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REPORT

OF

THE DIRECTORS

OF THE

MONTREAL MINING COMPANY,

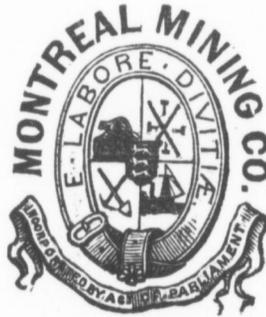
TO THE

STOCKHOLDERS,

AT THE

ANNUAL GENERAL MEETING,

21st FEBRUARY, 1855.



MONTREAL:

PRINTED BY JOHN LOVELL, AT HIS STEAM-PRINTING ESTABLISHMENT,
ST. NICHOLAS STREET.
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REPORT OF THE DIRECTORS
OF
THE MONTREAL MINING COMPANY,
TO THE SHAREHOLDERS,
SUBMITTED AT THE
ANNUAL MEETING ON THE 21ST FEBRUARY, 1855.

The past year, which seemed to open under such favorable auspices for the prosperity of this Company, has, towards its close, proved highly disastrous. A similar result has to a greater or less extent pervaded almost every enterprise throughout the country, whether of a public or private nature, and this Company, in common with every other which required to employ a large amount of labor, has suffered from the enormous enhancement of cost at which that labor had to be procured.

In the Report from the Mine, which was embodied in the Directors' Report of last year, the Manager felt confident that, under ordinary circumstances, there would be at least 2000 tons of ore shipped from the Mine in course of the season, of which 800 tons would be ready at the opening of navigation. Knowing the caution and prudence with which Mr. Borron makes all his statements, the Directors were thus confident that in effecting a sale of 1000 to 1200 tons ore to the Baltimore Copper Smelting Company, deliverable by the 1st July, there would be an ample stock at the Mine from which to deliver it. This sale was consequently made, and as the price was considered favorable, every thing promised fair for the year's operations. The first disappointment met with was the great delay in getting possession of the steamer built for the Company, by Messrs. Tate, Brothers.

This vessel, in place of being delivered as provided in the contract, on the 28th April, was not out of the builders' hands until the 19th day of June, and she only started on her first trip to the Mine on the 24th June. In order, therefore, to maintain the contract with the purchasers of the ore, it became necessary to employ a schooner, at great disadvantage to this Company, to carry the ore from the Mine to Buffalo, till the steamer was ready to do so. She, the steamer, reached the Mine, on her first trip, on 10th July, from which time till the middle of September she was employed in transporting the balance of the ore required to complete the contract.

The Messrs. Tate having given security, and being bound in penalties for the delivery of the vessel at the time stated in the contract, the Directors withheld the last payment, and claimed damages; this the Messrs. Tate resisted, and refused also to refer the matter to arbitration, and the question will shortly come before the Court for settlement.

At the quarterly meeting held on the 30th August last, the Directors felt themselves warranted, with the prospects then before them, in declaring a dividend of four shillings per share, which was done accordingly; though, if they could have been aware of the events about to happen, they would not have done so, as from that day forward a series of disappointments and disasters took place, which put all previous calculations at defiance.

The ore prepared at the Mine proved, from causes explained in the Manager's Report, very much poorer in quality than they were led to anticipate, having, in fact, averaged less than 12 per cent., in place of about 14 per cent.; and as the expenses increase proportionally with the fall of the per centage, while the price obtained for it diminishes in an equal ratio, the difference amounts to a very serious item. The quantity shipped from the Mine last year was only 1202 tons in all, while it was expected to have reached 2000 tons, and every expense connected with the working of the Mine and the production of ore was enormously increased.

Another great disappointment sustained by the Directors arose from the works of the Ore Dressing Company not going into oper-

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ation as expected. The building to contain them was put up early in the season, and the greater portion of the machinery itself arrived at the Mine in August, but the engineer who was to have put it up unfortunately was attacked with cholera, and died while on his way to the Mine. As no other who understood the process could be obtained, the works were suspended; but recent intelligence leads to the belief that the Company intend to complete their works as soon as the navigation opens, and that the whole will be in operation in July of the present year.

The difficulties this Company have met with are so fully explained in the annexed Report of Mr. Borron, the Manager, that it is unnecessary here to enter on them more fully, but the Directors would solicit the attention of the Shareholders to the following extract from a letter received from him within the last few days, dated 27th January, 1855.

"I regret very much to learn that the Stockholders are so dejected, and
 "that they have actually been giving away their shares for nothing or next
 "to nothing. It is my earnest and sincere advice to all, to hold on to their
 "Stock, for however gloomy the present state of affairs, I feel certain
 "that there is no occasion for the great revulsion which seems to have taken
 "place lately. A repetition of the accidents and misfortunes which happened
 "to us last year, cannot be expected in the natural course of events. There
 "is the strongest probability of the Mine being worked much more econo-
 "mically, for labour, materials, and freights will all most likely be lower
 "in future, while from the failure and suspension of many Mines both in
 "Europe and America, the price of copper has a very good chance to keep
 "up, if not to rise. Besides all this, the Company have so much valuable
 "property in land and, otherwise, that this consideration of itself should
 "hinder any from throwing away their Stock rashly, if they can possibly
 "hold it. If, however, after this fair warning any gentleman is so desirous to
 "get rid of his Stock (as I am assured some are,) I shall certainly be glad
 "to have 500 or 1000 shares transferred to my name.

After having completed the delivery to the Baltimore Company, of all the ore contracted for, the Steamer *Bruce Mine* came to Montreal with a cargo. She arrived here on the 12th October, and was immediately sent on to Quebec, where her cargo was transhipped on board the Steamer *Charity*, for Liverpool; after which she took on board a quantity of machinery for the Wellington Mine, and finally left here on the 28th October. Her whole passage up was a series of delays and misfor-

tunes which were crowned by the total loss of the vessel, on Lake Huron, on the 28th November.

The vessel was insured for £6000, having cost considerably more than that, and the cargo was insured for £6000, the value of the Company's goods on board being £7114 3s., and there was no insurance on the freight. Attempts were made here, as well as in Toronto and at Detroit, to get a larger amount insured on the goods, and to have the freight covered, but none of the Insurance Companies would increase their risks.

The following is a condensed statement of the Finances of the Company on the 31st December last, the details of which are on the table for inspection :—

LIABILITIES.				
Bills Payable,	£42518	7	0	
Open Accounts,	6635	9	0	
				49153 16 0
ASSETS.				
Insurances on Steamer and Goods,	£12000	0	0	
Materials at the Mine, not issued,	3075	3	10	
Goods do. do.	5328	3	8	
Cash on hand in Bank,	1305	16	9	
Do. in transitu, and Goods not credited,	2050	19	10	
Open Accounts, good,	767	12	6	
Ore on hand 15th December, viz.:				
250 tons, 14 per cent, a £10,	2500	0	0	
50 " 12 " 8,	400	0	0	
325 " 15 " 11,	£3575			
Less cost of dressing,	775			
				2800 0 0
Calls in :				
Due 5th February, 1855, 1s. 3d. per share, ...	2837	12	6	
" 1st June, " 2s. 6d. " ...	5675	5	0	
" 1st July, " 2s. 6d. " ...	5675	5	0	
" 1st August, " 2s. 6d. " ...	5675	5	0	
" 1st September, " 2s. 6d. " ...	5675	5	0	
				55768 9 1
Apparent Surplus,	£6612	13	1	

The Directors have again to record their opinion of the valuable services of Mr. Borron and the other Officers at the Mine, and they deeply regret that from unforeseen and uncontrolable circumstances, these services have not resulted in that benefit to the Shareholders, which might have been expected.

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In conclusion, the Directors would recommend their successors to continue, on a limited scale, the examination of the Maimense Location on Lake Superior. So far as it has yet been explored, the results have been of an encouraging nature, and the indications seem of sufficient importance to induce further investigation.

The Directors retiring at this time are Messrs. Henry Mulholland, James Scott, John Carter, and Dr. Campbell, who go out by rotation, and Mr. Hugh Allan, who places his seat at the disposal of the Shareholders.

All which is respectfully submitted.

HUGH ALLAN,
President.

Montreal, 16th February, 1855.

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BRUCE MINES, 18th January, 1855.

HUGH ALLAN, ESQ.,

President, Montreal Mining Company.

DEAR SIR,

I am sorry to be obliged to introduce the Report usual at this season by an admission, that our hopes and wishes have not been realized in the result of last year's operations. We are unable at this office, in the absence of further advices, to ascertain the amount of profit or loss that may have been made ; but from the large expenditure we have been called upon to make, and the value of the return so far as known to me, I am satisfied that the result will fall considerably short of your expectations. There is some alleviation to our disappointment, however, in the consideration that the circumstances which have most materially affected the returns for last year, are those over which we have had no controlling influence whatever. The extravagant rate of wages necessary to obtain men ; the high prices of materials of all kinds ; the occurrences which delayed our stores and materials last spring ; and, finally, the total loss of our Steamer with almost all our fall and winter supplies on board, are misfortunes which no one could foresee. And the consequences cannot be justly charged on the Mine, which, under more favourable auspices, would, I am persuaded, have been worked with far more satisfactory results.

The accounts forwarded herewith will enable you to make up a correct statement for the information of the Stockholders, in regard to the state of our affairs ; and, for the same purposes, I will now, under the usual heads, endeavour to review the operations of the past year, and give a fair report of the present state of the Mine and Works generally.

MINING OPERATIONS.

This time last year we had but sixty men employed underground. These were not all Miners ; a considerable number of them were only labourers, who were stopping under the direc-

tion of two experienced Miners, appointed for that purpose. These men bored or drilled the holes, and charged and fired the same, according to the instructions of the Miner, being paid a certain rate per foot of the holes so drilled or bored. I was led to adopt this plan in consequence of our inability to procure a sufficient number of experienced Miners, and hoped by this means to have had the ground stoped at something like a reasonable rate. I found, however, that the ground stoped in this way cost far too much, and had eventually to abandon the plan. Subsequently our mining force was further reduced by men who left us for the Sault and elsewhere; and we did not, in consequence, raise nearly so much ore during the first half of the year as we expected, and indeed should otherwise have done. After the navigation fairly opened, the arrival of Miners from England and Scotland put us in a better position; but too late to tell effectually on the shipments of the season.

The following statement exhibits the quantity of ground broken during the last year:—

	Fms.	Ft.	In.
From 15th December, 1853, to 4th March, 1854.....	154	0	10
“ 4th March, 1854, to 12th May, “	135	1	6
“ 12th May, “ to 1st July, “	52	4	2
“ 1st July, “ to 2nd Sept., “	193	3	8
“ 2nd Sept., “ to 4th November, “	252	2	4
“ 4th Nov., “ to 16th Dec. “	120	2	10
<hr/>			
Total ground cut last year.....	908	3	4
	Fms.	Ft.	In.
of which 828 4 0 have been Stoped.			
43 5 3 “ “ Driven (Hevels.)			
36 0 1 “ “ Sunk (Shafts and Winzes.)			
<hr/>			
	908	3	4

In regard to the appearance and produce of the different stopes, the Report of Captain Hodge is so full and satisfactory, that I cannot do better than insert it here for the information of the Stockholders.

To E. I.
 Sir,
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BRUCE MINES, 12th January, 1855.

To E. B. BORRON, Esq.,

Manager Bruce Mines.

SIR,

In compliance with your request for information re-
 specting the under-ground operations of the Mine, I beg to offer
 the following Report.

I remain, Sir,

Yours respectfully,

WM. HODGE.

Price per Fm. and No. of Men w'kg.	Estimated Produce per Fm. In Tons.
---	---

1st.—Stope at the bottom of 15 fathom Level, west of Meredith
 Shaft. This Stope has been taken down, first from about
 5 fathoms below 15 fathom Level, and ten fathoms
 west of Meredith Shaft, but lately we have left about 3
 fathoms in length adjoining the Shaft, the Lode there being
 very small and poor; and sunk and stoped to within
 about 7 feet of the 25 fathom Level, which Level has not
 been driven or extended west of the Shaft. This Stope
 £8 is now about 5 fathoms in length, and the Lode is 4 feet
 4 men. wide..... 2

2nd.—Stope east of Meredith Shaft. This Stope has been
 taken down from surface from Meredith to Ferrier
 Shaft to the depth of about 15 fathoms; the Lode is
 £8 10s. poor and small in places, being very irregular, and vary-
 4 men. ing from 6 inches to 5 feet in width..... 1½

3rd.—Stope at the surface, east of Ferrier Shaft. The Lode
 has already been taken out here 9 fathoms east from the
 Shaft, and from the surface to the 15 fathom Level;
 hence the present is a Stope still further east, and is
 about 6 fathoms in length, and 4 fathoms below the
 £8 surface. The Lode at the west end of the Stope is 6
 4 men. feet wide, but at the east end it is small and poor..... 2

4th.—Stope at the bottom of 15 fathom Level, east of Ferrier
 Shaft. The Lode has already been taken but 5 fathoms

Price per Fm. and No. of Men w'kg.		Estimated Produce per Fm. In Tons.
	east from the Shaft, and from the 15 to the 25 fathom Level; the present, therefore, is a Stope still further east, £8 10s. and is about 7 fathoms in length, and down to within 2 4 men. fathoms of the 25 fathom Level; the Lode is 6 feet wide.	3
	5th.—Stope at the bottom of the 25 fathom Level, west of Ferrier Shaft. This Stope commences at the Shaft, and £8 extends 23 fathoms west, and is now about 4 fathoms below the 25 fathom Level; Lode from 4 to 5 feet in width.	2
	6th.—Stope at the bottom of the 25 fathom Level, east of Ferrier Shaft. This Stope, commencing at the Shaft and extending 25 fathoms east, is from 4 to 5 fathoms below the 25 fathom Level; width from 6 to 8 feet; at £8 and near the Shaft.....	1½
	4 men. Midway.....	2
	East.....	3
	7th.—Stope west of Engine Shaft; from thence to a surface Winze. About 8 fathoms further west the Lode has £8 been taken out from surface to about midway to the 15 4 men. fathom Level, and from Shaft to Winze; Lode 4 feet wide.	1½
	8th.—Stope west of Winze west of Engine Shaft. This Stope is west of the last named Stope, and has been taken £8 down from the surface 3 fathoms in depth, and 6 fathoms 4 men. in length; Lode about 4 feet wide.....	1½
	9th.—Stope east of Engine Shaft. This Stope commences at the Shaft, and has been taken down from surface to the £8 depth of 8 fathoms, and is 22 fathoms in length; the Lode 4 men. is about 3 feet wide.....	2
	£20 { For sinking 9 feet in length, which we are compelled to do, in order to keep the use of our Shaft for hauling stuffs from below, and for ladders.....	
	10th.—Stope at surface further east from Engine Shaft, and east of a surface Winze sunk at the east end of the last mentioned Stope. This Stope is 3 fathoms below the surface, £8 and is 15 fathoms in length; Lode from 1 to 3 feet wide; 4 men. "grey vs. horse flesh".....	1
	11th.—Stope at bottom of the 15 fathom Level, west of James' Winze. The Lode here has been taken out from James' Winze to 5 fathoms west, and from the 15 to the 25 fathom	

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Price per Fm. and No. of Men w'kg.	Estimated Produce per Fm. In Tons.
Level, and we have now other 5 fathoms in length stoped £8 15s. further west from the 15 fathom Level to within 15 feet 4 men. of the 25 fathom Level; Lode 5 feet wide.....	2
12th.—Stope west of Scott Shaft. This Stope has been taken down from surface from Scott to President Shaft, and to the depth of about 18 fathoms; the Lode from Presi- dent Shaft for 4 fathoms east is disturbed by a cross- £9 course, and almost destroyed, but from thence to Scott 2 men. Shaft is from 2 to 3 feet in width.....	2
13th.—Stope bottom of the 10 fathom Level, east of Scott Shaft. The Lode has been taken out here from the Shaft 6 fathoms east, and from the 10 to the 25 fathom Level; the present Stope, therefore, commences 6 fathoms east from Scott Shaft, and extends about 20 fathoms further east, and is down 2 fathoms below the 10 fathom £10 Level; Lode from 3 to 4 feet in width, with scarcely any 4 men. walls; BAD for blasting.....	From 3 to 4
14th.—Stope at surface, east of Harris Shaft. The Lode here has been taken out from Harris Shaft about 8 fathoms east, and from the surface to the 10 fathom Level, and at £9 10s. the surface, from thence 6 fathoms further east to 3 4 men. fathoms in depth; Lode about 3 feet wide; bad walls..	1½
15th.—Stope west of the Adit Shaft. This Stope has been taken £8 10s. down from the surface to 5 fathoms below, and is about 4 men. 9 fathoms in length; Lode irregular; walls bad.....	2
16th.—Stope on the north Lode. This Stope has been taken down from the surface, and we have to sink for our stop- ing, no other work having been previously done on this Lode; Stope about 10 fathoms in depth, and from 7 to 8 fathoms in length. The Lode has been regularly improv- ing from the surface down, both in size and productive- ness; it is now about 5 feet wide.....	2½
£25 For sinking Shaft 9 feet by 5 feet..... £7 For Stopping.....	
17th.—Stope east of Trial Shaft. This Stope has been taken down from the surface, and is about 6 fathoms in length; the Lode has been taken out almost to the back of the 15 £9 fathom Level, and has been the most productive Stope in 4 men. the Mine.....	Over 4

Price per Fm. and No. of Men w/kg.		Estimated Produce per Fm. In Tons.
18th.	—Stope at surface east of Trial Stope. The Stope is immediately east of No. 17, and extends 16 fathoms further east; it is about 4 fathoms below the surface, and im- £9 proves going down; Lode from 5 to 10 feet wide; and 4 men. promises soon to equal No. 17.....	3
19th.	—Stope at surface west of Shaft No. 1. This Stope is 3 £8 16s. fathoms from surface, and extends from Shaft 17 fathoms 4 men. west towards Trial Shaft; Lode from 8 to 10 feet wide..	2
20th.	—Stope east and west of Moffatt Shaft. This Shaft has been sunk immediately on the junction of two Lodes, at which point the Lode is 12 feet wide—east and west from whence they take horse,—we are stoping on one £8 10s. Lode only, and that the smaller one, it being the most 8 men. productive; this Lode is from 1 to 4 feet wide.....	1½
Shaft No. 1.	This Shaft is about 5 fathoms in depth; £35 the Lode 5 feet in width, producing about.....	2
6 men.	Shaft to be taken down 3 fathoms in length..... We have a Stope from this Shaft 6 fathoms east, and about 3 fathoms from surface, which will not be conve- nient to work whilst the Shaft is sinking; the Lode in the Stope is from 8 to 10 feet wide, yielding 2 tons per fathom, and from whence to Trial Shaft, a distance of from 40 to 50 fathoms, we have good Ore ground.....	
Trial Shaft.	We have just let this Shaft to sink below the 15 fathom Level; there is a north and south Lode in the Shaft, and a horse in the middle; the south Lode is about 1½ feet wide, with good spots of Ore; the north Lode is from 3 to 4 feet wide, and very good. I judge the horse in the east end of the Shaft to be 6 feet wide, hence too wide to be taken: but in the west end it is no more than 3 feet wide, and I have requested that both it and the north Lode be taken into the Shaft. I think	
£40	these Lodes will fall together in depth; Shaft is being 6 men. taken down 3 fathoms in length.....	
Winze	in the bottom of the 25 fathom Level, east of Scott Shaft. This Winze is 18 fathoms east of Scott Shaft, and is intended to communicate with the 25 fathom Level, and to serve the double purpose of ventilating the Mine below, and laying open ground to stope; Winze	

Price
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Men w/kg.
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	£26	taken down 9 feet in length; Lode poor at present; Winze	
2 men.	51 feet in depth.....		1½
		Adit Level, driving west of the Adit Shaft. This Level is intended to communicate with old Stopes "now full of water," situated at the east of, and supposed to communicate with, Prideaux Shaft; the men haul their own stuff by windlass; Lode from 4 to 5 feet in width.—Note: an	
£18 12s.	old drawing of the Mine shows that these Stopes do com-		
4 men.	municate with Prideaux.....		2
		35 fathom Level, east of Scott Shaft. This end is now	
£18	about 3 fathoms from Shaft; the Lode about 2 feet wide,		
2 men.	producing good spots of Ore.....		
		50 fathom Level, east of Scott Shaft. The end here is	
£18	about 5 fathoms from Shaft; the Lode scarcely percept-		
2 men.	ible, presenting only here and there a vein the size or		
	thickness of a quill, with spots of Ore.....		

No. of men stoping.....	82
“ “ sinking Shafts and Winze.....	14
“ “ driving Levels.....	10
Total.....	<u>106</u>

I judge that at the end of last take (16th Dec., 1854,) we had in its rough state—at the surface, and not hauled—from 300 to 320 tons of ore.

W. H.

In addition to the foregoing Report of the Mine Captain, I may observe,—That while there has been no general falling off in the richness of the stopes carried on during the past year, yet from the larger number of Miners employed we have been obliged, in some instances, to work poorer stopes than we might have been disposed to do, with fewer men, and the option of selecting and carrying on the best stopes only.

The average yield of the whole ground broken appears on this account to have been rather below what it was in the preceding year.

The quantity of ore obtained during the past year is 1517 tons, as nearly as can be ascertained; but from the deplorable loss of the Company's Steamer, and other unfortunate circumstances, we have only shipped a portion of the ore, not only raised from the Mine, but actually dressed and ready.

The following statement exhibits, as nearly as we can approximate, the quantity of ore obtained from the Mine and Mine-Wastes during the year just ended:—

	Tons.	cwt.	qr.	lbs.
Raised, Dressed, and Shipped.....	892	0	1	2
Raised, Dressed, and on hand.....	300	0	0	0
Raised, and on hand, in the state of rough ore, estimated to produce when dressed.....	325	0	0	0

Total produce of the Mine, &c., for 1854..1517 tons (of 21 cwt.,) dryweight.

The shipments have been as follows:—

SWANSEA.	Tons (dry.)
Dressed ore on hand, 15th Dec., 1853, the produce of 1853..	150
Ore in the rough, on hand, 15th Dec., 1853,	160, but dressed in '54.
Dressed ore, the produce of 1854	892 0 1 2
Quantity of ore Shipped in 1854	1202 0 1 2
<hr/>	
To Buffalo, for Baltimore Copper Smelting Co.....	1035 17 0 13
To Montreal, for Liverpool or Swansea.....	166 4 0 17
	<hr/> 1202 0 1 2

REMAINING ON HAND — THE PRODUCE OF 1854.

Dressed ore, 1st quality	250 tons, 14 per cent.
Dressed ore, 2nd "	50 " 12 "
Rough ore, sufficient to produce ...	325 " of 15 "

Total.....625 tons.

It may occur to some of the Stockholders, that the ore obtained during the past year from wastes or skimpings, in quantity nearly 400 tons, should be deducted from the 1517 tons given as the produce of the Mine, having, as they may suppose, been derived from an extraordinary source. In answer to this, however, I may state that the ore to be recovered by second processes from the skimpings and wastes, set aside from ores

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actually raised last year, will amount in all probability to very nearly the quantity derived from that source. Consequently it would not be fair to the Mine to make any deduction on that account.

The first consideration with us, during the past year, has been to keep our stopes going, and the carrying out of this primary object has retarded the sinking of Ferrier's and Scott's Shafts, the further prosecution of which, however desirable, would have stopped for a time some of our best stopes. But we have not been inattentive to other prospective operations, quite as useful if not quite so interesting as those mentioned. This will be seen from the following

STATEMENT OF PROSPECTIVE OPERATIONS IN 1854.

Levels.	Fms.	Ft.	In.	
The Adit Level has been driven....	26	4	1	at a cost of £355 14 8
" 10 fm. " east of Scott's Shaft..	2	5	9	" " 50 5 10
" 25 fm. " " " ..	10	3	3	" " 179 4 2
" 50 fm. " " " ..	3	4	2	" " 68 10 0
	<u>43</u>	<u>5</u>	<u>3</u>	<u>£653 14 8</u>

Shafts.

No. 1 Shaft has been sunk.....2 2 2 at a cost of £ 82 12 5

Winzes.

	Fms.	Ft.	In.	
Winze, bottom of the 25 fm. Level, east of Scott's Shaft, sunk.....	17	1	10	for £190 3 11
" on Dodge's Stope; Lode north of Trial Shaft.	6	4	1	" 121 9 5
Sundry other Winzes, together.....	5	1	11	" 95 11 1
	<u>16</u>	<u>1</u>	<u>10</u>	<u>£407 4 5</u>

Total Expenditure on Prospective Work last year.....£1143 11 6

The Shaft is 3 fathoms in length by 5 feet or width of the Lode.

The Winzes are 1½ fathoms in length by 12 feet or width of the Lode.

The more immediate object to be attained by the Adit Level is the drainage of the stopes extending from Prideaux's Shaft eastward, some fifty fathoms east of Trial Shaft, embracing about 100 fathoms in length of the best ground in the Mine. The

level is driven in from the low ground on the north side of the hill, and will intersect or cross-cut the main lode at the depth of about 30 feet from the surface a little to the west of Trial Shaft. When completed it will run off all the surface water which we find very troublesome and expensive. This done we have no other water to contend with, at any depth as yet attained in the Mine. Most of the ground on this portion of the lode has already been stoped out to the depth of 5 fathoms and upwards, and so soon as we communicate with these stopes, the extension of the Adit will be accomplished at much less cost, and at the same time more expeditiously, for, the ground or lode being already worked out, it is only necessary to put in a stull or artificial bottom of timber, and cover this with clay, and we will have formed an excellent level, capable of keeping up and running off all the surface water of that portion of the Mine. It can afterwards be extended to other parts of the Mine, if desired. I expect to intersect the stopes east of Prideaux's Shaft, in a few weeks. And will communicate with West Trial stope, by the time the spring thaws and rains set in, if possible.

The surface developments (to which some attention has been given last season) have been on the whole very satisfactory, more particularly to the east of Trial Shaft, and to the west of Moffat's Shaft, where on different lodes good stopes have been added to those previously in operation.

Not more than one half of the ground stoped last year, is any portion of the ore ground "reserves," considered as laid open at the commencement of the season. And what between the surface developments and prospective operations carried on since, the resources of the Mine are quite as good, if not better now than they were then. Or in other words we have still as much ore ground in view.

The loss of the "Bruce Mine" steamer would have compelled me to discharge all the Miners, not actually under engagement, if there had not been (very fortunately) a supply of powder, steel and fuse, at Sault Ste. Marie, sufficient for our wants during the winter. These were entirely in the hands of one house, Messrs. Spalding and Child, who very honorably, taking no advantage of our necessities, supply us on their usual terms.

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If it is considered judicious to keep on the whole force presently at the Mine, we shall raise a large quantity of ore this season, more than there is any reasonable probability of our being able to dress, owing to the loss of our crusher rollers, &c. Under these circumstances it may be advisable to reduce our actual mining force very considerably on the opening of the navigation, and confine our operations, during the summer, principally to dressing up the ores already raised. When we have need for more Miners, they can be got, I am confident, in any quantity next fall, at much lower rates of wages than at present. I have already reduced the wages of the surface men generally, from 10 to 20 per cent., and have no doubt circumstances will warrant a further reduction as soon as the navigation opens. I am in expectation of letters from the Upper Lake, as to the rate of wages current at the Mines on the South Shore. And if warranted in doing so, I shall reduce next settling day the prices paid to the Miners for stoping.

I have no doubt in my own mind, that both wages and materials will be lower, and that the expenditure under this head will be very much less this year than it was last season, in proportion to the quantity of ore raised. And as the country settles, and labour becomes more abundant, so in like manner will the expenses of the Mine decrease, excepting in years of extraordinary and wild speculation, which I rather fear the last two have been. I believe well founded hopes may be rested on this foundation, in regard to *the future of the Mine*, even if it does not improve or become richer in depth than it has been hitherto at and near the surface.

ORE DRESSING.

This department has been a very troublesome and expensive one, and it would have given great satisfaction to all concerned, if the Ore Dressing Company had got their works into successful operation before the close of the navigation. Nothing will now be done by them till next summer.

At the commencement of the year just closed, I set a contract of the ore dressing to two of the best Cornish ore dressers at the Mine. The price agreed upon was 25s. per ton of 15 per cent.

ore, when dressed from Mine stuff, and 35s. per ton of 12 per cent. ore, when dressed from skimpings, the Company providing engine power, machinery and materials. These parties experienced, however, the difficulties felt last year in every department, the principal of which, was the almost utter impossibility of getting good hands for the work at reasonable wages. The Canal at Sault Ste. Marie having to be finished in a limited time, the Canal Company spared no expense to obtain and keep a sufficient number of men to complete their work. Fifteen hundred people were, I believe, employed there, common labourers receiving, I was credibly informed, \$26 per month, and their board. Wages equivalent to nine pounds a month here, where the men have to pay \$10 per month for their board. Such a competition for labour as this in our immediate neighbourhood has been most injurious to us during the past season. The result in this particular instance was, that our ore dressers could not obtain hands enough to man the machinery fully, and had to pay to inexperienced and inferior men more wages than they had calculated upon. Consequently, although industrious men themselves, they came out at the end of their contract considerably in debt. This debt we, of course, had to assume, the Company being responsible to the hands employed. All the contractors had to lose was their time and labour. The Company on the other hand can hardly be said to have lost anything by the contract, for if it had not existed, the same work done on wages would have cost us quite as much, if not more than it cost them.

As mentioned under the head of "Mining Operations," the quantity of ore raised from the Mine, during the first six months of last year, was considerably less than we had reason to expect, and in consequence we had not anything like constant work for our dressing machinery on Mine stuff, and were compelled to dress up a large quantity of skimpings which yielded but a small quantity of ore, considering the time and labour spent upon them.

This deficiency of Mine stuff, and the want of hands, together with the unexpected delay and loss of our rollers and some very necessary wheels required for our crushers, occasioned a great falling off in the quantity of ore actually dressed last season, as

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compared with my expectations and promises at the commencement of it. Very little ore, however, was dressed during the last six weeks of the year, the greater portion of that time being taken up with repairs required by the engine and crusher, and in waiting for rollers. The rather low produce of much of the ore dressed last year was owing to many of the parcels containing more or less skimping ore, and also to the number of raw and inexperienced hands we were obliged from time to time to employ in dressing the ore.

We are carrying on at present with only one crusher, having no rollers for the other. This we keep going night and day, but only jigg during the day, which is sufficient to dress up all the stuff the crusher is able to crush.

We are putting up a furnace in the Smelting House to cast, if we can, rollers, &c., for ourselves; and I think there is rather more than a possibility of our succeeding. If we do it will be a great matter, and if we do not the expense of the trial will not be very much. At any rate, we will contrive, I expect, to keep our large crusher at work till very near the opening of the navigation.

The quantity of ore dressed from 15th December, 1853, Tons. Cwt. qrs. lb
to 16th December, 1854, is, 1352 0 1 2

Dressed ore on hand, 16th December, 1854.

1st quality from Mine Stuff, about..... 250 say 14 per cent.

2nd quality from Skimpings..... 50 say 12 per cent.

Stock of Dressed ore on hand..... 300 tons.

In the present state of uncertainty as regards rollers, it is impossible to give even an estimate of the quantity of ore we may have dressed by the opening of the navigation; but I shall be much disappointed if we have not at any rate ready for shipment at that time say 800 tons.

LOCATION.

The greatly increased population at the Mine has called for increased accommodation as respects dwelling houses, and to meet this we have been obliged to repair and fit up every available building on the Location, to put up a number of new houses, and make many additions to those formerly erected.

In the course of the year 6 hewn log houses, 2 frame houses, and 1 frame house walled with brick, have been erected entirely at the Company's expense; also, 2 frame houses, and 1 log house, partially at the Company's expense. Another "dry house" has been put up at the Mine, the one formerly used for that purpose having been converted into a shop for the smiths.

Among the additions I need only particularize: four rooms added to the tavern, a thorough repair of the old chapel, which is now made comparatively comfortable, and used as a school during the week; the bowling alley has also been repaired, and converted into dwelling houses for three families.

A good road, 350 yards in length, has been made in front of the houses west of the smelting works; and, in anticipation of cholera, some improvement was effected in the way of drainage.

Altogether, between repairs, additions and improvements, a considerable sum has been laid out upon the Location during the past year, a portion of which has been carried to the debit of Permanent Improvement account, and the remainder to the charge of this account.

The balance in favour of Location this year is £111 4s. 1d.

There are 67 houses on the Location, beside offices, store, warehouse, root house, slaughter house, stable, engine house, jigging house, smelting house, "dry," carpenters' shop, smiths' shop, and church.

The 67 dwelling houses are divided into 78 tenements.

THE STORE.

The very late arrival of the spring goods (July 10th,) and the total loss of all the fall and winter supplies (with the exception of flour, beef and pork,) are circumstances which have told heavily against the store last season. It has, however, under the careful management of Mr. Davidson, done all that could be reasonably expected, as you will perceive from the statements and accounts forwarded by this mail.

Mr. Davidson is obliged to have recourse to the Sault this winter for all those supplies which are most necessary for the health and comfort of the community. Fortunately the storekeepers at the Sault are pretty well provided with groceries and warm cloth-

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ing, of which we stand most in need. Of flour, pork and beef we have abundance, so that on the whole we are quite well off as regards all the necessaries of life, and should feel thankful that these also had not been on the "Bruce Mine."

The prices, however, of goods purchased at the Sault, together with duties and expenses, will hardly admit of our charging the usual profit on all the goods so obtained ; consequently the returns from this department will not only be less for last season, but this year also, compared with what they would have been had our Montreal supplies reached the Mine.

POPULATION.

From a census just taken, it appears that the population at the Mine consists of:—

Men,	212
Women,.....;	94
Boys and Girls under 17 years of age,.....	209
	<hr/>
Together.....	515 souls.
At the Wellington Mine,.....	56 "
	<hr/>
On the Location,,.....	571 "

The Location has, on the whole, maintained its character for healthiness of situation and climate. Notwithstanding the prevalence of cholera on the lakes last season, and especially at Sault Ste. Marie (where it raged more or less all summer,) we had not a single case at the Mines ; nor has there been much other sickness of any kind amongst us.

Free houses are allowed to the widows of the Miners who died on their journey from Scotland to the Mines, as also of another poor man of the same party who was killed by a blast underground shortly after his arrival here. In this way, by keeping boarders, they are enabled to provide for themselves and families without further assistance. Within the last few days we have had two unfortunate Miners blown up by the accidental explosion of a blast underground. One poor fellow is rendered helpless for life, having both his arms dreadfully injured, so much so that Dr. Newton, who providentially arrived a few hours after the acci-

dent, immediately amputated one arm that evening, and next morning had to take off his hand on the other side. The other man seems to have escaped with less injury, but has lost one of his eyes, and can see very little with the other as yet. These three are the only serious accidents we have had at the Mine during the last twelve months. The case of the poor fellow who has lost his arms claims the sympathy of the Stockholders as individuals, if not as a Company, and as such it is most respectfully presented.

It is right to mention under this head, that the Missionary Society of the Methodist Church have, much to their honour as a Christian body, maintained, almost entirely at their own charge, a well-qualified and worthy Missionary at the Mines for nearly three years, by whom the Gospel is preached, and the ordinances of religion regularly dispensed.

The Sabbath School, Day School and Public Library are all kept up in a state of usefulness. The Day School is, in the mean time, carried on by the Rev. Joseph Hill, assisted by Mr. Pilgrim and Mr. Vivian, junr., all of whom kindly offered their services gratuitously, rather than that the children should be deprived of instruction during the winter. The School is therefore "free" at present to all who think proper to send their children. It is attended by upwards of sixty scholars, and I need hardly say it is ably conducted.

I have much pleasure in being able to add, that the peace and quietness of the place has been and is very creditable to a community so large and promiscuous as that now at the Mines.

LAKE SUPERIOR EXPLORATION.

The result of our operations on Meredith's Location, at Point Mamainse, has already been reported to you. The lodes on this Location are very numerous, and several of them highly promising, even at the surface. The lodes found last season are both richer and more conveniently situated for working than those discovered previously.

The old Indian Digging, discovered by Captain Hooper shortly before the party came down, is not only a matter of interest generally, as being the first hitherto found on the North Shore, but is

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a matter of importance locally, as giving an increased value to that portion of the Company's landed property. Our party had not time before leaving to test the lode satisfactorily, on which the Indian Diggings are situated; but the specimens of native copper (one of them weighing 8 or 9 lbs.) taken out, are very encouraging.

The Argentiferous Lead Lode, from its proximity to the lake, can only be sunk upon to the depth of a few feet, at the points where it has been as yet found.

The party brought down a few specimens of native silver, taken out of a lode which may, on further examination and trial, turn out to be valuable.

There is also a very respectable lode of Grey Ore a short distance from the Indian Diggings, and equally well situated for working to advantage.

The sum expended last year in the practical exploration of this Location is £441 13s. 6d., against which we have the stock of materials and tools, &c., taken up, and stored there on the departure of our party.

Captain Thomas Hooper had charge of the party, and acquitted himself very much to my satisfaction.

THE WELLINGTON MINE.

The lease of the western portion of this Location has been assigned over, by Captain Vivian, to a very respectable Company, the principle Stockholders of which are resident in England.

This is satisfactory, as being the first Company essentially English which has engaged in Mining enterprises on these lakes; such a Company as will, I am persuaded, bring forth skill and capital to bear towards making the Mine profitable to all concerned.

They, like ourselves, have been severe sufferers by the loss of the Bruce Mine Steamer, their engine and materials being on board of her. Otherwise it was intended to have had the engine up this winter, and if so, they would doubtless have shipped a quantity of ore next season, out of which this Company would of course have received its "dues." As it is, the loss of their engine is at this time almost equivalent to the loss of a year.

In the meantime they have got their engine house nearly finished, and are busily engaged, with a considerable force, putting up houses, making wharves, and other surface improvements.

Fifteen Miners, or thereabouts, are employed in the stopes, which are turning out a considerable quantity of ore, and reported as improving in depth.

PROPERTY.

Under this head I have merely to observe, that on the 16th of December last

	£	s.	d.
The stock of Goods, &c., actually in the store, and taken at cost and charges only, was.....	4789	2	10
Book Debts,	737	1	0
	<hr/>		
Goods lost on Bruce Mine Steamer,.....	£5526	3	10
	3701	19	10
	<hr/>		
	£9228	3	8
	<hr/>		
The stock of unissued materials, &c., was, as per list,	£3072	18	5
Materials lost on Bruce Mine Steamer, so far as invoices have been received and entered,.....	2439	15	8
	<hr/>		
Total.....	£5512	14	1
Stock of Dressed ore on hand,	250	of 14 per cent.	
“ “ “	50	“ 12 per cent.	
Rough ore to yield when dressed,	325	“ 15 per cent. ore.	
	<hr/>		
	625		

In addition to the stock of materials, &c., unissued, there is a large stock of materials, tools and utensils which have been issued, and are in use in the various departments of the works. An inventory of these is forwarded with the accounts; but the Engine, Ore, Dressing Machinery, Dwelling Houses, &c., &c., are not valued nor included in this inventory.

In conclusion, I am pleased to be able to add, that Mr. Wm. Hodge, as Captain of the Mine, and Mr. Daniel McKenzie, as Book-keeper and Cashier, have very faithfully discharged their duty to the Company; and that the other Officers also have been zealous and honest in their various trusts.

I am anxious, however, to have a more experienced ore dresser than any presently at the Mine, and will take steps to obtain some really first-rate man for this department next spring.

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Our latest communication from the Head Office is dated the 14th of November, and I fear that one mail has been lost. This is the second time we have been obliged to make up our accounts and reports in a long arrear of all advices from the Head Office,—a circumstance especially annoying this year, owing to the loss of our Steamer, rendering such instructions important.

We have, however, done the best we can to make up our accounts correct, and to anticipate the information required by the Stockholders,

And have the honor to be,

Sir,

Yours most respectfully,

E. B. BORRON,

Manager.

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List of Operatives in the service of the Montreal Mining Company, 18th January, 1855, with about the present rates of wages.

- 106 Miners, who expect to make about £10 per month each.
 2 Timber Men, *a* £8 and £10 per month.
 10 Ribble Fillers and Landers, *a* 5s. 9d. per day each.
 14 Spallers and Surface Men at the Mine, *a* 5s. per day.
 3 Teamsters, Ox Drivers, *a* 5s.
 1 Stableman, *a* 5s.
 1 Watchman, *a* 5s.
 4 Blacksmiths, from 6s. 3d. to 9s. per day.
 1 Helper, *a* 5s.
 5 Carpenters, *a* from 5s. to 8s. per day.
 1 do Apprentice.
 1 Engineer and Fitter, *a* £10 per month.
 2 Engine Drivers, *a* £8 and £9 per month.
 1 Stoker and Oilman, *a* 5s. per day.
 2 Crusher Men, *a* 5s. 6d. per day.
 2 Wheeling up Stuff to Jiggs, on contract, *a* 7s. per day each.
 3 Taking out Skimpings, and Cutting Wood for Stores, contract, *a* 6s. 8d. per day each.
 15 Jiggers, *a* from 4s. 6d. to 5s. each.
 1 Wheeling out Ore, &c., *a* 5s. per day.
 1 Attending Crusher and Jigging House Fires at night, *a* 4s. 6d.
 1 Captain Ore Dresser, *a* £9 per month.
 2 Assistants in Store, *a* £8 10s. per month each.
 1 Keeper of Materials, *a* £8 per month.
 2 Sawyers, *a* 5s. 9d. per day each,
 1 Wood Chopper, *a* 5s.
 183 Men.
 11 Boys, employed at Smiths' Shop, Jigging House, and as Drivers, *a* 2s. to 3s. 6d. per day.
 194 Hands, exclusive of the Company's Officers, and also of some French Canadians and half-breeds, who are employed as Couriers, chopping cord wood on contract, and boating (during the season,) &c., &c. And several of whom occasionally do a few days work *a* 5s.

E. B. B.