

proves exceedingly useful. There is also a public library and reading room supported by voluntary subscriptions.

On the subjects of profit and loss and property I shall not venture, nor is it necessary, as the very carefully drawn up accounts and statements furnished by Mr. Pilgrim will give you, I trust, all the needful information on those points. I may observe in a general way, however, that where, as was the case last year, almost the entire force was during the first, and a large portion of it during the second half year, engaged at a heavy cost sinking shafts, driving levels, and other work entirely prospective, no other result could be reasonably expected than that the balance would be against us. The small stock of poor ores brought over from the preceeding year being far short of an equivalent for this heavy expenditure in unproductive work; not that this outlay was improper, on the contrary much of it was both necessary and proper.

But in future we should make it our study to maintain a just proportion between the force employed in *prospective work* (testing and opening up ground) and the force employed in productive work (raising ore), so that while careful to lay open in advance a sufficiency of ore ground, we should be equally careful not to over-burthen any *one* year with more than what is a necessary and a fair proportion of such prospective operations. This I will endeavour to do in future.

Circumstances do not justify me in holding out any brilliant prospects to the Stockholders. And in a pursuit so uncertain, prudence almost forbids the making of any very definite statements on the subject. Still, as the party who has the management of the Mines should be among the best able to give a correct opinion on their future prospects, and as his employers are entitled to expect it, I beg respectfully to state, that should copper and labour maintain their present relative values, and no serious unforeseen accidents occur, I have scarcely a doubt in my mind but that the Mines, with tolerable management, are capable of yielding a profit on the operations of the next two or three years. As indicated before, the permanent prosperity of the Mine depends in a great measure on the putting down of the lodes *well* in depth, to prove and test which I shall direct special attention, and in the meantime "hope for the best."

In conclusion, it gives me sincere pleasure to state, that I con-