

more than double the present capacity, and the economies still to be completed will reduce the present cost of producing copper. Your directors believe the company will be able to produce its copper at a cost of not more than eight cents per pound.

"The company has taken options on a number of claims located in the district and is now engaged in prospecting and exploring these properties with a view of purchasing such as may prove to be valuable to the company.

"The financial statement and trial balance hereto appended set forth the condition of the company on July 31, 1906."

#### Assets.

Mines, smelter and other properties, including a beneficial interest in certain of this company's stock acquired under the plan of reorganization:	
Cost as of July 31, 1905, including expenses of reorganization.....	\$3,744,312.79
Additions since:	
Smelter, equipment, etc.....	\$49,278.66
Mine development and equipment .....	78,407.71
Real estate, British Columbia..	2,975.00
Miscellaneous .....	312.00
	<u>130,973.37</u>
	\$3,875,286.16
Stocks and shares.....	1,792.50
Office furniture, New York and B. C. ....	740.00
Stores and fuel on hand.....	38,085.37
Sundry debtors:	
British Columbia Copper Co. acct. matte .....	\$117,476.50
Miscellaneous, N. Y. and B. C....	3,013.06
	<u>120,489.56</u>
Cash in banks and on hand:	
New York .....	\$17,789.93
British Columbia .....	18,114.60
	<u>35,904.53</u>
	<u>\$4,072,298.12</u>

#### Liabilities.

Capital stock authorized:	
500,000 shares of \$10 each.....	\$5,000,000.00
Whereof issued:	
320,003 7-10 shares of \$10 each	\$3,200,037.00
First mortgage 6 per cent gold bonds due June 1, 1915:	
Total authorized .....	1,000,000.00
Whereof issued .....	700,000.00
Sundry creditors:	
Open accounts, New York and B. C. ....	\$61,371.66
Reserves for insurances and taxes	3,573.84
Bond interest, coupons uncollected	1,440.00
Bond interest accrued.....	7,000.00
	<u>73,385.50</u>
Surplus account:	
Profit on eight months' operations to date, as Profit and Loss acct.	98,875.62
	<u>\$4,072,298.12</u>

Operating Account, November 27, 1905, to July 31, 1906.

Dr.

Mine operating accounts:	
Operating expenses .....	\$203,785.29
Freight on ore.....	32,236.29
	<u>\$236,021.58</u>

Ore purchased .....	3,315.05
Smelter operating expense:	
Sample mill .....	\$12,005.39
Blast furnace .....	164,657.53
Slag railway .....	10,457.08
Power and light.....	20,571.26
Pumping .....	2,227.77
General expenses .....	1,370.11
	<u>211,289.14</u>

#### General expenses, British Columbia:

General .....	\$10,718.25
Office .....	5,005.36
Laboratory .....	4,077.51
Travelling .....	1,455.85
	<u>21,256.97</u>

418.66

#### Matte freight .....

#### General expenses, New York:

Salaries of officers, etc.....	\$11,537.24
Legal, mining expert and other professional services .....	11,358.75
Travelling .....	2,408.78
Rent, New York office.....	520.00
General and office expenses.....	4,323.12
	<u>30,147.89</u>

Balance, being profit on eight months' operations, carried down.

139,144.04

\$641,593.33

Cr.

Sales of matte.....	\$640,128.97
Rents .....	1,464.36
	<u>\$641,593.33</u>

#### Profit and Loss Account.

Dr.

Interest on 6 per cent first mortgage bonds .....	\$42,545.26
Exchange .....	128.78
Balance, being profit, carried to balance sheet .....	98,875.62
	<u>\$141,549.66</u>

Cr.

Profit on operations account, brought down .....	\$139,144.04
Interest on bank deposits.....	2,405.62
	<u>\$141,549.66</u>

#### Directors and Officers.

The following is the list of directors elected for the ensuing year: Warner Miller, New York; Leopold Herrmann, New York; Samuel Newhouse, Salt Lake City; Arthur M. Wickwire, Boston; H. H. Melville, Boston; John M. Shaw, New York, and Alvin Untermeyer, New York. Mr. Miller, Mr. Herrmann and Mr. Newhouse were respectively president, secretary and general manager of the company during the past year, and will doubtless be re-elected to those positions at a meeting of the board of directors in New York. The only new member of the board is Alvin Untermeyer, who takes the place of Edward M. Neary.

#### Consulting Engineer's Report.

Maurice M. Johnson, the company's consulting engineer, recently reported to the president as follows:

I have just returned from a two weeks' visit to the Dominion Copper Company's operations in British Columbia, and wish to state that I made a thorough examination of all parts of the operations. Since your visit to the properties in February last, we have confined ourselves more particularly to the