

sisting of an electrically driven double drum hoist with capacity for lifting 16,000 lbs. at 750 feet per minute, a $24\frac{3}{4} \times 48$ so-called 40 drill compressor and a 20 horse power blower, will be in operation by the first of the year.

The new steel gallows frame, 100 ft. high from collar of shaft to centre of sheave, and iron shaft house 185 ft. long, 40 ft. wide, 120 ft. high, with large ore bin capacity, crusher and sorting belts, is practically completed.

A water and drainage system, containing 6,000 ft. of pipe, has been put in and wooden tanks built to hold a domestic and fire supply of 75,000 gallons, 45,000 with 140 to 250 ft. pressure above the buildings.

Commodious and substantial general offices, assay offices and stables have been built; the War Eagle Hotel Company has erected handsome board and bunk houses for our employees. Easy wagon roads have been built from the railroad and the timber to the main shaft.

Development for the Year. The following are the most important features: The making of a Main Incline Shaft of the No. 2 Winze by carrying the latter to the surface at an incline of 58° from the 250 ft. level upwards and downward in triple compartment, at 64°. The 375 East and West drifts have been extended and stulled for stoping, and raises made from them to the 250 ft. level. A raise No. 6 has also been made from the 500 ft. level to the 375 ft., and a raise No. 5 in the east end of the Mine from the 500 ft. level to the 250 ft. Large pockets have been put in on the 500 ft. and 625 ft. levels to load the skips from.

Crown Point. A fair amount of exploiting was done on the Mine above the Main Tunnel. The large surface ore body was found to gradually pinch out, and in view of the expenditures on the War Eagle, with your permission, I discontinued prospecting on the claim.

Richmond Group. The necessary assessment work has been done on the claims, and they have been surveyed and advertised for Crown Grant, which I believe, will be immediately issued. Acting on your instructions, the Company's holdings have been increased by purchase of $\frac{1}{4}$ of the "Summit," a contiguous claim, of which it now owns $\frac{3}{4}$; and the purchase of the whole of the "Mineral Hill" and "Eureka," also contiguous claims, these last having the Slocan Star vein for about 800 ft.

Costs of Mining. I believe these will be found to be minutely and comprehensively explained, as far as may be, in suitable compass by the tables forming part of this report.

Conclusion. Finally, I will again call the attention of the Board, as it was my pleasure to do last year, to the capable and energetic services of Mr. John Fitzwilliams, Foreman, and Mr. Charles V. Jenkins, Accountant. I am, dear sirs, yours truly,

JOHN B. HASTINGS.