

Western shareholders interested with this company in the British Columbia Southorn Mines, Limited, with a view to inducing them to contribute their proportion of such additional working capital as might be required to place the Gertrude on a self-sustaining basis, but we found that they were not in a position, at the time, to meet our wishes.

At the date of the above issue of stock, a detailed statement and report upon the Company's operations up to that time was mailed to each shareholder, and your directors beg to refer the shareholders to same for further information.

In May last, the Company's Consulting Engineer, Mr. J. J. Sandeman, was instructed to make a careful examination of the Coxey Mine, with a view to assisting your Board in determining as to future operations on this mine. His comprehensive report is submitted herewith.

In addition to the engineer's frequent progress reports upon the work being carried on, on the Gertrude, up to the time of the shut-down, we have a brief statement of the work at the time of the closing down of the mine, made by Mr. J. W. Campbell, the Superintendent, a copy of which is also submitted herewith.

In view of the improvement in the Gertrude Mine in the past year, resulting from the work carried on, and giving due weight to the important developments in the LeRoi, Number One, and other neighboring mines, your Board is much impressed with the prospective value of the Gertrude Mine. Its true value can, however, only be determined by the continuance of the development of the mine.

With the object of arranging for the more economical development of the mine in the future, your Board was able to complete a most advantageous arrangement with the British America Corporation, Limited, whereby the British Columbia Southern Mines, Limited, has the right to make use of the tunnel on the Number One Mine, and to extend same into the Gertrude