

during the winter months. It is said work will again be resumed shortly. About 6,000 tons of ore is now on the dump waiting shipment.

Some work has been going on at Salt Springs, Kings County, N.B., the Government Diamond Drill being engaged in trying to locate the salt beds supposed to exist in the locality.

It is rumoured that the iron deposits of Upper Woodstock may be re-opened and that the D. S. & L. Co. of Sydney have their eyes on same. How correct this may be is uncertain but no doubt if the Woodstock ores could be mined and placed on seaboard anyway cheaply they would pay for operation as the iron is of an excellent quality.

The Pyrrhotite or Nickel ore mines near St. Stephen are as yet idle, but it is said some further work of development may go on this summer. Why this important body of ore, being right on the seaboard and possessing in point of transportation a vast advantage over the Sudbury products, does not interest capital is a mystery to me as well as many others. Time will however make this plain.

An important deposit of Antimony in York County, is now open for capital. It is intended to place matter in the hands of some London capitalists at an early day, so I understand. The copper proposition at Le Tete in Charlotte County await the advent of the capitalist. These are really well worth inspection and development. At Red Head, Charlotte County, is a huge deposit of iron and copper pyrites right on seaboard within 200 yards of deep water shipment the year through with vein 15 to 18 feet wide. The surface ore carries from 39 per cent. to 44 per cent. sulphur. Strong traces of copper and also carries a fair percentage of gold. Mining experts say that if developed to depth of 75 to 100 feet it will result in a first class copper producing belt. The property is open for capital on most liberal and easy terms. I must however not trespass on your space further and during the next few weeks will note what is going on and advise you.

## PORT HOOD COAL.

The following is excerpted from the 1st annual report of this company:—

The work of developing and equipping the company's property has proceeded steadily, and with all practicable expedition during the past year. The slope was sunk to a depth of between 1,100 and 1,200 feet, at which point levels are now being opened out. The character of the seam and the quality of coal have sustained the most favorable expectations of the Directors; the seam at the depth reached exceeds seven feet in thickness and the coal has proved to be superior for steam producing and domestic purposes to most of the coals on the market.

The work of construction on the shipping pier was carried to a length of about 1,400 feet—giving a depth of about eighteen feet of water and will be further prosecuted during the winter and early spring with a view to its completion for the opening of navigation.

During the late autumn months several storms of almost unprecedented violence swept this part of the coast of Cape Breton, but no damage whatever was done to the company's property, an evidence your Directors think, that the pier has been well located and well constructed.

Machinery for the permanent equipment of the mine has been ordered, and all necessary materials for the overground construction work, bank-head, etc., are being assembled as rapidly as possible.

Mr. Bartholomew's engagement as Manager having expired on September 30th, your Directors did not consider it expedient to renew it. They subsequently engaged Mr. John Johnston, late assistant Manager of the Dominion Coal Company, as Manager, and he comes to the Company's service with the highest testimonials for varied experience and practical ability. Under his energetic administration your Directors look forward confidently to an early completion of all equipment work, and the placing of the mine among the large coal producing properties of the Province.

The outlook for the coal business continue to be very satisfactory, last year's prices are well maintained, and the production of our provincial collieries is unequal to the steadily increasing demand; there is every prospect that we shall be able to market our output advantageously to the company's interest.

### BALANCE SHEET 31ST DECEMBER, 1900.

LIABILITIES.		
Capital Stock.....	\$750,000 00	
Coupon Bonds.....	750,000 00	\$1,500,000 00
Accounts payable.....	3,730 61	
Coupons and accretions to date .....	13 97 00	
Equipment reservation account.....	1,823 74	19,533 45
		<u>\$1,519,533 45</u>
ASSETS.		
Property.....		\$1,225,079 50
Mine development.....	\$ 26,800 62	
Less Coal Sold.....	4,873 99	
		21,926 63
Equipment of Mine.....		18,025 86
Pier.....		39,856 01
Reservoir.....		5,417 43
Bonds and Stock held as security.....	177,300 00	
Contingent account.....	5,280 00	182,580 00
Cash, current bank account.....	1,565 39	
Deposit receipts.....	25,000 00	
At Mines.....	52 63	26,618 02
		<u>\$1,519,533 45</u>

## PAYNE CONSOLIDATED.

The following is excerpted from the Director's Report for the year ended 31st March last, submitted 14th instant:—

During the past year Mr. C. H. Hand has severed his connection with the Company as Manager. The Board, on recommendation of Mr. Hand, appointed Mr. W. E. Zwicky, manager, as his successor, Mr. Hand agreeing to pay occasional visits to the mine.

In March last your Directors deemed it advisable to suspend the payment of dividends, owing to the scarcity of ore in sight above No. 5 level. This level has been a disappointment in that it has not produced anything like the quantity of ore as found in the level above, and as estimated by Mr. Bernard MacDonald, in his report, at about the time this Company took over the property.

No. 8 Tunnel has not yet reached the ore chute, progress having been very slow, owing to the many drawbacks, to which your Manager makes reference in his report.

Your Directors have under consideration the advisability of installing a compressor and concentrator, to be operated by water power, and one of your Directors, Mr. F. B. Mathys, has recently paid a visit to the mine to thoroughly investigate and report on same.

### MANAGER'S REPORT.

I have practically stope out all the large ore reserves that were blocked out above No. 5 level. I am still stoping out smaller streaks above this level with profitable results. There is a large block of ground above No. 5 level, between raise No. 2 and chute 35, which I am now prospecting, and from present indications I believe it will produce considerable ore. Have extended Nos. 4 and 5 levels to the main fault.

I have done very little prospecting to locate the vein on the east side of this fault, but as soon as I get the winze connected with No. 8 will endeavor to locate it.

No. 5 level shows ore in the bottom in several places, and one continuous chute, from six inches to two feet wide and about 200 feet long, which looks very encouraging for the future of the mine.

The stopes between Nos. 4 and 5 levels were not as good as there was reason to expect from indications shown in those levels. Have cut a station at chute No. 46, in No. 5 level, and started a winze to be connected with No. 8 winze is now down about 60 feet, and as soon as it is sunk to a depth of 125 feet will start level No. 6. This winze has two compartments and is permanently timbered, and large enough to handle all output, materials and supplies necessary for the working of the property below No. 5 level.

Since assuming the management of the mine I have driven No. 8 tunnel 630 feet, making a total of 930 feet as a crosscut; thinking I might cut the vein that crops on the Thursday Fraction claim.

As I did not find it I believe I passed through a broken section of it, caused by a large fault we encountered about 700 feet in. After stoping No. 8 tunnel as a crosscut I started a level about 30 feet from the face of tunnel, the course being about the same as the strike of vein, and I expect to cut the vein on the turn of the fault as it shows in No. 5 level. I had about 230 feet to drive from crosscut, if the fault continued down on the same dip as it shows above No. 5 level. I have driven about 175 feet in this direction and have 55 feet yet to drive.

When I cut the vein I will then have to drive on it about 100 feet in a northerly direction, so as to be able to start an upraise to connect with the winze I am now sinking in No. 5 level. Will have to sink and upraise 329 feet more before winze is completed. Progress in tunnel No. 8 was very slow for many unavoidable causes, principally the large flow of water encountered in driving, the hardness of the rock, compressed air line freezing and danger from snowslides, making it very difficult to secure and keep good men at work.

I am now driving No. 8 tunnel by hand, on contract, owing to our pipe line giving out. I did not think it advisable to try and repair it at present, on account of the deep snow and danger from slides.

From my knowledge of the property and the indications showing as development progressed, I have every confidence that we will find large bodies of as valuable ore as has been produced in the past.

We are now in a position where we must install some kind of power to operate below No. 5 level and it is very necessary to get it in as soon as possible. Owing to the rock becoming much harder below No. 4 level, we will have to change our method of mining from hand to mostly machine work to obtain better results and reduce our operating expenses. My experience during the past year proves this conclusively. I am confident I can reduce our expenses from 15 to 20 per cent. with a suitable plant. I have looked into the matter considerably and would recommend that we put in a water power plant of 250 horse power capacity, which will furnish ample power to operate a compressor that will supply air for 10 drills, run a 75 ton concentrator, operate the hoist in No. 5 level, and furnish power for an electric light plant suitable for our requirements.

From estimates made we have from 75,000 to 100,000 tons of fillings in the mine and on the dumps, which in my opinion will pay handsomely to have concentrated. Have had some of the fillings tested at Kaslo Sampling Works, but will make a further test of about 1,000 tons, and results from such test will approximately prove their worth and satisfy us whether it will justify us in putting in a concentrator at the present time or not.

### FINANCIAL STATEMENT.

ASSETS.		
Mines, Mineral Claims and Assets.....		\$2,607,004 92
Permanent Equipment.....		16,044 14
Office Furniture.....		556 74
Mine Supplies and Stores on hand, as per inventory.....		2,082 51
Accounts receivable.....		14,459 28
Cash on hand and in Banks.....		116,867 41
		<u>\$2,757,015 00</u>