

Canada's Mining Industry

Public Ore Treatment Plants

**Ont. Government Will be Asked for Assistance in Treating Ore
—Sovereign Porcupine Mines Do Well—Montreal Man
Offers for Large Block of Stock**

According to the Mining Digest, issued by F. C. Sutherland & Company, Toronto, development has been going on steadily during the past year on the property of the Davidson Consolidated Gold Mines, Limited, the annual meeting of which company will be held the latter end of this month. A large body of excellent milling ore has been developed down to the 600-foot level. There is now a large tonnage of ore available and the company would be warranted in installing a large mill. Financial arrangements to this end are in progress at the present time. Recent developments have also taken place in the lower levels at the mine. On the 500-foot level, drifting operations resulted in the cutting of a new vein. This vein is from 20 to 25 feet wide and assays indicate values of around \$18 a ton. The company's engineer made an examination of the mine last week and in his report he estimates that \$1,000,000 has been added to ore reserves since his former examination last July.

Aggressive development work is on the program for the Sovereign Porcupine and it is likely to be inaugurated in the early spring. Operations of considerable importance are in contemplation on the promising new vein discovered last fall, the ore from which appears to be heavily mineralized with fine iron sulphides. The annual meeting of the company is to be held in a few days when the results of explorations during the year and the plans for the future will be laid before the shareholders. The Sovereign is located in the heart of the producing area of Porcupine and borders on the Hollinger Consolidated.

A number of the mining operators in the Cobalt region have suggested that time be devoted at the forthcoming annual convention of the Canadian Mining Institute in Toronto, to discuss the question of the feasibility of the Provincial Government installing public ore treatment plants at various points in the north country. The matter is pointed to as being of considerable importance to the small mining camps where the construction of mills or individual properties is scarcely warranted. It is possible that the matter may be brought up at the meeting.

The twenty-stamp mill, formerly used by the Tretheway Mines at Cobalt, has been purchased by the Associated Gold Mines of West Australia, operators of the Keely Mine in South Lorraine. The mill to be erected on the Keeley property will include the twenty stamps as well as an electric motor and other equipment but does not include the mill building.

Reports from the north indicate that the labor supply situation is fast becoming of a more satisfactory character. One mine manager states that men are applying for work faster than work can be found for them, a condition that has not existed for several years past. Taking Kirkland Lake, Boston Creek and Gowganda as examples, the indications are that within a very short time the Porcupine field, which has been the hardest hit in respect to the labor situation, will also have all the men required. At Cobalt, it is stated, no serious shortage of labor is being experienced.

Some spectacular ore is being encountered at the 200-foot level of the Triangle Silver Mines in Auld township, according to the announcement of

the manager, W. H. Joffrey. The vein in which the high-grade occurs is from one to one and a half inches in width and leaf silver is present back of the wall rock for some distance.

An offer made by J. A. Jacobs of Montreal to purchase a large block of the stock of the Black Lake Asbestos and Chrome Company, featured the annual meeting of the company held in Toronto on March 3. Mr. Jacobs offered to buy \$200,000 bonds at 50,300,000 preferred stock at 25 and 700,000 common stock at 12. The bonds are to be paid 25 per cent. on deposits with the National Trust Company and 75 per cent. on August 25th next, the shares to be paid for as deposited. The time limit for deposit of bonds and shares was set for March 29th when stocks and bonds then tendered up to the amount specified will be purchased. The financial statement showed profits from operations at \$155,129, compared with \$152,512 a year ago. Total revenue was \$174,859, com-

Hollinger Mines Have Successful Year

A successful year's work is reported by the Hollinger Consolidated Gold Mines, Ltd., in connection with their operations in the Porcupine camp.

President N. A. Timmins points out that the very large sum of \$1,701,104 was paid in wages and stores to the amount of \$1,445,472 were used, every possible dollar of which was spent in the Dominion. These items with taxes, workmen's compensation and some minor items make up the working cost of \$3,222,617 or \$4.77 per ton contrasted with the sum of \$1,722,000 distributed among the shareholders.

"Now, at first sight," said Mr. Timmins, "with recovery values of about \$9.40 per ton, it would seem that we have made a very substantial profit, but it should be remembered that the working costs only represent the expenditure in recovering the values in the ore. Mining differs from manufacturing in that our supply of raw material is a wasting asset. We are taking ore out of the earth and putting nothing back. All mining profits should, therefore, be divided into two parts—one part represents a fair return on one's investment and the other must be considered as a periodical return of capital. This principle is well established, and sound conservative practise usually sets aside one-half of the returns for the loss of capital, so that in our particular case our working costs must be further burdened with about \$2.30, which makes the profit at present the difference between \$7.07 and the yield \$9.40, or net \$2.33 per ton. And as lower grades of ore are treated, the profits will diminish unless the difference is made up by lower working costs—a somewhat remote contingency."

The pre-war efficiency has not been attained, and there is still a labor shortage. Practically all the former employees who went to war have returned. Relations with the company's employees continue to be satisfactory. New dwellings were erected during the year, costing about \$55,000, and an extension of the house-building program will be continued during 1920. An up-to-date hospital is rapidly approaching completion. A sick bene-

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pared with \$167,228. Current assets are now \$377,345, and current liabilities \$115,876, compared with \$278,977 and \$47,837 respectively a year ago. Total assets showed little change at \$5,324,877, compared with \$5,239,377.

fit insurance has been instituted, the entire cost of which is borne by the company. Stores have been established in Timmins to enable employees to obtain the necessities of life at net cost, which has meant a reduction of 15 per cent.

The difficulty of determining a definite program, while labor conditions are so unsettled and supplies and machinery rising from levels already abnormal, is mentioned. For example, any advantages secured in the reduction of price of exanide and explosives have been more than absorbed in the advance of timber alone. The average number of men employed during the year was 1,207, as compared with 1,061 in 1918.

The Year in Comparison.

Some of the more important figures from the report are as follows, with comparisons:—

	1919	1918
Gold and silver produced..	6,722,266	\$ 5,752,370
Dwellings and rents	4,630	397
Int. and exchange ..	336,201	155,559
Total income ..	7,063,099	5,908,327
Operating charges ..	3,222,617	2,857,510
Operating profit ..	3,840,482	3,050,817
Depreciation ..	600,000	375,000
Deferred development.....		
written off ..	276,185	—
Capital development.....		
written off ..	353,686	—
Net profit ..	2,321,290	2,588,563
Dividend ..	1,722,000	1,230,000
Added to surplus ..	599,290	1,358,653
Current assets ..	3,602,554	2,296,235
Bullion assets, etc. ..	550,136	257,299
Capital assets ..	23,491,702	24,268,217
Total assets ..	27,644,392	26,821,751
Current, liabilities ..	261,158	150,464
Total surplus ..	5,738,053	3,681,137
Tons ore milled ..	711,882	578,755
Average value per ton ..	9.73	10.24
Net value recovered ..	6,722,266	5,752,370
Average tons per day ..	1,950	1,590
Development work, ..		
sinking, etc., ft. ..	22,643	25,611
Ore reserves value ..	39,928,430	41,080,005