Granby Consolidated Mining Annual Report

Decreased Earnings Arising From Difficulties Experienced During Depressed Price of Copper—Increasing Ore Reserves With Solution of Coke Problem and Discovery of Method of Treating Low Grade Ores Favorable Features.

The annual report of the Granby Consolidated Mining, Smelting & Power Co. for the year ending June 30th, 1919, is at hand and exhibits on the one hand a curtailed financial result, but on the other an increased physical valuation of the properties. Spanish Influenza, labor strikes, interference with operation by reason of inadequate coke supply, together with an unstable and lessened price of copper for several months following the armistice, were not especially favorable factors to yield a satisfactory financial return. Commenting on the year's experience Dr. W. H. Nichols, president of the company says: "It should be borne in mind that these temporary conditions (referred to above) do not touch any of the fundamentals upon which we base our confidence in the future of the property. It may be added that certain forward steps have been taken which promise to have a very important bearing on the future, two of which seem to have reached fruition. We have achieved our independence so far as coal and coke are concerned; we are already producing, and apparently this is the last year in which we shall be to any extent dependent upon others. We have demonstrated that our concentration process is applicable to the low grade ores of which we have some fifteen million tons, the value of which has heretofore been regarded as problematical."

Summarized the gross profits for the fiscal year ending June 30th, 1919, were $755,348.83, dividends paid during the same period $1,312,536.75. The gross surplus was $2,864,167.12, less charges for depletion, depreciation, taxes and extraordinary expenses of $1,739,757.76, leaving a net surplus of $1,124,409.36. The fixed assets after allowing for depletion and depreciation have been increased during the year $2,490,530.73. The bonded indebtedness was reduced by the retirement of $240,000 of bonds to $1,799,800.

After deduction of ore mined during the year the ore reserves show an increase of 742,552 tons over those reported for the preceding year resultant from additional ore blocked out. The Company treated during the year 1,007,862 tons of ore of which 997,294 tons were from the Company's mines. The average copper recovered per ton of ore was 27.97 pounds. The total metal production was 28,334,710 pounds of copper, 568,008 ounces of silver and 23,289 ounces of gold.

In commenting on the year's operation and development, Mr. F. M. Sylvester, vice-president and managing-director, said:

"The development work at the Hidden Creek mine for the purpose of extending the known limits of the ore bodies has added to previous estimates 1,321,250 tons, which may be compared with ore extracted amounting to 664,847 tons. In this connection much valuable information has been secured as to the geology of the immediate vicinity of the mine through the vigorous and careful study that has been made by Prof. J. Austen Bancroft during the summers of 1918 and 1919. This information corroborates that of your mining staff, and it will greatly aid and assist them in their future exploratory and development work in this property. No further development work has been carried on at either the Bonanza Mine, near the Hidden Creek mine, or the Midas Mine at Valdez. Very little work has been done at the Midas Mine and only 3,459 tons were shipped from it during the year, as conditions of labor and transportation made it inexpedient to undertake regular operation of the property.

Of the two small properties in southeastern Alaska that were under operation at the beginning of the year, the It mine has been worked out and the ore left in the Mamie Mine was of too low a grade to be shipped for flux.

Grand Forks operated with a gradual decrease of furnace days and a low average of 2.39 furnace days for the year was reached. A complete shutdown was made necessary on June 20th of this year because of the non-delivery of coke, due to a strike in the Crow's Nest Coal Mines, and while it may be possible to revive these operations in a minor degree, by concentrating the balance of the ore in the Phoenix Mine, it can only be done as a minor operation, and for the purpose of keeping in touch with that district, which for so long a time was the chief center of the Company's activities.

In passing to the more active interests of the Company at Anyox during the past year it is seen that the several inimical influences, attributable to war conditions, that hav so greatly affected industrial operations the world over, have also manifested themselves in the affairs of this company, resulting in a lesser tonnage of ore treated and copper produced, and a higher cost per ton of ore, when compared with the previous years, with equally important but negative and regrettable results in costs of construction, material and labor in connection with the development of the Company's coal mines at Cassidy and the coke and by-products plant at Anyox.

The mines and smelter at Anyox were closed down twice during the year on account of strikes, and suffered very serious delay and interruption of operation on account of the influenza epidemic during October and November, 1918. At this point I wish to record the unselfish devotion of the Company's local officials and employees during the course of the influenza epidemic at that time.

With the completion of most of the development and construction work in connection with the coal property at Cassidy and the coke and by-product plant at Anyox these plants will supply the coke needed for the smelter at a lower price than previous sources of supply made possible.

With respect to the flux needs at Anyox, a continual effort should be made to secure these fluxes in a way that will reduce their cost to the smelter, and if possible become a source of revenue thereto, rather than a charge.

Included in the policy of development in the immediate future should be the determination relative to concentrating the silicious portions of the Hidden Creek ores, with particular reference to No. 3 ore body and the outer envelope of all the ore bodies where the ore becomes more silicious and of lower copper tenor as it approaches country rock, and also with reference to the low grade portion of the mine where the copper content is under 1.2% and over 8%.

The results which have been attained in our laboratory and test mill at Anyox justify this procedure and a further benefit will accrue to the major operation from having a mill as an auxiliary to it, as it will increase the output of expenses and secure other economies to the general operation."

At the annual meeting held in New York on October 7th, Mr. Charles Hayden of Hayden, Stone and Company, Boston, joined the directorate. At the same time the fiscal year was changed from June 30th to the calendar year.

CANADIAN ANNUAL REVIEW, 1918.

We are in receipt of the 18th Volume of the Canadian Annual Review, 1918, edited and published by Mr. J. Castell Hopkins. This review is a standard publication covering Canadian affair, particularly with relation to national and imperial life. The information is collated with extreme care and presents a compendium of facts in a logical, clear and thoughtful arrangement. This volume is invaluable as a reference book for the business or professional man.