pose of securing the reduction of ores at cost, will procure ultimately for the miner as low a rate as would be secured by open competition, remains to be seen. In the meantime it is gratifying to know that it continues to be the policy of that Company to smelt at cost, and the Directors feel that it is in the interest of the War Eagle Company to give this experiment a full trial before considering the propriety of investing a large amount of capital in the construction and operation of a smelter.

It will be observed from the statement of accounts that the capital stock has been increased since the last meeting from $1,650,000 to $1,750,000, being an increase of $100,000. This stock realized the handsome sum of $270,000, which has enabled the directors to wipe off the obligations of the Company, including most of the cost of the new plant, leaving, with the surplus earnings, $135,334.99 on hand.

In conclusion, the Directors can only again express their high appreciation of the judgment and untiring energy their manager, Mr. John B. Hastings, M.E., F.G.S.A., has continued to bring to the administration of the Company's affairs, in which he has been ably assisted at the mine, as will be seen from his report, by Mr. John Fitzwilliams and Mr. Chas. V. Jenkins.

At the Head Office Mr. E. J. Kingstone has discharged his duties in a faithful and efficient manner.

GEORGE GOODERHAM,
*President.*

*Toronto, Ont., Nov. 15th, 1898.*