

been demonstrated that the erection of a cyanide plant for the treatment of these tailings, and its operation in conjunction with the company's present stamp mill, will add materially to the company's revenue. My investigations into the question of the treatment of ore and tailings by the cyanide process have demonstrated that the erection of such a plant at the company's mine will virtually be equivalent to an increase of 100 per cent. in the capacity of the company's mill. There having been up to the present time no provision for the saving of values from tailings, the aim has been to save all that was possible by plate amalgamation and concentration, and to leave as little as possible in the mill tailings. To this end a fine crushing of the ore by the stamps is necessary, yet the mill tailings as above set forth carry considerable values, the extraction of which is not possible by amalgamation and concentration. With the introduction of a cyanide plant for the treatment of the tailings, a coarser crushing of the ore would be more advantageous, as all values not saved in the stamp mill would be saved by the cyanide treatment, the cost of which would be no greater than for the saving of the values in the present tailings, while by reason of a fine crushing being thus rendered unnecessary, double the quantity of ore could be run through the mill, thus doubling its capacity as above stated, and rendering unnecessary any present addition to the number of stamps in operation.

"The present shaft at the mine, a single compartment shaft, has hitherto answered all requirements reasonably well. The further development of the mine will, however, render necessary in the near future the sinking of a new shaft, which, in order to provide for present and future requirements and facilitate an economical working of the mine, should be a three compartment shaft. The proper location for this new shaft will be determined by the exploration by means of the diamond drill now in operation at the mine."

Mr. McAulay winds up his report by saying that the pursuit of the policy outlined will increase the yielding power of the mine and its ultimate value.

Shareholders will be glad to learn that the output for January, 1901, much exceeded that for January, 1900.

The receipts from bullion for the year were \$160,831.85, and the cost of machinery and of working the property for the year was \$83,064.01.

#### BRITISH CANADIAN GOLD FIELDS OF THE KLONDIKE.

The ordinary general meeting of the directors and shareholders of the British Canadian Goldfields of the Klondike, Limited, was held on Friday afternoon, at the Institute of Chartered Accountants, Moorgate Place, E.C., the chairman (Mr. J. Allen) presiding.

The secretary (Mr. John P. Elliot) having read the notice convening the meeting.

The Chairman said: Gentlemen, I presume you will take the report and accounts as read. The directors are pleased to have the opportunity of meeting you here to-day and of enlightening you as to the position and prospects of this company. As briefly as possible I will endeavour to show you that, although the company has not reached the dividend-paying stage, it is now well equipped with assets as a parent concern, and, in the ordinary course of events, should be well able to justify its existence. As you are aware, a serious misfortune overtook the company at the time of its original issue, and to this alone can be traced the comparatively small amount of public subscription it obtained. Simultaneously with the issue of the prospectus, as you will remember, there appeared in the Times newspaper a letter from the secretary to the High Commissioner for Canada (in the latter's absence) denying the fact that Mr. Olgivie had promised the company his assistance and support. Such repudiation, unwarrantable as it was, could have but one effect and convey but one impression. Your directors, however, boldly faced the difficult situation in which they found themselves. In the personal knowledge that Mr. Olgivie had expressed his approval of the project, and convinced that his promises of assistance would be fulfilled, they went to allotment on a much less sum than they might otherwise have done. We have, I am glad to say, been able to go along steadily in spite of this unpleasant and unfortunate incident. As re-

gards the balance sheet little comment is called for. It relates to that state of the company's career which is invariably distinguished by a heavy load of initial expenditure. In the report, the London disbursements are given at £1,307 19s 11d, net this being exclusive of the sum of £1,400 10s. for directors' fees accrued, though not drawn. To avoid misapprehension I would remind you that included in the item of £1,307 is a considerable amount expended in legal and registration charges which will not figure in any future balance sheet. At the scene of its labors the progress of the company has been in every way satisfactory, but it is not yet enjoying the popularity it deserves. Among the causes of this, early difficulties of transport, the high cost of labor, living, and heavy Government royalties on the gross output, are in particular responsible. The construction of the White Pass and Yukon Railway has now rendered available improved facilities for transport, and it is generally anticipated, I might say practically understood, that the Dominion Government will reduce the present royalties by one-half during 1901. It speaks cheerfully for the future of the Yukon Territory that, notwithstanding all the obstacles to progress, it should have produced gold this season to something like \$15,000,000 royalty from the placer diggings. In this connection I would remark that while we possess placer claims which we hope will develop into a source of revenue, our present policy, is, based upon authority, to employ our energies in the direction of hydraulic mining. At any rate, we give the latter preference, because it is promising of better results, in the long run. A placer claim is of limited extent, and is, moreover, worked out in the course of a few years. The hydraulic "Concession" covers an area of miles in length, and if not so rich in gold as the placer diggings, furnishes an abundance of material, which with the employment of proper machinery, amply compensates for a probable poorer average in value. We are now engaged in the development of one of these hydraulic concessions, namely, the Frost McGregor on the Indian River, and the results obtained have been such as to fully justify your board's policy. The prospecting was commenced in April of this year, and our last report states that a number of shafts have been sunk on this property and work was also proceeding along the benches on either side of the stream. In No. 2 shaft, at a depth of 19 ft., gravel was discovered which yielded as much as 2c to the pan, or about \$2.10 to the cubic yard. These figures will convey to you some idea of the richness of the concession. But they do not represent the possibilities as the concluding paragraph in the report of our manager at Dawson would indicate. Mr. Ritchie observes: "I consider the prospects got so far most satisfactory, and there is almost a certainty of much richer pay being got." On our "hillside" claims on Dominion creek work had temporarily to be suspended owing to the scarcity of water. We have a strong faith in the future of these claims, however, and the fact that the owners of an adjoining property have made application to us to be allowed to work our No. 5 on what is known as the "lay" system, suggests that their value is by no means problematical. Under the "lay" system we shall bear no part of the cost of working, and will receive a percentage of the gross output. Such an arrangement is, of course, distinctly to our advantage since it is likely to yield substantial profit, but does not admit of any loss. So far as these claims are concerned, development work has, up to the present, been confined to No. 5—a property 250 feet wide and 100 feet long. The lower boundary of this claim adjoins a placer digging, from which gold to the value of \$100,000 is said to have been taken out. In his last report, Mr. Ritchie says that seven shafts were sunk on our claims, and he proceeds to enter into technical details, which, I am afraid, would not be of great interest to you. It will, perhaps, suffice if I remark that Mr. Ritchie concludes his report in the following words: "I am confident that a good return can be got (from claim No. 5) over and above working expenses." I would add that instructions have now been given to our manager to accept the offer made to him to work the property on the "lay" system. That offer has been accepted. With our other holdings we have not as yet been able to deal, and this is a matter upon which I would claim your attention for a few moments. At the meeting held in January last you were given the opportunity of hearing the views of our man-