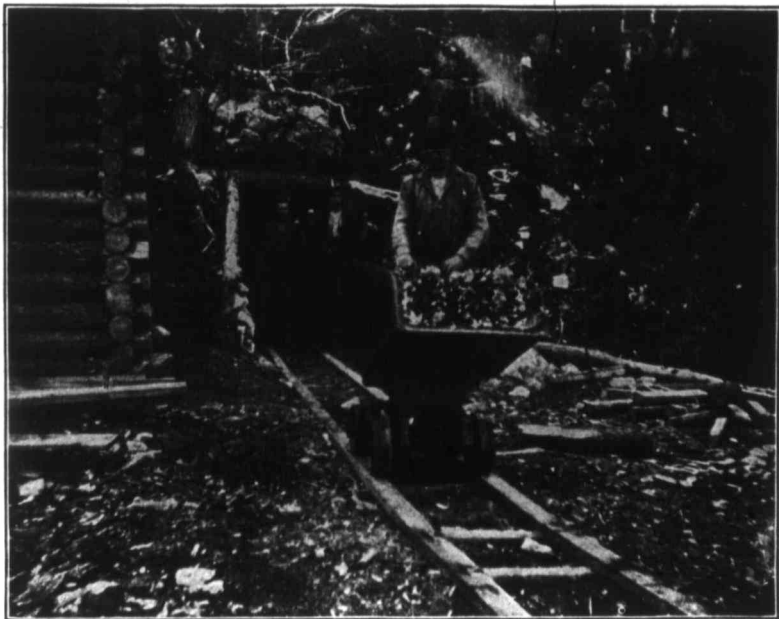
	Acres.		Acres.
Grace.....	116	Diadem.....	80
Chimes.....	105	Superb.....	45
Rocket.....	215	Cardinal.....	42
Ferret.....	285	Pyramid.....	23
Echo.....	10	Coupon.....	52
Bonus.....	29	Magic.....	40

Total acreage..... 1042

(See Map.)

Tunnel.

Work upon the tunnel was begun in October, 1901, and the driving of same has been almost continual since that time. On December 6, 1902, we tapped our No. 3 vein in tunnel about 128 feet from the face of the bluff. On January 7, 1903, our foreman wrote us in relation to the tunnel: "We are through the vein, it is about six feet wide"; at another writing he states that the vein is "nearly solid quartz," and "I have done a lot of panning since we tapped the vein, and I have not had one to refuse the yellow metal." One of the pannings which he had made of ore, weighing three ounces, taken from tunnel, was sent by him to our office. Mr. Herbert M. Hill, Ph. D. of the University of Buffalo,



Tunnel site upon Grace Mine. Building on the left, Blacksmithshop.

made an assay of this panning, basing the same upon three ounces of ore, and it showed a value of \$63.30, per ton Gold.

The tunnel is situate on the northwest shore of the Grace Mine, about 600 feet southwest of the camp on the opposite side of the bluff, and is about 84 feet below the summit of the bluff and six feet above the water level of the lake.

Work in tunnel is now progressing rapidly. On March 7, 1903, 30 feet of drifting had been done in No. 3 vein. No. 1 vein we consider our richest. This is the vein from which all our beautiful samples were taken. No. 1 vein intercepts No. 3 vein in tunnel about 600 feet from No. 1 shaft. No. 1 shaft is in No. 1 vein.

Second Mill Run.

Our Mill-Run of 15½ tons of ore made October, 1902, yielded **\$364.50** in Gold on the plates; this was simply the free gold in the ore. Average per ton **\$23.50**, without the concentrates, which contained high values in both gold and silver.



Company's Dock and Steamboat at the Mine. This picture was taken before shipment of the ore upon the dock, just prior to our recent Mill Run.

Assays made at Provincial Assay office, Belleville, Ontario, of concentrates taken during this mill run resulted in Gold and Silver values per ton of ore as follows: Concentrates taken from traps, containing metallic iron, \$707.40 Gold, \$5.61 Silver; concentrates taken from traps, without metallic iron, \$912.40 Gold, \$6.50 Silver; and concentrates from tailings \$220.80 Gold.

"CERTIFICATE OF MILL RUN made by L. F. S. Holland, Memb Amer. Inst. M. E. Metallurgist to the Black Eagle Mine, Rat-Portage, Ontario.

As the result of a Mill-Run made in October, 1902, on fifteen and a half tons of ore from the Grace Gold Mine, Eagle Lake, Ontario, Gold weighing twenty ounces and five pennyweights was obtained, of an approximate value of \$18.00 per ounce, or a total value of \$364.50, and an average value of \$23.50 per ton.

Of this 15½ tons of ore, 2½ tons were taken from 'Pit Number One,' and 13 tons from 'Pit Number Two.'

A separate clean up was not made for these two classes of ore, but judging from the weight of the amalgam taken up from the plates during the Mill-Run, I estimate that four-sevenths of the final product of Gold was obtained from the 2½ tons of quartz from 'Pit Number One.' On this basis, the ore from Pit Number One yielded approximately \$83.00 (Eighty-three dollars) per ton, and the ore from Pit Number Two averaged \$12.00 (Twelve dollars) per ton in free Gold. The latter ore was extremely dirty, and much mixed with country rock and soil. A preliminary rough sorting of the quartz from the waste rock would have resulted in a much higher average value of the ore from Pit Number Two.

By panning, I estimate that the quartz contains one and a quarter per cent. of concentrates, consisting principally of Iron Pyrites, Galena, Zinc blende, pyrrhotite, magnetite and Copper pyrites. There being no facilities for saving the concentrates in the 'Eldorado' two-stamp mill, belonging to the 'Northern Light' Company, in which the test was made, the high values in gold and silver contained in these were lost. In a properly equipped mill, the concentrates saved would form a valuable by-product.

The ore is very free milling, and the gold easily saved, there being nothing in the rock to foul the plates.

Black Eagle Mine,
Rat Portage, Ont.,
30 October, 1902."

L. F. S. HOLLAND,
Mining Engineer.

The gold taken from this mill run has been formed into a brick and can be seen at the Company's office, Buffalo, N. Y.

With a properly equipped mill (which we are about to erect) the increase in the value of our mill runs we are confident will be a great surprise to all.

About 10 tons of this rich ore from which the 2½ tons were taken, is exposed and remains standing, and can be seen as the vein or quartzite has been removed, showing the side or face of the pay streak, which is about 10 feet high and 8 feet wide, and is literally peppered with Gold. This is positive proof of a rich ore chute.

Extracts from Rat Portage Miner,
Rat Portage, Ont., October 24, 1902.

"THE GRACE MINE IS RICH."

"SURVEYOR SEAGER TELLS OF BEAUTIFUL DISPLAY OF FREE GOLD."

"MR. SEAGER said he visited the claims now under development, and inspected a vein on top of the hill upon which development work has just been started, and states that he saw gold glittering right along the lode where it had been stripped. It is the greatest display of Free Gold Ore Mr. Seager has seen



This Cut represents our No. 2 Shaft, which is now timbered up and has windlass and Ore Buckets. A large number of our most beautiful samples came from this Shaft.

The "most remarkable" specimens came from here.

in many years, the ore body being bigger and richer than its neighbor The Baden Powell."

Rat Portage Miner of October 3rd, 1902, in speaking of a specimen of ore from the Grace Mine says, it, "is one of the most remarkable ever seen in Rat Portage. The quartz, which is a milk white, looks like a big slice of cheese about an inch thick and spotted all over with thick chunks of coarse Gold.

Holding the specimen up to the light, it is transparent, and the pieces of Gold can be seen embedded in the clear silica. The specimen should never be sent to a stamp battery, as it is infinitely more valuable to a lapidary for ring and brooch settings."

This "most remarkable" specimen and other beautiful samples can be seen at our office in Buffalo.

Surrounding Country Rich with Gold.

The Mikado (the famous Shoal Lake Mine) about 50 miles west of the Grace Mine struck a rich pay chute last October, the ore body being eight feet wide. The new strike is described as "something phenomenal," and "the machine men in the drift as standing on a floor of Gold." Shaft on this mine is down 750 feet, vertical.

The big Master, about 30 miles south-east of the Grace Mine, in Lake Manitou district, struck a rich pay chute, a short time ago, 4½ feet wide in a drift. It is estimated "a half million dollars worth of gold is in sight in this rich chute." A mill run of 20 tons of ore from the Baden-Powell on Eagle Lake, in September last produced \$36.00 per ton Gold.

The Northern Light Mines Company's recent mill tests of ore from its property on Eagle Lake, averaged \$12.54 per ton Gold.

The shaft in the Golden Eagle Mine, on Eagle Lake, is down 75 feet vertical. Twenty-five feet of this being below the lake level. Mill run from this mine averaged \$8.50 per ton Gold.

Other Gold mines in this country are: Sultana, depth 450 feet vertical; Black Eagle, 482 feet vertical; Golden Star, 400 feet vertical; Elizabeth, 223 feet vertical; Sakoose, 220 feet vertical.

Most of these new properties of the Grace Mine adjoin, and all are in close proximity to the Grace Mine proper, which is located in the center of this rich Gold belt. In describing the richness of this District, the name of "The Cripple Creek of Ontario," has been applied.

We will pay the expenses of any person to the mine and return now, if we cannot duplicate as good and as rich ore from our No. 1 vein, as we have in our office.

What Can Be Seen at Our Office.

The largest quantity of the richest Gold ore ever shown in Buffalo.

Ore peppered all over with free visible Gold.

The following Canadian Government assays of samples of our ore, to-wit: \$232.60; \$545.60; \$724.80; \$1,282.40; \$1,630.00; \$4,198.40 per ton Gold.

The large pieces of ore from which above samples were taken, and the assays made. A gold button worth \$6.70, the yield of 100 lbs. of ore taken from the surface of vein No. 1 being at the rate of \$134.00 per ton.

Two Gold Bricks, the products of our mine.

Fuel and Water.

Timber for fuel and building purposes plentiful, and costs only the labor of securing the same.

Our water supply is Eagle Lake and is inexhaustible.

Wonderfully Rich.

Every blast in our shafts produces ore bearing visible Gold. As depth has been attained our veins have steadily widened, and the ore has increased wonderfully in richness. Prof. McKaig, of the Princeton University, made two assays last April of samples of our ore, with the average result of \$2,354.17 per ton Gold and \$5.00 per ton silver.



Tramway from No. 1 shaft to dock, length 340 feet.

Report of Secretary.

To the Board of Directors of The Grace Mining Co., Limited.

GENTLEMEN :

The following is a report of my visit to the Grace Mine at Eagle Lake, Ontario :

Arrived at Mine Wednesday forenoon, May 21, 1902, at 8.30 o'clock. Our Mine, as the crow flies, is about fourteen miles from Vermillion Bay, the steamboat route being about twenty miles. The country is very hilly, and highly mineralized, and the Lake is dotted with many islands. Our property is along the main land of Eagle Lake, facing the east, for about one-quarter of a mile, and is timbered with birch, poplar, spruce, tamarack, cedar, balsam, pine, jack-

pine, etc. About two acres of land around the camp at the mine is almost entirely cleared of trees and brush; this has been done in order to insure protection from forest fire. The time spent in doing this work I consider as imperative and necessary as any mining work upon the property.

Soon after my arrival at mine on Wednesday morning I visited No. 2 Shaft, and found rich quartz on what I should call the hanging wall about fifteen feet from top of shaft. Two places in particular I discovered had extremely rich quartz with free visible Gold, and found the vein matter to be about 19 feet wide, dipping inland, both foot and hanging walls. The shaft I judged to be down about 20 feet from the summit of the bluff. I then proceeded to examine the ore dump and picked up 21 pieces of quartz off the dump and took them to the Company's office upon the property, where I examined them and found free visible Gold in 19 of the pieces. In two of the pieces I was unable to find any free visible Gold, but these pieces, weighing about one ounce each, our foreman, Thomas James, panned in my presence, and after panning I counted in pan twenty-five specks of Gold, then followed a cluster of Gold which I was unable to count, then twenty-six specks of Gold, and then another cluster of Gold which I was unable to count, saying nothing about the Gold under the concentrates. This speaks well for our ore without free visible Gold.

In the afternoon I visited the tunnel. Two men were working there at the time. Tunnel is now in about 90 feet. I believe we are very close to the vein. Rock highly mineralized was blasted out of tunnel during my stay at the mine.

Thursday I revisited Shaft No. 2 with a pick, chisel and hammer, and succeeded in breaking off twelve as rich and beautiful specimens of quartz bearing visible Gold from the hanging wall of this shaft, as a person seldom has the pleasure of gazing upon. In some of these samples it would be utterly impossible to count the pieces of Gold. These samples came from the two places I had discovered the day before, and I believe that they will average thousands of dollars per ton Gold. I believe we have a truly wonderful mine. After breaking off these samples I found free visible Gold in the remaining quartz upon the hanging wall as rich as ever.

Also made cursory examination, on Thursday, of Shaft No. 1, and it appeared to me to contain excellent rich quartz and vein matter. I found south side of No. 1 Shaft to be 75 feet from the north side of Shaft No. 2.

All the work on Shaft No. 2 has been across the vein to the hanging wall in the side of the bluff. No sinking has been done. The vein is now 19 feet wide in the open.

Friday I revisited Shaft No. 2 with Mr. Casler. Mr. Casler here panned Gold, on an old rusty shovel, out of the fine material at the bottom of the shaft. One shovel, half full, produced innumerable specks of Gold. The best evidence I can give of the value of the Grace is the extremely rich and beautiful quartz I brought with me from our Mine. I doubt, if there ever was a Mine which has produced so many beautiful samples. I could have brought home with me tons of ore containing free visible Gold.

Also visited Vein No. 6. On the surface it looks as good as any of the veins.

Saturday Mr. Casler and I examined Vein No. 3 over its entire length to south line of property. The bluff at the point where the tunnel is being driven, I should judge, is about 100 feet high. On the apex of the bluff immediately over the tunnel I found ore containing free visible Gold. Also examined several feeders entering No. 3 Vein. We also traced No. 1 Vein for more than 250 feet from where it enters No. 3 Vein, showing a width of about ten feet of Vein



Part of Camp and Buildings. About 200 feet to the left of this picture is our proposed mill site.

matter. We also traced No. 2 Vein from where it enters No. 3 Vein for over 200 feet, and found same to be 9 feet wide. We found No. 5 Vein to run nearly parallel with No. 3, and traced it for over 150 feet. Vein is 5 feet wide. We also examined No. 6 Vein and found it to be about four feet wide and traceable for about 300 feet. I broke samples from the surface of Veins Nos. 1, 2, 3, 4, 5, and 6, and three feeders, and had them panned each separately by our foreman in my presence, and each sample of said Veins and Feeders panned Gold freely, so freely that I was unable to count the specks of Gold. One of the

feeders was exceptionally rich. None of these samples were broken off less than fifty feet apart, and some as far as five and six hundred feet. A great deal of our property is a net work of veins.

I believe we have the richest piece of property, without any exception, in that country. There is certainly nothing known in that region to equal it. It is wonderful when you consider that every sample which I broke off the surface of the said veins and feeders a great distance apart from each other, panned Gold freely. Before leaving Buffalo for Mine I believed we had a very rich proposition. My personal examination and inspection of property now leads me to believe most firmly and truly that we have an extraordinary rich and valuable mining property, which the most skeptical cannot help but believing after examining the ore brought from Mine last fall and the ore brought home by me.

There is absolutely no reason in my mind why each and every share of the Company's stock should not be worth at least \$5.00 before the close of next year, or even at an earlier date.

BUFFALO, N. Y., June 10, 1902.

WILLIAM H. WARHUS,

Secretary.

What Miners and Experts Say:

An expert, while examining our ore the other day, said: "I thought I had seen ore before this, but I now confess I have not. I never saw any like it before. Well! I should say it is rich and beautiful."

A gentleman from California, after examining the ore, said: "I am glad I called, this is a treat I would not have missed for anything. I have been in most of the mines in California, and a great many mines in Colorado, and have, I might say, examined ore from a thousand different mines, but I never saw anything to equal this. This is certainly the finest and richest ore I have ever seen."

Another expert said: "If your ore will hold out, as I believe the large number of rich samples indicate, you will all be millionaires. You have wonderful ore."

A Miner and expert said: "Your ore is what Miners call honest ore. Where ore of this kind is found, it is a sure indication of a large ore deposit. I certainly believe you have a rich mine."

All Experts and Miners who have examined our ore agree (and they are many) that our ore is the richest and most beautiful they have ever seen, and that they have never seen anything to equal it.

Report of Manager.

To the Grace Mining Company, Limited, Buffalo, N. Y.

GENTLEMEN :

I take pleasure in giving a report of the progress and work done at the Mine, to date : The Company began operation on September 26th, 1901, and the work done, buildings erected and improvements made since then has been as follows :

One camp for office, store-room, and sleeping accommodation for four persons, size 18x22 feet ; one camp for cooking, dining, and miners sleeping apartments for 14 men, size 20x43 feet ; one root cellar attached to cook camp, 9x9½ feet ; one wash-house, 8x10 feet ; one ice-house, 16x16 feet ; one building, 12x12 feet ; one building, 4½x9 feet ; one powder magazine on island, 7x9 feet ; one black-smith's shop at the mouth of the tunnel 9x13 feet ; one black-smith's shop near Number one shaft, 14x14 feet ; one dock, 10x70 feet ; one boat-house, 12x37 feet ; one steel boat, 12 feet long ; one row-boat, 16 feet long ; one flat bottom boat, 4½x16 feet, capacity, 1½ ton ; one flat bottom boat, 7x18 feet, capacity 3 tons ; one steamboat, "Oro," 33 feet long and 6 feet wide, 6 horse power ; one incline tramway from No. 2 shaft to dock, 340 feet. The camp is fully equipped with the necessary tools and cooking utensils, shelvings, tables, and etc.

Number 1 shaft is sunk about 14 feet, and is 5x11 feet in size. No. 1 vein through same shows 4 feet of good milling rock between well defined walls. Just north of No. 1 shaft, I have removed quartzite showing the side or face of the pay streak of the vein, which is 10x8x2 feet. In it there is at least \$1000 worth of ore literally peppered with gold. This is exposed and remains standing and can be seen. This is positive proof of a rich ore chute. One hundred and six feet, in a northerly direction from Number 1 shaft, the vein shows a width of about 17 feet, 174 feet further on the same vein shows a width about 13 feet, and the walls are very clearly defined here, it is then traceable for about 106 feet further where it dips into low land, which is about 218 feet across, making a total distance of 604 feet from No 1 shaft where I am of the opinion it enters the lake.

Our No. 2 shaft has a windlass and ore buckets, and is sunk below the windlass 21 feet, and is located 96 feet in a southerly direction from No. 1 shaft. No. 2 shaft is in Nos. 1 and 2 veins. The said veins from here run both southerly and northerly. Southerly they continue, as I believe, until they drop into low ground where they are not traceable until entering the bluff where No. 3 vein is situated, and here they are traceable for 100 feet or more before entering No. 3 vein. The distance from No. 2 shaft to No. 3 vein is about 660 feet, which gives a total length of Nos. 1 and 2 veins at approximately 1270 feet. The Grace Mine is situated on a point of land, and I am of the opinion that Nos. 1 and 2 veins enter the water at both ends. Nos. 1 and 2 shafts are situated on a bluff about 75 feet above the lake level. Free Gold is visible all over in

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both shafts. The ore in Nos. 1 and 2 veins is exceedingly rich, and some of it will undoubtedly run into thousands of dollars per ton.

No. 3 vein is situated on a bluff about 80 to 90 feet above the water level, runs at nearly right angles from Nos. 1 and 2 veins. No. 3 vein is stripped and uncovered for over 500 feet. It enters the water at one end and drops into low ground at the other. The distance southwesterly from where No. 3 vein enters the water on the front side of our property to the tunnel is 462 feet. The tunnel starts in 6 feet above the water level, and taps the vein at about an 80



Miners and south side of the Company's office building. About 20 feet to the rear and right of our Chef is the Miners Camp.

foot level, the size of the tunnel is $4\frac{1}{2} \times 7$ feet high. The width of No. 3 vein is from 6 to 20 feet between walls and looks very good on the surface. Free Gold has been found on the apex of the Mountain over the tunnel. There are about $\frac{1}{2}$ dozen feeders entering No. 3 all of which pan freely. The tunnel is into vein No. 3, 125 feet. About 25 feet of drifting has been done in the vein to date. There is one ore car and a track in the tunnel. I have had over 25 assays made of ore, taken from different parts of Nos. 1 and 2 veins, which run extremely high. One hundred pound test, made in an amalgamating barrel,

of ore taken from No. 1 shaft, showed \$134 per ton in Gold. Two mill tests made of ore taken from Nos. 1 and 2 shafts show \$25 and \$23.50 per ton respectively on the plates, free milling. The concentrates from the same assayed from \$200 to over \$1000 per ton Gold.

The properties of the Grace Mining Company consist of over 1000 acres of mining lands. There are a great many good veins on these properties that pan well. We have plenty of timber on our own property for all purposes, and pure water in abundance.

The prospects for the future are very encouraging, and I believe that we have one of the richest Gold mines in the country as every shot produces better results. Every shot in No. 1 shaft has brought forth free Gold.

Respectfully submitted,

(Signed)

J. H. CASLER, Manager.



REPORTS of ENGINEERS.

Report of WALPOLE ROLAND, M. & C. E.

SIR :

Having completed my examination of the **Grace Gold Mine** and its entire group of mineral claims *en bloc*. I beg to submit the following brief report for your further information :

Location.

The Grace Gold Mine is situated on Eagle Lake—a picturesque water stretch touching the main line of the Canadian Pacific Railway at "Vermillion Bay," an important station and general distributing point for the ever increasing mining and lumbering business of this immediate section.

Although the distance "as the crow flies," from Vermillion Bay station to the **Grace Mine** is but 14 miles, yet in consequence of the innumerable islands and peninsulas occurring en route of steamboat communication, a detour of nearly 20 miles is necessary to bring you to the very substantial dock at the mine. The time occupied by the Grace Mining Co.'s steamer "Oro" being about two hours and 10 minutes.

The distance from Vermillion Bay to Rat Portage on the Lake of the Woods via the C. P. Railway is 55 miles, while the distance to Port Arthur at the head of navigation on Lake Superior over the same line is 245 miles.

Access.

It may thus be observed from a glance at the map that the facilities for cheap transportation of supplies—the shipment of the mine's product as well as the economical extraction and treatment of the same, is the very best.

Geology.

Although the immense basins of Eagle Lake and its deeply indented bays embraces both of the well and favorably known auriferous rock formations, including the Keewatin series of the Huronian together with, in places, as at the Viking, Baden-Powell, Northern Light and Grace Mines, a well defined line of contact with the altered trap and protogene granites. The latter formation being especially in evidence along the margin of the lake. Nevertheless it does not appear from a personal examination, that the altered granites or the "Protoene Granites" are so extensive inland, as a highly metaphoric slate occurs at various points along the junction; while on the Grace mining locations, various qualities of auriferous slates are seen along the line of contact, including the talcose, felsitic, micaceous and argillaceous. That a well defined line of contact exists there, is beyond question, and in this connection, when we consider the excellent results already attained under similar geological conditions at the **Regina, Sultana, Foley** and **Nikado**, as also right at our own doors, and on the immediately adjacent new Gold Mines: **The Northern Light, Viking, Baden-Powell** and the **Golden Eagle**, upon all of which embryo mines such wonderful results in Gold are now being obtained by pan amalgamation, by assay, and by free milling (under difficulties) as at the primitive "Eldorado Mill" it certainly, after inspecting the ore in your series of six well defined quartz veins, requires no great stretch of imagination to assume that when the Grace Mine is operated upon a liberal capitalization and with up to date machinery the profits should be enormous! Already, even at this early stage of development, the main auriferous quartz veins and reefs inspected in open cuts, and in shafts, ranging in depth of 10-20 and 30 feet, and in places with even over 4 feet in width of rich "pay streak" exposed, one may well be pardoned for expressing the belief in a **great future** for not alone productiveness in Gold, but **permanency** besides.

Auriferous Veins.

Upon completion of the work of inspecting the principal working shafts and the important work of driving your tunnel through the bluff, from margin of lake to intersect the No. 3 vein (since successfully accomplished), I secured some 23 odd samples of quartz from No.'s 4-5 and 6 veins at various points along their well defined course, all of which samples after careful assays yielded values in Gold ranging from \$23.00 to \$38.50 per short ton of 2,000 lbs., and this most encouraging result was from samples taken near the surface, and in

which no native Gold was visible to the naked eye. At the same time I submitted samples from No.'s 1 and 2 shafts, on No.'s 1 and 2 veins for special treatment, with a view to "toning down" the general high averages of this ore. My results, however, were not at all calculated to reduce the averages, on the contrary, the figures corresponded quite closely with the best results yet on record at your mine, while as might have been anticipated my assays of pieces in which Gold was distinctly visible ran **away up in the thousands of dollars.**

But to be brief, and in order to avoid extending this report to an inconvenient length, I may here explain that all my results, both the highest and the lowest, go to corroborate all there has been published in your Company's Prospectus, and what can be yet more readily comprehended and verified by a personal visit to the mine. During the work of examination I was ably assisted by your Mine Superintendent.

But before taking leave of the very interesting series of veins permit me to refer to the general appearance of the veins, pits, gangue, etc. At No. 1 shaft on No. 1 vein, at an elevation of 115 feet above the lake, the vein shows a dip of N. W. and S. E. with a rather pronounced strike of N. E. and S. W. shaft down 20 feet, and both hanging and foot walls literally sparkling with Gold; vein 5 feet wide of solid vein matter from collar down with every indication of opening wider. Quartz here, as in nearly all the deeper openings, is of a pale bluish white color with the grey streak, peculiar to the main Sultana reef; nor is this the only point of resemblance in the ores of both these mines, the Grace ores being equally conspicuous for the small blue specks of auriferous and argentiferous galena interspersed plentifully with specks of fine and coarse Gold. The No. 2 shaft, down 30 feet, is located near the confluence of Nos. 1 and 2 veins, or at least where they converge very closely together. It is about 18 feet distant east, and about 64 feet northerly from No. 1 shaft. Here in No. 2, the showing of coarse and fine Gold on both hanging and foot walls, as also in a day streak of over 4 feet, is really beautiful; and as this particular point represents literally the best characteristics of both veins (1 and 2), development in this direction should be observed with interest. The distance from No. 2 shaft to No. 3 vein is exactly 10 chains, and the entire visible extent about 20 chains or 1320 feet. The No. 3 vein, also a broad and well defined one, is seen traversing the crest and steep escarpment of "Tunnel Hill" an elevation of over 90 feet. Its strike is nearly at right angles to the Nos. 1 and 2 veins, while its width on surface, will average over 12 feet. This strong vein is uncovered and tested at intervals for about 600 feet. The "Tunnel" or adit level driven into the hill from margin of lake to intersection of this vein, runs nearly westward or almost at right angles to the vein. The work of tunneling, as in fact all the other work, as shafts, and cross-cuts throughout, bear the strongest testimony to the excellence of the miners in general, and to the management in particular. So far beyond a few shots exploded at intervals, and near the in-

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tersection of a series of quartz "feeders", little work has yet been done on these well defined veins. The shots, and other work referred to, however exposed some very rich fragments of gold quartz, assays of which run from \$73 to \$82.50 per ton. These samples were from a quartz ledge near the apex of "Tunnel Hill," at or near the supposed junction of No. 3 and No. 1 veins. No. 5 vein is south of 3 and pans gold, but as neither Nos. 4, 5 or 6 veins have any appreciable quantity of work done upon them, beyond "stripping" and sampling, we must await further developments. Meantime the import-



Tunnel Hill, showing Tunnel from a distance. One hundred and fifty-eight feet of work done in this Tunnel, March, 1903.

ance of confining attention to the foregoing series of massive deposits of highly auriferous quartz should tax the capacity of the present organization to its fullest limits. Nature, however has done much in this locality to aid the miner in the economical and intelligent operation of its apparently inexhaustible ore chutes, so much indeed, that rarely have I examined a claim where the conditions were more favorable, or the useful, the valuable and the beautiful is so intimately combined.

The Camp.

For the present, at least, the Camp affords ample accommodation for its very efficient force of miners, (the pick of the entire mineral belt) while the prospect from "Tunnel Hill" embraces as charming a panoramic view as any on the Upper Lakes. In a word the site is an ideal one.

Timber and Fuel.

Touching the important question of building and mine timber, as well as abundance of green and dry wood suitable for furnace and domestic purposes, it may be said of not only your original "Grace" mining claim, but also of your entire estate, that its advantages in this as in many other essentials, is very hard to equal, for here on the Grace claims may be procured every variety of sound and suitable building material ready to be carried down by gravitation from where it falls on the steep slopes to the lower level of the mine.

Mill Site.

Among the many deep inlets along the water line of the Grace Mine that which lies immediately to the northward of your dock, is probably the most eligible site for a Gold Reduction Works. Nature, through the process of denudation, having polished the steep escarpment from the highest "Spur" to the gentle slope, and easy gradient along the pronounced course of your main Gold bearing quartz veins, until they disappeared in the deep blue waters of the lake. The entire frontage or "under water mining rights" of which, I note, away out to and around "Magazine Island," are surveyed and included in your Company's extensive freehold rights and privileges.

Fisheries of This Noted Lake.

Eagle Lake has long been esteemed by Indians and whites as being one of the most productive, as well as one of the prettiest of inland waters. Trout, Whitefish, Pickerel and Pike, notwithstanding the systematic efforts of crews of men who fish for export, are so plentiful that the work of two men during the first run, would supply an ordinary mining camp with most delicious fish. And it is asserted by a well known mine Manager that about three-fourths of the provisions required for the ordinary lumbering or mining works on this lake could be derived from the soil and fisheries at Eagle Lake and Vermillion Bay.

Climate.

The climate of this particular locality and district is temperate and remarkably healthy. There is almost a total absence in winter of high winds, the thermometer seldom falling much below zero during winter months, while the influence of such extensive bodies of water upon the atmosphere in summer, renders the season cool and admirably adapted for manual labor. Snow covers the ground toward the end of November, remaining until April. And during the entire year the climate is that to which the human system becomes readily acclimated, and strangers to the country and mode of life, as men from India, Africa and Mexico, suffer no inconveniences from camping and working out during the winter months.

In conclusion, and without here referring to the several tons of rich average free milling Gold ore now stacked up in canvas bags, and awaiting treatment under the direction of Mr. Holland, late chemist of the Regina Mine. The results from which treatment as is possible at the "Eldorado Primitive Mill," let me again direct your special attention to the immense ore bodies in your main veins, one, if not two, of which may be regarded as **massive** and **productive**, any one of which, with a pay streak, even of one-half the proportions of your No. 1 (now about 4 ft.) to say nothing of Nos. 3, 4, 5 and 6, all of which, even assuming them to carry lower averages than they do, would well warrant the investment of the limited capital necessary to bring them well to the front rank of dividend paying concern; **for instead of being rebellious**, or in any way refractory, the entire product of every vein examined, on the contrary, is of **exceedingly high grade** and of a most uniform free milling character, and I repeat, that the estate of the Grace Mining Company, honey-combed as it is by a perfect net work of splendidly defined auriferous quartz veins, is one of the most attractive and promising prospects that it has been my pleasure to examine during my very long and varied experience.

Respectfully submitted,

(Signed) WALPOLE ROLAND, *Civil and Mining Engineer.*

P. S.—While expressing regret that I am unable to await the interesting operation, and still more interesting result of your mill run at the Eldorado. I am satisfied that even under the worst possible condition such ore as you are getting from the main shafts and veins cannot fail to "smash the records" for all around averages.

The principal features of assured values in your quartz veins lies undoubtedly in their great lateral extent, and the practicably inexhaustible quantity of auriferous quartz, readily available near the surface. for even assuming that your ores (all free milling) were of a low grade character instead of what they are, as proven by repeated mill tests, should, I repeat, be enormous. W. R.

October 25, 1902.

NOTE.—Mr. ROLAND, in the above P. S., refers to the ore taken from No. 1 vein, two and one-half tons of which was milled a few days afterwards, and "yielded approximately \$83.00 per ton" gold on the plates.

Report of L. F. S. HOLLAND, M. & M. E.

TO THE GRACE MINING COMPANY, LTD., BUFFALO, N. Y.

December 1, 1902.

DEAR SIRS:—

In accordance with the request of the Board of Directors of the Grace Mining Company for my opinion as a Mining Engineer as to the best method of reaching satisfactory results in the operation and development of their property at Eagle Lake, Ontario, I beg to report as follows:

Geology.

The geological formation of the country has already been adequately reported upon by the Government Geologists and others, so I need not give a description of it here, but will at once go into practical details applying to this property.

Pit Number One.

The high values obtained from the ore from the pit known as "Number One" indicate that this pit is on a pay chute of the vein. To prove the existence of a pay chute here, I would recommend that a shaft be sunk at No. 1 Pit, to a depth of one hundred feet, with, possibly, crosscuts to pick up the vein. The vein is of lenticular form and will require careful development. If one lens pinches out, good judgment must be used in laying out the work to pick up another lens with the least possible expenditure of time and money. If the width and values hold out to a depth of a hundred feet, as indicated by careful sampling and assaying of the ore exposed down the shaft, in a sufficiently encouraging manner, I would drive a level along the vein to the limits of the pay chute in either direction. By sampling and assaying systematically along the level, you will be able to judge if the ore body will warrant the expense of sinking the shaft another hundred feet, and driving a level at a depth of two hundred feet. In the event of the vein holding out in size and values to this depth, I would recommend you to erect a gravity stamp mill of a capacity proportionate to the ore bodies exposed by this and other development work which I will refer to later in this report. In estimating the size of a mill required to treat an ore body in the most profitable manner, several factors have to be considered, and a mill should only be erected after all these factors have been taken into account, but it may be taken as a safe general rule that the cost of the erection of the stamp mill, and of all mining and milling expenses, should be covered by the value it is possible to extract from the ore developed, with a profit to the operating company besides.

Pit Number Two.

Certain prospecting work has been done on the property by sinking a Pit, known as "Pit Number Two," and the values obtained by milling 13½ tons of ore from this place indicate that a pay chute outcrops here. The ore body, so far as exposed, at this point, presents the appearance of a "stock-work" in a shear zone in the country rock, and is about seventeen feet wide on the surface. I think it will be found, however, that much higher values are contained in the portion of the vein, about a foot wide, on the strike of (and possible continuation of), the vein at Number One Pit, than in the other portions of the vein, which branches out here in numerous stringers. It is a matter of very great



Miner dumping waste rock into Grace Bay from Tunnel.

importance to determine, by careful sampling and assaying; whether the whole vein is sufficiently mineralized to be profitable ore, and also, whether it would be more profitable to limit the extraction of ore to certain portions of the vein, or work the whole body. On these preliminary investigations depend, in a great measure, the methods to be adopted in developing the ore body, and, later the size of the mill that should be erected. I would particularly recommend that this work of sampling and assaying be very carefully done, and that the investigations be not limited to one or two cuts through the vein, The pit already sunk in is in such bad shape that I would not recommend its use as a working shaft.

The Tunnel.

If the vein exposed on the hill above the tunnel that has been driven on the property extends downwards, the lead should be cut by the extension of the crosscut a few feet from the present face. In the event of the vein being cut by this tunnel, I would recommend that a level be driven along the vein in either direction from the tunnel to determine by systematic sampling and assaying, the limits and value of the pay chute, if any, on this vein, and that the pay ore be then developed in the usual way.

Plant Recommended.

For sinking the shaft at No. 1 Pit to the depth of 200 feet, I would recommend that a steam hoist, with self-dumping steel bucket of about half a ton capacity (a ship or cage can be substituted at a later stage), and a steam machine drill (either "Ingersoll Sergeant," or "Rand") be employed. For use with the steam drill, I have found it necessary that a good exhaust box, about 12 inches by 12 inches, should be carried down the shaft. The exhaust hose should be carried well up the exhaust box. The exhaust box greatly helps ventilation, besides carrying off the exhaust steam. The steam pipe and boiler should be covered by flaked mica covering, or some other good non-conductor, for economy in the use of fuel and to prevent condensation of steam. I have not found it economical to drive long levels with steam drills, as in a close tunnel the air becomes hot and stuffy by their use, and the miners will loaf, not so much from laziness as from sheer exhaustion. Levels can, however, be driven economically for a short distance by steam drills, but if there is no air compressor available, hand drilling should be substituted for the steam drill in driving levels when the atmosphere is made very hot by it. I may say here that I have always found it cheaper in the end, in western Ontario and elsewhere, to sink shafts and drive levels by contract rather than by miners working on "Company's Account." For sinking and driving beyond the 200 foot level, an air compressor should be obtained.

Hoists, Machine Drills, Boilers, and Self-Dumping Buckets and Ships, of standard make, can be obtained if desired in Canada, of such engineers as the Jenckes Machine Co., Sherbrook, Que, etc. In ordering a boiler for present use I would suggest that a boiler of larger capacity (horsepower) than is now absolutely necessary, be purchased, both for present economy in the use of fuel, and from the point of view of possible use with an enlarged plant hereafter. I am also in favor of spending a reasonable sum in providing "Economics" and other power-saving appliances to lessen the ultimate cost of a steam plant. The extravagant and wasteful use of power is unfortunately a very common fault in the operation of mines.

In conclusion, I would say that in my opinion, your property is the best of the many gold mining prospects I have seen in Western Ontario, but that at the

same time it will require skilled management and the wise expenditure of capital to turn it into a paying mine. The failure of many companies operating in that country is to be attributed mainly to the absence of one or both of these essentials.

Respectfully submitted,

68 Granville Street,
Halifax, Nova Scotia.

L. F. S. HOLLAND,
Mining Engineer.

Report of EDMUND SEAGER, M. E. & S.

RAT PORTAGE, Nov. 28th, 1902.

BOARD OF DIRECTORS,

Grace Mining Company.

GENTLEMEN :

I was over your property, M. H. 251 (Grace Mine proper), and was well pleased with what I saw there; Vein No. 1 where sinking is being done at present is remarkably rich, in fact spotted with visible Gold and should pay well. I think it is a good point to sink on to test the vein at lower depths—No. 2 Vein has improved with the depth attained some 30 feet, or so, the rock here and at No. 1 is cut up with stringers of rich looking quartz, and probably all the rock seamed with quartz will be found to be paying ore. The rock over the tunnel, or rather over the part which the tunnel has almost reached is also seamed with good looking quartz; this tunnel should be pushed until the vein is intercepted, and if the vein turns out as expected, drifting and stopping can be carried on to great advantage, as the tunnel is at the foot of a cliff over 80 feet high.

In conclusion, I may add that most of the location surveyed by me for the Company, showed veins and indications of covered veins. I think the Company has a bonanza property in M. H. 251, and some very promising properties in the new surveys.

Respectfully submitted,

(Signed)

EDMUND SEAGER.

Letter from SAMUEL C. ROGERS, 1901.

A little over a month after the incorporation of The Grace Mining Company the following letter was received by WILLIAM H. WARHUS, Secretary, from Mr. SAMUEL C. ROGERS, Manufacturer, Buffalo, N. Y.

Grace Mine, Eagle Lake, Ont., Oct. 15, 1901.

WM. H. WARHUS, Sec'y, Buffalo, N. Y. :

Dear Sir—I reached this camp last evening soon after dark and found that our manager had been putting in his best licks with the aid of ten men.

There is a great deal of work to do getting the camp ready for winter work. The men's sleeping and cooking cabin is finished, excepting part of the roof and root cellar. Of course it is built of logs as a clearing had to be made and the logs were right on the ground. It is thirty feet long by 18 feet wide inside, divided by a partition into sleeping and cooking rooms. The whole camp is most delightfully situated close to the shore facing the east and about 15 feet above the level of the lake. A margin of trees has been left along the shore for shade in the summer.

After breakfast this morning, Mr. Casler showed us about the property, the first place to be visited being the No. 1 and No. 2 shafts. They are back from the camp several hundred feet on the top of a ridge about 75 feet above the lake. No. 1 shaft is down 13 feet and shows 4 feet of quartz. No. 2 is about 70 feet south of No. 1 on the same ridge.

Mr. Casler informed me that after stripping the veins he concluded that the No. 1 vein ran into the No. 2 close to No. 2 shaft and that the best plan of operation would be to sink a shaft at the point where the two veins crossed. Three miners were at work drilling and blasting, every blast sending out not only rich ore but visible gold. Owing to the work being so near the surface considerable of the ore is blown into the woods and lost in the beds of moss with which the whole country is carpeted, however, there are several tons ready for sacking and we hope to have enough ready for a mill run and a brick by the end of next week.

These veins No. 1 and No. 2 can be traced for several hundred feet to near the northerly line of our property where they seem to dip into the lake. To the south of the shaft they dip into low ground and crop out again where they strike the No. 3.

We climbed the bluff and traced the No. 3 for 600 feet and found it about 20 feet wide.

At one place we took some measurements and find that the No. 3 vein crops out about 80 feet above the lake and can best be worked by a tunnel. Our whole proposition is unique in many ways. Our veins come out of the lake at one end of our property, and dip into the lake again at the other end.

I find that the Grace property is the best thing in this section, and from what I have seen and been told by men who have worked in the largest mines in Canada I am certain we have the making of the greatest gold mine in the Rainy River District.

With the showing we have here our stock should sell for at least \$1.00 per share. With further developments it looks as though it will be worth many dollars per share in the near future.

We have enjoyed our trip immensely as the weather so far has been like Indian summer.

Yours very truly,

SAMUEL C. ROGERS.

Profits in Mining.

The Gold product in 1900 was \$256,462,438. Canada contributed to this vast sum \$26,000,000, an increase in her product in one year of \$4,950,270. Canada now stands third among the Gold producing countries of the world.

In the United States in 1901, 215 Mining Companies paid their stockholders over \$145,000,000 in dividends.

Following is the total amount of dividends paid to stockholders by each of the Companies named :

Consolidated California & Virginia Mining Co.....	\$77,508,800.00
Quincy.....	12,870,000.00
Homestake.....	10,453,750.00
Anaconda.....	19,350,000.00
Boston & Montana.....	25,475,000.00
Calumet & Hecla.....	77,350,000.00
Ontario.....	14,737,000.00
St. John Del Rey.....	13,736,107.00
Granite Mountain.....	10,453,750.00
Grand total.....	\$261,934,407.00

The average ore of the Alaska-Treadwell is about \$3.50 per ton; the average ore of the Homestake is about \$4.00 per ton.

The "Western Miner and Financier" says :

"The Alaska-Treadwell pays about \$1500.00 annually on each one thousand shares, while the great Homestake of South Dakota pays \$6000."

"One thousand shares of Quincy or Tamarack would insure an income of nearly \$6000 per annum. The same number of shares in the Calumet & Hecla would return about \$33,000 annually."

"The buying of Treasury shares, when they are being sold at a discount by a good reliable Company owning a promising property, is both profitable and legitimate. There are few avenues of trade that offer safer investments, and certainly none more profitable."

Facts to Remember.

You will remember that Mr. Edmund Seager, one of the expert Engineers, says; "I think the Company has a bonanza property." That Mr. L. F. S. Holland, Mining Engineer, says; "Your property is the best of the many Gold Mining Prospects I have seen in Western Ontario." And that Captain Walpole Roland says; "The estate of the Grace Mining Co., honeycombed as it is by a perfect net work of splendidly defined auriferous quartz veins, is one of the most attractive and promising prospects that it has been my pleasure to examine during my very long and varied experience."

The Company has placed on sale a limited number of shares of its capital stock at 40 cents per share. The Company reserving the right from time to time to advance the price of its stock on all shares remaining unsold.

If you desire any further information kindly call at our office 578 Ellicott Square, Buffalo, N. Y.

Dated April 1, 1903.

WILLIAM H. WARHUS, Secretary.



APPLICATION FOR STOCK.

THE GRACE MINING COMPANY, LIMITED.

NO PERSONAL LIABILITY.

THE GRACE MINING COMPANY, LIMITED.

578 ELLICOTT SQUARE, BUFFALO, N. Y.

Enclosed find New York Draft or Money Order for \$.....in full payment for.....

Shares of Stock in THE GRACE MINING COMPANY, Limited, at 40 cents per Share, (Par Value

\$1.00 per Share) to be issued in the name of.....

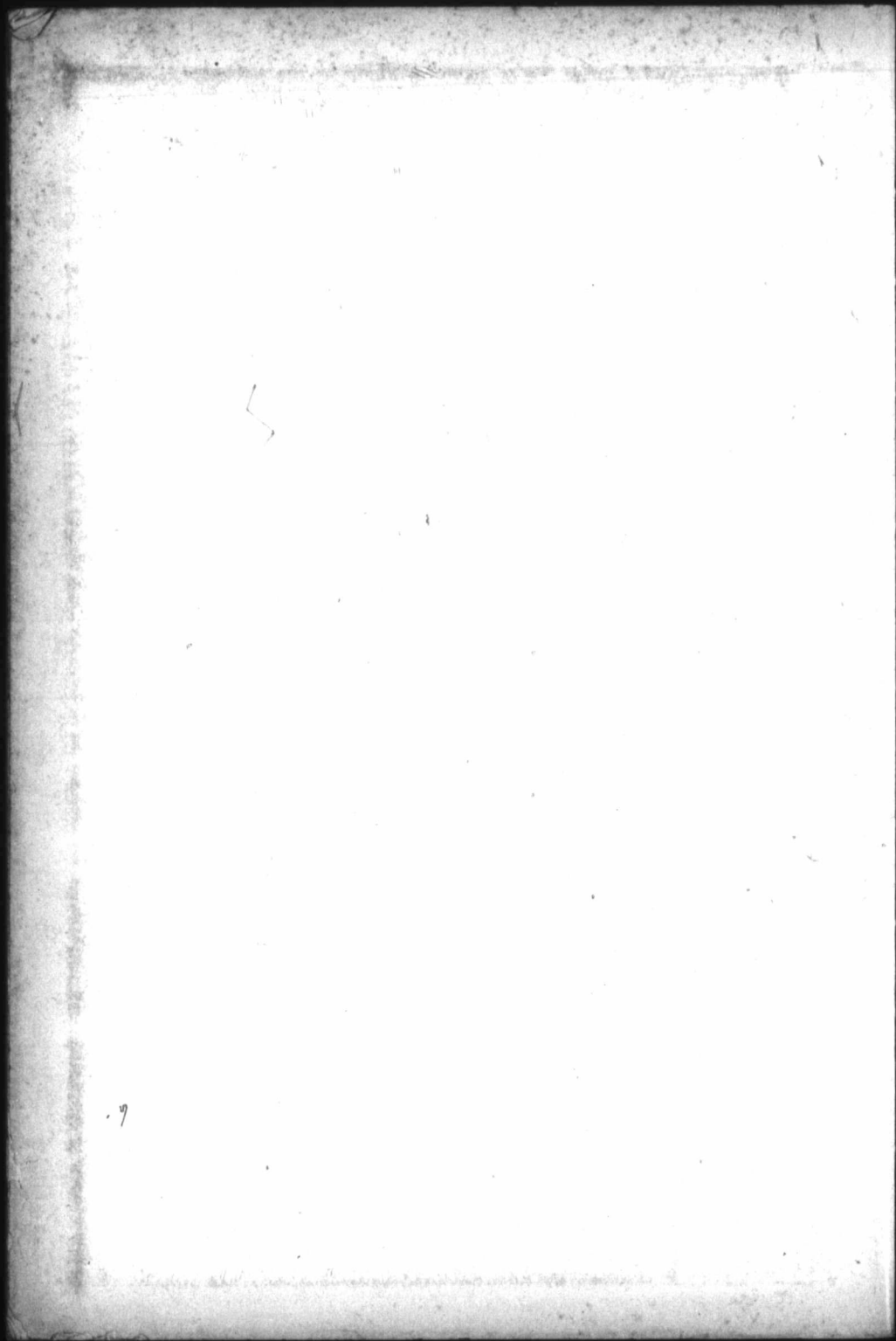
Address No.

Street, City

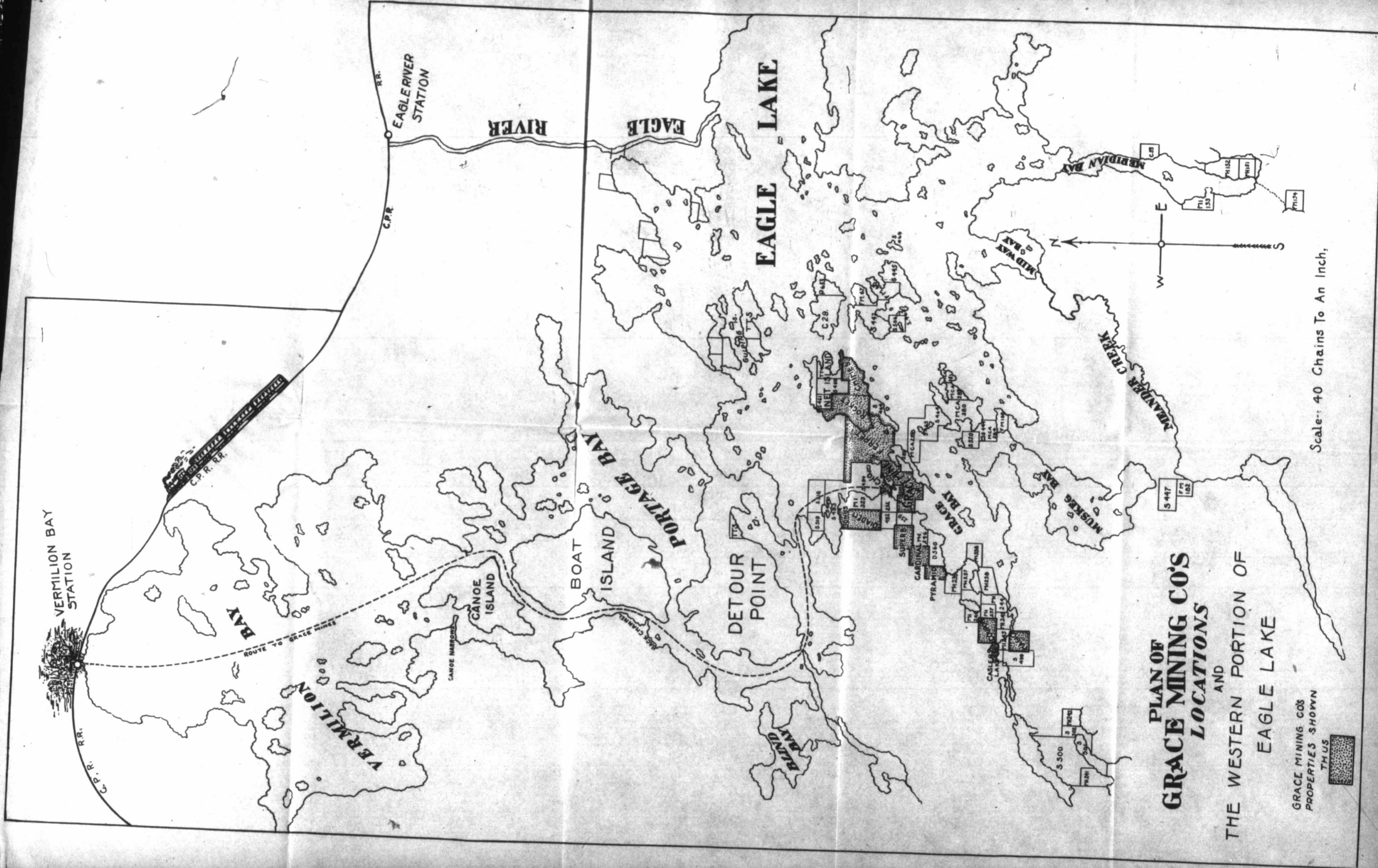
State.....

Occupation.....

Make all Drafts or Money Orders Payable to the Order of THE GRACE MINING COMPANY, Limited.



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**PLAN OF
GRACE MINING CO'S
LOCATIONS
AND
THE WESTERN PORTION OF
EAGLE LAKE**

GRACE MINING CO'S
PROPERTIES SHOWN
THUS

Scale: 40 Chains To An Inch.