

were also made with Cosons Bros., who are responsible parties, for the care of the company's property at the mine. Certain ground leases granted to various parties by the company have been cancelled and the documents relating to such cancellations are on file.

All accounts owing by the company in connection with the operation of the mine have been paid.

An inventory of all the company's property at the mine has been prepared and is on file.

Having had charge of the development of the mine from its inception, and having made frequent personal examination of the workings, I am thoroughly familiar with everything pertaining to it. I have carefully reviewed the whole situation in respect to the property and as the development at depth has been so disappointing in its result I am satisfied that further expenditure in the hope of locating new bodies of profitable ore would be likely to lead only to a waste of your money.

#### CARIBOO HYDRAULIC.

The Manager, Mr. J. B. Hobson, reports as follows, reviewing operations during the season of 1903:

The past season turned out a most disappointing one, for the reason that the 26 inches of well-settled snow that laid on the watershed at the end of March, went off mainly by evaporation under the influence of the cold frosty weather, accompanied by the northerly winds that prevailed during the months of April and May; and afforded barely sufficient water to operate the mines 53 days and 7 hours, with a quantity of water varying from 2,000 to 2,500 miner's inches, being 12 days and 8 hours short of the time run during the season of 1902, 50 days and 18 hours short of the washing time reported for season 1901, and 118 days and 6 hours short of the washing time reported for season 1900.

The season's mining operations were divided into two runs as follows:—

Washing was commenced on the 3rd bench in Pit No. 1 on the 21st day of April, was continued for a period of 45 days and 7 hours, ending July 15th. During the progress of the run 111,083 miner's inches of water were used to wash out a slide of indurated volcanic mud, containing about 68,000 cubic yards, that came into the excavation from the north-west rim on the big bend of the channel north of Dancing Bill Gulch, and 248,000 cubic yards of the rocky deposits of the 3rd bench, making a total of 316,000 cubic yards for the run, from which was recovered 2,115 85-100 ounces of gold, valued at \$36,032.94, an average yield of 14 53-100 cents per cubic yard for the 248,000 cubic yards of gravel and slide rock washed from the 3rd bench, which was carried up to the face of the main bank.

About half the washing time was applied to the excavation of the rocky cuts required to accommodate the right and left branches of Sluice No. 1, which were advanced 740 feet on the right and 704 feet on the left side of the excavation.

The second run, commenced on the 21st day of July, included a period of 8 days, ending with the exhaustion of the water supply on the 1st day of August. During the progress of the run 16,000 miner's inches were used to wash out about 12,000 cubic yards of slide rock that came into the excavation from the south-west rim, and 44,000 cubic yards of gravel from the main bank, making a total of 56,000 cubic yards for the run, from which was recovered 523 24-100 ounces of gold, valued at \$8,910.76, an average yield of 20 25-100 cents per cubic yard for the 44,000 cubic yards of gravel washed from the main bank. The right-hand branch of Sluice No. 1 was advanced 45 feet, making the advancement of sluices amount to a total of 1,480 feet for the season.

The grade of the deposits of the 3rd bench increased gradually as the workings were carried up channel towards the main bank, but the immense deposits of slide rock, found lying next to the north-east rim, on line of left branch of Sluice No. 1, replaced a large area of the pay strata, and caused a material reduction in the average yield of the ground worked. The removal of this immense deposit of broken, angular rock retarded the progress of the work, and added

materially to the cost of mining and the excavation of cuts required for the advancement of left branch of Sluice No. 1.

The results of the second run is encouraging, and indicates a continuation of the high-grade deposits that gave such satisfactory results prior to the season of 1901, when enormous deposits of slide rock from the rims were found replacing large areas of the high-grade strata composing the main body of the fill found between the rims of the ancient river, (see cross and longitudinal sections accompanying reports).

The light gold output may be laid to the short water supply, the working time lost in removing large masses of slide rock, encountered while carrying the workings up stream, and excavating cuts for advancement of sluice branches.

#### Summary of the Season's Mining Operations.

Total time occupied in washing Pit No. 1	53 days, 7 hours
Total quantity of water used	127,083 miner's inches
Quantity of gravel, clay and rock washed:	
Gravel from third bench	248,000 cubic yards
Gravel from main bank	44,000 " "
Slides from rims of old workings and indurated volcanic mud	68,000 " "
Bed rock slide	12,000 " "

Total quantity washed ..... 372,000

Average duty of water per miner's inch	2 92-100 cubic yds.
Gold product for season	2,639.09 Troy ounces.
Value of gold	\$44,943.70

The receipts and expenditure attending the operation of the company's mines for the season will be found distributed in detail in the following statement:—

#### Mine Operating Expenses for 1903.—Expenditure.

Mining Account:—		
Mining	\$18,330 22	
Excavation for sluices	8,703 00	
		\$27,033 22
Explosives:—		
Mining	\$ 7,418 15	
Excavation for sluices	7,120 00	
		14,538 15
Sluice maintenance and extension	9,449 80	
Portable hydraulic plant maintenance	37 33	
South Fork Ditch maintenance	2,870 28	
Morehead Ditch maintenance	2,815 84	
Camp maintenance	1,189 59	
Mine and camp light maintenance	398 46	
Wagons and harness maintenance	144 07	
Telephone maintenance	77 57	
Prospecting account	729 22	
Stationery and printing	283 47	
Postage and Telegraph	134 34	
Incidental expenses	11 40	
Land and leases (lease purchases, rentals, etc.)	5,267 30	
License account (free miner's certificates)	110 00	
Fire insurance	803 00	
Travelling expenses (transportation of miners, etc)	6,039 87	
Mine office expenses	1,307 00	
Bullion expenses (royalty, insurance, transportation, etc.)	1,633 24	
Management	5,228 18	
Stable expenses	628 85	
Tools and implements—Loss for season	288 70	
Horses account	190 00	
Quicksilver account	242 69	
Total operating expenses for season	\$81,451 57	

#### Receipts for Season 1903.

Gold product for season	\$44,943 70
Profits on stores sold	2,123 19
Total receipts for season	\$47,066 89

Inventory.—There is on hand at the company's stores and mines, as per inventory made August 5th, 1903—