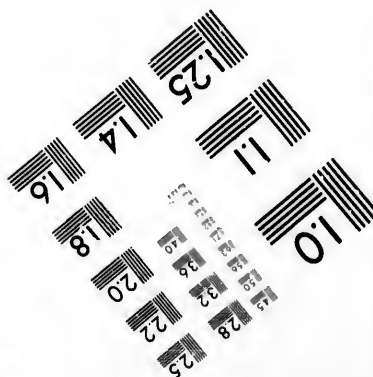
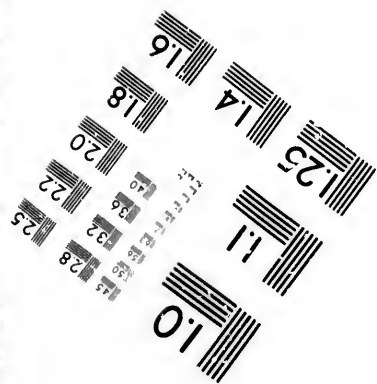
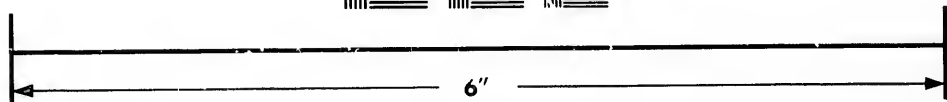
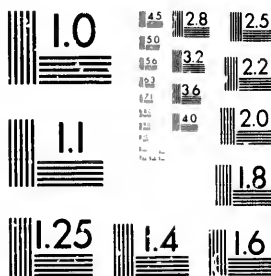


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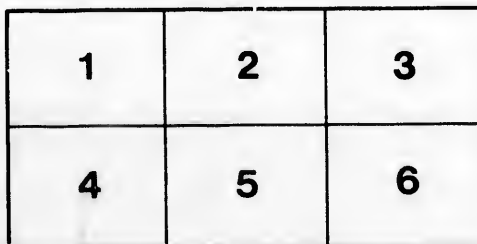
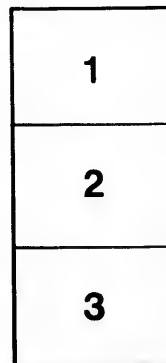
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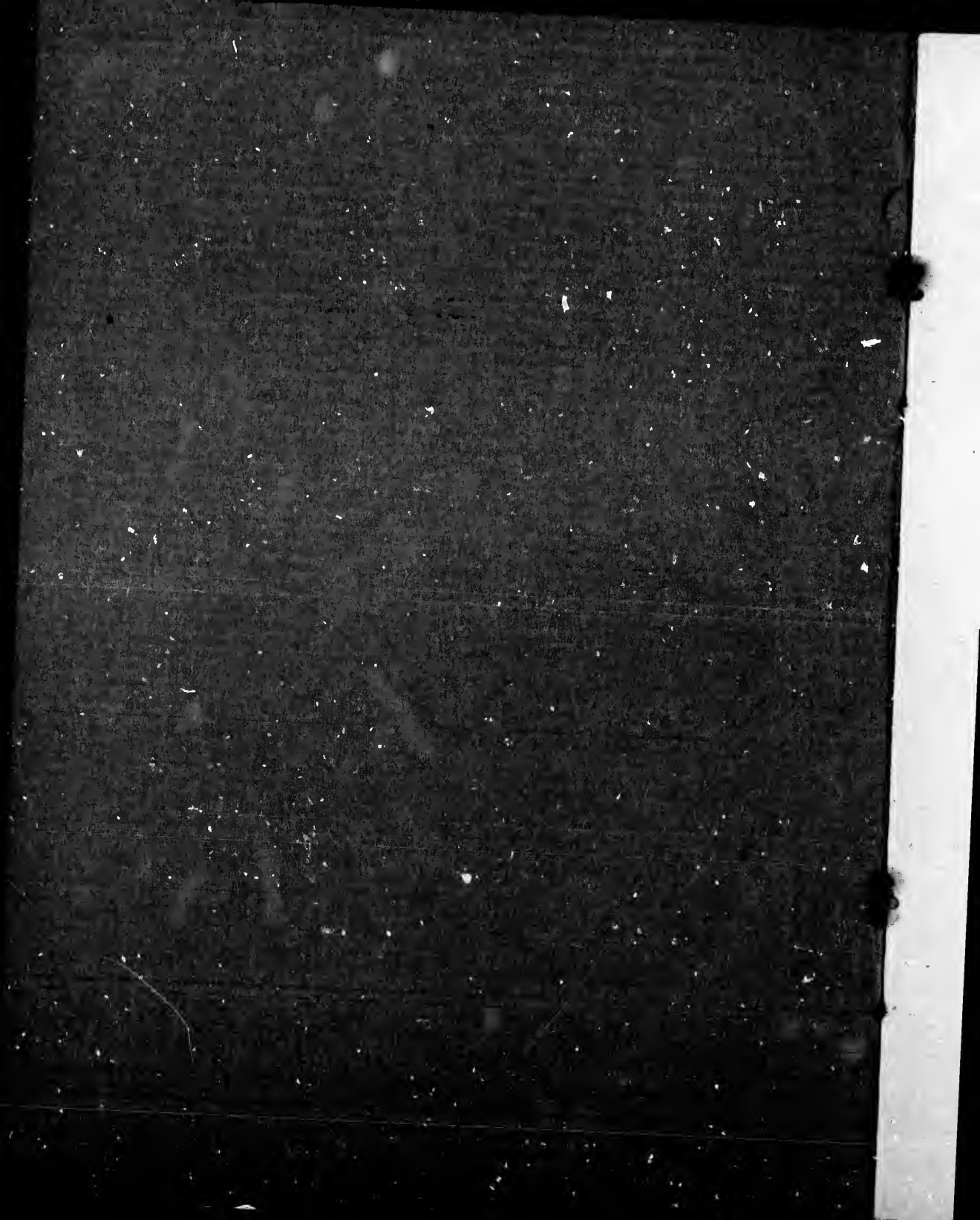
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of
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Nickle Mining Company
(Limited)

Authorized Capital, - - \$300,000

Head Office:
15 King Street West
Toronto, Ont.



The
Straight Lake Nickel Mining Co'y
(Limited)

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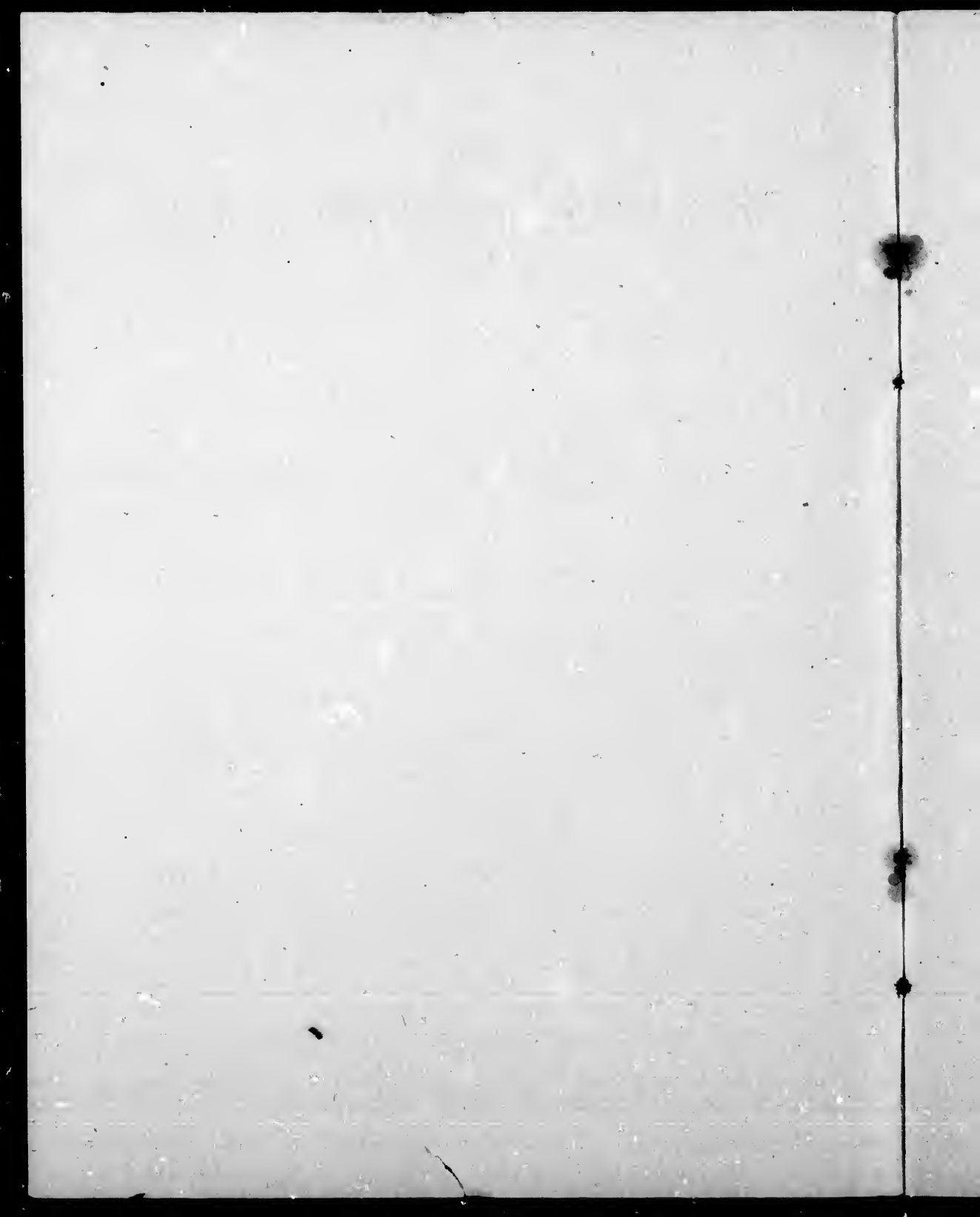
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THE ONTARIO BANK



The Straight Lake Nickel Mining Company, (Limited,)

Has been incorporated under the Ontario Joint Stock Companies' Letters Patent Act, of the Province of Ontario, for the purpose of carrying on mining works and operations in the Township of Moncrieff, in the District of Algoma, with other necessary incidental powers as to acquiring mining properties and the mining, smelting and treating of nickel ores and other associated metals and ores, including the alloys of nickel.

The Company has an authorized Capital Stock of \$300,000.00, divided into 60,000 shares of \$5.00 each, of which 20,000 shares are now offered for sale for the purpose of the development of the property and the purchase and erection of machinery for mining, hoisting, crushing and smelting the ores, and for working Capital.

The Company's Property

The property to be operated by the Company is the north half of Lot Nine (9), in the Sixth Concession of the Township of Moncrieff, in the District of Algoma, and comprises 155½ acres, being half-a-mile square.

The property has been acquired by the Company on most favorable terms, the owners getting no im-

mediate cash but accepting fifteen-sixteenths of the purchase price in paid up stock, the balance, namely, one-sixteenth of the purchase money, being secured by a charge on the property.

Absolute Title

The title is an absolute one in fee simple and in the District of Algoma the Torrens system is in force which practically means that the title is guaranteed by the Ontario Government. The patent for this Lot was issued prior to the new Mining regulations which consequently have no effect whatever on this property, except to increase its value and desirability.

No Royalty

This property is entirely free from the restrictions and royalties imposed in case of future grants of mineral lands from the Crown. The importance of this freedom from royalty cannot be too strongly emphasized.

Situation of Property

The property has been carefully selected and is very advantageously situated. The exceptionally good facilities for mining operations and the great convenience of access are pointed out in the Expert's report, which also gives information as to the prospects of this valuable property and the cost of machinery, of working etc., to which your careful attention is requested.

Ore Deposits

The ore deposits on this lot are in the Huronian formation and in close proximity to extensive beds of diorite. The ore is a pyrrhotite associated with chalcopyrite.

In reference to the formation of nickel ore, Mr. George Mickle, B.A., M.E., a graduate of the famous Mining School of Freiberg, in a paper read before the Canadian Institute and published in their Transactions states, "We have perhaps here an explanation of the fact frequently observed in a deposit of nickel bearing pyrrhotite, namely: *that the deposit becomes richer as one goes down.* Assuming that the molten mass of iron and nickel sulphide originally homogeneous has gradually cooled off, the more difficultly fusible iron sulphide would harden first leaving a spongy mass, while the nickel sulphide still remaining liquid would seek the lower levels."

Dr. Robert Bell, Assistant Director of the Geological Survey of Canada, in a paper read before the Geological Society of America, also said: "It is rather singular, first—that pyrrhotite should exist so commonly within this region as compared with any other in the country and secondly—that no matter in what kind of rock we find it to occur it should generally be nickeliferous to an economic extent."

Profits of Nickel Mining

The profits of nickel mining are derived from the handling of large quantities of low grade ore and is comparable with the operations of Lake Superior Copper Mines, but the following differences should be noted: The copper ores run from one to three per cent. of native copper, whereas, Dr. Robert Bell, in the paper before referred to states "That numerous analyses of the ores have shown that the nickel is confined to the pyrrhotite in which it is present in the proportion of about one to *five* per cent."

Price of Nickel

The price of copper is about fourteen cents per pound; the price of nickel is sixty-eight cents per pound; copper matte is worth two-and-one-half cents per pound; while nickel matte is worth from eighteen to twenty-two cents per pound.

A mine in the Lake Superior District requires the outlay of enormous capital, because pay ore is found only at great depth. In Algoma the ore is close to the surface and occurs in immense deposits of solid ore which are supposed to extend below the depths of economic mining, which at present is between five and six thousand feet.

Dr. Edward Peters, Jr., the well known metallurgist in his evidence before the Commissioners, in the report of the Royal Commission on the Mineral Re-

sources of Ontario, published by order of the Legislative Assembly of the Province of Ontario states. "The ores here are low grade *but I consider it pays better to work large bodies of low grade ores* as we can figure exactly what we can do. The ore throughout the country is about the same as far as I have seen."

Market for Nickel

Over a year ago the Engineering and Mining Journal in the issue of 27th of September, 1891, said "The question of a market for a largely increased production of nickel which was so much questioned last year and which we maintain was simply a question of price in connection with its application as an alloy with steel, may be said to be *definitely settled.*"

Since then this has been more fully corroborated and in a despatch to the Toronto World contained in the issue of December 8th, 1891, the following statement occurs: "In consequence partly of the results of the experiments of the United States Government with nickel steel armour which have established the superiority of nickel steel, the price of nickel has risen about forty per cent."

In a memorandum by Mr. F. L. Sperry, published in the first annual report of the Inspector of Mines, for the province of Ontario, he says: "Apart from the great field that the manufacture of nickel steel is destined to fill in armouring the battle-ships of the

world, nickel alloys with other metals are coming into greater multiplicity of uses."

Marvellous Success of Nickel Mining

The enterprise has been investigated from every point of view and is worthy of attention. It has been successful at Sudbury from the start four years ago and should be an exceedingly profitable business in the future.

The three great producing mining Companies of Sudbury are The Dominion Mineral Company, who own The Blezard Mine; The Canada Copper Company; and the Vivians of Swansea, Wales, and at the present time very little matte can be procured at Sudbury; the whole production of the mines are reported to have been sold at very profitable figures and at the present time it is believed contracts could be placed for the entire output of nickel for the next ten years.

In an article in the Canadian Manufacturer of the 18th of December, 1891, the following passage occurs: "The Blezard Nickel Mine at Sudbury has been sold to a Syndicate of British Capitalists for two million dollars.

"The plant is to be largely increased and the most modern machinery and appliances introduced. Less than five years ago this property was offered for \$25,000.00 without a purchaser. Machinery was

then put in and before the recent sale enough metal had been sold from the property to recoup the owners for their entire expenditure for property, machinery, buildings development and so forth."

In an able editorial in the Toronto Empire, of 22nd December, 1891, the following passages occur: "The development of our great mining districts goes steadily on. Only the other day it was announced that the Belgian Bank had acquired ten square miles of mining land near Port Arthur; now it is said that British Capitalists have paid two million dollars for the Blezard Nickel Mine near Sudbury. The sale was negotiated by Mr. Duncan McIntyre, and it is said that the C.P.R. Company is also largely interested in the mineral development of Algoma.

That district is indeed proving one of the richest portions in our Dominion, instead of turning out as it was described but a few years since, "a useless rocky waste."

"Secretary Tracy, of the U. S. Navy Department, has within the last few days formally reported in favor of nickel steel for American ships, and at a time when the British, German and Italian Government are all proposing to obtain this now valuable metal, it is especially pleasing to find British Capitalists taking hold of our mines. Many uses are being daily discovered for nickel and it seems probable that gun shields, the guns themselves, projectiles,

engines, hulls of vessels, and most of the steel now used for general purposes will receive a percentage small or large of this important metal."

Attention is also directed to the following statement in The Toronto Globe of 9th December, 1891:

"The results of the extensive experiments with nickel steel by the American Government have been officially announced and the superiority of nickel steel is now established; the consequence will be a largely increased demand for nickel. Already the Navy Department of the United States Government have given Carnegie, Phipps & Co., of Pittsburg, a large order for nickel steel armour, the nickel for which will be supplied from the Algoma District. The price of nickel has advanced from forty-eight to sixty-eight cents per pound."

In the evidence of Dr. Peters, before the Royal Commission before referred to which was given in the year 1889, the following significant statement was made in reference to The Canada Copper-Company, who own the Copper Cliff, Evans and Stobie Mines: "I think the Company has sufficient stock of ore on hand to represent every cent they have spent here and to build the smelting works. Of course that is only an opinion but it is based on pretty good evidence."

That opinion of Dr. Peters has been fully confirmed and borne out and since that time the Company have

produced and sold large quantities of matte and have largely increased their plant.

With our plant started this season success is as positive as can be predicted after a careful, deliberate and comprehensive study of the business from every point of view.

Every figure and every statement in the Expert's report is made with a knowledge of responsibility attached and has been based upon a most careful and painstaking investigation.

Superstitious Prejudice Against Mining

"There exists in the minds of many people very strong prejudices against mining.

There are reasons why such prejudices exist, but there is no *reason in* the prejudices. The prejudices exist because of unprofitable experiences, either of the men who are thus prejudiced or of their acquaintances or friends. There is no *reason in* the prejudices, because the conditions which made such experiences inevitable do not exist to-day as they did in past years.

It will take but little investigation to convince reasonable men that in being prejudiced towards mining as it exists to-day, they are as unjust towards themselves and the thing itself as if they were prejudiced against any trade or profession or business.

Though there are essential risks in mining, there are the same in farming; and no more than in farm-

ing, need there be gambling in a mining enterprise. In both occupations there are risks unnecessary as well as necessary. The farmer runs a necessary risk when he sows seed for an expected harvest, but assumes an unnecessary risk when he buys a piano to be paid for with next year's crop.

The mining investor is sometimes a gambler, it is true, as when he buys mining stock to profit by fluctuations brought about by manipulations; but so is the farmer, or merchant, or lawyer a gambler when he buys wheat of a Chicago broker with no thought of actual legitimate purchase, but only to take chances and risks of profit or loss in speculative futures. Both are gamblers, not adding anything by their enterprise to the world's sum of values, and making gains for themselves only at somebody's losses. But the investor who profits by the development of a mine has helped to serve the world's needs by mining of useful mineral, and has made no one poorer while enriching himself. And he is no more a gambler than is the farmer, because he, like the farmer, has taken a measure of risk, the risks being of like legitimate character.

One's ideas of mining, based upon what it has been in the past, are more likely to be false than true ideas of what mining has come to be to-day. Mining operations to-day, as a rule, are carried on upon business principles.

And so it has come about that a mining investment may be looked upon now as something quite like an ordinary business enterprise—a matter demanding the exercise of ordinary business judgment, for the application of ordinary business principles' for a wise administrative policy and economic management.

The Engineering and Mining Journal, New York, 1891, says:—"The fact also is becoming well understood and appreciated that with honest and intelligent management A GOOD MINING INVESTMENT IS SAFER AND PAYS A LARGER INTEREST ON ITS CAPITAL than any other."

"Mining is a legitimate business when conducted in the same manner and on the same principles as any other legitimate business, and its profits are very much greater."—*Mining Review*, Ottawa January, 1889.

"The business should be carried on with the same care that characterizes a commercial enterprise. When a mining business is conducted in this way, it is almost uniformly successful."—United States Special Agent W. H. Hamilton, Eleventh Census, Washington and Oregon.

Report of Examination

To the Directors of The Straight Lake Nickel Mining Co., (Ltd.)

GENTLEMEN,—I have examined the north half of Lot nine (9), in the Sixth (6th) Concession of the Township of Moncrieff, in the District of Algoma, and find on it a large mineral deposit, which can be traced across the whole breadth of the Lot.

There can be no doubt but that the deposit on Mining Location "G" to the west and the deposits on the Locations to the east of this Lot are extensions to the west and east respectively of this deposit on Lot nine (9).

The showings on the central portion of the deposit vary in width from ten feet to twenty feet.

Both north and south of the main lode are good showings of Nickel ore. These I formerly considered as indications of two other distinct mineral deposits on this property, but after a more careful examination I am inclined to think that they may be all outcrops from one and the same deposit. In any event I am of the opinion that at no very great depth they will become one.

But whether they are one or become one is of no very great consequence, as in either case there must be an immense body of ore. Any of the showings would fully warrant work on a large scale being done at once.

The strike of the deposit is about east ten degrees north, and the dip is to the south about twenty degrees.

The area of this location is about 15¹/₂ acres. It is well wooded. The Lot borders on a lake, so that there is a convenient and abundant supply of water. Wood on the Lot can be cut for sixty cents per cord and can be purchased from the surrounding properties, delivered at the works for about \$1.35 per cord.

The south-west corner of this property is crossed by the main line of the C.P.R.

Between the Nickel deposits on the Lot and the railway track are suitable sites for roast beds, ore houses and necessary buildings.

Owing to the advantageous relative position of the nickel deposit and the railway, a convenient system of overhead buckets, to be worked by gravity, could be arranged, whereby ore could be transported from the ore house to the roast beds at a great saving of expense.

The abundant and cheap supply of wood and water, and the convenient railroad facilities are very important considerations in economic mining.

Where the railroad crosses the Lot is about two-and-one-quarter miles from Straight Lake Station.

A mining plant, including necessary buildings, water jacket furnace (Hereshoff Patent), crusher, air compressor, boilers, engines, hoisting apparatus, steam or air drills, tramways or wire rope system could be put in place complete ready to run for about \$20,000.00. Such a plant would handle from

30 to 50 tons of ore per day, at a cost of about \$4.00 per ton of ore, made up as follows:—

Mining	\$1.00	per ton
Hoisting and Crushing.....	50	“
Roasting	50	“
Smelting	2.00	“

I may say that the above are outside figures and that owing to the exceptional advantages of this property, the cost of mining and treating ore may be reduced to \$3.50 per ton of ore.

Last year the only serious doubt as to the success of the Nickel industry was the question of a market for the Nickel mattes.

The numerous use to which Nickel and its alloys may now be put have definitely solved this problem and the market for Nickel matte is now established. I am personally aware that at the present time the output of a 50 ton smelter could be contracted for, for the next ten years, at present prices, but one of the mine owners to whom such a contract was offered refused to accept same because it was his opinion, from the many inquiries, and the increased demand for Nickel, that the price of Nickel would further increase in the near future, and consequently he would not entertain a proposition of more than a three year's contract.

I may also say that at the present time, or at least a few weeks ago, there was not a pound of matte etc., to be had in the Sudbury District.

I would strongly recommend that mining operations on this property be commenced at the earliest possible date.

J. R. GORDON, C.E.

Dated 4th January, 1892

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