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# REPORT

OF

## THE DIRECTORS

OF THE

# Montreal Mining Company,

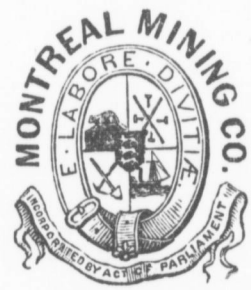
TO THE

## SHAREHOLDERS,

AT THE

# ANNUAL GENERAL MEETING,

20th FEBRUARY, 1862.



Montreal :  
HERALD STEAM PRESS.

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## MONTREAL MINING COMPANY.

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THE Sixteenth Annual Meeting of the Stockholders of this Company was held at the Company's Office in Montreal, on Wednesday, the 19th February, 1862.

The President having taken the Chair, appointed Mr. Handyside (Secretary of the Company) Secretary to the Meeting, and Messrs. Muir and Morgan as Scrutineers, to receive the votes for four Directors to be elected for two years, in place of the retiring Directors, and one Director for one year, in place of the late John Carter, Esq., deceased.

The President then read the Report of the Directors for the past year; also, Captain Plummer's Report of his inspection of certain parts of the Bruce Mine, and the Manager's (Mr. Davie) General Report of the Company's affairs at the Bruce Mine,

The Secretary read statement of Accounts for the past year, duly examined and certified to be correct by D. L. Macdougall, Esq., and Geo. Templeton, Esq., Auditors.

It was moved by E. H. King, Esq., seconded by Benjamin Hutchins' Esq.:

That the Report of the Directors and the accounts which have been read, be received and adopted, and that they be printed for circulation amongst the Shareholders.

Which was carried unanimously.

Moved by the Hon. Geo. Moffatt, Esq., seconded by Robert Esdaile, Esq.:

That the thanks of the Meeting are due to the Directors, Auditors, and officers of the Company, for their services during the past year.

Which was carried unanimously.

Moved by Alexander Cross, Esq., seconded by James Hutton, Esq.:

That the Directors are hereby authorised, during the ensuing year, to treat for the sale or lease of the Company's property, known as the W. C. Meredith Location at Mamainse, or any part thereof, or of any other location, or part of a location, belonging to the Company, and to sell and dispose of, or lease the same on such terms and conditions or payment as may appear to the Directors advisable, and for the Company's benefit.

Which was carried unanimously.

The Scrutineers having reported the election as Directors of William Cunningham, Esq., Hon. George E. Cartier, Thomas Ryan, Esq., W. H. A. Davies, Esq., for two years, and James Hutton, Esq., for one year ; and of Benjamin Hutchins, Esq., and of George Templeton, Esq., as Auditors for 1862.

The Meeting then adjourned.

THOMAS RYAN,  
*President.*  
ADAM HANDYSIDE,  
*Secretary.*

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REPORT OF THE DIRECTORS  
OF THE  
MONTREAL MINING COMPANY  
TO THE SHAREHOLDERS,

SUBMITTED AT THE ANNUAL MEETING ON THE 19TH FEBRUARY, 1862.

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IN pursuance of the arrangement with Mr. Davie, reported to the last Annual Meeting of Stockholders, that gentleman proceeded, in the month of May last, to the Bruce Mines, as manager, and Mr. Handyside returned to Montreal and resumed the duties of Secretary.

Under the persuasion that a thorough change was necessary, both in the Store and Mining Departments, notice had been previously given for terminating Mr. Davidson's engagement with the Company, and Captain Hodge's resignation, which he voluntarily tendered, was accepted by the Board, and in the course of the summer these two officers retired from the service of the Company, Mr. Hoatson being appointed Mining Captain *ad interim* in the room of Captain Hodge.

At the Smelting Works, leased to Mr. Fletcher, it is to be regretted that little or no success has been achieved, and that the conditions of the lease have not been fulfilled, which circumstances have constrained the Board to take measures for resuming possession of these Works. At the same time, they feel persuaded that in skilful hands and with moderate means, smelting might be carried on at the Bruce Mines with profit to the Lessee and with advantage to the Company.

Notwithstanding repeated instructions to the contrary, the practice of giving far too extended credit was continued up to July last, the result of which, upon a close analysis of accounts, now proves to be that a large proportion of outstanding debts must be classed as bad or doubtful, thus sensibly diminishing what have long appeared to be available assets. Influenced by this fact and by the opinion of the late Mining Captain, as well as of the present Manager, that the maintenance of the store has been prejudicial to Mining operations, the Board have decided to recommend the gradual reduction of store business, with the view of ultimately disposing of the Company's trading rights, and leaving the supply of the location in a great degree to private enterprise and competition. In the meantime, a system of selling for *cash* has been, as far as possible, established at the store.

Accompanying this Report are statements of accounts numbered 1 and 2, duly certified by the auditors, and No. 3, being a memorandum of Assets and

Liabilities. From these the Financial position of the Company may be clearly understood, and it is satisfactory to find that, notwithstanding limited Mining operations, large allowances for debts of old standing, deterioration of goods and a considerable outlay for reparation account, the position of the Company is somewhat improved as compared with last year's statement. This result is in some measure accounted for by the low valuation at which the stock of ore on hand at the close of 1860, was taken over.

On the table, and to be read for this Meeting, are also two Reports of considerable interest, viz. :—

No. 4. Captain Plummer's Report of his inspection of certain portions of the Bruce Mine.

No. 5. The Manager's (Mr. Davie) general Report of the Company's affairs at the Bruce Mine.

The Board feel much satisfaction in referring to Captain Plummer's report. The opinions of an experienced practical mining Captain, thoroughly acquainted with the mineral characteristics of the place, must carry weight and be received with confidence, especially as concurred in by the Company's own officers. Captain Plummer, it will be seen, points out that although the plan on which the Mine has been worked for some years back is extremely defective, yet that its mineral resources are by no means exhausted; that a considerable portion of good ore ground is within reach and may, by the adoption of proper means, and at a moderate cost, be worked with profit to the Company; while he gives good reason to hope that certain prospective operations, if undertaken on a judicious scale of expenditure, will prove remunerative in their results. One observation of Captain Plummer's is especially noteworthy and satisfactory. Speaking of the "Dodge" vein, he says: "There is one peculiar feature connected with this vein which I think ought not to be passed over, that is, it has become richer and more promising in the deeper parts, than it was at the surface." This fact so different from the common belief regarding the character of the Bruce Mine veins, strongly encourages the hope that, so far from being exhausted, these veins will improve as they run deeper, and will, under skilful management, repay the cost of sinking on them. Viewing, however, the immense sacrifice made in former years by the proprietary, and the large capital hitherto expended without return, the Board would hesitate to recommend prospective operations of such magnitude as would require any large expenditure, unless provided for from resources which shall not involve fresh calls upon the Stockholders, nor without the strongest probability of remunerative results.

By order of the Board the Secretary has written to the Mine for detailed estimates of the cost of carrying out each of Captain Plummer's suggestions and for tenders, if obtainable, for certain portions of the works he recommends.

Captain Plummer distinctly states that some prospective work has become necessary, but the object of the Board will be to make any such work which they may sanction at least self-supporting, if not profitable.



During the past year the Board have succeeded in obtaining a grant of a small portion of the French Islands not previously included in the Bruce Mine patent, and which, though of little intrinsic value, might have caused inconvenience in the hands of other owners. They have also been successful in arranging with the Government for the construction of a branch of the Great Northern Road, to be run from the rear to the front of the B. M. location; and, as the land near Otter Tail Lake, where the road passes, is fertile and well suited for settlement, it is not unlikely that an agricultural population will soon spring up there, whose outlet to Lake Huron must be by way of the harbor at Bruce Mines, where the Company's property and its occupants cannot fail to derive benefit from this circumstance.

The Company has also obtained the right to purchase some 1,200 acres of land in rear of the Bruce location, should the acquisition be found desirable.

Through the kindness of the Honorable the Commissioner and other gentlemen of the Crown Lands Department, plans of all the Company's mining locations have been obtained, to illustrate the several patents under which these locations are held by the Company. These locations, containing over one hundred thousand acres of land, *all paid for and unincumbered*, must sooner or later be brought into beneficial working. Such was the anticipation expressed in the last annual report, and the Board can now state that they are actually in treaty for a conditional sale of the "W. C. Meredith" Location at "Mamainse," containing between 6,400 and 7,000 acres. The negotiation is not yet sufficiently advanced to report the particulars, but a resolution will be submitted by which the Board seek authority, as required by the Act of 1860, to lease or sell *during the ensuing year*, either the "Meredith" or any other Location, if satisfactory terms can be obtained. It is not, however, the intention of the Board to avail themselves of this authority without ascertaining the views of as many as possible of the Stockholders before closing any sale.

Fortunately for the interests of the Company, no sales of ore were made at the extremely low prices which ruled last winter and spring. One parcel was sold at a fair price for the United States market; but the unsettled state of affairs at Baltimore subsequently determined the Board to make a shipment to England, and a somewhat better result was thereby realised.

The present prices of copper and copper ore are very encouraging, and a continuance of these rates may probably turn the attention of copper miners to the North Shore of Lake Superior, where this Company possesses so large an extent of valuable mineral property.

The quantity of ore produced at the Bruce Mines during the past season was 472 tons, 11 cwt., 3 qrs., 2 lbs. of 17 per cent., being about 75 tons short of the previous year's production.

The production at the Wellington Mine, leased from this Company by the West Canada Mining Company, was 1,175 tons of about 19 per cent., being over 100 tons short of the previous year's production. The Royalty coming to this Company from the "Wellington" is about 58 tons.

The quantity produced at the "Huron Copper Bay" Mine, also in the hands of the West Canada Company, will, it is believed, exceed that of the Wellington, and probably bring last year's production of the Bruce and Wellington and of the Huron Bay together, to about 3,000 tons, a substantial proof of the capability of the district.

A small quantity of Ingot Copper, smelted at the Bruce by Mr. Fletcher, was also sent to Montreal and sold to advantage.

The number of hands at present employed at the "Bruce," in mining operations, is thirty-four. Ore dressing being suspended this winter, the hands usually engaged in it are not at present employed.

The Directors, whose term of office now expires, are the Honorable George E. Cartier, Messrs. William Cunningham, W. H. A. Davies, and Thomas Ryan, all of whom are eligible for re-election.

The death of the late John Carter, Esq., so long a member of this Board, has caused an additional vacancy, and necessitates the election of one more Director at the present meeting, making in all five to be elected—four for two years, and one for one year's tenure of office.

It will also be necessary to ballot for two auditors of accounts for the ensuing year.

THOMAS RYAN,  
PRESIDENT.



**No. 1.**  
**STATEMENT OF THE AFFAIRS OF THE MONTREAL MINING COMPANY,**  
**31st DECEMBER, 1861.**

<p><b>Dr.</b></p> <p>To Real Estate—Bruce Mine,..... \$604,929 28</p> <p style="padding-left: 20px;">Locations Lake Superior, ..... 92,151 35</p> <hr style="width: 100%;"/> <p>To Cash in the Office,..... 2 83</p> <p>To Cash in Bank,..... 1304 49</p> <hr style="width: 100%;"/> <p>To Bills Receivable,..... 1,807 32</p> <p>To Office Furniture,..... 480 00</p> <p>To Accounts due the Company at Montreal, ..... 344 38</p> <p>At the Mine—Open Accounts due the Company, ..... 8,135 47</p> <p style="padding-left: 20px;">Due by the Store,..... 1,369 00</p> <p style="padding-left: 20px;">Materials at the Mine,..... 33,673 21</p> <p style="padding-left: 20px;">Cash at Mine Office,.... 5,825 78</p> <p style="padding-left: 20px;">417 63</p> <hr style="width: 100%;"/> <p>Less transactions in transitu for Ores sold on Miners' account, &amp;c., &amp;c., 41,185 62</p> <p style="padding-left: 20px;">1,122 62</p> <hr style="width: 100%;"/> <p>Ore on hand at the Mine, 1861—208 tons, 2 cwt., 3 qrs., 4 lbs., 17 per cent. Ore, valued at \$3.75 a Unit, Wellington Lordship Ore—57 tons, 16 cwt., 19 per cent. Ore, valued at \$3.75 a Unit, less freight and charges,..... 4,118 25</p> <hr style="width: 100%;"/> <p style="text-align: right;">17,386 60</p> <p style="text-align: right;"><u>\$765,297 40</u></p>	<p style="text-align: right;"><b>Cr.</b></p> <p>By Stock Account,..... \$716,986 05</p> <p>By Bills Payable,..... 14,881 73</p> <p>By Accounts due at Montreal, ..... \$3,122 62</p> <p>By Accounts due at Mine to servants and others,..... 3,373 76</p> <hr style="width: 100%;"/> <p>By Profit and Loss Account,..... 6,503 38</p> <p style="text-align: right;">26,926 24</p> <hr style="width: 100%;"/> <p style="text-align: right;"><u>\$765,297 40</u></p>
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D. L. MCDUGALL,  
GEO. TEMPLETON, } AUDITORS.

ADAM HANDYSIDE, *Secretary.*

**No. 2.**  
**STATEMENT OF PROFIT AND LOSS ACCOUNT OF THE MONTREAL MINING COMPANY,**

31st DECEMBER, 1861. Cr.

<p>To Discount to J. Bradshaw, .....</p> <p>To Vote to Alex. Cross, Esq., President,                  To Desbarats &amp; Derbshire—Advertising  <i>Official Gazette</i>—old account, .....</p> <p>To Rose &amp; Monk—old account, .....</p> <p>To Loss on Store, Bruce Mine, while under                  charge of Mr. John Davidson,                  From Nov. 2, 1860, to July 26, 1861, ..</p> <p>To Five Per Cent. allowed on Dry Goods                  (per Inventory, 27th July, 1861), im-                  ported 1860, the advance on the ster-                  ling cost being considered that per                  centage too much, .....</p> <p>To Bad and Doubtful Debts at the <i>Mine</i>,                  due by servants and others, per state-                  ment No. 7, .....</p> <p>To Charges Account, Montreal, see Analy-                  sis No. 4, .....</p> <p>To Balance, .....</p>	<p>\$ 3 83</p> <p>1,000 00</p> <p>58 07</p> <p>220 00</p> <p>\$2,327 42</p> <p>218 55</p> <p>4,768 40</p> <p>7,214 37</p> <p>1,786 96</p> <p>26,926 24</p> <hr style="border: 0.5px solid black;"/> <p>\$37,209 47</p>
<p>By Balance 31st December, 1861, .....</p> <p>By <i>Rents</i>—Received Bruce Mine, .....</p> <p>By Amount at Credit E. B. Borron, transferred, .....</p> <p>By Wellington Royalty, 1861, .....</p> <p>By Ore Account, 1861, balance, .....</p> <p>By Exchange Account, 1861, balance, .....</p> <p>By Interest Account, 1861, balance, .....</p>	<p>\$25,059 10</p> <p>2,607 28</p> <p>120 00</p> <p>4,118 25</p> <p>3,699 24</p> <p>1,583 68</p> <p>21 92</p>

N. B.—Charging this Account with Loss on the  
 Bruce Mine Store, and with Bad and Doubtful  
 Debts, is without prejudice to the Company's  
 claims against Mr. John Davidson.

D. L. McDOUGALL, } AUDITORS.  
 GEO. TEMPLETON, }

ADAM HANDYSIDE,  
*Secretary.*

## No. 3.

Memorandum of *ESTIMATED ASSETS* and *LIABILITIES* of the  
*Montreal Mining Company*, 31st December, 1861.

## ASSETS AT MONTREAL.

Cash in Office and Bank, Montreal.....	\$ 1,807 32	
Bills Receivable,.....	480 00	
Debts due to the Company, per balance sheet,....	8,136 00	
Office Furniture, .....	120 00	
Ore at the Mine, produce 1861,.....	13,268 35	
Wellington Royalty, 1861,.....	4,118 25	
		\$27,929 92

## ASSETS AT THE MINE.

Cash in Office, .....	417 63	
Accounts due the Company,.....	1,269 00	
Due the Company by the Store,.....	33,673 21	
Materials at the Mine,.....	5,825 78	
	41,185 62	
Less transactions in <i>transitu</i> ,.....	1,122 62	
		40,063 00
Total Assets,.....		\$67,992 92

## LIABILITIES AT MONTREAL.

Bills Payable,.....	\$14,881 73
Sundry Accounts due, per balance sheet, .....	3,129 62

## LIABILITIES AT THE MINE.

Accounts due servants and others, .....	3,373 76	
		21,385 11
		\$46,607 81
Deduct allowance for bad and doubtful debts, and on materials at the Mine,.....		6,607 81
		\$40,000 00

N.B.—Deducting the \$6,607 81 to cover bad and doubtful debts, &c., is without prejudice to the Company's claims against Mr. Davidson.

ADAM HANDYSIDE,

Secretary.