

The Mining Record.

VOL. IX.

JUNE, 1902.

NO. 6.

BRITISH COLUMBIA MINING RECORD

Devoted to the Mining Interests of The Pacific Northwest.

PUBLISHED BY

THE BRITISH COLUMBIA RECORD, LIMITED

H. PORTLER LAIB, Managing Editor.

Victoria, B. C., Office: Bank of Montreal Chambers.
London Office: 21 Coleman Street, E.C.
Montreal: Gray's Agency.
Toronto: T. Simpson Jones, 77 Victoria street.
Denver, Col.: National Advertising Co.
San Francisco: Duke's Agency.

SUBSCRIPTION TERMS:

Canada and the United States, one year - - \$2.00
Great Britain and Foreign, one year - - - 2.50

Advertising Rates on Application.

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THE MANAGING EDITOR, B. C. RECORD, LTD.,
P. O. Drawer 645, Victoria, B. C.

POSITION OF THE LE ROI MINE.

IT must be candidly confessed that the British investor has not received much encouragement to induce him to continue to put money into British Columbian mines, and it is certainly not to be wondered at that he is not inclined at the present time to consider favourably any new scheme, however promising it may appear in itself, having to do with a country with whose name so many failures and mishaps are associated. Many of these failures, in fact quite the larger proportion, have not been the fault of the country, but it would not be honest to say that every mining fiasco has been the result of bad or extravagant management, or to claim that only the "wild-cats" had turned out disastrously. During the last few weeks some very unwelcome and unfavourable intelligence has been made public concerning the position of two more British-controlled undertakings, Le Roi and Hall Mines, and as these mines have been, perhaps, more largely advertised than any others in the country the recent unsatisfactory developments is likely to create the worst possible impression on the London market.

According to Mr. Mackenzie, manager of the Le Roi mine, the grade of ore shipped in March, the average gross value of which was only \$9.99, does not admit of

profitable extraction under present conditions of high smelting costs and of low metal prices. The future policy of the directors, in view of this report, has not yet been decided upon, pending the arrival of a letter from Mr. Mackenzie more fully explaining the position, but it is quite clear that for the meantime at least the output will be largely restricted, if as, in fact, the manager has advised, operations at the smelter are not entirely suspended until a reduction in freight and treatment costs are obtainable. The present expenses incurred for transport, smelting and marketing Le Roi ores aggregate six dollars per ton, which is certainly excessive. Of these charges upwards of sixty cents per ton represents the cost of haulage from the mine to the smelter — about twice as much as it should be; while smelting costs are in the neighbourhood of five dollars per ton. The high cost of smelting is explained on the grounds that the works cannot purchase fuel at a lesser rate than eleven dollars a ton, while the best coke from the Crow's Nest collieries is delivered to smelters in the Boundary district at half that price. As the consumption of a quarter of a ton of coke is required in the smelting of one ton of Le Roi ore, it will be readily understood that the price of fuel is a very considerable item in connection with smelting costs amounting as it does to something like \$2.75 out of a total charge of under \$5.00 per ton. With the completion of the branch line placing the Crow's Nest coal areas in touch with the large American railway systems, coke from the East Kootenay collieries will undoubtedly be supplied to the Northport smelter at a very much cheaper rate than at present, but in view of the heavy indebtedness of the Le Roi company to the Bank of Montreal, the outlook for the shareholders is at best a gloomy one and a long period must necessarily elapse before the mine can be placed on a dividend-earning footing. The only satisfactory features in the situation is that the true position of the property is now known and that the mine is in capable hands. There will at any rate be no further attempt to deceive the public, and if by economical and efficient management it is possible to rehabilitate the property Mr. Mackenzie may be depended upon to successfully accomplish the task.

The case of the Hall Mines is somewhat different. The operation of the mine has always been attended with exceptional risk, on account of the frequent breaks in the ore bodies, and the difficulty and cost of relocating them. Since the reconstruction of the company a plucky and determined effort has been made to work the property, and a few months ago the prospects of