

amounted to 6.24-100 inches, and caused the water in the storage reservoirs to rise as follows:—  
Morehead Lake, rise 86 in., being now 13 in. lower than maximum height.

Polley's Lake, rise 20 in., being now 3 in. higher than for 1903.

Bootjack Lake, rise 15 in., being now 5 in. higher than for 1903.

With so large a quantity of water on hand in the storage reservoirs the outlook is certainly favourable for a good water supply for the ensuing season.

*Condition of the Mine.*—To better illustrate the subject I have prepared, and append hereto a longitudinal section on line of workings, and a cross section on line of proposed sluice tunnel site No. 2.

By reference to the longitudinal section you will note that all the ground in the third bench, including sections Nos. 5 and 7, has been worked out up to the face of the main bank, leaving a shallow bench of ground between sluice No. 1 and bed-rock as bench No. 4, extending from the point where sluice No. 1 goes above bed-rock at "A," about 1,110 feet to the face of the main bank.

Sections 1 a, 1 b, and portion of 1 c were worked out by the Chinese, who reported a gold recovery of \$900,000. The Cariboo Hydraulic Mining Companies worked out the remainder of sections 1 a, 1 b, and 1 c, and recovered therefrom \$128,000. The Cariboo Hydraulic Mining Company worked section No. 2 and recovered therefrom gold valued at \$400,000. The Consolidated Cariboo Hydraulic Mining Company worked section No. 3 during season of 1900 and recovered therefrom \$350,085.77. Section No. 4 was worked out in 1901 and produced \$142,273.41. Sections Nos. 5 and 6 were worked out during the season of 1902. Section No. 5 produced \$35,395.19, and section No. 6 produced \$26,000.00, a total of \$61,395.19. Sections Nos. 7 and 8 were washed during season of 1903. Section No. 7 produced \$36,032.94, and section No. 8 produced \$8,910.76, a total of \$44,943.70; making the total gold product for the 2,370 feet of channel worked amount to \$2,026,698.07.

The bed-rock Cut "B," and Sluice Tunnel No. 1, at site No. 1 should have been completed during the season of 1900, so that all the ground included in sections Nos. 4, 5, 6, 7, and 8 and the fourth bench, included in section No. 9, could have been washed through sluice, cut and tunnel at reduced cost for mining and sluice maintenance, but the delay in the delivery of the power drill plant and electric appliances, until late in 1901, made it impossible to complete either cut or tunnel as expected.

The sluice tunnel must be driven, from either site No. 2 or site No. 3, during the season of 1904 to afford outlet to the dumps for the ground worked during season of 1905.

Since the sluice cut has been lowered and the branches of sluice section No. 1 have been carried up to the main bank, and the working face includes a greater depth of high-grade gravel than has been exposed for washing since the opening of the property, the mine is in better condition for continuous and profitable operation than it was at the opening of the season of 1900, when \$200,000.00 was netted out of a product of \$350,085.77.

The outlook for the ensuing season's operations is, therefore, very favourable for a large output, at reduced cost, calculating, of course, on the precipitation being ample to afford a good season's water supply.

#### LE ROI NO 2.

The Directors report as follows: "The Directors herewith submit the audited accounts of the company for the year end-September 30, 1903, showing a balance to profit and loss account of £6,208 11s. 5d., which with £9,262 9s. 2d. brought forward from last year, gives £15,471 7d. available for distribution.

"The Directors recommend that a dividend for the year of one shilling per share be paid, free of income tax, absorbing the sum of £1,000 and leaving a balance of £9,471 7d. to be carried forward.

"It will be observed that the local auditors have written

off £14,870 12s. 3d. as depreciation on development work. The actual expenditure under this heading for the year has been £10,786 5s. 8d.

"As the result of the year's working 31,100 tons of ore were raised, of which 17,550 tons were shipped to the smelter of an average value of \$20.69. The cost of realizing upon this amounted to \$8.288 per ton, leaving the net returns from the smelter \$217,750.

"Since the termination of the contract with the Northport smelter on August 16, 1903, a contract has been made with the British Columbia Copper Company in Greenwood for the treatment of the Josie output on more favourable terms. Shipments commenced on September 9 and returns for the current year up to December 31 show profits from shipments at the rate of slightly over £2,000 per month.

"The Elmore oil concentration plant came into operation on November 7 last. So far it has only been considered advisable by the management to put through ore of a very low grade, averaging under \$5, so as to enable those in control to gain experience of the working and technical difficulties of the process. It may be stated, however, with confidence that the ratio of concentration is entirely satisfactory, but it is as yet too early to speak with any certainty as to the cost per ton of the treatment of ore or the profits which may be expected to be derived from the sale of the concentrates."

In his report Mr. Hill, the company's consulting engineer, says that in the past his attention has been devoted very largely to the Josie mine, but that in future he will direct considerable attention to the No. 1 mine. He hopes to ship 1,500 tons monthly from the mine and to realize therefrom a profit of at least \$1 per ton.

The company's profit-earning powers for the ensuing year are estimated as follows:

Concentration of ore from dumps, 300 days at 50 tons per day—15,000 tons, at say \$1 per ton profit—\$15,000.

Shipping ore from Josie mine, 12 months at 2,000 tons, 24,000 tons at say \$4 per ton profit—\$96,000.

Shipping ore from No. 1 mine, 11 months at 1,500 tons, 16,500 tons, at say \$1 per ton profit—\$16,000.

Total estimated profits, \$127,000.

#### WAR EAGLE.

The annual general meeting of the War Eagle Consolidated Mining & Development Company was held in Toronto on February 23rd. The General Manager, Mr. E. B. Kirby, reported as follows:—

"Developments to date show that the War Eagle mine has experienced the same general change in the character of its ore deposits which has occurred in all other productive mines of the Rossland district, and which is the general rule throughout the mining districts of the world. This is the transition from the occurrence of high-grade bonanza ore bodies, capable of profit under the expensive process of smelting to masses of lower grade, requiring a cheaper treatment by milling.

"As the bodies of smelting ore in the vein becomes less frequent and their average size diminishes, the proportion of this ore to the increasing quantity of development or dead work required to expose it rapidly lessens to a point where its profit is consumed by the cost of the dead work. The relief to be derived from milling will therefore be not only in the direct saving of cost expected, but also in the increased proportion of pay ore to development work, while the stopping of low-grade blocks will assist the exploration work by disclosing unknown bodies of smelting ore contained within their limits.

"The ore sales during the year have been 60,039 tons, averaging \$13 full assay value, or \$9.87 smelter's gross assay value. The average assay contents were: Gold, 0.418 ounces; silver, 1.02 ounces; copper, 1.45 per cent. As shown by the profit and loss statement, the net profit for the year was \$30,340.47, which with the amount charged off for depreciation of plant, etc., \$38,171.74, shows an excess of revenue over expenditure of \$68,512.21. The present reserves of