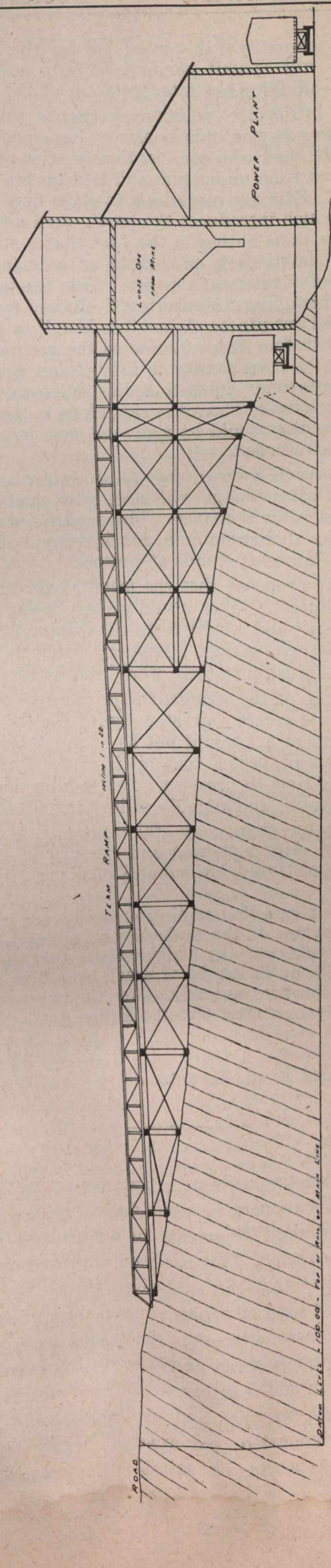
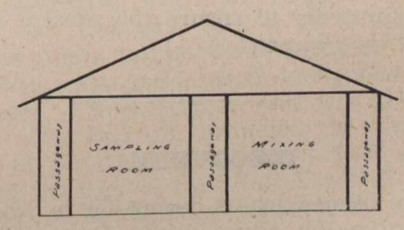


This will be increased to 1,000 tons when the other mills are completed. It is estimated that the aggregate cost will total $1,000,000. .

The production of the camp has been as follows:—

	Tons.	Value.
1904	191,55	$136,277
1905	2,336.01	1,485,530
1906	5,836.59	3,573,908
1907	14,851.34	6,476,555
1908	25,510.91	9,000,000
1909, to June 30, '09.	15,000.00 (est.)	5,290,000
		$25,962,270

The shipments to August, 1908, were 14,564 tons; to August, 1909, 20,300 tons; which shows an increase of 40 per cent. in tonnage for this year, which, if it holds, will make about 35,700 tons for 1909. The tendency, owing to the operations of the numerous concentrators, is towards a one-value product. This will decrease the tonnage proportionately and concentrate the values, while the more comprehensive mining policy now in vogue will tend towards a uniform lower grade product of greater tonnage, instead of robbing the reserves for false dividends and having to balance up later on on dump material. It is estimated the average value of the product shipped this year is the same as that of last. The above factors will tend to maintain and even



SECTION THROUGH SAMPLING AND MIXING ROOMS

increase the tonnage, according to development, while shipping the same grade product.

A contradiction to the statement that Cobalt has not been a good investment and has only enriched those who have traded on its spectacular showings, is found as follows:—

Approximately, the O'Brien and Drummond, the privately owned mines, have netted their owners $2,100,000.

Including the non-dividend payers, Nancy Helen, Chambers-Ferland, King Edward, Nova Scotia, Peterson Lake, Foster and Green-Meehan, and also the fourteen dividend payers, we see that these 21 companies have a total issued capital of $49,895,568; total dividends to June 26, 1909, $11,916,510; dividends paid in 1909 to June 26, 1909, $4,016,970. Figuring from the summer of 1905, when most of the companies were incorporated, these mines as a whole have paid 6 per cent. on the money invested. The rate of interest for this year, taken from the above figures is about 16 1-10 per cent.

The figures given do not include royalties.

The total value of ore to June 30, 1909 (est.), $26,000,000.

Total dividends	$14,062,510
Total royalties	934,122
Cost of production	11,000,368

on a basis of 50c an ounce for silver (waiving the copper, nickel and arsenic values), the cost of production including marketing would be 21c per oz.