

REPORT
OF THE DIRECTORS
OF THE
MONTREAL MINING COMPANY

TO
THE STOCKHOLDERS

AT THE
ANNUAL GENERAL MEETING

16th February, 1848.



MONTREAL:
PRINTED AT THE CANADA GAZETTE OFFICE.

1848.

INC

Cap

Montreal Mining Company,

INCORPORATED BY ACT OF PARLIAMENT.

Capital—£300,000 in Shares of £5 each.

DIRECTORS.

THE HONBLE. GEORGE MOFFATT, PRESIDENT.

“ JAMES FERRIER, VICE-PRESIDENT.

SIR GEORGE SIMPSON.

WILLIAM C. MEREDITH, ESQUIRE.

DAVID DAVIDSON, ESQUIRE.

THE HONBLE. A. N. MORIN.

DAVID L. MACPHERSON, ESQUIRE.

GEORGE ELDER, JR., ESQUIRE.

ARCHD^o. H. CAMPBELL, Esq *Secy. and Treas.*

REPORT

OF THE DIRECTORS
OF THE
MOUNTAIN STATE COAL COMPANY

FOR THE YEAR ENDING
MAY 31, 1912

Capital—\$300,000 in shares of \$5 each
Paid up—\$150,000

At the close of the year ending May 31, 1912, the
Mountain State Coal Company has to report to the
shareholders that the business of the company has
been conducted in accordance with the plan
approved by the Board of Directors at its meeting
held on January 15, 1912, and the result of the
operations during the year ending May 31, 1912,
has been such as to show a net profit of \$18,000,
which has been distributed to the shareholders
in the form of a dividend of \$1.00 per share,
and the balance of \$8,000 has been retained
in the company for the purpose of providing
for the expansion of the business in the future.
The Board of Directors has the honor to
acknowledge the cooperation and assistance
of the Board of Directors of the
Mountain State Coal Company in the
conduct of the business of the company
during the year ending May 31, 1912,
and to express their appreciation for the
cooperation and assistance of the
shareholders in the conduct of the
business of the company during the
year ending May 31, 1912.

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REPORT
OF THE DIRECTORS
OF THE
MONTREAL MINING COMPANY,
SUBMITTED AT THE
SECOND ANNUAL GENERAL MEETING,
16th February, 1848.

At the close of another year, the Directors of the Montreal Mining Company beg to submit to the Stockholders their annual Report.

On the occasion of the last annual Meeting the Directors had to report the formation of the Company, its objects, its prospects, and the result of the Exploration of 1846, in the selection of eighteen Locations on Lake Superior, supposed to be rich in mineral wealth. These tracts had been applied for, and with one exception (now settled) granted by Government to the Company, and a small party was left at Pointe Gourganne opposite Isle St. Ignace, on Lake Superior, during the winter, for the purpose of opening the ground, and working the veins discovered on that and the surrounding Locations. The Directors also laid before the Shareholders a Statement of the Funds and Stock of the Company, the former

showing a deficit of £595 14s. 3d., and the latter a reserve of 5590 shares.

Prior to this Meeting a proposal had been made for the junction of the Canada with the Montreal Mining Company. This negotiation was subsequently brought to a favorable issue, and the terms agreed upon were, on the 15th February last, submitted to, and unanimously approved by, a special General Meeting representing nearly three-fourths of the Shareholders. The junction was accordingly made and a highly influential list of names added to the proprietary, of the Montreal Mining Company.

By this arrangement the Capital Stock of the Company was extended to 100,000 shares, forty thousand of which were issued to members of the Canada Company, and ten thousand added to the reserved Stock. The 40,000 shares were taken subject to all future calls, made on the Stockholders generally, and to the payment of Ten Shillings per share, viz: five shillings on the delivery of the Certificate, and five shillings in two equal Instalments on the 17th May and July last.

With two exceptions these Instalments have been fully met. The exceptions consist of one allotment of 500 shares, and another of 175. In both cases the money was tendered the day following that on which the time allowed for payment expired, but the Directors, having no discretionary power under the By-Laws, could not receive it. They recommend however, as the case cannot recur, or be taken as a precedent, that the forfeitures should be remitted on payment of the amount due with interest.

The application made to the Provincial Parliament soon after the formation of the Company for an Act to incorporate it, was renewed last Session, and in revising the Bill, it was considered advisable to reduce the number of shares to 40,000, of the nominal value of £5 each, the amount paid up being 12s. 6d per share, the equivalent of 5s of the old stock.

The Charter obtained contains these dispositions, and confers on the Company other valuable privileges, including that of limited liability. The Act has been printed for the use of the Stockholders, and those who have not received it can procure copies on application to the Secretary.

Under this Act the Directors have been carrying on the works during the past summer. These have been almost entirely confined to the re-examination and testing of some of the Locations on Lake Superior, selected by Mr. Forrest Sheppard, and the Exploration of the Shores of Lake Huron from Sault Ste. Marie to Lacloche. This duty has been performed by Mr. McLeod and his Assistant Mr. Smith, as well as by the Mining Agent, Capt. Roberts, a Gentleman engaged by the Directors last spring to take the superintendance of the mining operations of the Company, in whose opinion they place much confidence, and whose long connection with Cornish Mines, and the responsible situation he held as Manager and Mining Agent of Mines in Wicklow, qualify him for the situation he now fills. The Locations were also visited by Mr. Campbell, the Secretary, who spent about three months on the two Lakes.

The result of this examination has failed to realize the hopes raised by the explorations of the previous season, and the Directors regret to add that in several instances the descriptions given in Mr. Sheppard's report prove inaccurate and unsatisfactory. Mr. Edwards, the person left in charge of the party in Nepigon Bay, and to which he was appointed on the recommendation of Mr. Sheppard, was wholly unqualified for the duty, and the winter was spent without any useful result whatever.

The information received by the Hudson Bay Company's winter express, prepared the Directors for this unfavourable issue, and Mr. McLeod proceeded as early as possible in the spring to supersede Edwards, and reduce the party; subsequently two veins of considerable promise on Location No. 15, were opened by a small party of men, and from thence the rich specimens in the room were chiefly taken. Where such indications exist it seems reasonable to suppose that mineral wealth of great value will be eventually found, and it was determined towards the close of the summer to continue a working party for the winter on the Location in question under the superintendence of Mr. Grenfield. In order to ascertain something of the real value of these veins, a shaft has been carried down sixty-four feet, and a cross cut is now being driven to intersect both veins at a depth of sixty feet below the surface. Until this work is completed the Directors cannot hazard any opinion as to the result, but although their expectations of success have been considerably lessened by the poverty

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of one of the veins which was cut last November, they hope that the other which on the surface bears rich grey sulphuret of copper, with a considerable quantity of silver, will give a more favorable result. Since the acquisition of the Bruce Mines however affording employment for these men with more certain advantage to the Company, orders have been given to bring them down to Lake Huron, leaving only two or three men to take care of the property on the Location till spring, and it will be for the New Board to decide, whether it will not then be advisable to concentrate the whole means of the Company in that quarter. But while offering this suggestion the Directors would not be understood as advising the abandonment of the Company's property on Lake Superior. On the contrary they are of opinion that much of it may be found very valuable, and that at the proper time and under more favorable circumstances, it should be more fully examined than has yet been practicable.

On Lake Huron, the Company have secured four Locations, on which several veins containing yellow sulphuret of Copper were discovered by Mr. Smith. There is also a large vein, crossing the River Missisaguay, spoken very highly of by Mr. McLeod, but there has been yet no opportunity of sufficiently testing the one or the other.

From the information communicated by the Company's Officers, as well as that derived from other sources, the Directors were impressed with the belief that the Veins known as the Bruce Mines were in-

comparably the richest that had been, or were likely to be discovered in the region of Lake Huron. Acting on this conviction, they renewed a negotiation (which had been broken off in spring), with the proprietors of these Mines, and having satisfied themselves of the propriety of adding largely to the offers then made, they have now to congratulate the Stockholders on the accomplishment of the purchase, and that for a much smaller sum than was recommended by Captain Roberts to be given.

The consideration agreed to be given for these Mines, was 14,200 shares of the Montreal Mining Company's Stock assessable for all future calls, and £33,250 in money. Of the latter £15,000 is payable by Instalments before the 28th August next, and the balance in six yearly payments with interest. The wages of the men employed at the Mines since 1st August last are also to be settled by the Montreal Company, and in return the Huron and St. Mary's Company give up the whole of the Ore which has been raised, except the Cargo sent to Boston last summer. Of this there are about 225 tons on board a Vessel wintering at Port Huron, the remainder being at the Mine.

In order efficiently to carry out the working of these Mines, it appeared to the Directors necessary to increase the Capital Stock of the Company, and a Meeting of the Stockholders was called for the purpose of submitting a proposition to that effect, when the following Resolution was unanimously carried :

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“ That this Meeting considering that there is reasonable ground for believing that the present Capital of the Company will be insufficient for carrying on the operations of the Company, Resolve, that the Capital of the Corporation be, and the same hereby is increased from the sum of Two hundred thousand pounds currency, to Three hundred thousand pounds, by the creation of Twenty thousand additional Shares of £5 each. That Scrip or Certificates of Stock do accordingly issue for such new Shares, and that the same be placed at the disposal of the Directors, in terms of the Act of Incorporation.”

The Stock of the Company has accordingly been increased to sixty thousand Shares, fourteen thousand two hundred of which have been issued, or remain at the Order of the Directors of the Huron and St. Mary's Copper Company, and the remainder, under deduction of one hundred and thirty six, issued to the Explorers of the past season, added to the reserved Stock, thus increasing it to eleven thousand nine hundred Shares. To these the Directors look forward, as a fund from which a large sum will be realized for the increase of their operations.

The Bruce Mines are situated on a location, originally granted to James Cuthbertson Esquire, of Montreal, on a Bay at the head of Lake Huron, about thirty-three miles from Sault Ste. Marie. The front of the location is principally occupied by this Bay, into which vessels of any size may enter, and for the convenience of loading and discharging, a Wharf has

been built upon a small Island joined to the land by a bridge of about six hundred feet in length. At this Wharf vessels drawing ten feet water can be moored, and by adding another Crib, a depth of twelve feet will be obtained. During the last summer the Steamers from Detroit to the Sault constantly called and discharged there, which they will now have increasing inducements to continue.

From the waters' edge the ground rises by a gentle acivity to one of the Mines, the surface of which is about seventy feet above the level of the Lake, sufficient to allow of the drainage of the Shafts, &c., in the ten fathom level. This vein has been uncovered for a distance of about three quarters of a mile, averaging about four feet in width, and showing, along its whole surface, a large proportion of rich ore in the clear white quartz of which it is composed. On this vein three Shafts have been sunk, one to a depth of sixty five feet, at the bottom of which the vein maintains both its size and quality.

In addition to this valuable Lode, another vein is seen running nearly parallel to it, containing rich yellow sulphuret of Copper, and averaging about twelve feet in breadth. This vein has been traced for a considerable distance, and a Shaft sunk to a depth of twelve feet with rather increasing richness. There is also another vein about a mile to the north-west, showing the same appearance and even wider, and which will doubtless on being opened support the indications on the surface. In the aggregate the three veins have been traced for nearly two miles in length.

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To express even an opinion of the value of these Mines would be at present premature. That they are most valuable, the Directors are convinced by what has already been done, and by the report of Captain Roberts who on the 19th July last, wrote as follows: "To arrive at any thing like the intrinsic value of the Mines, in their present undeveloped state, is quite impossible. This vast deposit of copper ore at the very outcrop of the veins is incalculable, and almost unparalleled. It exceeds anything I have ever seen or heard of in Europe, and so strongly am I convinced of its value, that I would recommend that every possible means be adopted with a view to the purchasing of the Mine, at even £100,000 sterling, if it cannot be accomplished for a smaller sum."

To assist in developing the great Wealth of this Location, it contains within itself most of the requisite. Wood in abundance for fuel and other purposes, a stream of water, and a commodious Harbour for shipping, with prairie land for raising food and fodder, are all contained within its limits, while supplies of labour and provisions may be drawn from the populous settlements of Upper Canada and the state of Michigan, both within two days' sail of the Mines. By the chain of Canals also which now unite Lake Huron with the Atlantic, every obstacle to shipping the ores direct to Swansea has been removed, and it is probable that ere long cargoes of ore loaded at the Mine on Lake Huron will reach the English Market without a single trans-shipment.

The usual account of the receipts and expenditure of the past season, closed to 31st ulto., is appended hereto, and to which the Stockholders are referred for information on the state of the Company's funds. The brevity of the exploring season made it necessary to employ a larger force than would otherwise have been required, while the length of the winter obliged the Directors to provide supplies for the winterers sufficient to last till next June.

In order to meet the demands likely to be made on the Company's funds for the purchase money of the Bruce Mines, and for the operations of the year, a call of 7s. 6d. per Share has been made on the consolidated Stock of the Company, payable by three equal Instalments on the 8th days of March, May and July.

In addition to the code of By-laws approved by the Meeting of Stockholders of 8th November last, the Directors have framed one limiting the office of Director to Stockholders who are not Directors in any other Canadian Mining Company. The propriety of this appears evident, and the Directors strongly recommend it to the adoption of the Stockholders.

The Directors have now only further to intimate that in terms of the Act of Incorporation the following Members of the Board retire from office :

THE HON. GEORGE MOFFATT,

“ PETER MCGILL,

“ SIR ALLAN N. MCNAB, and

THOMAS CRINGAN, Esquire.

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And it becomes the duty of the Stockholders to fill up the vacancies by re-election or otherwise.

(Signed) G. MOFFATT,
President.

“ ARCHD. H. CAMPBELL,
Secretary.

Montreal, 16th February, 1848.

Since framing the above report the Directors have received despatches from Sault St. Marie and the Bruce Mines, intimating the transfer of the property to the Montreal Mining Company.

The men have been re-engaged at a very considerable reduction in wages, and arrangements are being made for the erection of the necessary Storehouses and buildings in spring, while the works are proceeding with energy and activity. In the letters from Captain Roberts, no special report is made, but he expresses his opinion of the favorable terms on which the Mines have been purchased, as follows: “ I am glad to inform you that the prospects here “ are in general very promising; the Directors “ should be well pleased in having acquired this pro- “ perty on such reasonable terms. I have every “ confidence in being able to return them a very “ handsome per centage for their Capital in a rea- “ sonable period.”

RECEIPTS AND DISBURSEMENTS.

RECEIPTS.

Cash received on 40,000 Shares at 5s. 0d. per Share.....	10,000	0	0
“ 39,500 “ 2 6	4,937	10	0
“ 39,325 “ 2 6	4,915	12	6
	<u>19,853</u>	<u>2</u>	<u>6</u>
Cash received for Interest on Deposits in Bank, &c.....	210	19	9
“ forfeiture for non-fulfilment of a Contract.....	250	0	0
“ on hand per last account.....	404	5	9
	<u>20,718</u>	<u>8</u>	<u>0</u>

DISBURSEMENTS.

Expended in the service of Exploration during the past summer.....	2,852	2	5
Paid E. H. Thompson per agreement.....	250	0	0
	<u>3,102</u>	<u>2</u>	<u>5</u>
Cost of Provisions, Tools, Wages, Clothing, &c. for Men engaged in testing veins on Lake Superior, including supplies for the whole force to June next.....	4,127	0	6
Expended for Provisions, &c. at Bruce Mines.....	1,253	5	9
Cash paid Crown Lands Department on locations secured by the Company.....	3,300	0	0
Law expences from formation of Company to May last.....	159	12	10
Secretaries, Agents and Officers' Salaries, Rent, Stationary, Printing, Postages, &c.	1,754	7	3
Furniture for Office.....	46	5	2
Merchandise for sale at Stores.....	102	18	4
Assessment on Four Shares granted 1846 but not issued.....	2	10	0
Cash paid on account of purchase of Bruce Mines.....	8,143	8	6
Balance of Cash in Bank British North America.....	587	8	0
Sundry debts due to the Com- pany.....	338	16	11
	<u>926</u>	<u>4</u>	<u>11</u>
	<u>22,917</u>	<u>15</u>	<u>8</u>
Deduct Bills payable for pro- visions.....	867	3	7
Servants' wages due.....	1,332	4	1
	<u>2,199</u>	<u>7</u>	<u>8</u>
	<u>20,718</u>	<u>8</u>	<u>0</u>

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STOCK ACCOUNT.

Amount of Reserved Stock per last account.....	5,590	
New Stock created.....	50,000	
Less issued to Canada Mining Company... ..	40,000	
	<u>10,000</u>	
		<u>15,590</u>
Reduced by Act of Incorporation to.....		6,236
New Stock created 28th December last.....	20,000	
Less issued to Huron and St. Mary's Copper Company.....	14,200	
Less issued to explorers of last season.....	136	
	<u>14,336</u>	
		<u>5,664</u>
Present Reserved Stock.....	Shares..	<u>11,900</u>

BY-LAW.

No Stockholder shall be eligible for election as Director, who shall at the time of such election, be a Director or Officer of any other Mining Company in Canada. And should any Director during the continuance of his holding Office, become a Director or Officer of any such Mining Company, he shall be held to have vacated his seat at the Board, and the vacancy thus caused shall be filled up as provided by the By-Laws.