

SECOND ANNUAL REPORT.

DIRECTORS' REPORT.

Gentlemen,—Your directors beg to submit their report at the second annual meeting of the shareholders, together with the manager's report, balance sheet and auditors' report for the year ending December 31st, 1899.

W. D. MATTHEWS,
President.

ASSETS.

Mines, mining leases, water rights, etc., as per balance sheet, Dec. 31st, 1898	\$3,914,558 38	
Morehead dam and ditch—cost as per statement, Dec. 31st, 1898..	118,458 68	
Equipment of lower bench, as per statement, Dec. 31st, 1898....	7,424 01	
Lands and leases, per statement, Dec. 31st, 1898.....	1,322 00	
Portable hydraulic plant	9,998 56	
Mine lights and hoisting engine..	1,526 70	
	<u>\$4,053,288 33</u>	
Inventory. (As per Manager's Report).—		
Provisions, mining supplies and explosives	\$ 26,128 25	
Lumber, saw logs and sluice blocks	4,230 39	
Tools and implements	10,337 60	
Blacksmith's stores	1,783 71	
Horses and mules	875 00	
Wagons and harness	1,788 00	
Quicksilver	2,804 65	
	<u>\$ 47,947 60</u>	
Cash on hand, mine office	70 20	
Personal accounts receivable ..	4,680 81	
Permanent Improvements 1898—		
Drain tunnel, per balance sheet, Dec. 31st, 1898	\$ 3,533 42	
Less 20% depreciation, season 1899.	706 68	
	<u>2,826 74</u>	
Riffle account per balance sheet, Dec. 31st, 1898	\$11,600 01	
Less 10% depreciation, season 1899.	1,160 00	
	<u>\$ 10,440 01</u>	
	<u>\$ 13,266 75</u>	
Permanent Improvements, Season 1899—		
Morehead pooling reservoir dam	\$ 6,422 23	
Morehead ditch, new flumes and additional works	18,346 00	
Equipment South Fork pit....	8,679 84	
Melting plant—new retort house	3,617 30	
Dancing Bill Gulch—permanent pipe ladder	1,165 96	
Permanent flumes and sluices in mine	7,096 10	
Dancing Bill Gulch—permanent waste water chute	462 75	
Installation steel riffles \$6,307 64		
Less 10% depreciation	630 76	
	<u>5,676 88</u>	
Buildings—(See Manager's report).....	3,293 29	
Reservoir gate Polleys Lake..	355 50	
	<u>\$ 55,115 85</u>	
Balance from operating account season 1898	2,527 17	
Balance from operating account season, 1899	46,682 04	
	<u>\$4,223,578 75</u>	
LIABILITIES.		
Capital authorized	\$5,000,000 00	
Capital issued	\$4,000,000 00	
Accounts payable	23,389 68	
Bills payable	50,000 00	
Bank of Montreal	150,189 07	
	<u>\$4,223,578 75</u>	

Examined and found correct.
W. S. ANDREWS, Auditor.

February 12th, 1900.

GENERAL OPERATING ACCOUNT.

Season, 1899.

Dr.	
To operating expenses for season, as per statement from mines ..	\$ 131,178 34
To drain tunnel account, 20% written off for depreciation	706 68
To riffle account, 1898, 10% written off for depreciation	1,160 00
To head office expenses	980 80
To interest account	8,634 09
	<u>Cr.</u>
By bullion received	\$ 92,678 93
By stores account—Profit for season on sales to outside parties	3,298 94
By balance, loss on season's operations	46,682 04
	<u>142,659 91</u>

STATEMENT OF MINES' EXPENDITURES, SEASON 1899.

Permanent Improvements.—	
Morehead pooling reservoir dam	\$ 6,422 23
Morehead ditch repairs. New flumes, etc., to repair damage by slides	18,346 00
Equipment of South Fork pit....	8,679 84
Melting plant—New retort house.	3,617 30
Permanent waste water flume at Bill Gulch	462 75
Permanent sluices in mine	7,096 10
Installation of steel riffles \$6,307 64	
Less 10% depreciation... ..	630 76
	<u>5,676 88</u>
Reservoir gate at Polleys Lake..	355 50
Buildings	\$ 3,293 29
Total cost permanent improvements	\$55,115 85
Public Account.—	
Portable hydraulic plant, pipe giants, etc., out of stores....	\$ 9,998 56
Mine lights and hoisting engine, out of stores	1,526 70
Total cost of plant	<u>11,525 26</u>
Total cost of permanent improvements and plant	<u>\$66,641 11</u>

MINES' OPERATING EXPENSES

Lands and leases—Rentals	\$ 2,002 75
Mining—	
Explosives	\$38,837 02
Labour	39,068 42
	<u>77,905 44</u>
South Fork ditch maintenance.....	7,339 50
Morehead ditch	4,834 55
Sluices	6,422 11
Port. hyd. plant	6,461 38
Mine light	1,037 60
Camp	3,115 22
Buildings	1,652 44
Melting plant	3 35
Wagons and harness	240 51
Telephone	190 41
Roads and trails	99 70
Fire Ins. account	412 50
Transportation of miners, etc.....	4,649 26
Bullion expenses—Government tax and transportation	2,418 42
Postage and telegraph	134 33
Mine office expenses	2,762 07
Incidental expenses	35 50
Stationery and printing	202 90
Legal expenses	73 82
Management	6,436 40
Company's license	183 40
Wagons and harness account—Loss for season..	173 00
Horses and mules account	535 00
Tools and implements—Depreciation for season..	1,009 33
Quicksilver account—Loss, etc	847 45
Total cost operating accounts for season, as per Mines' books	\$131,178 34
Deduct profit on stores for season	3,298 94
	<u>\$127,879 40</u>