

SECOND ANNUAL MEETING

OF THE
SHAREHOLDERS
OF

The War Eagle Consolidated Mining & Development Co.
Limited

DIRECTORS' REPORT

GENTLEMEN :—

The Directors have much pleasure in again meeting the Shareholders of The War Eagle Consolidated Mining and Development Company, Limited, at this, the second annual general meeting of the Company.

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 October.

We trust that both will be found so complete as to call for little by way of comment or explanation.

FREIGHT AND TREATMENT OF ORES.

At the last annual meeting the Directors were compelled to announce that they

"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 rate 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."

It is gratifying to be able to state that this policy of delay has been amply justified by a subsequent reduction in the rate of freight and treatment from a maximum charge of \$11.00 to \$7.50, with a further rebate of fifty cents per ton, provided the Company ship an average of 175 tons per day for six months continuously, which it has so far been able to do without difficulty, notwithstanding the limited capacity of its machinery.

In reference to the steel gallows frame, and the air compressing and hoisting plants, with their accompanying electric motors (to which the general manager, Mr. J. B. Hastings, has referred more particularly in his report), the Directors have to say, that while it may have appeared to the shareholders that some unnecessary delay has taken place in the installation of these plants, the Directors consider that the fact that this is