

A pleasing feature of the main vein is, the gradual increase in width as depth is reached.

On the surface it is 6 feet wide, on the first level 8 to 10 feet, on the second level 18 to 24 feet, and on the third level 31 feet.

The value of the ore on the 3rd level so far as we have been able to prove it, is greater than on the other levels, as 77 assays taken every two feet as the work of drifting was continued, give an average of \$6.33 per ton.

Until more drifting is done on this level, and chutes put in, as well as the necessary timbers, which must be large on account of the great width, it will be impossible to extract this ore economically.

The work being done on the second level shows the ore to be increasing in value as well as in width, as we go westward the last average samples taken three days ago being \$5.76 and \$6.27 per ton.

In an active experience extending over 38 years, I have never seen a quartz mine with the possibilities of the Stewminder, coupled with so little risk. It is simply a question of quarrying and mining the ore cheaply, and I venture to say that nowhere in Canada can this work be done for so little money.

I have no hesitation in stating, that with a mill capable of handling 300 tons per day, and with a small plant to treat the concentrates, that the total cost of producing the bullion would not exceed \$1.75 per ton of ore, using steam, and if water or electric power is utilized, this can be reduced to \$1.50 per ton.

The increase of cost to furnish the ore for an additional 20 stamps would not be over 50 cents per ton, as the only additional labor required would be one extra man in the mill and three more men in the mine.

In the present mill run we have been retarded in several ways.

We had no snow until three weeks ago, and as our wood supply is taken from the hills above the mine, which are very steep, and the ground became frozen and icy, it was impossible to get it down, and we were compelled to fire the boilers with green wood, obtained where we could get it. At times it was impossible to obtain a supply, and we had to close the mill down on several occasions.

Our chief difficulty, however, has been with the water supply. The dams were poorly constructed and leaked and we could not get enough to supply the mill. To overcome this difficulty, which was irreparable in the frozen condition of the ground, we caught the water in a small basin below the mill, after it had run through with the tailings, and pumped it back, using it a second time.

This enabled us to run the mill, but at a certain loss of our values, as the water was not clean and would clog up the small spots on the vanners. When we had clean water the extraction went over 85%, but with this water the average extraction was only 73% of our values.

By increasing the present water supply, which can be easily done by the addition of the water from Reed creek, of which your company have the water rights, and which will give you ample water for all requirements, as well as a considerable amount of power, I believe the extraction will reach 90% of the values.

The mill returns are as follows: 26 stamps ran 30 days to 31st December; crushed 1,936 tons of ore taken from the dumps, which had to be removed for foundation to erect large rock breaker, etc., at the mine hoist, and which contained at least 40 per cent. of waste and wall rock taken out during development, and gave the following results:

63 ozs. Bullion at \$12 03	\$ 757 89	39 per ton.
70 tons Sulphurets, at \$46.75	3,272 50	\$1 67 "
Total yield saved	\$4,030 39	\$2 06 "
Average loss in tailings	1,486 56	76 "
Total value of dump ore	\$5,516 95	\$2 82 "
Extraction, 73 per cent.		

Twenty-six stamps ran 23 days in January; crushed 1,802 tons (402 from the dumps and 1,400 from the mine, 1,100 being from the second level). Results:

101 ozs. Bullion at \$14.53	\$1,467 53	81 per ton.
61 tons Sulphurets, at \$74.60	4,550 61	\$2 53 "
Total yield saved	\$6,017 04	\$3 34 "
Average loss in tailings	1,333 48	74 "
Total value of ore	\$7,350 52	\$4 08 "
Extraction, 82 per cent.		

To sum up:

2,358 tons from dump	\$6,650 59	\$2 82 per ton.	Value dump ore.
1,400 tons from mine	6,216 88	4 44 "	Value mine ore.

In conclusion I would recommend that, as soon as the weather permits, you construct a flume or pipe line from Reed creek, install a small electric light plant, erect a small plant for the treatment of the concentrates, increase the number of stamps, at the same time continuing the development work, especially deeper, where the values are greater, and with careful management this property should pay very large profits.

THE WAR EAGLE.

The following is excerpted from the annual report of the directors submitted at a meeting of the shareholders held recently.

As explained in the last annual report the pay ore of the main chute changes to low grade in the block between the 6th and 7th levels at a depth of about 800 feet. There was no evidence to indicate that this change was permanent, or anything but one of the usual low-grade stretches found in ore chutes, and every effort has been made to push exploration work at high pressure. A plan of deep and large scale development is being carried out, in the course of which the branching of the vein, together with complications caused by a system of heavy faults and dykes has greatly increased the delay and expense of exploring the vein.

The closure of the War Eagle mine by a general labour strike has restricted the mining of the past year to a period of about seven months. This further loss of time leaves us still short of decisive results from the great depth of vein made accessible by the rapid shaft sinking. The shaft, 1,499 feet deep on December 31st, will reach the 11th level point at 1,580 feet by the end of February, and sinking will then be suspended until decisive results are secured from the vein area then accessible. The levels are as follows:—

6th level	754 feet in depth.
7th "	881 " "
8th "	1,057 " "
9th "	1,228 " "
10th "	1,378 " "
11th "	1,580 " "

The 7th level is sufficiently developed for the present, showing the ore to be low grade.

The 8th level exploration is not yet completed. The vein exposed by it so far is low grade or barren, but the work has not progressed far enough to be decisive, and there are still fair chances of finding pay.

The 9th level is well under way, but has not yet reached the positions where ore is expected.

The 10th and 11th levels have not yet been started.

Thus from the 7th to the 11th levels a new depth of