

What these rates, both for freight and treatment, will be, your Directors are at present unable to announce; but that they will be settled within the next month, and that they will be sufficiently below existing rates to justify the Company its policy of non-shipment is not open to doubt.

In view of the magnitude of the ore reserves on hand and the extent of the development of the War Eagle Mine it will be necessary as soon as possible to double the capacity of our compressor and hoisting plant in order to be prepared to handle our output and maintain our ore reserves.

In this connection it may be said that the West Kootenay Power & Light Company are installing an Electric Plant of five thousand horse power at Kootney Falls, and have promised power this winter at one half the cost of steam.

Altogether your Directors think the shareholders are to be congratulated on the continued improvement in the mine under systematic development and in the certain prospect of being able within the next few months to materially cheapen the cost of mining, transporting and treating the Company's ores.

In conclusion the Directors desire to express their keen appreciation of the skill, judgment and energy which our Manager, Mr. John B. Hastings, M.E.; F.G.S.A., has brought to the administration of the Company's affairs, in which he has been ably assisted at the Mine, as will be seen from his report, by Mr. John Fitzwilliams and Mr. Charles V. Jenkins.

At the Head Office Mr. E. J. Kingstone has discharged his duties as Secretary of the Company in a faithful and efficient manner.

GEORGE GOODERHAM,
President.

Toronto, Ontario, November 23rd, 1897.