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## Mines and Mining.

Virtue has again been the feature of trading in both exchanges during the past week. Rumors are plentiful about the wonderful richness of the Cumberland mine, but when Mr. Obalski's report is made public it will astonish the sceptics. It is just beginning to dawn on the public that Virtue is a purchase and that around present prices there is more money in Virtue than in any of its class on the list. Insiders who know what they are talking about predict \$1.50 for the stock before the end of this month, but if the Cumberland mine possesses half the wealth it is credited with by Mr. Obalski, the stock at present is worth a much higher figure than \$1.50.

Fuller reports of the War Eagle annual meeting to hand, place the management in rather an unenviable light. Mr. Blackstock, the vice-president in defending his co-directors and himself, among other things said:

"As a matter of fact, any business man knew that every detail of his business could not be made public without hurting that business, and the same thing was true of a mine."

With all due respect to Mr. Blackstock's ability, we must confess, we fail to recognize the analogy he would establish. It is not advisable for the ordinary business man to make public the details of his business, for the simple reason that he has to safeguard it against his competitors. But we would ask Mr. Blackstock what detail of operation in the management of the War Eagle property during the past year, if made public, would have hurt it more than the admissions he and his co-directors are forced to make now, that the property has not earned by nearly \$80,000 the dividends they have paid. Competition does not affect the business of a mining company. Either they have ore in paying quantities, or they have not, and we maintain that the shareholders are entitled to be put in possession of the actual facts immediately, and not lured on and buoyed up by such promises as Mr. Blackstock and some of his co-directors allowed themselves to make as to increased dividends.

We admit the placing of the actual facts as regards the position of the property before their shareholders earlier, might have interfered with the floatation of the Centre Star stock at a premium, but we doubt very much if the shareholders had been told six or eight months ago that the property was not earning its dividend, (owing to defective machinery or any other cause), and that it would be advisable to reduce same, that the stock would have suffered to the extent it has. To the ordinary business man, reading between the lines, it is apparent that the

actual facts were withheld for a purpose and he will no doubt quite agree with Mr. Blackstock that "the management would have to be satisfied to rest under a cloud." Mr. Blackstock, in the course of his remarks, referred to accusations of "stupidity" made by some people against the directorate. We have heard the directors accused of more than "stupidity." The management commence the year with a balance at the credit of profit and loss of \$85,747.23, and they end it with a balance of \$6,559.50. Their net profits for the year amounted to \$235,862.36, yet they paid out in dividends \$315,000.00. They start the year with large ore reserves blocked out, the close of the year sees the mine on the verge of collapse so far as shipping ore is concerned. At different times in the course of the year they lead their shareholders to believe that their property is richer than ever, and that the dividend would be increased if not before the annual meeting, certainly shortly after, yet they knew, or should have known, when these statements were made, that the property was not earning the dividends they were paying, and that it was only a question of time before they would be forced to stop the dividends. Now we ask is this "stupidity" or something more?

The management continues optimistic, but we fail to see upon what ground. Both Mr. Darlington and Mr. Kirby's reports are of a negative nature. They agree that down to the fourth level the mine is pretty well played out, and below that development work is in such a condition they cannot state positively what the outcome will be. As shown by the report net smelter values have been on a downward scale since 1895, when they were \$29.05 per ton, until January 1900, when they realized \$7.75 per ton. So that we are at a loss to see what basis the directors have for being optimistic. We sincerely hope for the sake of the shareholders that the wish of the directors will be realized, but we must confess that so far as we can see at present it is precey much a matter of guess work.

### WAR EAGLE ANNUAL MEETING.

In the annual report submitted by Mr. Gooderham at the annual meeting on Wednesday last the following appear:

"The plant and machinery installed at the beginning of the year worked so badly that development was retarded, the output of ore fell below what the mine could have afforded, and the operating expenses were relatively increased.

"The sum chargeable to operating expenses in the accounts has been swelled by losses incurred through constant break-down of the machinery, with the result that the force was rendered idle on the company's time during some portion of almost every day, and by the fact that the air pressure fell uniformly below what was necessary for the economic working of the machine drills.

"Nevertheless, the company was able to pay its dividend, altho the cash in hand at the beginning of the year available for the purpose of completing the installation of the plant and machinery had to be more heavily drawn upon than was anticipated. This arose from the fact that more had been spent upon some portions of the plant in an endeavor to make it efficient than its original cost involved; the directors having determined to spare no expense in rendering the plant immediately workable, if possible, for the purpose of maintaining dividends.

The contracts for the new machinery call for its installation at an early date, but the delays and difficulties in delivering and setting up the machinery at Rossland are so great that the directors hesitate to specify too closely when it ought to be in place and running.

In criticising the mistakes that have been made in connection with the machinery, it ought to be borne in mind that this is one of the largest plants attempted to be installed on the continent and the first large one

attempted in Canada, and that the whole enterprise was new to the owners, contractors and engineers.

Mr. Kirby has from the first considered that great economies were possible and advisable in the operating of the mine, and on the 2nd of February instant he advised the directors that it was necessary to close down the mines temporarily, as it was impossible to accomplish the result desired while continuing shipments and developments under the unsatisfactory conditions then existing.

A contract has been made with the Canadian Pacific Railway to smelt 150,000 tons at the rate of \$6 per ton for freight and treatment subject to the usual deductions.

The directors beg to say that whatever disappointments have been met since the last annual meeting in the curtailment of the tonnage and profits below what was expected, they are due rather to the difficulties already sufficiently referred to than any deficiency either in tonnage or values in the mine itself.

In view of the persistent rumors which have been circulated to the effect that the War Eagle mine has been worked out, and that the closing down is simply a blind to hide this fact, the directors submit extracts from an independent report made with the company's permission during the present month by Mr. Wayne Darlington, the eminent American mining engineer, on behalf of certain large shareholders, and also from the report of Mr. J. B. Hastings, the company's local director and consulting engineer, made on the 10th November last. Following are extracts from report of Mr. Wayne Darlington, dated Feb. 10, 1900;

(a) The 750-foot level (the lowest opened so far) has shown increase values over all intermediate levels up to the 250-foot level. . . . The average for the month of December last, when ore from this level predominated in the shipments, was \$13.64 net for the whole mine which means probably \$26 ore for the whole of the large ore body (on this level). This 750-foot stope, considering its size and value, is a very encouraging feature of the ore body. The ore body is very wide, 20 feet in places, and the grade the highest since the 250 foot stopes. The limits of the ore body to the eastward have not been reached, and the ore is still about 18 feet wide, in the east drift. It shows also the floor of the level, and will probably extend downward toward the 875-foot level.

(b) In addition to the main ore body on this level, a spur of the vein was discovered extending along the foot wall from the wide portion of the ore, and carrying good width and values.

(c) A similar spur was found on the 625-foot level, on the hanging wall side; this also carries good values, but is not so wide, being only about five feet.

(d) The mine has been a producer for over six years, and during that period has shipped to smelters, 120,000 tons of ore of a gross value of \$25.50 per ton gross for the whole amount shipped. Smelting charges have varied from year to year, steadily declining up to the present, and have kept pace in measure with the increased cost of mining from the deeper levels.

The great increase in values in the ore chute at the 750-foot level over the two levels above, it is a very encouraging feature and adds strength to the belief that the ore chute will be found continuous in size and value for many hundred feet below.

Mr. Darlington, referring to the lower-grade ores, said further:

The 500-foot level has so far produced less than the average quantity, owing to its lower grade preventing its economical handling, but there is a quantity of lower grade ore on this level that will make the production of the level much above the average, if it can in the future be treated more cheaply.

In addition to this (the high grade ores referred to) will be found a considerable quantity that will be taken out when smelting charges can be reduced. This quantity will