FIRST ANNUAL MEETING

OF THE

SHAREHOLDERS

OF

The War Eagle Consolidated Mining and Development Company, Limited

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ANNUAL REPORT OF THE DIRECTORS

GENTLEMEN :—

The Directors have much pleasure in meeting the Shareholders of The War Eagle Consolidated Mining & Development Company, Limited, at this, their first annual general meeting.

Submitted herewith is a statement of the accounts and a report on the mine; the former being brought down to the 30th of September, and the latter to the 31st of October.

These are so complete as to call for little by way of comment or explanation.

FREIGHT AND TREATMENT OF ORES.

The Directors having found it impossible under existing conditions to obtain any reduction in the cost of freight and treatment of the Company's ores, and feeling that the present rates could not be long maintained in the face of improving railway facilities and the competition likely to ensue thereon, determined in July last to stop shipping altogether, and to devote their energies to putting the mine in shape to ship freely when rates were satisfactory.

Up to that time the Company had been shipping about thirty tons a day, chiefly ore encountered in development.

This Policy of withholding the ores from shipment has been abundantly justified by the important announcement since made by the Canadian Pacific Railway, both to your Directors and to the public generally, that it will at once provide for the transportation and treatment of Rossland ores at cost for the purpose of stimulating the development of that camp.