

# REPORT

:: OF ::

The DIRECTORS of

## The Consolidated Mining and Smelting Company

of Canada, Limited

For year ending 30th June, 1910

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### BOARD OF DIRECTORS

W. D. MATTHEWS, Toronto	.	.	.	President
GEO. SUMNER, Montreal	.	.	.	Vice-President
W. H. ALDRIDGE, Trail, B.C.	.	.	.	Managing Director
E. B. OSLER	.	.	.	Toronto
CHARLES R. HOSMER	.	.	.	Montreal
H. S. OSLER	.	.	.	Toronto
W. L. MATTHEWS	.	.	.	Toronto
J. C. HODGSON	.	.	.	Montreal
F. P. BUCK	.	.	.	Sherbrooke



The  
Consolidated Mining and Smelting  
Company of Canada, Limited

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DIRECTORS' REPORT

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*To the Shareholders of  
The Consolidated Mining and Smelting Company  
of Canada, Limited:*

GENTLEMEN:

Your Directors beg to submit the Fifth Annual Report of the Company's operations, together with the Managing-Director's Report, the Financial Statement and Auditor's Report for the year ending June 30th, 1910.

The tonnage of ore handled at the smelter was 487,125 tons against 347,417 tons in 1909.

The profit for the year was \$309,945.08 and added to the balance at the credit of Profit and Loss Account as shown last year makes a total of \$671,011.09 at credit of that account.

During the year two properties have been purchased. The La Plata, or Molly Gibson group, near Nelson, B.C., for payment of which 2,000 shares of the capital stock was issued, also the No. 7 group in the Boundary district. The operating of these mines, your Directors believe, will prove profitable to the Company.

The Property and Plant accounts, after paying for the above properties and additions referred to in the Managing-Director's Report, and after writing off for depreciation \$175,502.60 from the profits of the year, show an increase of \$244,202.19.

W. D. MATTHEWS,  
President.

Toronto, 27th September, 1910.

# FINANCIAL STATEMENT

## The Consolidated Mining and Smelting Company of Canada, Limited

FOR YEAR ENDING JUNE 30th, 1910

### LIABILITIES

<b>CAPITAL:</b>	
Authorized.....	\$7,500,000.00
Issued 55,552 Shares of \$100 each.....	\$5,555,200.00
<b>SUNDRY BANKS:</b>	
Bank of Montreal:	
Loan and Overdraft.....	\$763,528.55
Accrued Interest.....	680.95
Pay Roll Bank Accounts overdrawn.....	1,803.10
	766,012.60
<b>CONTINGENT LIABILITY at June 30th, 1910, on Drafts</b>	
against Matte Shipments.....	131,845.95
<b>ACCOUNTS PAYABLE AND UNPAID DIVIDENDS</b> .....	
	51,673.44
<b>RESERVE: Including provision for Claims awaiting adjustment</b> .....	
	42,723.79
<b>PROFIT AND LOSS ACCOUNT:</b>	
Balance June 30th, 1909.....	\$361,066.01
Profit for year ended June 30th, 1910.....	309,945.08
	671,011.09
	\$7,086,620.92

### ASSETS

<b>MINES, MINERAL CLAIMS, AND SHARES IN OTHER COMPANIES:</b>	
Expenditure on No. 7 Group.....	\$4,142,181.12
Expenditure on Phoenix Amalgamated Group.....	22,207.31
	55,840.82
	\$4,220,229.25
<b>MINING, SMELTING, CONCENTRATING AND REFINING PLANTS:</b>	
Balance June 30th, 1909.....	\$1,498,639.04
Construction for year to June 30th, 1910.....	215,143.14
	\$1,713,782.18
LESS Sales of Plant.....	\$1,511.99
Depreciation.....	175,502.60
	177,014.59
	1,536,767.59
<b>SMELTER PRODUCT ON HAND AND IN TRANSIT TO REFINERIES:</b>	
Pig Lead, Bullion, Matte, Blue-stone and Antimony.....	\$170,437.30
<b>ORES AND METALS ON HAND AND IN TRANSIT TO SMELTER AT JUNE 30th, 1910:</b>	
Value of Metal Contents corrected to Market quotations:	
Ores on Hand.....	\$349,472.02
Refinery, Metals on Hand.....	281,686.10
Ore in Transit to Smelter.....	11,337.77
	642,495.89
	\$12,933.19
<b>MINE AND SMELTER STORES AND MATERIALS</b> .....	
	353,600.99
<b>ACCOUNTS RECEIVABLE</b> .....	
	138,780.27
<b>INSURANCE AND TAXES PAID IN ADVANCE</b> .....	
	11,081.07
<b>CASH IN BANKS AND ON HAND:</b>	
Head Office, Toronto.....	\$2,042.81
Sundry Pay Roll Bank Accounts.....	8,185.75
	10,228.56
	\$7,086,620.92

### AUDITOR'S REPORT

We have audited the Accounts of the Consolidated Mining & Smelting Company of Canada, Limited, for the year ended June 30th, 1910, including the Mine and Smelter Accounts maintained at the Offices at Moyie, Phoenix, Rossland and Trail, B.C. The values of Ore and Smelter Products at June 30th, 1910, are as certified by the Company's officials; the values of Metal Contents have been corrected to market quotations at date, and the estimated cost of refining products in course of treatment has been deducted. Stores and Materials on hand at the Mines and Smelter have been certified by the Storekeepers.

Subject to the foregoing we certify that the above Balance Sheet is, in our opinion, correctly drawn up so as to exhibit a correct view of the financial position of the Company as at date of closing the Accounts to June 30th, 1910.

VANCOUVER, B.C., August 26th, 1910.

CLARKSON, CROSS & HILLIWELL,  
Chartered Accountants.

# PROFIT AND LOSS ACCOUNT

FOR YEAR ENDING JUNE 30th, 1910

To Smelter Product on hand June 30th, 1909, and in transit from Smelter to Refineries	\$349,741.22
" Ore in transit to Smelter June 30th, 1909, and in process of treatment	751,611.20
" Customs Ore, Lead and Bullion Purchased	1,666,501.23
" Freight on Ore from Company's Mines	200,950.28
" Mining, Smelting and General Expense	
"St. Eugene" Mines	844,234.61
"Centre Star" Mines	538,010.55
"Snowshoe" Mines	162,336.11
"Richmond-Eureka" Mines	21,232.93
"Queen Victoria" Mines	5,495.90
"Sullivan" Mines	18,774.73
Trial Smelter and Refinery	1,524,381.46
	2,708,466.32
" Development Expenses	
"St. Eugene" Mines	8162,276.69
"Centre Star" Mines	298,553.70
"Snowshoe" Mines	5,837.78
"Richmond-Eureka" Mines	21,015.07
"Sullivan" Mines	7,057.51
	495,770.75
" Royalty on Ore	37,154.89
" Depreciation General Plant and Equipment	175,502.60
" Directors' Fees	8,800.00
" Sundry Items Written Off (including Bad Debts)	13,988.64
" Balance, Profit	309,915.08
	86,721,468.21

By Sales of Smelter Products, Ore, etc.	\$5,904,004.90
" Smelter Product on hand June 30th, 1910, and in transit from Smelter to Refineries:	
Pig Lead, Matte, Bullion, Bluestone and Antimony	170,437.30
" Ores and Metals on hand and in transit to Smelter June 30th, 1910; value of Metal Contents corrected to market quotations:	
Ores on hand	\$349,472.02
Refinery Metals on Hand	281,686.10
Ore in Transit to Smelter	11,337.77
	642,495.89
" Rents and Sundry Revenue	4,530.12

86,721,468.21

# MANAGING DIRECTOR'S REPORT

TRAIL, B.C., August 15th, 1910.

To the Directors of  
The Consolidated Mining and Smelting Company  
of Canada, Limited.

GENTLEMEN:—

I beg to submit the results of the Consolidated Company's operations for the year ending June 30th, 1910, including Balance Sheet, Profit and Loss Account, Production, and General Report.

## FINANCIAL STATEMENT

After writing off \$175,502.60 depreciation upon plant and equipment (as compared with \$153,218.31 depreciation written off in the previous year), \$13,988.64 sundry items including bad debts, and charging to Profit and Loss Account \$495,770.75 expended upon development, the operations for the year show a profit of \$309,945.08, which added to last year's balance of \$361,066.01, leaves a net credit of \$671,011.09.

During the year additions to the various plants and the additional equipment of new properties have amounted to \$140,977.05. The increase in the investment in lands near the smelter has been \$6,704.10. The cost of new properties and their development has been \$222,622.76 and the estimated value of plant included with the purchase of the Molly Gibson and Number Seven \$65,950; a total of \$288,572.76, paid for in stock \$200,000 and in cash \$88,572.76.

The total cash expended, therefore, upon the above items of property and plant was \$236,253.91.

The Snowshoe overdraft guaranteed by this Company, the balance of which at June 30th, 1909, was \$16,549.12, has been paid in full by the Snowshoe Gold & Copper Mines from royalties on ore shipments, and the liability of this Company thereby terminated.

The Company's obligations for borrowed capital show a reduction in the year of \$462,090.50, or from \$1,228,103.10 to \$766,012.60.

The quotations for London lead, New York silver, and electrolytic copper have been exceedingly low during the year, having averaged: London lead, £12.921, as compared to £13.249 during the previous year; New York silver, 51.948c., as compared to 51.410c., and electrolytic copper 12.981c. as compared to 13.254c.

Since the formation of the Consolidated Company, the cost of new properties acquired has been \$1,142,181.12; additions to plant, including the acquisition of existing plants connected with new properties, have cost \$1,235,942.20, making a total of \$2,378,123.32. Treasury Stock, issued in payment for new properties and plants connected therewith, accounts for \$856,400.00 of this total, and the remainder, \$1,521,723.32, was covered by cash expenditure.

## PRODUCTION

Following are the productions of the different properties controlled, leased and operated by the Consolidated Company for the year ending June 30th, 1910, and the total production to date as far as can be ascertained. It will be noted that the gross value of metals produced at the Company's smelting works has been over \$42,600,000, and that during the year the gross value of the metals was \$5,911,767, as compared to \$5,505,526 during the previous year. There was an increase in the gold and copper production, a reduction in silver, and a slight falling off in lead; the total, in spite of low prices for metals, exceeds any previous year. The tons smelted increased from 347,417 to 487,125, the largest in the history of the Company.

### YEAR ENDING JUNE 30TH, 1910

	Tons Ore	Gold in Ounces	Silver in Ounces	Lead in Pounds	Copper in Pounds	Value
Centre Star Group.....	194,013	78,812	51,888		2,263,711	\$1,935,886
St. Eugene—Ore..	114,136					
—Conc.	17,987		468,693	22,182,611		1,028,740
Richmond-Eureka.	3,399		185,270	1,190,785		138,398
Snowshoe (leased)..	182,383	12,413	42,561		4,029,902	803,300
Sullivan (leased)..	6,704		46,196	2,451,758		110,790
Queen Victoria....	777	10	293		24,555	3,430
	Smelted					
Trail Smelter.....	487,125	137,614	2,162,406	42,368,816	5,974,959	5,911,767

### PRODUCTION BEGINNING 1894 TO DATE

	Tons Mined	Gold in ozs.	Silver in ozs.	Lead in lbs.	Copper in lbs.	Gross Value
Centre Star-War						
Eagle Group.....	1,477,324	721,636	850,750		28,239,017	\$19,508,633
St. Eugene —Ore..	954,115					
—Conc....	180,125		5,055,433	216,064,521		9,965,476
Richmond-Eureka...	7,958		443,983	2,848,743		334,648
Phoenix Amalgam'd.	249	7	44		2,214	451
Snowshoe.....	520,092	35,993	137,978		12,750,718	2,913,361
Sullivan.....	92,110		781,993	38,653,397		1,931,226
Number Seven.....	1,086	224	11,511			11,048
Queen Victoria.....	4,204	36	3,203		204,199	41,794
	Smelted					
Trail Smelter.....	2,458,684	952,056	16,999,873	220,872,555	43,453,814	42,646,025

The Centre Star Group is mining and shipping about 14,000 tons per month; the St. Eugene mining and concentrating 5,000 tons (from which 800 tons of lead concentrates are being produced); the Snowshoe, 10,000 tons; the Richmond-Eureka 300 tons; and the Sullivan 2,500 tons, making a total being mined per month of 32,600 tons.

## DEVELOPMENT

There are over 24.6 miles of underground development or narrow work in the Centre Star Group, Rossland; 18 miles in the St. Eugene, Moyie; 6,041 feet in the Richmond-Eureka, Sandon; 2,581 feet in the Phoenix Amalgamated, Phoenix; 5,277 in the Molly Gibson mine; 4,575 feet in the Sullivan mine, Kimberley; and 3,357 feet in the Number Seven Mine, Central Camp.

In the Company's mines 28,144 feet or over 5 miles of narrow work, has been driven during the year, and 40,824 feet of diamond drilling as follows:

	Drifting and Crosscutting	Raising	Sinking	Total	Diamond Drilling
Centre Star Group.....	13,165	1,346	211	14,722	28,834
St. Eugene.....	7,711	1,483	160	9,354	11,456
Sullivan.....	367	8	.....	375	534
Richmond-Eureka.....	2,505	324	.....	2,829	.....
Number Seven.....	864	.....	.....	864	.....
Total.....	24,612	3,161	371	28,144	40,824

In the Centre Star-War Eagle Group, Rossland, new ore has been found upon the Centre Star, 3rd, 6th, and 10th levels. No pay ore has been found below the 12th level. From the 16th level, 7,867.6 feet of diamond drilling has been done, without finding ore. One or two more holes will complete the exploration in the deep levels of the Centre Star.

There has been an improvement in the Idaho, during the year, both as to ore reserves and prospective value, due to the finding of a new ore shoot (470) above the 4th level and to the expansion of 539 stope, under 461 stope (above the 4th level).

Developments in the War Eagle continue to be encouraging, increased tonnages having been developed on the 8th, 9th, 10th and 11th levels. The ore body on the 9th level War Eagle, referred to in the previous report, has been located on the 8th level. Parallel to this ore body an entirely new ore shoot has been found on the 9th level. Stopes 1086 and 1155 have yielded a large tonnage. The country in which these ore bodies are located is not fully prospected. The future outlook for this part of the mine is most promising. On the 12th or bottom level War Eagle there are small streaks of ore, but nothing of importance has as yet been discovered.

The Iron Mask developments have also been encouraging, one ore body having been opened by a crosscut from the 4th level Centre Star, and a smaller ore body has been opened on the Josie vein from the 4th War Eagle level, considerably east of the old main workings. The stopes in the Iron Mask above the 4th level War Eagle look well.

The ore reserves of the Centre Star Group are estimated at 245,640 tons.

No new large ore bodies have been found at the St. Eugene during the year, although a considerable amount of work has been performed upon the 2,100, 2,200 and 2,400 foot levels. The total number of feet of diamond drill holes driven from these three levels has been 8,683.6.

The ore reserves in the St. Eugene Group are estimated at 20,000 tons.

While drifting upon the Richmond-Eureka has not opened up much new ore, yet indications are that a fair tonnage, not yet included in estimated reserves, will come from the Summit and No. 6 tunnel, from which no stoping has been done. The ore reserves in the Richmond-Eureka are estimated at 3,475 tons.

No new development work has been done upon the Phoenix Amalgamated and only a few hundred feet upon the Number Seven, mostly in broken country.

On the Snowshoe, upon which the Company holds a lease, no new developments have taken place. The ore reserves in the Snowshoe are estimated at 84,000 tons of shipping ore and 93,000 tons containing copper, about 0.80 per cent., which is too low to be shipped at present copper quotations.

In order to determine the grade of the Queen Victoria ore and the cost of mining, trial shipments have been made. These operations have indicated that after sorting, ore containing copper 1.5 per cent. to 1.7 per cent. can be shipped, but that it is unprofitable to work the mine until the price of copper is much higher.

## CONSTRUCTION

The principal new installations or construction work at Trail during the year were a centrifugal pump with driving motor direct connected, located on the Columbia River; a plant for making bullion anodes from the lead blast furnace without re-melting; improvements in copper mills; additions to the lead refinery.

At the Company's lime quarry at Fife, a new railway siding has been built.

In connection with the mines, the principal expenditures upon capital account have been for the following:

Ore testing plant for determining methods of economically treating ores and for devising improvements upon present methods in concentrating ores from the Company's mines; a railway spur and tramway at the Phoenix Amalgamated property in the Boundary; the equipment of the Number Seven Mine in the Boundary, including an aerial tramway with terminals, a short railway spur, a power line, and motors for driving the compressor.

The value of machinery and buildings at the Molly Gibson and Number Seven, which were included with the mining property in the agreements for sale, has been estimated at \$65,950, and this amount has been charged to Plant Account.

## NEW PROPERTIES

In order to maintain the Company's earnings, it seemed advisable to secure such new properties as promised to yield a fair return upon the cost of the property, plus the amount necessary to equip them for economical operation, and providing always that there was a reasonable chance that such properties would produce a sufficient tonnage of ore to repay the capital expenditures incurred through their purchase and equipment. After examining a great number of mines and prospects, it was decided that the No. 7 mine in the Boundary and the Molly Gibson mine near Nelson were the most promising.

The Number Seven mine and some adjoining claims were therefore purchased. This property has a hoist, compressor, mine buildings, a shaft 325

feet deep, and a total of 3,357 feet of narrow work. It is estimated that there are developed 20,000 tons of ore containing about \$10.00 gross assay value. An aerial tramway, electrical equipment and a railway spur are about completed.

After long negotiations, the Molly Gibson mine was secured by the payment of 2,000 shares of the Company's treasury stock. The Molly Gibson Company owned an 8,000 foot aerial tramway, a concentrator, compressor and mine buildings. Former managements have driven 5,277 feet of narrow work. The ore reserves are estimated at 6,000 tons of ore containing a gross assay value of \$30.00 per ton.

A lease has been taken upon the Sullivan Mine near Kimberley. A royalty is paid upon all ore shipments, and the Consolidated Company has undertaken to perform \$10,000 worth of development work. The mine is producing about 2,500 tons monthly of ore containing approximately. lead 18 per cent., silver 6.0 ounces per ton.

### MANAGEMENT

The operations and business of the Company have been ably directed by the following gentlemen:

R. H. Stewart, Manager of the Company's Mines; T. W. Bingay, Comptroller; A. J. McNab, Superintendent of the Smelter; John F. Miller, Superintendent of the Refinery; M. E. Purcell, Superintendent of the Rossland Mines; S. G. Blaylock, Superintendent of St. Eugene Mines at Moyie and the Sullivan Mine near Kimberley; Charles Biesel, Superintendent Phoenix Mines and the Number Seven Mine south of Phoenix; John Bakke, Superintendent Richmond-Eureka Mines; F. W. Guernsey, Superintendent Molly Gibson and Queen Victoria Mines; James Buchanan, Metallurgist; A. W. Davis, Assistant to the Mine Manager; and John M. Turnbull, Mining Engineer.

Mr. Jules Labarthe, who for many years has efficiently managed the works at Trail, resigned, to accept the general management of the Mason Valley Mines Company of Nevada.

Respectfully submitted,

W. H. ALDRIDGE,  
Managing Director.

