

PER
Z-1145

J. B. Marion

20

REPORT
OF
THE DIRECTORS
OF THE
MONTREAL MINING COMPANY,
TO THE
STOCKHOLDERS
AT THE
ANNUAL GENERAL MEETING,

15TH FEBRUARY, 1854.



Montreal:
PRINTED BY JOHN C. BECKET,
AT HIS STEAM-PRINTING ESTABLISHMENT, GREAT ST. JAMES STREET.
1854.

MO

AT HIS STE

REPORT
OF
THE DIRECTORS
OF THE
MONTREAL MINING COMPANY,
TO THE
STOCKHOLDERS
AT THE
ANNUAL GENERAL MEETING,
15TH FEBRUARY, 1854.



Montreal:
PRINTED BY JOHN C. BECKET,
AT HIS STEAM-PRINTING ESTABLISHMENT, GREAT ST. JAMES STREET.
1854.

Montreal Mining Company,

INCORPORATED BY ACT OF PARLIAMENT.

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

DIRECTORS:

HUGH ALLAN, Esq., PRESIDENT.
HENRY MULHOLLAND, Esq., VICE-PRESIDENT.
GEORGE E. CARTIER, Esq., M. P. P.
ROBERT ANDERSON, Esq.
ANDREW MACFARLANE, Esq.
G. W. CAMPBELL, Esq., M. D.
JAMES SCOTT, Esq.
JOHN CARTER, Esq.

Co
Ci
18
Sh
T
Ha
Sec
F
the
and
Mar
T
Acc
Acc
he h
Me
were
Elect
migh
It wa

Resol
be recei

Mr.
that th
be def
and co

The

That th
postponed

MONTREAL MINING COMPANY.

The Annual General Meeting of the Montreal Mining Company, was held in the office of the Company in the City of Montreal, on Wednesday, the 15th February, 1854, and was attended by a considerable number of Shareholders.

The President having taken the Chair, requested Mr. Handyside, the Secretary of the Company, to act as Secretary to the Meeting.

He then read the Report of the Board of Directors for the past year, together with a report on the state, progress and prospects of the Mine, from E. B. Borren, Esq., the Manager.

The President also read a letter from Mr. John Speirs, Accountant, certifying that he had examined the Books, Accounts and Statements for the past year, all of which he had found to be correct.

Messrs. Thomas Workman and George Templeton, were appointed Scrutineers to receive the votes for the Election of new Directors, and on any division that might be called for at this Meeting.

It was then moved by John Redpath, Esq., seconded by E. D. David, Esq., and

Resolved.—That the Report of the Directors and of the Manager now read, be received, adopted, printed and circulated amongst the Shareholders.

Mr. Thomas Ryan moved, in amendment, to the effect that the reports be printed, but that the adoption of them be deferred till a future day, which was not seconded, and consequently dropped.

The Hon. G. Moffatt then moved another amendment, That the consideration of the motion (for the adoption of the report) be postponed to this day fortnight.

On this amendment a division took place, when there voted

For it	3,215 Shares.
Against it	37,226 do

Majority against Mr. Moffatt's amendment	34,011 do.
------------------------------------------	------------

It was consequently lost.

The motion for the adoption of the report was then carried without a division.

Moved by the Hon. Peter McGill, seconded by William Molson, Esq., and

Resolved.—That the thanks of this Meeting be given to the President and Board of Directors for their successful management of the affairs of the Company during the past year. (Carried unanimously.)

Moved by John G. Mackenzie, Esq., seconded by H. L. Routh, Esq., and

Resolved.—That the President be requested to accept the sum of five hundred pounds, for his valuable services to this company during the past year. (Carried unanimously.)

Moved by Thomas Ryan, Esq., seconded by Hon. G. Moffatt, and

Resolved.—That the thanks of this Meeting and of the Shareholders, be and are hereby tendered to Mr. Borron, for his management at the Mine. (Carried unanimously.)

William Murray, Esq., and A. K. Laviscount, Esq., were appointed Auditors, to look into and examine the Books and Accounts of the Company for the ensuing year.

The Scrutineers then reported that the following gentlemen were elected Directors for the ensuing two years :

HUGH ALLAN, Esq.

ROBERT ANDERSON, Esq.

G. E. CARTIER, Esq., M.P.P.

ANDREW MACFARLANE, Esq.

The Meeting was then dissolved.

HUGH ALLAN, Chairman.

ADAM HANDYSIDE, Secretary.

REPORT OF THE DIRECTORS
OF THE
MONTREAL MINING COMPANY,
SUBMITTED AT THE
EIGHTH ANNUAL GENERAL MEETING.

DURING the progress of the year that has elapsed since last Annual Meeting, the affairs of this Company have gradually been assuming that permanent and enduring character to which its merits, now pretty well established, entitle it. The Stock, which was so long depressed, and even for some time unsaleable at any price, has at length attained to something approaching its real value, and being now less liable to fluctuation than formerly, it has become a much more desirable property to invest in. Parties desirous of selling Stock can now dispose of their shares without incurring any very serious sacrifice, and buyers can lay out their money with as fair a prospect as mining property usually presents, of obtaining dividends in proportion to the amount of their investments. The Stock of the Company cannot now, therefore, be regarded as of that extreme speculative character which it once possessed, but should rather be looked on as presenting the opportunity of a fair investment from the present workings alone, with the chances of greatly augmented returns by the discovery of new lodes on the other locations, the successful working of some of those already discovered, or the disposal at fair prices of a portion of the Company's property.

For the first time since the formation of the Company, a dividend has, during last year, been paid to the Stockholders. This event, while it is gratifying to the Directors, and must be equally so to every one connected with the Company, is of some importance to the whole community, recovering as it has done

material wealth to the amount of about £200,000, which had been expended on property, and which was at one time regarded as almost, if not altogether lost, and shewing, besides, that the Province possesses abundance of mineral wealth, which only requires to be developed and worked with care and economy, to afford remunerative employment to thousands of people, and a good investment for almost any amount of capital that the country is likely to be able to spare for a number of years.

More or less apprehension seems always to have been entertained by many persons that the lodes of the Bruce Mine were not of a permanent character; that they did not extend to any great length, or to any great depth; that, in fact, there was only a surface deposit of copper ore, which would at some early period be worked out, after which event the property would become valueless. The very excellent Report of Mr. Borron, the Manager, (which will be read to you immediately,) effectually sets this question at rest; and it affords the Directors much pleasure to direct the attention of the Stockholders to the facts therein stated,—viz., that the lodes in the deep shafts are improving as they go down; that they hold good, with an increasingly favorable appearance both East and West from the present workings; and that he (Mr. Borron) anticipates that the mine will maintain its present position as a dividend-paying concern, with increasing returns, not for two or three years only, but for two or three generations to come. Nothing could be more conclusive or gratifying than this announcement, coming as it does from a man of the knowledge, caution, and experience that Mr. Borron possesses.

In the last Quarterly Report it was mentioned that an expedition had been sent up Lake Superior in the month of June to make such further examination as time would permit of the locations belonging to this Company on the North shore of that lake, with a view of affording the means to determine whether any or all of them should be secured on the terms offered by the Government.

The result of that examination was laid before you, and agreeably to the resolutions then passed, the Directors secured sixteen locations on Lake Superior, and an additional one at Point Mamainse, which was strongly recommended by Mr. Pilgrim.

The amount paid on these locations was (including expenses of exploration) about £3,750, and no further payment is required till May of next year (1855). Some of the specimens brought down by the examining party have been submitted to Mr. T. S. Hunt, Chemist to the Provincial Geological Survey, for analysis, and those from the location at Point Mamainse promise results of the most flattering description. This location contains several good veins of native copper, grey and vitreous copper ore, and at least three veins of lead ore, which also contain grey copper ore. The analysis of the specimens from the latter gives from $2\frac{1}{2}$ to 3 lbs. of pure silver to every ton of lead, and as the silver exists in the lead as an alloy, it is certain to be contained in it in the same proportion throughout the whole length and breadth of the vein. The rocks in which it is situated, and the gangue of the vein itself, are represented to be amygdaloid of precisely the same character as the great native copper-bearing rocks of the South shore.

It is of a rotten, friable nature, easily worked, and there is little doubt that the silver contained in the lead alone is of value sufficient to pay all the expenses of working the mine, leaving the lead and copper, in both of which it is rich, as profit. There seems, therefore, no reason to doubt that this location is of very great value, and the Directors recommend to the new Board to place a limited number of men on it this summer, to prove, by actual experiment, the riches of which it is possessed.

The construction of the canal at Sault Ste. Marie, which is proceeding vigorously, will afford great facilities for visiting and working such of the Company's locations on Lake Superior as they may be disposed to prove; but, though great exertions are making to accomplish it, there is reason to fear the canal will not be completed during this year.

With the view of carrying into effect the wishes of the Company relative to recommencing smelting at the Bruce Mines, instructions were given to the parties in charge of the expedition to Lake Superior to examine, as far as in their power, whether any quantity of fluor spar could be found, in order that it might be used as a flux to reduce the refractory ores of the Bruce. Nothing, however, deserving the name was found, and the want

of a proper and economical flux has hitherto prevented any attempt at resuming smelting operations.

The quantity of ore, &c., shipped from the Bruce Mine during the past year, has been 1,453 tons (of 21 cwt.) of ore, and 80 tons of furnace bottoms. Of the 1,453 tons above-mentioned, 989 tons was from ore raised from the mine during the year, and 464 tons was from skimpings.

The ore raised from the mine averaged about $14\frac{1}{2}$ per cent., and that from the skimpings averaged about $10\frac{66}{100}$ per cent. The ore raised from the mine was all shipped to Swansea for sale, and that from skimpings being too poor to incur the heavy charges to England, was chiefly sold in New York.

Of the furnace bottoms, 24 tons were sold to an establishment in Troy, and the remainder were shipped to England.

The ore sold in New York was disposed of at a time when the copper market was much depressed; consequently, it brought a low and scarcely remunerating price; but the lots sent to England will receive the benefit of the rise which has since taken place in the article, and which still continues. The account sales for only a small portion of these shipments have yet been received, which puts it out of the power of the Directors to lay before you the exact results.

In view, however, of the long period that always elapses before the funds from shipments to Swansea are available, and the inconvenience which is entailed on the Company's financial affairs by these delays, joined to the enhanced rates of freight from hence to Swansea, the Directors have been induced to look around them for a method of disposing of their ores, which, while offering all the advantages of the English market in price, would at the same time secure an earlier return. The result is, that a negotiation has been concluded with the Baltimore Copper Smelting Company, by which this Company has sold to them 1,000 to 1,250 tons of ore, to be delivered at Buffalo in May, June, and July next, at £17 Cy. per ton of 15 per cent. ore. This price is based on the present rate of £126 for copper in England, and any variation in the price there at the dates of delivery is to be met by a corresponding change here. As the opinion is universal that the price may rise before that time, but is not likely to fall, the chances are in favor of even a higher

pr
les
at
wa
ca
del
ob
ca
sat
ma

Qu
ing
her
In
req
inc
spr
I
Sc
ste
rea
trip
bee
be
the
the
ble
on
wo
T
Cor
acc

Bills
Oper
Due
Last

price being realised. Each cargo is payable in cash on delivery less 2 per cent. discount, and as it is to be weighed and assayed at the mine, and can be delivered at Buffalo in three days afterwards, no delay will be experienced in getting the returns. The cargo in Kingston will probably be sold to the same Company, deliverable in New York, for which £18 15s. may perhaps be obtained there. If this arrangement is found to work well, and can be continued, which there is no reason to doubt, it seems so satisfactory to this Company as to preclude the necessity of making any further shipments to England.

The new crushing-wheel purchased by the President from the Quebec Mining Company, and ten new jiggling machines (making thirty in all), being now in operation, Mr. Borron expects henceforward to produce about 3,000 tons of ore per annum. In order to do this, a much stronger force of miners will be required, and the Directors are now making arrangements to increase the force of underground men to 125 or 130 next spring.

It is much to be regretted that the miners who came out from Scotland last fall were prevented, by the breaking down of the steamer on Lake Huron, from getting up to the mine. They reached Sturgeon Bay within a few hours after she left on the trip on which the accident happened, and have consequently been detained there all winter. The only ultimate loss likely to be sustained by the Company from this occurrence is the want of their work for the winter; but even this loss is considerable, as the scarcity of miners, and the high price of ore, makes it desirable that every available hand should be employed, and the profit on the quantity of ore they would have raised during winter would have been of some consequence.

The following is a statement of the financial affairs of the Company on the 15th December, the date of making up the accounts at the mines:—

DEBTS DUE BY THE COMPANY.	
Bills payable	£17450 8 6
Open accounts (say)	500 0 0
Due to servants	1490 3 3
Last instalment to Rankin & Keating	3041 13 4
	<hr/>
	£22482 5 1

	Brought forward,	£22482	5	1
Deduct—to be met by a call on Shareholders—				
Paid on account of Locations on Lake Superior, exploring, &c. £3750 0 0				
Rankin & Keating, last instalment 3041 13 4				
			6791	13 4
			£15670	11 9

ASSETS.

Balance in England to draw for supposed				
£2,500 Stg.	£3000	0	0	
268 tons ore at Kingston (freight down paid)	4800	0	0	
300 tons ore at the mine	£4800			
Off, dressing 160 tons at £2 10s.	400			
	4400	0	0	
Cash at the mine and in transitu	1500	0	0	
Goods at the mine per inventory	3650	0	0	
Materials at do. do.	3750	0	0	
			21100	0 0
Surplus	£5429	8	3	

And the following is the probable result, carrying the accounts forward to the 15th of July:—

DEBTS OF THE COMPANY.

Bills payable	£19103	14	10	
Open accounts (say)	500	0	0	
Required to carry on the mine till 15th July, say cash (besides cash, goods, and materials already there, amounting to £8,900, makes £11,400.)	2500	0	0	
Last instalment to Rankin & Keating	3041	13	4	
	£25145	8	2	
From which deduct as before—				
Lake Superior locations	£3750	0	0	
Rankin & Keating instalment	3041	13	4	
	6791	13	4	
	£18353	14	10	

ASSETS.

To draw for as before	£3000	0	0	
Ore at Kingston	4800	0	0	
Ore expected at mine 1st May, 800 tons				
1st May till 15th July	625			
(£15 10s. per ton)	1425			
	22087	10	0	
	29887	10	0	
Probable surplus 15th July	£11533	15	2	

If, therefore, no unforeseen accident or misfortune occurs, and if the present price of copper is maintained, there seems fair and reasonable grounds to hope that by the 1st of August next the Company will be in a position to pay another dividend to its shareholders, and that afterwards these pleasing occurrences will come round half-yearly. The amount allowed in the above statement as expenditure till 15th July (£11,400), is more than will actually be incurred; but, as there must always be a considerable amount of capital sunk in stock of goods and materials at the mines, it is better, in calculations of this kind, not to regard them as available assets. While, therefore, the prospects of the Company are very favorable, it should be borne in mind that mining adventures are always more or less precarious and uncertain, which should induce Shareholders not to be too sanguine in their expectations.

The payments to Government for the locations, and to Rankin & Keating for the balance of the purchase of the Bruce, as they form no part of the working of the mine, should be met by a call of three shillings per share on the Stockholders. The Directors recommend that this should be made, and that it should be payable in July or August next, or about the period when the dividend is anticipated, in order that the payment of it may cause no inconvenience to the Shareholders.

The forwarding house which last year brought down the Company's ores, having declined to renew the arrangement for this year, except at enormously increased rates, both for upward and downward freight, and no other party appearing willing to undertake it, the Directors have been compelled to provide means of transport which will be under the entire control of this Company. Arrangements have, therefore, been made by which a steamer, in every way suitable for the trade, is now being built, which will be our own property, and tend much to the convenience and economy of the mine.

The lessee of the western portion of the location has commenced mining operations, but on a very limited scale as yet. He has erected some houses, and has about half a dozen miners raising ore; but it is understood that he intends to prosecute the work with more vigor in spring.

The management of the store continues satisfactory, and the

very considerable reduction in the prices charged to the men for their supplies, established by the President during his visit in June, has been the cause of the utmost contentment.

As it seemed in every way probable that the high value of copper ores would induce capitalists in England to turn their attention to the discovery and opening up of new sources of supply, the Directors deemed it a favorable opportunity to draw attention to the valuable locations possessed by this Company on Lake Superior.

With this view they prepared a map and prospectus, giving a description of them as far as lay in their power, and took advantage of one of the Stockholders going to England to authorize him to sell a part or the whole, provided certain stipulated prices were obtained. The difficulties in the money market, caused by the apprehension of war, may prevent any sale being effected at present; but, as the Company incurs no expense whatever if a sale is not made, it is at least a favorable opportunity of directing the attention of parties interested to the valuable property it possesses. If any sale is effected, it must be at a price which cannot fail to be satisfactory to the Shareholders.

The minuteness with which Mr. Borron has drawn up his valuable Report on the mine and the different establishments there, makes it unnecessary for the Directors to enter more fully into other particulars; but, in referring to it, they would again express their high sense of the value of Mr. Borron's services to the Company, their esteem for himself personally, and their hope that nothing will occur to mar the good understanding which has existed between him and the Directors ever since he entered the service of the Company.

The Directors who retire by rotation at this time, are Messrs. Robert Anderson, Andrew Macfarlane, G. E. Cartier, and Hugh Allan, all of whom, however, are eligible for re-election.

All which is respectfully submitted.

HUGH ALLAN,

President Montreal Mining Company.

Montreal, 15th February, 1854.

E. B.

HUGH

DEA

of sub
the pas
Bruce

In th
Stockh
should
tive val
profit o
predicti
"the B
paying
increas
two or

The
for the
during
dented
and prie
place i
brought
made a
Such as
tempor
longer

ANNUAL REPORT

OF

E. B. BORRON, ESQ., MANAGER OF THE MINES.

BRUCE MINES, 14th January, 1854.

HUGH ALLAN, Esq.

President Montreal Mining Company.

DEAR SIR,

At the close of another year I have again the pleasure of submitting for your consideration the following Report on the past operations, present state and future prospects of the Bruce Mines.

In the Report I had the honor to present through you to the Stockholders at their last Annual Meeting, I stated, "that should copper and labor continue to maintain their then relative values, I had scarcely a doubt as to the Mines yielding a profit on the operations of the next two or three years." The prediction then made has now been partially realized, and "the Bruce" has at length taken its place among dividend-paying mines,—a position which I hope it may hold with increasing returns, not for two or three years only, but for two or three generations to come.

The success which has dawned on the Company this year for the first time, is the more satisfactory, because we have during the past season had to contend with an almost unprecedented scarcity of labor, and consequent high rate of wages and price of materials. But for this, and the fall which took place in the value of copper before the ore produced could be brought into the market, the mine would undoubtedly have made a still more satisfactory return to the Stockholders. Such as it is, however, augurs well for the future, when these temporary, though serious difficulties may be expected no longer to exist.

MINING OPERATIONS.

I shall now proceed to take a short review of our actual mining operations during the last twelve months, hoping that you will, throughout, bear in mind that such are far from constituting all the operations we contemplated and anxiously desired to have accomplished, but only a portion,—that portion, however, which we considered it most for the interest of the Company to prosecute with the limited force at our disposal.

In the last Annual Report I informed you that we had twenty miners raising ore on tribute, and that the system might be considered as established. In this last supposition I was wrong, however. These tributers continued working until the 1st of May, when their bargains expired. Their earnings under these bargains could not be ascertained till such time as the ore was dressed. The miners were unwilling to take again in that way before the result of their previous work was known, urging that it was enough in the first instance to risk from four to six months' labor on tribute in a mine where the produce of the ground, and quality of the ore, had not been proved to their satisfaction. Aware of the strong feeling that existed among the tributers on the subject, and knowing that we would lose a number of our best miners if I persisted in pressing the system upon them, I abstained from doing so. In giving them the choice, however, of bargains, either under the tribute or tut-work system, I endeavored by higher rates to make it the miner's interest rather to "take" by the ton of ore raised, than by the fathom of ground cut; but with the exception of four miners, the others all preferred notwithstanding to work on tut-work. Subsequently, when their ore was dressed up, although good wages were found to have been made by the greater number of those who had worked well, still, only a small minority were willing again to take tribute bargains, and those at advanced prices, and in places of their own selection.

Finding it, *to say the least*, exceedingly inconvenient to have a few tributers dispersed in the mine among other miners engaged on tut-work, I subsequently declined letting tribute bar-

gain
gene
pres
of th
reall
tion

On
contr
dress
can
mine
expir
ment
wish
mont
they
have
offer
so inc
parat

Th
durin

Stope

"

"

"

"

"

"

"

"

"

gains, persuaded that any further attempt to make that system general or permanent was almost useless, in the face of the present demand for labor, and the unsettled, roving disposition of the mining population afloat in this country. This last is really the principal obstacle in the way of the general adoption of tribute.

On tut-work they can have a settlement two days after their contracts are completed. But on tribute, the ore must be dressed, weighed, sampled, and assayed before a settlement can be had, which (where many tributers are employed in a mine) frequently cannot be done for some months after the expiration of their mining contracts; thus delaying a settlement, and preventing the miners from moving, as the majority wish to be at full liberty to do, if they think proper. For several months I kept the North Lode entirely for tributers, where, if they had been inclined to have taken in that way, they would have been apart by themselves; but, notwithstanding the offer of higher rates, the number who wished to "take" was so inconsiderable, that it was no object to keep the mine comparatively idle for that purpose.

The following is a Statement of the ore raised on tribute during the past year from the mine :—

	Swansea Weight.	Tons.	cwt.	qrs.	lbs.	Produce. Per ct.
Stope East of Trial Shaft		48	11	1	25	14 5.10
" East of Engine Shaft		36	18	2	4	14
" Back and Bottom of 25 fm. level, at foot of James's Winge		48	4	2	20	13½
" Back of 10 fm. level East of Harris Shaft		53	0	2	15	14 3-10
" Back of 15 fm. level West of En. Shaft		42	9	3	4	13½
" Bottom of 10 fm. level East of Scott's Shaft		21	2	2	0	15
" East of Ferrier's Shaft (from sur- face)		32	10	0	22	15½
" Back of 15 fm. level West of Mere- dith's Shaft		14	12	0	12	16
" Bottom of 25 fm. level East of Ferrier's Shaft		53	14	0	14	15½
" Bottom of 10 fm. level East of Shaft		30	17	1	3	16½
Raised on tribute, from the mine,		381	17	1	7	

From poor ores, halvans, and slime, viz :—

From Halvans and poor Ore at West end of location	44	12	0	11	15
" Slime Wastes, " Jigging House,"	12	17	1	17	11
" Ditto ditto	9	1	16	15	
" Halvans and poor Ore, Prideaux's Trial Shaft	16	4	1	20	16
" Slime and Wastes	4	9	0	24	15½
" Ditto	10	11	1	18	11
Total Ore from Halvans, &c. &c.	89	0	3	22	
" from Mine, as above	381	17	1	7	
Total quantity of Tribute Ore, last year	470	18	1	1	

In connection with the foregoing Statement, the following facts may be interesting :—

The ground cut by the Tributers was 140 fathoms
Each fathom produced, on an average, 9 6-10 tons Impl. of Rough Ore,
or 2 tons 15 cwt. (Swansea) of Dressed Ore.

Number of tons of Rough Ore, as it comes down to the Crusher, to each ton
of Dressed Ore 3 tons 56 cwt., or 3 tons 11 cwt. Impl.

Subsequent to the 1st of May, £6 and £6 10s. per ton were offered ; but the tribute rate paid for the above ore was, with two or three exceptions only, £5 per ton of 15 per cent. ore. When of less produce than 15 per cent., a reduction was made in the price adequate, not only to the lesser quantity of copper contained, but also to defray the extra freight incurred in transportation of such ores to market. A corresponding addition to the price was of course allowed when the ore exceeded the standard produce agreed upon.

Early in the spring of last year our actual mining force did not exceed forty-five men. In view of this fact, of the price of copper, and of the considerable quantity of ore-ground already laid open, it was then thought more for the interest of the Company that the whole of our small force should be employed in raising ore, rather than in proving and opening up additional ore-ground. This was accordingly done with your sanction, and since the month of May almost all our miners have been employed in the stopes raising ore, on tut-work.

The rates paid were from £7 to £8 Cy. per fathom ; but later in the year, £8 became generally necessary, and is the

price given at present for stoping ground, which has been fully laid open.

Referring you to the sections of the mine transmitted last year, I will endeavor to explain to you,—1st. What has been done during the last twelve months; 2nd. The operations presently carrying on; and 3rd. The appearance and estimated produce of each of the stopes.

Commencing at the West end of the main lode, there have been stoped—

	Fms.	ft.	in.
In the back of the 15 fm. level, West of Meredith's shaft,	38	4	2
We have still two miners engaged here at £7 per fathom. The stope from present appearance is worth $1\frac{1}{2}$ tons per fm.			
Stoped East of Meredith's shaft	16	2	6
The lode between Meredith's and Ferrier's shaft has been stoped upon from the surface, and it is in the bottom of this stope where we have been working. We have still four men working here at £8 per fm. The lode is rather irregular, being poor, and small in some places, and wider and better in others. It yields at present $1\frac{1}{2}$ tons of ore per fm.			
Back of the 55 fm. level, East of Meredith's shaft	3	3	0
We have two miners stoping here at £8 per fm. Immediately at the foot of the shaft where we commenced, the lode does not yield more than 1 ton per fm.; but as we carry the stope along the back of the level, it will improve.			
Surface East of Ferrier's shaft	59	3	2
This stope has been taken down from the surface, and extends from the shaft eastward to the winze. There are still four men working here at £8 per fm. The lode in the bottom is from $4\frac{1}{2}$ to 6 feet in width, and is producing at least $2\frac{1}{2}$ tons per fm.			
Bottom of 15 fm. level East of Ferrier's shaft	7	1	5
This stope commences at the shaft, and is situated under the stope last mentioned. Four men are working here at £8 per fm. The lode is of good size, carries regular walls, and produces about 2 tons of ore to the fm.			
Bottom of the 15 fm. level West of James's winze*	24	3	5
Commencing at the side of the winze. Still working by two miners at £8 per fm. The lode is wide and good at the end next to the winze, but rather poor at the other end; it will average, however, 2 tons per fm.			

* James's Winze is sunk from the 15 fathom level to the 25 fathom level, and is situated between Ferrier's Shaft and Engine Shaft.

*Statement of Ground Stopped from 15th December, 1852, to
15th December, 1853.*

	Fms.	ft.	in.
Bottom of 15 fm. level East of James's winze	18	1	8
This stope also commences at the side of the winze. Two miners are engaged here at present. The price for stoping is £8 per fm. The lode is wide and regular, and will yield 2½ tons of ore per fm.			
Back of 15 fm. level West of Engine shaft	23	3	5
This stope has not been working for some time, as it would hinder the working of last mentioned stope. The lode in the back, however, is worth 2 tons per fm.			
Back of the 25 fm. level West of James's winze	4	3	0
The lode in this back is wide and good, but has not been much worked at last season, as the ground will be cut out at less expense by the stope in the bottom of the 15 fm. level above.			
Stope East of Engine shaft	24	5	8
This stope commences at the shaft. It was originally a surface stope; and we have been more troubled with water here than in the other stopes generally. We have only two men employed here at present. You will observe from the Section that we expected this stope to fail before reaching the back of the 25 fm. level below. The lode, however, still continues productive.			
Stoped on the Main Lode, being a portion of the ore-ground estimated as laid open December 15, 1852	220	1	2
Bottom of 25 fm. level West of Ferrier's shaft	12	5	6
Commencing at the shaft, and extending 10 fathoms West. We have four men employed at present in this stope at £8 per fm. The lode is of good size and regular, and estimated to produce 1½ tons of ore per fm.			
Bottom of 25 fm. level East of Ferrier's Shaft	34	1	9
Commencing at the shaft and extending about 20 fms. eastward. We have six miners stoping on this ground. The lode is generally from 5 to 6 feet in width, and produces from 2 to 3 tons of ore per fathom. The price given for cutting the ground is £8 per fm.			
Stope bottom of the 25 fm. level foot of James's winze	15	0	0
This stope has not been worked since the tributers left it last spring. The lode is strong and wide in the bottom of the stope, and although not quite so good as it was above, will still yield at least 2 tons of ore per fm.			
Stoped on the Main Lode, being no portion of the ore-ground estimated as laid open December 15, 1852	62	1	3

NORTH LODE.

	Fms. ft. in.
Back of the 10 fm. level East of Harris's shaft	17 5 3
This stope employs two men at present. It is rather poor just now. There is still ore-ground, however, in this back to take out.	
Bottom of the 10 fm. level East of Scott's Shaft	29 4 8 1 1 11
Six men are stoping on this bottom. The lode is difficult to work, the walls not being good. It produces from 1 to 3 tons of ore per fm., and will average nearly 2 tons for 20 fms. in length. The ore is best at the end of the stope next Scott's shaft.	
Bottom of the 10 fm. level West of Scott's shaft	29 4 8
This stope employs four men at present. The lode is not very wide, but productive in proportion to its size. The end next Scott's shaft is best. About 4 fms. of the ground next to President's shaft is too poor to work. The stope will average about 1½ tons per fm.	
Stoped on the North-Lode, being a portion of the ore-ground estimated as laid open December 15, 1852	<hr/> 78 4 6
Bottom of the 25 fm. level West of Scott's shaft	12 2 1
This stope was worked for a few months last summer, and yielded from 1½ to 2 tons of ore per fm. We are stoping here at present.	
Bottom of the 25 fm. level East of Scott's shaft	12 5 6
We are not working this stope at present. The lode is of good size, however, and will produce for some fathoms next to the shaft, 2 tons of ore per fm. The bottom of this level is productive ground, so far as yet driven.	
Stoped on the North Lode, being <i>no</i> portion of the ore-ground estimated as laid open 15th December, 1852	<hr/> 25 1 7
Trial stopes, East and West	53 1 8
These stopes have produced a large quantity of excellent ore during the last twelve months. The lode continues very large, particularly in the Eastern stope. I consider that the two stopes will average at least 2½ tons of ore per fathom. We have six men employed here. It will not be very long before these stopes are down at the 15 fm level, when it will be necessary to sink trial shaft deeper. We would do this <i>now</i> if we had men.	
New lode North of Trial shaft	22 2 9
We have a stope on this lode about 12 fms. in length, and about 4 fms. in depth at the deepest. The lode carries regular walls, and is from 2 to feet wide. It will	

	Fms. ft. in.
yield $1\frac{1}{2}$ tons of ore per fm., and seems inclined to improve as it goes down. Four men employed.	
South lode, East and West of Moffatt's shaft	10 0 0
We did some stoping on this lode during the summer, with encouraging results. It is very wide at Moffatt's, and although the stuff produced is not rich, yet there is a great deal of it.	
Stoped in Trial Stopes on the New Lode and South Lode, being no portion of the ore-ground estimated as laid open 15th December, 1853	<u>85 4 5</u>

SUMMARY OF GROUND STOPED.

Stoped on the Main lode, being a portion of the ore-ground estimated as laid open 15th December, 1852	220 1 2
Stoped on the North lode, being a portion of do. do.	<u>78 4 6</u>
Total taken out of the ore-ground alluded to	298 5 8
Stoped on the Main lode, being no portion of the ore-ground estimated as laid open 15th Dec., 1853 :	62 1 3
Stoped on the North lode, do. do.	25 1 7
Stoped on Trial stopes, on New lode, &c. do.	<u>85 4 5</u>
	<u>172 1 3</u>
Total ground stoped last year	472 0 11
In addition to which—	
Scott's shaft has been sunk	7 1 2
Ferrier's shaft do.	<u>6 3 6</u>
Total sinking	<u>13 4 8*</u> 20 4 0
The 25 fm level East of Scott's shaft has been driven	11 2 11
The 15 fm. level W. of Meredith's shaft do.	1 0 0
The 50 fm. level E. of Scott's shaft do.	<u>1 0 8</u>
Total driving	13 3 7 <u>13 3 7</u>
Total ground cut last year	506 2 6
Of which—	
Fms. ft. in.	Tons. c. qr. lbs. Tns. c. of Ore
140 0 0 were cut of tribute, producing	381 17 1 7, or 2 15 per fm.
343 3 10 were cut of tut. work, “	540 0 1 24, or 1 12 “
<u>483 3 10</u> were cut on productive ground, 921 17 3 3, or 1 19 per fm.	
<u>22 4 8</u> were cut of shafts and levels producing no ore.	
506 2 6 The total ground cut as above, producing 1 ton 17 cwt. of ore per fathom.	

* These shafts are 9 feet long; therefore, in estimating the ground, one half must be added.

The above are "Swansea" tons, "dry" weight.

If to the above we add the ore contained in the skimpings, halvans, &c., belonging to the same, to be recovered by a second process of dressing, we may fairly assume the produce of all the ground cut last year to have been at least 2 tons of 15 per cent. ore per fathom.

STATEMENT OF ORE GROUND.

	Fms.	ft.	in.
Ore-ground laid open 15th Dec., 1852, as per last Annual Report	1860	0	0
Ore ground laid open last year by extension of 25 fm. level	100	0	0
	<hr/>	1960	0 0
Less ore-ground stoped out, being a part of the above		298	5 8
Ore-ground open, 15th Dec., 1853		<hr/>	<hr/>
		1661	0 4

In explanation of the difference of produce between the ground cut on tribute, and that cut on tut-work, I may as well observe, that this is accounted for chiefly by the circumstance, that the tributers having been allowed to chose their ground, of course selected the best stopes in the mine, taking out such ground only as would make them wages at their tribute price ; whereas, on tut-work the ground is worked more regularly, and taken out when much poorer than tributers could afford to do.

The amount of prospective work completed during the year has, for reasons before hinted at, been less than we could have wished.

Scott's shaft has been sunk 7 fms. 1 ft. 2 in. since the 15th December, 1852, and is now 51 fms. in depth. The 50 fm. level East has been driven 1 fm. 8 in., and men are arranged to resume the driving of this level immediately. The appearance of the lode at the bottom of the shaft was much more encouraging than it had been for some time previous, and I am sanguine, that on extending the 50 fm. level East, we shall soon be able to report good ore at a depth of 300 feet below the surface. We have been engaged for some time putting the shaft in working order, and drawing the water and stuff that had accumulated at the bottom. The men who were

stopeing above in the bottom of the 25 fm. level having from want of care allowed a quantity of their stuff to fall down the shaft, the hauling of this out again has occasioned us some delay, or otherwise the 50 fm. level would have been resumed before now.

The 25 fm. level East of Scott's shaft has been extended 11 fms. 2 ft. 11 in. last year, through ore ground. When suspended in April last, the lode was not looking so well. We commenced to drive again, however, about six weeks ago, and I am glad to say the lode quickly improved, and is now yielding $1\frac{1}{2}$ tons of ore per fathom. If the ore continues good in this level, we have a fine prospect before us; for, after a few fathoms further driving, the lode is perfectly untried, even at the surface. The length of this level, from the centre of Scott's shaft to the present end, is $30\frac{1}{2}$ fathoms. We have four men working here at £17 per fm.

FERRIER'S SHAFT.

This shaft has been sunk 6 fms. 3 ft. 6 in. during the last twelve months, and is now 40 fms. in depth. In the last Annual Report I stated that the lode in this shaft, like the other lode in Scott's shaft, and at about the same depth, had become disturbed and contracted, with imperfect walls and very little ore, in which condition it was at that time. It subsequently presented even a more unfavorable appearance. About the time we suspended the sinking, however, a marked improvement was again taking place, leading us to hope that we were nearly through this check in the lode, and again approaching productive ground below.

In reference to the limited extent of our prospective operations during the past year, I beg to observe, that it was with reluctance that we were almost compelled by circumstances to suspend these operations for a time, and the Stockholders may rest assured that they will be resumed and prosecuted with vigour so soon as we can obtain men for the purpose. But, as said before, in view of the ore-ground already laid open and in reserve, it was thought to be our first duty, so to work the mine that it should be no further burden on the Company; and not only so, but that it should yield to them some return for their

vas
wh
pas
pro
to p
Rep
as l
eve
how
van
jun
abs
thos
lab
tion
T
wor
for,
and
port
the
298
year
peri
Scot
less
men
stop
laid
sunk
and
war
born
to s
driv
Wh
on th
ties
cost

vast outlay and indomitable perseverance. Now, it is clear, where our entire average force of good miners has not for the past year exceeded fifty, (a number entirely too small for the production of ore alone,) if out of these we had drafted men to prosecute the shafts and levels contemplated in last Annual Report, we could not possibly have carried out our views, or, as I think, the wishes of the Stockholders generally. However interesting it may be to prove the mine still further, and however proper it may be to have ore-ground laid open in advance, sufficient for several years' operations, still, in a conjuncture such as this, these prospective operations, not being absolutely and immediately necessary, should give place to those of a productive character, and stand in abeyance till labor is more abundant, or the necessity for opening up additional ore-ground greater than at present.

That in carrying out our views we have not been unfairly working the mine, I think we can satisfy the Stockholders; for, on reference to the foregoing statement of ground stoped, and comparing it with the Estimate given in last Annual Report of ore ground then laid open, they can at once see, that of the 1860 fathoms of ore-ground then considered as open, only 298 fms. 5 ft. 8 in. have been stoped out in the course of last year. Against which we have laid open within the same period 100 fms., by the extension of the 25 fm. level East of Scott's shaft. Thus we have only 200 fms. (or one ninth part) less ore-ground open now than there was at the commencement of the year. It is true that much of the other ground stoped last season may be considered as having been partially laid open. But against this, during the same period, in the sinking of Scott's and Ferrier's shafts, and driving of the 15 and 50 fm. levels, we have expended not less than £500 toward the partial opening up of other ground. It should be borne in mind, too, that for this expenditure we have nothing to show,—neither ore-ground nor ore; for this sinking and driving has been through ground entirely unproductive.—Whereas, formerly, most of the levels and shafts driven or sunk on the lodes, yielded, according to the Reports, such quantities of ore as must for the most part have amply defrayed the cost of making them. Including the extension of the 25 fm.

level East of Scott's shaft, the sum expended in prospective work was not less than £700, Cy. ; so I think we cannot be fairly charged with taking all and giving nothing in return. I have been longer than perhaps was necessary on this subject, because, from the nature of my private arrangements with the Company, my motives and acts in relation to it are peculiarly liable to suspicion, and, for the credit of the mine as well as myself, I wish to lay the matter as clearly before the Stockholders as possible.

As the prospective operations named in last Report are almost entirely those which should engage our attention this year also, I need not say more in reference thereto.

As regards the mining operations generally, I am of opinion that next spring, should the price of copper continue satisfactory, we should give such rates for cutting the ground as will ensure a full complement of men, and thus be enabled afterwards to carry forward all our operations simultaneously. By that time most of the skimpings will be dressed up ; and, to keep our machinery fully occupied, a much larger force of miners will be necessary than heretofore. The force required to keep our dressing machinery constantly supplied with mine stuff, or rough ore, will not be less than 125 men, of whom 100 nearly should be employed stopeing, and the others in prospective work. Such a force would be adequate, I think, to the production of from 2,500 to 3,000 tons of ore per annum, which will be equal probably to the capacity of our ore dressing machinery. The general expenses, which fall heavy on a small "crop," would then be distributed over a much larger produce, and far more than counterbalance the extra prices necessary to obtain miners in sufficient numbers to carry on the mine vigorously, and it is hoped prosperously.

We have at present—

52	miners	stopeing
4	"	driving 25 fm. level East of Scott's shaft
4	"	preparing to drive the 50 fm. level East of Scott's shaft.
<hr/>		
60	miners altogether.	

The charge for mining operations in the Accounts is more than I could have wished. But the rates paid to miners have

be
yea
mo
siv
hav
acc
Pen
Furn
Alter
Ore-v
New
New
r
o

In
pleas
which
duties

In t
that w
dresse
ready
redeem
614 to
cwt. of
last ye
The
cember

Dressed
"
"
"
Quant

been of necessity 15 to 20 per cent. higher than the preceding year, and to mechanics and laborers, from 20 to 25 per cent. more. Materials likewise have been generally more expensive during the past season. The following incidental charges have also tended to increase the amount at the debit of this account:—

Penberthy & Co.'s tribute bargain "skimpings" for 1851-'52,	£338	9	2
Furnace bottoms, taking out, preparation of stuff and shipping charges	200	0	0
Alteration of stamping machinery	69	4	9
Ore-weighing house (new)	13	6	5
New railroads, and strengthening and repairing ore wharf, &c.	93	17	8
New jigging house and jigging machinery, including a thorough repair and renewal of a portion of the old jigging machinery	300	0	0
Total	£1014	18	0

In concluding my Report on this department, I have much pleasure in recording the integrity, zeal, and attention with which Mr. Hodge has, throughout, discharged the responsible duties incumbent on him as Captain of the Mine.

ORE DRESSING.

In the last Annual Report I to some extent pledged myself that we would dress twice as much ore in 1853 as had been dressed in 1852, and also that we would have 500 tons of ore ready for shipment on the 1st of May following. We nearly redeemed both these pledges; for on the 1st of May we had 614 tons of ore ready for shipment, and against 681 tons 3 cwt. of ore in 1852, we have dressed 1,337 tons 5 cwt. of ore last year.

The following is a Statement of the ore dressed from December 15, 1852, to December 15, 1853:—

	Tons.	cwt.	qr.	lbs.	Swansea "dry."
Dressed from mine stuff	761	17	3	3	say 14½ per cent.
" from halvans and poor ores	60	16	2	3	15½ "
" stampings and slimes	50	5	1	19	11 "
" from skimpings	464	8	0	14	11 "
Quantity of ore dressed	1337	5	3	11	

	Tons.	cwt.	qrs.	lbs.	
Brought forward,	1437	5	3	11	
Add rough ore raised from the mine, and mostly prepared for dressing prior to Dec. 15, 1853, estimated	160	0	0	0	15 per cent pro- duce.
And we have as—					
The total produce of the above period from mine stuff, halvans, skimp- ings, and slime	1497	5	3	11	
On hand Dec. 15, 1852, dressed ore, not included in the above . . .	150	0	0	0	14 “
Dressed ore on hand Dec. 15, 1853	150	0	0	0	14 “
Rough ore on hand ditto, estimated [Both included in the above State- ment.]	160	0	0	0	15 “
Total ore on hand Dec. 15, 1853,	310	0	0	0	

Our stock of dressed ore at the end of the year being the same as our stock of dressed ore at the beginning, it follows that our shipments during the season have just equalled the quantity dressed,—

	Tons.	cwt.	qrs.	lbs.
	1453	11	3	11 wet,
or	1337	5	3	11 dry weight.

The ore dressed from the skimpings last winter proved of lower produce by 1 per cent. than I expected, averaging about 11 per cent. only. We will endeavor to dress it to 12 per cent. at least this winter, but there is no advantage in attempting to obtain ore of high produce from “wastes” such as the skimpings. The parcel (64 tons) dressed on tribute, winter before last, does not furnish a fair criterion to judge from, as to what produce we should raise our skimping ore to; for the process followed at that time was a superficial one, by which the best ore only was taken out of the skimpings, and enough still left in them when thrown aside to pay us for dressing the whole over again.

A new jiggging house was put up last fall. It is attached to the old jiggging house, and contains ten new jiggs. The whole were completed last month. The machinery is very substantially put up, and, I am glad to say, works exceedingly well.

Till we get the new crusher, however, into operation, only a portion of the jiggs can be kept constantly employed. This occupies our attention at present. As there was no means of attaching the new crusher to the engine, we have been obliged to obtain the machinery necessary to accomplish this from Detroit, at a considerable cost; also four pair of rollers, as those with the crusher might not last above two months on such stuff as ours. When the whole is completed, the Company's ore-dressing establishment will be almost unequalled; and when in full operation, the machinery is capable of crushing and dressing from mine stuff (hard as it is) 250 tons of 15 per cent. ore a month. I hope to have 800 tons of ore ready for shipment on the opening of the navigation. Of this, however, we have only about 250 tons already dressed. We would have had more ore dressed at this time, but that our old jiggs were so worn out with constant use night and day. We determined on giving the whole machinery a thorough repair. Much of the wood-work requiring to be renewed, a month elapsed before we resumed again. Since we did so, however, we have got on very well. The dressing of the ore is set on contract this winter at 35s. per ton of 12 per cent. ore from skimpings, and 25s. per ton of 15 per cent. ore from mine stuff; the Company supplying engine power, and tools, &c. The contractors paying all wages excepting the engineer's, and furnishing their own candles, or light.

THE STAMPS.

Although much improved in their action, I find even still that they do not answer for this ore nearly so well as the crusher. The stamping process is slow, and costs much more than the other. Against this the stamps have no particular advantage in respect of produce; for our crusher will crush the stuff as fine as we want it for dressing. The money expended in the erection of the stamping machinery may, I fear, be considered as gone; but it is satisfactory to know that there is little, if any probability of the machinery itself being a loss on our hands; for, so soon as the Company commence actual mining operations on Lake Superior, stamps will be indispensable for dressing the native copper ores found there.

SMELTING WORKS.

I learn from the last Quarterly Report of the Board of Directors, that your attention has been again drawn to the subject of smelting. If ever resumed here, I am of opinion that simply reducing the ore to a state of regulus, say of 40 per cent., will be more advantageous than attempting to put it through all the processes necessary to obtain fine copper. If this reduction could be effected, at a moderate cost, directly from the rough ore as it comes from the mine, the introduction of such a process would increase the value of the mine amazingly. This rough ore, after the trap and poor quartz rock is picked out, yields from 4 to 5 per cent. without any dressing. By separating the poorer from the richer portion when spalling and picking the stuff, one half might be obtained of 6 to $7\frac{1}{2}$ per cent. produce. The reduction of ore of even 4 or 5 per cent. to a regulus is quite practicable, if the cost would not be too great. I have a strong impression that such reduction could be accomplished more successfully in a blast furnace than in the reverberatory or draught furnaces formerly used here. It might not be amiss to make inquiry in some really well-informed quarter in regard to this matter.

THE FURNACE BOTTOMS

Have been all taken out and forwarded, with the exception of 5 or 6 tons gathered up late in the fall; this stuff will not yield more than 15 or 16 per cent.

The following is a statement of the furnace bottom stuff shipped last season:—

	Swansea Weight.				
	Tons.	cwt.	qrs.	lbs.	
In masses and pieces	24	3	2	27	estimated at 80 per cent.
Crushed stuff	40	6	2	16	about 40 per cent.
Do.	16	6	1	8	about 16 per cent.
Total	80	16	2	23	

The two large calcining furnaces were simply cleaned out, and with the exception of a slight repair required by one of them, are ready for future use when wanted.

LOCATION.

Some improvements have been made on the location during the past year ; but, owing to the scarcity and high price of labor, these have been more limited than otherwise would have been the case. For this reason, I have not been able to carry out fully the valuable suggestions of Mr. Redpath and yourself on this subject.

The road commenced in 1852 was finished last year. It extends from the store along the front row of houses as far as the Manager's house, and is about quarter of mile in length. Another road has been formed from the store along the back row of houses ; but, owing to the unfavorable nature of the ground, it cannot (like the other) be called a good road. Beside being a convenience to the workmen and their families, these roads will soon repay the outlay put upon them, by enabling us to transport much larger loads to the various points of the location where materials, cord-wood, and stores are required. A larger proportion of the men than formerly being married men, and in anticipation also of the arrival of miners from Scotland, we made considerable repairs on all the unoccupied houses this fall, in addition to which, three new houses have been built last season.

The heaviest expenditure, however, under this head is for materials and repairs. These, where all the houses are constructed of wood, must necessarily be heavy. I have it in contemplation, however, to reduce somewhat the rent of the log-houses, on the understanding that the tenants pay for materials and make their own repairs, which, being of a rough description, they can all readily do. In this way I hope to effect a considerable saving in future.

There is a balance of £141 11s. 6d. in favor of this account ; I think for the first time.

THE STORE.

Considering the number of men employed, the business done at the store during the last twelve months is large, and the returns such as expected.

The arrangement you made last summer in respect to the

prices to be charged on goods and stores, appears to have given general satisfaction since. The statements and accounts forwarded herewith will give you such further information as you may wish in regard to this department.

POPULATION.

From a census taken by Dr. Longpree on the 9th instant, it appears that the population at the mine is as follows:—140 men, 71 women, 74 boys, 67 girls;—total, 352 souls; of whom 142 men and boys are in the Company's service.

The salubrity of the climate may be inferred from the fact, that out of a population numbering from 304 to 352 souls, there have been *no* deaths, save those of two young infants, since May, 1852.

The recent addition of a competent school teacher has rendered our establishment almost complete, having now a duly qualified minister, doctor, and schoolmaster, with a good library, at the mine. There are few, if any other, mines on the lakes can hold forth so many advantages to steady, industrious workmen with families, as does the Bruce.

Where sixpence a week only is charged for the tuition of each child, a considerable portion of the expense of maintaining a school will necessarily have to be borne by the Company until a larger force is employed at the mine. There are about thirty scholars attending the school, and about fifty subscribers to the library and reading-room, at present. At your suggestion, the rate of subscription to the library was reduced from 2s. 6d. per quarter to 1s. 3d. Since which, and the handsome donation of books by yourself and Mr. Falconer, the number of subscribers has greatly increased.

I have much satisfaction in noticing under this head the general steadiness and industry of the workmen, and quietness of the whole community.

PROPERTY.

Where (as in this instance) a flourishing mine and village have sprung up in what was a few years ago almost an untrodden forest, the outlay required to accomplish this, in the absence of all conveniences, and where labor and materials

had alike to be brought from a great distance, must of necessity have been very large; and in taking an estimate of the apparent improvements (buildings, engines, and machinery) in detail, it appears to me that we would in all probability fall far short of the real value of such improvements, or of what they have actually cost. I have not, therefore, attempted to make an estimate of the kind in question. I may mention, however, that on 15th December—

The value of the goods, &c., in the store, taken at cost and charges and book debts included, is	£3483 7 3
The value of materials unissued, or on hand, taken also at cost and charges, as per list	3993 5 7
	<hr/>
	£7476 12 10

Also,

150 tons of dressed ore, 14 per cent.

Rough ore estimated to produce 160 tons of dressed ore of 15 per cent.*

Of the materials, tools, and utensils in use, the amount of which is considerable, you have herewith a separate Statement.

WEST END OF LOCATION.

Capt. Vivian, the lessee of the copper minerals on this portion of the Company's location, arrived here late in the fall, and is carrying on operations with about six men only at present. These operations have been mostly of a preparatory nature; but recently some stopeing has been done. A clearance has been made, and several substantial log-houses put up for the accommodation of himself and workmen.

Capt. Vivian anticipates that the work will be pushed on vigorously next spring.

LOCATIONS ON LAKE SUPERIOR.

It is possible that some action may take place at the Annual Meeting in reference to the Company's mineral lands on Lake Superior. If actual mining operations on the Upper Lake should be determined upon this next season, I would, in the first place, advise a cautious trial on one or two of the most promising lodes at Point Mamainse. This location, besides

* Deduct £2 10s. per ton, as required to complete the preparation and dressing of this ore.

standing high in the opinion of Mr. Pilgrim and party, is far the most convenient as respects its position. Six carefully selected miners in charge of a steady, practical man as captain, would be quite sufficient in the first instance. I would deprecate any outlay, in the way of buildings or otherwise, not absolutely necessary for the time being, until there was a very reasonable probability of the lodes proving well as they go down.

But I do not think, that so long as our force here is inadequate to the carrying on of the works with vigor, the Company should engage at all largely in actual mining operations above. If the Company could (as I doubt not they can) sell or lease on favorable terms a portion of their mineral land on Lake Superior, I think, after having done so much on this Lake for mining in Canada, they may advantageously devolve on others the honor, and to some extent the risk, of proving and opening up in the first instance the mineral resources of the North Shore.

I have now given under the different heads all the information which I think will be interesting to the Stockholders, or necessary for yourself. In the absence of any communication from the Head Office of more recent date than the 4th of November last, I am left entirely to anticipate your wishes in that respect. I hope, however, that I have not omitted any thing of importance.

In conclusion, I have much pleasure in stating that all the officers at the mine have been steadily watchful over the interests of the Company in their several departments, and acquitted themselves to my entire satisfaction.

I am, Sir,

Yours most respectfully,

E. B. BORRON,
Manager.

M
In c
hold
pros
whic
forw
mati
Je
Mess
De
to son
Comp
with
use of
facts
The
1. Th
g
2. Th
m
3. Th
y
4. Th
p
The
sent B
parent
it shou
derstoo
persona

MONTREAL MINING COMPANY.

In consequence of the industrious circulation, amongst the Stockholders, of some unfounded rumors relative to the statements in a prospectus of the Mine and locations, sent to Britain, the letter, of which the following is a copy, was written on the 20th instant, and forwarded by the mail of that day; and it is now printed for the information of the Stockholders:—

OFFICE OF THE MONTREAL MINING COMPANY,
Montreal, 20th February, 1854.

Jesse Joseph, Esq.,
Montreal;
Messrs. R. Carter & Co.,
London.

DEAR SIR,—Exception having been taken by a few persons here to some of the statements in the prospectus sent to you of the Mining Company's property and affairs, the Directors now beg to furnish you with the following proofs of their correctness, which you can make use of in case any communication should be sent from here calling the facts in question.

The statements objected to are the following:—

1. That the average freight of ore from the Mine to Swansea has greatly exceeded £2 10s stg., per ton.
2. That the cost of getting out the ore at the Mine averages much more than £5 stg., per ton.
3. That the produce of the Mine has not amounted to 2500 tons in the year.
4. That the dividend paid to the Shareholders last year was only 5s per share, in place of 7s 6d, as stated in the prospectus.

These objections, coming as they do from parties inimical to the present Board of Directors, and from persons, some of whom would apparently see their stock in the Company entirely lost, rather than that it should prosper under its present management, are pretty well understood here as the offspring of disappointed ambition, jealousy, and personal enmity, and are treated accordingly; but as they may not

be so well understood by strangers, the Directors beg to draw your attention to the following statement of facts in answer to the objections, taken in their order:—

1. "That the average freight of ore from the Mine to Swansea has greatly exceeded £2 10s stg., per ton."

	£	s.	d.
In the year 1850, the only ore (and the first) shipped to Swansea, was a cargo of 243 tons by the <i>Minesota</i> , which vessel was chartered to carry it there, direct from the Mines, at £2 10s cy., per ton, or sterling,	2	10	0
	£	s	d
In 1851, the rate from the Mine to Montreal was part 20s and part 25s cy., say, stg., . . .	1	0	0
And from Montreal to Liverpool, } 4 cargoes, paid 17s 6d stg., } 1 " " 20s 6d " } Average,	0	18	3
And part was forwarded to Swansea at the freight of	0	4	6
	2 2 9		
In 1852, from the Mine to Montreal, three cargoes were shipped,—one at 20s } " " 25s } Avr. stg., " " 35s }	1	3	2
And from Montreal to Swansea, three cargoes were shipped,—two at 27s 6d } and one at 30s 0d } Avr. stg.,	1	8	9
	2 11 11		
In 1853, about 1600 tons were brought down, of which about 1100 tons were at 25s } and 500 " " 40s } Avr. stg.,	1	3	9
And four cargoes were sent from Montreal, to Swansea, two at 40s 0d } " " 42s 6d } Avr. stg.,	2	1	3
	3 5 0		
Aggregate rate for four years,	£10	0	8
Or an average per ton from the Mine to Swansea of stg.	2	10	2

In naming the average rate, therefore, at about £2 10s, the Directors stated the exact fact.

If any man was asked the *average* rate of freight of Iron from Liverpool to Montreal, surely he would not name £2 10s stg., per ton, though that is the rate this Spring; he would go back and find the rate for several years, taking the mean of the whole, which is precisely what the Directors have done in this instance.

The next objection is—

2. "That the cost of getting out the ore at the Mine averages much more than £5 stg., per ton."

The estimate for this work depends very much on what items may be considered as fairly chargeable against it, and there are various opinions on this point. Up to the day of their going out of office the former Directors could never give any information as to what the getting out of ore cost, as they did not know themselves, and it was under the present management that this point was first ascertained. In the Quarterly Report laid before the Stockholders in November, 1852, the following statement on this subject occurs, and subsequent experience has proved it to be entirely correct. It is based on the view, that every item of the Company's expenditure should be placed to the cost of the ore :—

“ From various experiments made in the most careful manner during the past season, by Mr. Borron, the exact cost of getting out ore has been ascertained.

It is as follows—

Cost of opening ground by shafts and levels, supposing only one half of the ground thus opened to be worth working, per fathom,.....	£3 10 0
Drawing by horse power,.....	0 10 0
Mining, including timber work,.....	6 10 0
Labouring ore to surface, 12 tons,.....	0 15 0
Spalling, picking, and preparing for crusher,.....	1 0 0
Tramming to crusher,.....	0 8 0
Crushing and dressing, including expense of Engine and wear and tear of machinery,.....	2 10 0
Wages of men, say, Mining Captain, Carpenter, Blacksmith, Watchman, &c.,.....	1 0 0
Materials, say ropes, iron, nails, lumber, &c.,.....	1 7 0
Management, direction, &c., &c.,.....	1 0 0
	<hr/>
Total cost per fathom, cy.,....	£18 10 0
Or for ground already laid open,.....	15 0 0
	<hr/>
Medium cost,.....	16 15 0

The average yield of the ground opened at the Mine since it commenced, if the Mining Reports are to be believed, has exceeded three tons to the fathom, but in order to be sure let it be taken at $2\frac{3}{4}$ tons, which is a moderate estimate.

Cost of a fathom as above,.....	£16 15 0
$2\frac{3}{4}$ tons at £5 stg., as in prospectus, stg., £13 15 0, cy.	16 16 0
	<hr/>

Ore costs less than stated in prospectus, per fathom, 0 1 0
or about $4\frac{1}{4}$ d per ton.

It appears, therefore, that, to be exact, the Directors should have said the cost of getting out the ore was £4 19 $7\frac{1}{2}$ d stg., per ton, in place of £5; but as they used the word *about* in connection with it,

they cannot be charged with any great error, more especially as it is in the opposite direction from that alleged.

The next objection is :—

3. "That the Mine has not produced 2500 tons of ore during the year 1853."

To this it might be replied that there is no such statement in the prospectus ; but as it was designed to show the capacity of the Mine, and especially of the dressing apparatus, it is better to take up the question on its real merits.

With reference to it Mr. Borron's report says :—

"When in full operation (which it now is) the machinery is capable of crushing and dressing, from Mine stuff alone, 250 tons of 15 per cent ore, per month."

And again—

"This force would be adequate to the production of 2500 to 3000 tons of ore per annum, which will be equal, probably, to the capacity of our ore-dressing machinery."

It appears then, from Mr. Borron's testimony, that both the Mine and the dressing apparatus are now in a position to produce 2500 to 3000 tons, per annum, which is the substantial fact of importance to a purchaser ; so far therefore from the statement in the prospectus being an over estimate, it is less than the Mine can do, and is probably now actually doing.

Mr. Borron's Report bears date 14th January, 1854, and the prospectus was printed about the same time. There is nothing therefore in the statement calculated in any way to mislead, and if the Scotch Miners had reached the Mine in the fall, as was expected when the document was first prepared, in place of having to winter at Sturgeon Bay, the year between 1st May, 1853, and 1st May, 1854, would have given the 2500 tons.

The last objection is :—

4. "That the dividend which is represented in the prospectus as 7s 6d per Share, was in fact only 5s."

With reference to this, the Directors would ask your attention to the following passage in their Report, submitted at the Quarterly Meeting of Shareholders, held on the 17th August, 1853 :—

"The Directors have felt themselves warranted in declaring a Cash Dividend of five shillings per Share, in addition to which, the Stockholders will bear in mind, that the following payments have been made during the past year, from the profits of the Mine :—

To Rankin & Keating on account of purchase.....	£3041 16 8
To various parties for interest, &c.....	1511 19 3
Liabilities incurred before the present Directors assumed	
Office.....	1128 7 1
	<hr/>
	5602 3 0

This is equal to a further Dividend of 2s 6d per Share, which, but for these payments (which have nothing to do with the present working of the Mine) would have been given to the Stockholders. The Dividend from the Mine is, therefore, in fact 7s 6d per Share."

It would probably have been better to have declared the dividend as 7s 6d, and called in 2s 6d to meet the payments, but the Directors are unable to see that, in a money point of view, there is any difference between giving 7s 6d and taking back 2s 6d, or giving 5s and taking nothing back.

The statement, therefore, in the prospectus, that the dividend was 7s 6d, is perfectly correct; and is a fact to which, by the unanimous adoption of the above mentioned Report, the Stockholders are themselves pledged.

Having now disposed of all the objections, which you will at once perceive are essentially frivolous and vexatious, and could only arise from a splenetic desire to find fault, the Directors trust that the explanations they have afforded will prevent any harm being done by maliciously disposed persons, and that those persons and their efforts will be regarded with the contempt they deserve.

The feeling of the Shareholders here respecting them may be judged from the result of a vote on a motion, at the late Annual Meeting made by one of the objectors, for a delay in adopting the Report of the Directors. The vote stood thus:—

For the objector's motion.....	3215 Shares
Against it.....	37226 Shares
	—————
Majority for adopting the Report.....	34011

I am, Sir,

Your obedient Servant,

HUGH ALLAN,

President Montreal Mining Company.