All development work, repairs and renewals have been charged to working expenses.

Mine development, 8,698 lineal feet.

Diamond drilling development, 11,505 lineal feet.

Granby ore smelted, 796,188 dry tons.

Foreign ore smelted, 36,158 dry tons.

Assets—June 30, 1906.

Cost of land, real estate, machinery, buildings, dwellings, and equipment	$14,859,044.22
Stocks, bonds and bills receivable	45,429.32
Cash and copper on hand	1,023,833.96
Fuel and store supplies	187,334.38
Total	$16,151,641.88

Liabilities.

Capital stock	$15,000,000	
In treasury	1,500,000	
Issued stock		$13,500,000.00
Accounts payable, current for month		102,466.87
Dividends collected on liquidator shares		1,436.40
Surplus		2,547,738.61
Total		$16,151,641.88

In his address to the shareholders President Jacob Langeloth referred with deep regret to the death, which occurred in February last, of John Stanton, one of the board of directors of the company. He stated that the tonnage output had largely increased in the last fiscal year, amounting to an increase of over 40 per cent. over the previous year. Briefly, he referred to the chief events of the year in the operations of the company, paying a high compliment to the local management for the way the emergency was met last winter when one of the huge ore crushers was burned, which was done without largely decreasing current production. In view of the higher price of copper ruling since last fall, it has been deemed wise to mine large quantities of ore carrying a smaller percentage of copper than the average run of the mines. Active work had been going on continually and large bodies of ore had been opened up by diamond drills in the Victoria and Aetna claims, where a new shaft is now being sunk and the necessary improvements installed for crushing and shipping this output, the first shipment from this outlet probably to be made at the end of this year.

He stated that development of the Gold Drop group, purchased a year ago, proved satisfactory, and for some months ore shipments from this part of the Granby group averaged over 200 tons per day. A tunnel is being pushed towards the Monarch property, owned by the company, also opening up satisfactory ore bodies. The length and width is not yet fully determined, but indications point to large bodies of ore, a considerable portion of which will soon be available for hoisting. These developments, Mr. Langeloth stated, have largely increased the tonnage of ore in sight over that extracted last year.

Further economies had been effected in practically every department, again resulting in great savings, and the board had felt justified in the payment of two three per cent. dividends, amounting together to $810,000, another one of three per cent. having meanwhile been paid on September 15 last.

Ex-senator Warner Miller, of New York, president of the Dominion Copper Co., Ltd., whose chief mines are located in this camp, has just sent a communication to shareholders, regarding the status of the corporation, the progress made since the present company took hold a year ago, and the favorable statement of the company as at July 31, 1906. Mr. Miller states that the work of pushing development has been steadily pursued under the supervision of the consulting engineer, M. M. Johnson, and that the Idaho and Rawhide mines are now in a position to furnish the additional tonnage necessary when the new furnace at the smelter goes into commission, thus doubling the output to 1,200 or 1,400 tons of ore daily. He also tells of the saving that will be made by the substitution of electricity for steam, shortly, the difference being as $30 per h.p. per annum is to $135, and resulting in an estimated saving of $100,000 per annum to the company in this one item alone.

The new giant furnace referred to, said to be the largest ever erected in British Columbia, has been shipped from the manufacturers in the east, and will be installed as soon as it arrives. Its capacity is to be about 800 tons per day, and by reason of labor saving and other devices it will, it is expected, make a saving of 20 per cent. in fuel, or an estimated saving of $100 per day. A new contract for converting the matter, the president states, will reduce the cost of this work about 25 per cent.

For the eight months that the company's smelter has been in blast—part of the time when one furnace—from December 31st, 1905, to July 31st, 1906, which has been largely a period of construction and development, 133,084 tons of ore were smelted, producing 3,220.89 tons of matte, having a total value of $640,128.97. The total operating cost, mining, smelting, marketing, etc., was $500,984.93, leaving a net profit for the eight months of $139,144.04.

President Miller also states that the results of the economies already introduced are beginning to be reflected in the company's earnings, the operations for the month of July producing earnings of $31,431.70. On this basis, the net profits of the present smelter for 12 months would exceed $300,000. As the new furnace will double the capacity of the plant and more, and with more economies yet to be put into effect, it is believed that the cost of producing copper can be reduced to not over eight cents per pound. The company has taken options on a number of claims in the district, and is now engaged in prospecting and exploring these properties, with a view to purchasing such as may prove valuable to the company.

Following is the balance sheet of the company, dated July 31, 1906:—

Assets.

Mines, smelter and other properties, including beneficial interest in certain of this company's stock, acquired under a plan of re-organization. Costs as of 31st July, 1905, including expenses of re-organization		$3,744,312.79
Additions since:—		
Smelter equip., etc.	$49,278.66	
Mine dev. and equip.	78,407.71	
Real estate, B.C.	3,975.00	
Miscellaneous	312.00	
		130,973.37
		$3,875,286.16
Stocks and shares		1,792.50
Office furniture, N.Y. and B.C.		740.00
Stores and fuel on hand		38,085.37
Sundry debtors:—		
B. C. Copper Co. matte	$117,476.50	
Mis. N.Y. and B.C.	3,013.06	
		120,489.56
Cash in banks and on hand:—		
New York	$17,789.93	
British Columbia	18,114.60	
		35,904.53
Total assets		$4,072,298.12

Liabilities.

Capital stock, auth., $5,000,000, 500,000 shares, $10 each.	
Whereof issued	$3,200,037.00
320,003, 7-10 shares at $10 each.	
First mortgage, 6 p.c., due July 1, 1915, $1,000,000.	
Whereof issued	700,000.00