The Canadian Mining Review
Established 1882

Official Organ of The Mining Society of Nova Scotia; The General Mining Association of the Province of Quebec; The Asbestos Club; and the Representative Exponent of the Mineral Industries of Canada.

B. T. A. BELL, Editor. Published Monthly. OFFICES: Slater Building, Ottawa.

VOL. XV., No. 3 MARCH, 1896. VOL. XV., No. 3

The Cariboo and Horsefly Reports.

Elsewhere in this issue are printed in full the second annual reports of the manager and directors to the shareholders of the "Cariboo Hydraulic Mining Co., Ltd.," and the "Horsefly Hydraulic Mining Co., Ltd."

One learns, from reading these reports and scanning the balance sheets, something of the delays and difficulties attendant upon large hydraulic enterprises even when the management is the best to be procured. Doubtless the inability to employ Chinese labor (which was contemplated in original estimates, we believe) has largely increased the cost of construction and preliminary work.

The Cariboo Company, it will be noted, has recommended an increase of its capital by 40,000 shares, which will give it $200,000.00 cash, and make a total share capital of 100,000 shares at $5.00 each.

This increase has been deemed the best way to provide funds for the payment of some $175,000 worth of obligations, and to leave about $25,000 on hand as a working capital fund. The obligations have been incurred to the amount of $120,000 during the past year by the increasing of the water supply by 50 per cent., and the increasing of storage reservoir capacity. $55,000 is asked for to meet expenses until the washing season begins about 1st of June.

The report declares that a permanent and large water supply has now been obtained and that there is nothing to prevent a continuous and regular run during the season of 1896.

In the estimated production for 1896 we note that the yield of the gravel is *assumed* at 50 cents per yard, though the average yield for 1895 was only 28 cents; probably the increased tenure of the lower strata warrant this larger figure. Profits to the amount of $213,000, or over 40 per cent. on the increased capital, are promised for 1896.

The Horsefly Company has also spent nearly double its capital, the balance sheet showing $78,000 of debts and the amount required to carry expenses until washing time comes (June 1st) being $30.000, making a total of nearly $110,000.00.

Instead of increasing its capital, the directors of the Horsefly advise the issue of $150,000.00 worth of 10 per cent. bonds to take up the debt and provide a fund for working capital.

The expenditures in this company have been largely increased by encountering at the mine a bed or layer of hard cemented gravel from 10 to 80 ft. in thickness which, at a distance of from 1 to 3 ft., overlies the richer gravel on the bed-rock.

It is reported that this seam or bed is disappearing, having thinned down to from 1 ft. to 10 ft. thick. In view of this statement it is hard to see the necessity of a stamp mill to mill the cement. A test of 150 lbs. made by Pellew Harvey strikes us as rather insufficient upon which to base a figured net profit of $111,600.00 per year.

We also have our doubts of 20 stamps crushing 200 tons a day, and we have no record of milling, even by water power, at the low price of 20 cents. The Alaska-Treadwell mine, which is exceptionally favored by water power, soft rock, and 240 heads of stamps, cannot show a better result than 80 tons for 20 stamps and a lower cost than 50 cents per ton.

We could also wish that these company reports were made up upon a more liberal basis, giving to shareholders facts and figures which are not discernible from the printed statements, and also gave a classification of accounts which would enable one to follow operating, construction, and other *costs*.

For example, the fact that the gold obtained nets only $16.34 an ounce is not given, neither is there any explanation why it costs 3 per cent. to market the gold (*i. e.*, 3 per cent. between gross value reported by manager and net amount credited in books). To ascertain that last year the Horsefly gravel yielded only 12½ cents per cubic yard, while it costs 16½ cents, requires figuring, as does the yield of Cariboo at 28 cents and the cost at 20 cents. This cost includes construction, etc., but there should be a classification so that the shareholder should know what the *operating* cost per cubic yard is—probably in the above cases not over 9 or 10 cents, although we have no chance to verify these figures.

Owing to pressure on our space this month we have been compelled to hold over Mr. R. G. E. Leckie's paper entitled, "Notes on the Grand Lake Coal Field, N.B.," and "Notes on Nova Scotia Coals as Steam Producers," by Messrs. Mason and Matheson, read at the meeting of the Mining Society of Nova Scotia.

The Canadian Rand Drill Co. have opened an office in the Board of Trade building, Montreal, and have moved into their large and commodious new shops at Sherbrooke. Mr. E. W. Gilman, for many years in charge of the business of the Ingersoll Rock Drill Co. of Canada, has been appointed to the management of the Rand business in Montreal. Mr. G. L. Burritt has also, we believe, left the Ingersoll people, and will, in the future, be associated with Mr. Gilman in the affairs of the Rand company.

Mr. J. D. Sword, M.E., of the Ingersoll Rock Drill Co. of Canada, has returned to Rossland, B.C.

The next meeting of the Ontario Mining Institute will be held at Rat Portage, Ont., in September.