

# PAYNE MINING COMPANY.

## Report to Stockholders on the Operations.

**Dividends of \$550,000—Conditions that are Likely to Reduce Smelting and Other Charges.**

The following is the report of the Payne Mining Company, of British Columbia:—

Sandon, B.C., July 1st, 1898.

To the stockholders of the Payne Mining Co., of B.C., Ltd.:—

GENTLEMEN,—We have the pleasure of submitting to you the following brief report of operations of the Payne Mining Co., from the commencement to April 30th, 1898, and including returns received on all ore shipped to that date. It is in no sense a report of the operations of the Payne Mining Co., alone, but covers also the period from October, 1896 to April, 1st, 1897, during which time the mine was operated by Messrs. A. W. McCune, Scott McDonald and W. L. Hogue, the owners, who, however, turned over to this company all the profits realized during that period, after deducting the cost of operating, and the amount paid for the property, said profits amounting to \$85,000. The shut down of the mine in April, caused by the fire, enabled us to clean up, and furnished us with the opportunity to make a complete statement, and we have made it to cover the entire output of the mine from the beginning, thinking such a statement would be more satisfactory to the present stockholders of the company than a statement from April, 1897, when the company took possession of the property.

There were mined and shipped to smelters during that period 17,468 tons of dry ore, which yielded 1,831,600 ounces of fine silver, and 17,786,000 pounds of lead, and netted the company \$973,932.045.

The profit and loss account shows a

credit balance of \$627,089.42, of which amount \$550,000.00 in dividends have been paid, leaving a balance on hand of \$77,089.42 in cash and book accounts.

The company has thus paid in dividends more than 60 per cent. of its receipts, over and above the purchase price of the mine, all the improvements and the costs of operation.

It is a most remarkable showing and speaks volumes for the great value of the property.

A fire broke out in April, 1898, at the mine, near the mouth of tunnel No. 3, which consumed the ore house, blacksmith shop, rock breaker, and the upper end of the tramway. The end of the tramway has been re-built lower down the hill, at tunnel No. 5, thus avoiding the steepest part of the grade and shortening the line, and the rock breaker has been set up at the shipping point on the K. & S. Ry., and will be run by water power.

As a result of these changes the cost per ton of extracting ore and the total cost of operation should be less in the future than in the past.

The mines were owned and worked by the Payne Mine, from October, 1896, to April, 1897; and by the Payne Mining Co., from April, 1897, to April, 1898.

The financial statements herewith show the combined receipts and expenses of both companies.

Yours very truly,

(Signed), W. L. HOGE,

President.

F. E. SARHENT, Secretary.

### BALANCE SHEET.

Payne Mining and Payne Mining Co., April 30, 1898:

LIABILITIES.	
Capital stock, 1,000,000 shares at \$2.50 .....	\$2,500,000.00
Profit and loss acct. \$627,089.42	
Less dividends p'd 550,000.00	
	77,089.42
	<u>\$2,577,089.42</u>

ASSETS.	
Mineral claims.....	2,499,982.50
Subscriptions .....	17.50
Cash and book account.....	77,089.42
	<u>\$2,577,089.42</u>

### PROFIT AND LOSS ACCOUNT.

Payne Mining and Payne Mining Co. April 30, 1898:

DR.	
Investments.....	\$ 75,321.40
Improvements .....	56,743.43
Labor .....	132,715.26
Ore Sacking.....	15,790.33
Ore hauling.....	19,530.62
Mine supply .....	26,488.01
General expense .....	28,616.49
Salaries .....	5,084.00
	<u>\$360,289.54</u>
Bal. profit to balance sheet .....	627,089.42
	<u>\$987,378.96</u>

CR.	
Ore sales.....	\$975,932.45
Boarding house.....	11,343.66
Charity .....	82.00
Hospital.....	26.85
	<u>\$987,368.96</u>

### DETAILS OF EXPENDITURES.

Details of expenditures:—Payne Mine and Payne Mining Co., April 30, 1898:—

Tramway .....	\$40,891.34
Waggon road .....	9,457.29
Buildings.....	6,394.80
Labor .....	132,715.26
Supply and equipment .....	15,627.54
Explosives .....	3,772.89
Assaying .....	2,864.80
Candles.....	2,403.00
Stable .....	1,006.22
Interest and exchange .....	488.75
Customs.....	11.00
Ben Hill.....	12.50
J. R. Way .....	211.31
Peter Nelson .....	50.00
Ore Sacking.....	15,790.33
Ore hauling.....	19,530.62
General expense .....	28,616.49
Salaries.....	5,084.00
Investments.....	75,321.40
	<u>\$360,289.54</u>

### DIVIDENDS PAID.

Dividends paid up to Apr. 30, '98 ...\$550,000

Dividends since April 30, 1898:—

April, 1898 .....	\$50,000
May, 1898.....	25,000
June, 1898.....	25,000
July, 1898.....	25,000
August, 1898.....	25,000
September, 1898.....	50,000
October, 1898.....	50,000
November, 1898.....	100,000
December, 1898.....	50,000
January, 1899 .....	25,000
February, 1899.....	25,000
	<u>450,000</u>
Total .....	<u>\$1,000,000</u>

Up to April 30, 1898, the company paid \$230,786 duty on lead contents of ore, all of which was shipped to the smelters in the United States. The freight and smelter charges for the same period amounted to \$362,986. As soon as the Canadian Pacific Railway erects smelters for the treatment of silver, lead ores and the new silver-lead smelter of the Hall Mines Company is completed, it will be seen that a great saving can be effected in duty and freight.

The earnings of the mine at present are said to be about \$70,000 net per month.