

Owing to the unfortunate labour troubles in British Columbia, arising from the enforcement of the eight-hour law, all the smelters are shut down, and we are obliged to look for a new market for our coke in the United States.

During a recent visit to Montana, I succeeded in securing an order for three thousand tons of coke from the Boston & Montana Company, which is the largest consumer of coke in the State of Montana.

If we are able to sell coke at a price not exceeding 20 to 25 per cent. higher than any other Western coke, we can always secure the order, as our coke is superior by far to any Western coke, and has been proved by actual test to be 5 per cent. superior to the celebrated Pocahontas coke of West Virginia, which took the premium at the World's Fair in Chicago.

The present indications show that the labour troubles will soon be overcome, and you will have a very largely increased demand for both coal and coke throughout British Columbia, as the merits of your product are making it a standard fuel in the West.

During the present year you should build whatever additional coke ovens may be necessary to meet the British Columbia demands, and also have at least 100 ovens, with the product of which you can work up a permanent business in the adjoining States.

Arrangements are now being made with the C.P.R. to store a large supply of coal during the summer months, which will in future greatly relieve the difficulties which were experienced last fall in securing cars and transportation during the busy wheat season.

THE BEND 'OR MINES, LIMITED.

DIRECTORS' REPORT.

Your directors have much pleasure in laying before you their report covering the operations of the company from the date of incorporation to the 31st day of January, 1900.

Until the proceeds of the first clean-up supplied the necessary funds, the management overcame difficulties which at times seemed insurmountable, and may now congratulate itself upon presenting the accompanying financial statement, confident in assuring you that all indebtedness of the company will be liquidated by the proceeds of the first three months' milling of the approaching season.

Had it not been necessary to shut down on account of frost, from the night of the first of December last, there is no doubt that by this time the company would be out of debt. This, considering the amount of development done since the incorporation of the company, might well be looked upon as phenomenal. In addition to the development of the mine, which has been pursued without a single check since 1st October, 1898, a ten-stamp mill, water power, gravity tramway, etc., have been installed at a cost of approximately \$30,000, without encroaching on the treasury stock of the company except to the extent of 4,000 shares.

Referring back to the date of incorporation of the company, viz., 1st October, 1898, it is the intention of your retiring directors to, without going into details, explain the operations of the company during the period they were looking after your interests.

As you are all aware from the prospectus, the property of the company was purchased from the Bend

'Or Syndicate for the sum of three hundred and fifty thousand dollars, fifty thousand dollars in cash and the balance in shares at par. This cash payment was to be supplied by the sale of 100,000 shares (called the first issue) at 50 cents. Owing to the bad state of the local stock market, only 33,900 of these shares were disposed of and the syndicate offering to accept the remaining 66,100 shares in lieu of cash, they were handed them in full settlement of their claim. The treasury stock, viz., 100,000 shares, was placed on the English market at par, and it was confidently expected that a large number would be disposed of at once. The result, however, was disappointing, although several large sales were on the eve of consummation, they were rendered abortive in more than one instance by adverse reports from unreliable local sources.

However, the development work never ceased, and a contract was entered into with the William Hamilton Manufacturing Company, of Peterboro, Ontario, for the furnishing and installation of a modern ten-stamp mill, water power sufficient to develop 100 horse power, and gravity tramway from mine to mill, for the sum of \$26,157. The fulfilment of this contract was considered almost an impossible undertaking, owing to the fact that your property being situated in a very inaccessible district, the only communication being mountain trails. However, thanks to the indefatigable energy of the contractors this feat was accomplished without the loss or breaking of a single piece of machinery. The total weight of machinery packed a distance of about 70 miles from Lillooet was in the neighbourhood of 700,000 pounds.

The installation was completed in accordance with the contract, and the stamps were dropped for the first time on the 24th August, 1899. Everything worked smoothly, and the power developed was found to be much in excess of our present requirements; in fact, the water wheel, with quarter gate opening, developed sufficient power to operate the mill and crusher, consequently we have ample power for an additional ten-stamp and a five-drill air compressor should the occasion arise.

The first clean-up took place on the 16th September, after crushing 400 tons, which produced 383.04 ounces of gold, realizing \$6,358.00.

The second clean-up occurred on the 6th October, the result of which was, viz.: Tons crushed, 316; result, 462.84 ounces of gold, realizing \$7,692.40.

The third clean-up was on the 31st October, after crushing 366 tons, producing 433.94 ounces, value \$7,191.38.

On the 30th November the fourth clean-up was made, 455 tons having been crushed during the month, giving 271.74 ounces, value \$4,423.92.

The ore put through on this last run was taken from the large new ledge which was encountered on the 30th October, and which, owing to its size and position, admitted of easy mining. Having no appliances at the time for assaying, it was not discovered until towards the end of the month that the new ledge did not carry the high values of the old, only averaging about 12 dwts. to the ton.

This, as a test of the new reef, was very satisfactory, but as money was required, it was unfortunate, as the results could easily have been made larger than the previous outputs, had the ore been taken from the old reef.

On the night of the first of December (owing to