

ANNUAL REPORT OF THE WAR EAGLE MINE.

THE second annual meeting of the War Eagle Consolidated Mining and Development Company was held in Toronto on November 15th. The report of the manager, Mr. John B. Hastings, shows that during the year ending October 1, 1898, 4,116 feet of development work was done. Shipments were not commenced until May, but from that time until October 1, the total output of the mine was 28,523 dry tons of an average gross market value of \$23.52. The total gross market value of the shipments is thus shown to be \$670,735.28. The total smelting charges on this ore were \$313,891.30, and the net value of it was \$356,483.98. The total value of the ore now in sight, consisting of 100,000 tons of an average value of \$17 per ton, is estimated at \$1,700,000. It is a noteworthy fact that a year ago the reserve amounted to only \$1,105,000. Since then there has been shipped from the property ore to the total value of \$670,735.28. Despite these heavy shipments, the reserve has increased by 55 per cent., and is rapidly increasing. Another notable fact in connection with the property is that during the past year the management has been able to treat ore carrying \$4.12 less values than in the previous year. The reduction is made possible by the increased tonnage and by reduced smelter charges. The report in full is as follows:—

WAR EAGLE MINE OFFICE, ROSSLAND, B.C.,
November 1st, 1898.

To the Directors of the War Eagle Consolidated Mining and Development Company, Limited, Toronto, Ontario.

DEAR SIR: The following is my report for the past year upon the Company's mining properties, the account and cost sheets till September 30th, and the condition of the mines till October 21st.

DEVELOPMENT FOR THE YEAR.—Since October 1st, 1897, the date of my last annual report, up till October 1st, 1898, the following work has been done at the cost specified, exclusive of assaying, ore sorting, properly chargeable to ore production of headings:

3,480 feet of tunneling, average cost per foot \$21.15
451 feet of raising, average cost per foot 29.78
185 feet of sinking, average cost per foot 96.25

4,116 feet total.

From driving these headings 2,316 tons of ore was produced and shipped.

TOTAL HEADINGS ON THE MINE.—The work done during the past year added to the former headings makes a total of:
Tunneling, feet 8,304
Raising, feet 851
Sinking, feet 665

Total 9,820

This does not include 250 feet of the main work shaft timbered through the stopes from the 250-foot level to the surface.

ORE EXTRACTION FOR THE YEAR.—As you know the smelting conditions were such that regular stoping in the mine and ore shipments were not begun during the year until May. Besides the ore just mentioned, there was produced and shipped from stopes 26,559 dry tons at an average cost per ton of \$3.24; the total shipments for the year aggregate 28,875 tons.

Average gross smelter value \$ 20.01
Total smelter's gross value 570,744.23

The "gross market value" per ton of the ore in metals was:
Gold, \$18.90; silver, \$1.15½; copper, \$3.46½. Total, \$23.52.

TOTAL PRODUCT OF THE MINE.—The following table gives the total production of the mine, the gross market value is the actual value of the gold at \$20.67 per ounce, silver at New York quotations, and copper at New York price for casting, the difference between this column and "smelter's gross value" is really a smelting and marketing charge, and the amount is shown under the heading of "indirect smelting charge."

PRODUCT OF THE WAR EAGLE MINE, CHANGES AND VALUE PER TON.

Year.	Net Value.	Direct Smelting Charge.	Smelter's Gross Value.	Smelting Charge Indirect.	Actual Total Smelting Charge.	Gross Market Value.
1894.....	\$24 41	\$12 50	\$36 91	\$ 6 63	\$19 13	\$43 54
1895.....	29 05	10 87	39 92	7 41	18 26	47 33
1896.....	21 29	9 89	31 18	5 79	15 68	36 97
1897.....	13 35	9 96	23 31	4 33	14 29	27 64
1898.....	12 51	7 50	20 01	3 51	11 01	23 52

CHARGES AND VALUES PER ANNUM.

Year.	Net Tonnage.	Net Value.	Direct Smelting Charges.	Smelter's Gross Value.
1894.....	4,693	\$ 1,145 55	\$ 586 62	\$ 1,732 17
1895.....	998,093	289,951 30	108,486 32	398,437 68
1896.....	892,029	180,944 38	88,222 41	278,166 79
1897.....	740,630	98,896 19	73,752 42	172,648 61
1898.....	2,852,800	356,843 93	213,900 25	570,744 23
	5,487,745	\$936,791 46	\$481,948 02	\$1,421,720 48

Year.	Indirect Smelting Charges.	Total Smelting Charges.	Gross Market Value.
1894.....	\$ 321 39	\$ 958 01	\$ 2,053 56
1895.....	73,925 83	182,412 15	472,363 51
1896.....	52,611 07	139,833 48	329,777 86
1897.....	32,034 22	105,786 64	204,682 83
1898.....	99,091 05	310,891 30	670,735 28
	\$247,883 56	\$742,881 58	\$1,679,013 04

NO. 1 RAISE STOPES.—This stope fully justified my expectations, and from the map it will be seen that it is not entirely gone, but the remaining areas are of lower grade. The total net product of the stope during the year was 9,030 tons at \$21.34; smelter's gross value, \$192,700; deducting transportation and treatment, net value, \$124,975. As the area extracted, including No. 1 raise from which 170 tons were shipped, is 8,424 square feet and the ore averages 9 cubic feet to the ton. The average width of the ore was 10 feet.

THE WEST STOPE.—The shipment for the year was 3,813 dry tons at \$20.45; \$77,974.85 gross value; deducting smelting and transportation charges, \$49,378.35 net value. The area extracted was 5,140 square feet. After deducting 530 tons from the year's product, as this amount was broken down in the stope at the beginning of the year at 9 cubic feet to the ton, an average width of seven feet is found. The value and width fairly represent the present condition of the stope.

WEST RAISE STOPES.—We only drew on the west raise stopes for 224 tons during the year and the work done was to break down about 1,000 tons of ore and leave it in the stope. The 224 tons averaged \$23.40, \$5,241.60 gross value, deducting transportation and treatment \$3,561.60 net value. My last year's report said they contained, as far as worked, 6 feet of continuous ore. We are now shipping heavily from here, the October output being 1,100 tons, gross value \$24,000.

375 EAST STOPES.—This ground has materially improved during the year, the best showing before that period was five feet of \$20 ore, the stopes shown on map, inclusive of the level, cover an area of 4,176 square feet from which 4,513 tons have been shipped this year and 90 tons last year, indicating 9¼ feet as the width of the ore. This 4,513 tons averaged \$19.80, \$89,357.40 gross value, deducting transportation and smelting charges, \$55,509.90 net value.

WINZE STOPES.—The winze stopes are really a part of the 375 east, as their position on the map shows. The area stoped is 2,844 square feet, the production 3,418 tons, which at nine feet to the ton gives 11 feet width of ore. The value per ton averaged \$24.35, \$83,228.30 gross value, deducting transportation and smelting charges, \$57,593.30 net value.

375 WEST STOPES.—This ground has yielded lower in value than the rest of the mine, but there is such a large area left, and especially the rich ore along the bottom of No. 2 level, that I hope during the ensuing year the average value will greatly increase. The area stoped is 3,420 square feet, yielding 2,926 tons of shipping ore, at nine feet per ton, giving width of eight feet. The average value was \$13.80, \$40,378.80 gross value, deducting transportation and smelting charges, \$18,433.80 net value.

FIVE HUNDRED FOOT LEVEL.—This tunnel has been continued 450 feet to the shaft and 250 feet further, making it at present writing one-half mile long from mouth to face. The tunnel was run on the hanging wall without finding ore of value, so 200 feet east of the shaft a cross-cut was put to the foot wall, proving the vein was 42 feet wide with 32 feet of mixed ore. A careful sample of the west side of this cross-cut in five-foot sections gave 20 feet of \$10 ore and 12 feet of \$25 ore, total values. A raise has been made from this cross-cut to the 375-foot east level. The whole raise is in ore of varying value. It started in good ore. The first 140 tons shipped assayed \$19.88 gross value. The last 259 tons \$6.74. By special arrangement with the smelter we were allowed \$1.74