

Report of the Directors of  
**The Consolidated  
Mining and Smelting  
Company**  
of Canada, Limited

For year ending 30th June, 1911

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BOARD OF DIRECTORS

W. D. MATTHEWS, Toronto	.	.	.	President
GEO. SUMNER, Montreal	.	.	.	Vice-President
E. B. OSLER	.	.	.	Toronto
CHARLES R. HOSMER	.	.	.	Montreal
H. S. OSLER	.	.	.	Toronto
W. L. MATTHEWS	.	.	.	Toronto
J. C. HODGSON	.	.	.	Montreal
W. H. ALDRIDGE,	.	.	.	Los Angeles



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 take pleasure in presenting the Sixth Annual Report of the operations of the Company as covered by the report of the General Manager, the Financial Statement, and Auditors' Report for the year ending June 30th, 1911.

The net profit for the year was \$202,278.29 which added to the balance at the credit of Profit and Loss Account as shown last year, makes a total of \$873,289.38 at the credit of that account.

The tonnage of ore handled at the Smelter was 388,785 tons, as against 487,125 tons in 1910, the decrease being mainly due to the abandoning of the Snowshoe lease and partly to other causes as explained by the General Manager.

The Bank overdraft, however, has been materially reduced by the sum of \$181,980.65, which should be considered satisfactory in view of the unfavorable conditions existing during the year.

During the year the Capital stock has been increased by the issue of 2500 shares of the par value of \$100 each. These were subscribed for at par and realized \$250,000 cash.

This amount was expended partly in purchasing stock and bonds of the Fort Steele Mining and Smelting Company, owners of the Sullivan Mine, and partly in development of other properties as explained in the General Manager's report.

The Property and Plant accounts, after writing off \$193,342.27 from the profits of the year, show an increase of \$171,533.63 over last year.

Since June 30th your Directors have purchased from the Liquidator all the property of the Le Roi Mining Company in Rossland, and have every reason to believe that the purchase will be profitable to the Company.

W. D. MATTHEWS,  
President.

Toronto, October 12th, 1911.

# FINANCIAL STATEMENT

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

Balance Sheet June 30th, 1911

### LIABILITIES

### ASSETS

<b>CAPITAL:</b>	
Authorized .....	\$7,500,000.00
Issued 58,052 Shares of \$100 each .....	\$5,805,200.00
<b>SUNDRY BANKS:</b>	
Bank of Montreal:	
Loan and Overdraft .....	\$582,133.70
Accrued Interest .....	431.80
	\$582,565.50
Payroll Bank Accounts overdrawn .....	1,466.45
	584,031.95
<b>CONTINGENT LIABILITY at June 30th, 1911, on</b>	
Drafts against Matte Shipments .....	129,663.00
<b>ACCOUNTS PAYABLE AND UNPAID DIVIDENDS .....</b>	
	39,818.73
<b>RESERVE: Including provision for Claims awaiting adjustment .....</b>	
	51,121.10
<b>PROFIT AND LOSS ACCOUNT:</b>	
Balance June 30th, 1910 .....	\$671,011.09
Profit for year ended June 30th, 1911 .....	202,278.29
	873,289.38

<b>MINES, MINERAL CLAIMS AND SHARES IN OTHER COMPANIES .....</b>		\$4,332,409.47
Expenditure on No. 7 Group .....		49,592.86
Expenditure on Phoenix Amalgamated Group .....		55,840.82
		\$4,437,843.15
<b>MINING, SMELTING, CONCENTRATING AND REFINING PLANTS:</b>		
Balance June 30th, 1910 .....		\$1,536,767.59
Construction for year to June 30th, 1911 .....		158,961.87
		\$1,695,729.46
LESS Sales of Plant .....	\$ 11,699.87	
Depreciation .....	193,342.27	
		205,042.14
		1,490,687.32
<b>SMELTER PRODUCT ON HAND AND IN TRANSIT TO REFINERIES:</b>		
Pig Lead, Bullion, Matte, Bluestone and Antimony .....		\$112,494.46
<b>ORES AND METALS ON HAND AND IN TRANSIT TO SMELTER AT JUNE 30TH, 1911:</b>		
Value of Metal Contents corrected to Market quotations:		
Ores on Hand .....	\$421,762.41	
Refinery, Metals on Hand .....	338,369.77	
Ore in Transit to Smelter .....	15,970.93	
		776,103.11
		888,597.57
<b>MINE AND SMELTER STORES AND MATERIAL .....</b>		327,938.57
<b>ACCOUNTS RECEIVABLE .....</b>		184,975.86
<b>INSURANCE AND TAXES PAID IN ADVANCE .....</b>		19,463.85
<b>CASH IN BANKS AND ON HAND:</b>		
Head Office, Toronto .....	\$2,666.76	
Sundry Pay Roll Bank Accounts .....	1,288.08	
		3,954.84
		\$7,353,461.16

\$7,353,461.16

Auditors Report

We have audited the Accounts of the Consolidated Mining & Smelting Company of Canada, Limited, for the year ended June 30th, 1911, including the Mines 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, 1911, are as certified by the Company's officials; the values of Metal Contents have been corrected to market quotations as 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 verified by the auditors.

Subject to the foregoing we certify that the above Balance Sheet is, in our opinion, 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, 1911.

VANCOUVER, B.C., August 24th, 1911.

CLARKSON, CROSS & HELLJEWELL,  
Chartered Accountants.

# PROFIT AND LOSS ACCOUNT

For Year ended June 30th, 1911

To Smelter Product on hand June 30th, 1910, and in transit from Smelter to Refineries.....	\$170,437.30
" Ore in transit to Smelter June 30th, 1910, and in process of treatment.....	642,495.89
" Customs Ore, Lead and Bullion purchased.....	1,197,343.40
" Freight on Ore from Company's Mines.....	172,322.21
" Mining, Smelting and General Expense:	
"St. Eugene" Mines.....	\$194,949.09
"Centre Star" Mines.....	523,974.15
"Snowshoe" Mines.....	82,217.07
"Richmond Eureka" Mines.....	27,156.64
"Queen Victoria" Mines.....	8,161.40
"Sullivan" Mines.....	78,345.64
"No. 7" Mines.....	27,637.11
"Molly Gibson" Mines.....	19,844.55
Trail Smelter and Refinery.....	1,307,606.80
	2,269,892.45
To Development Expenses:	
"St. Eugene" Mines.....	\$61,142.04
"Centre Star" Mines.....	278,123.19
"Snowshoe" Mines.....	2,708.08
"Richmond Eureka" Mines.....	7,953.46
"Sullivan" Mines.....	59,050.62
"No. 7" Mines.....	5,847.91
"Phoenix Amalgamated" Mines.....	12,949.61
"Molly Gibson" Mines.....	10,579.63
	438,354.54
Royalty on Ore.....	54,555.15
Depreciation General Plant and Equipment.....	193,342.27
Directors' Fees.....	8,600.00
Sundry Items written off (including Bad Debts).....	3,162.31
Balance, Profit.....	202,278.29

**\$5,352,783.81**

By Sales of Smelter Products, Ore, etc.....	\$4,462,077.32
" Smelter Product on hand June 30th, 1911, and in transit from Smelter to Refineries.:	
Pig Lead, Matte, Bullion, Bluestone and Antimony...	112,494.46
" Ores and Metals on hand and in transit to Smelter June 30th, 1911; value of Metal Contents corrected to market quotations:	
Ores on hand.....	\$421,762.41
Refinery Metals on hand.....	338,369.77
Ore in Transit to Smelter.....	15,970.93
	776,103.11
" Rents and Sundry Revenue.....	2,108.92

**\$5,352,783.81**

# Managing Director's Report

TRAIL, B.C., August 25th, 1911.

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, 1911, including Balance Sheet, Profit and Loss Account, Production, and General Report.

## FINANCIAL STATEMENT

Operations for the year under review show a net profit of \$202,278.29, after writing off depreciation on plant and equipment \$193,342.27 (as compared to \$175,502.60 for last year), sundry items including bad debts \$3,162.31, and charging to profit and loss \$438,354.54 expended on development of our various properties. The increase in depreciation is accounted for by the writing off of the Snowshoe equipment, the lease having terminated, and heavy depreciation on the St. Eugene plant, which is liable to close down at an early date.

Additions to plant and equipment during the year amounted to \$146,350.30, from which is to be deducted sales of plant to the amount of \$11,699.87, or a net amount of \$134,650.43. Increase in lands at the smelter is \$12,611.57, making the total charge to plant account.

Expenditure on account of the purchase and development of new properties amounted to \$217,613.90, which was provided for by the issue of new shares to the value of \$250,000.00.

This amount was expended in purchasing stock and bonds of the Fort Steele Mining & Smelting Company, and the Sullivan Mining Company, owning the Sullivan Group at Kimberley; in the purchase of property surrounding the Sullivan; on the development of the Number Seven and Molly Gibson Groups, and other small purchases.

The amount due to banks for borrowed capital has been reduced to \$584,031.95, a decrease of \$181,980.65 for the year.

Quotations for London Lead and New York Silver show slight increases over last year, the average being: London Lead, £12.953, as compared with £12.921 during the previous year; New York Silver, 53.696c., as compared with 51.948c. Electrolytic copper was lower, averaging 12.337c. as compared with 12.981c. for the previous year.

## PRODUCTION

The gross value of metals produced at the Company's smelting works for the year was \$4,437,901, as compared with \$5,911,767 for the previous year, a decrease being shown in all of the metals. It will be noted that there is an increase in the production of the Centre Star and Sullivan Groups, that the Molly Gibson and Number Seven have entered the list of shippers, and that the remainder of properties show a decrease.

The large decrease in total production is due to the working out of the St. Eugene, dropping the Snowshoe lease, and to the fire in the Slocan a year ago, which closed down the Kaslo & Slocan Railway and caused a large decrease in shipments from that district.

	YEAR ENDING JUNE 30TH, 1911					
	Tons Ore	Gold in Ounces	Silver in Ounces	Lead in Pounds	Copper in Pounds	Gross Value
Centre Star Group.....	193,223	81,348	60,200		2,318,456	\$1,980,112
St. Eugene—Ore.....	47,705					
—Conc.....	7,708		204,044	9,012,152		429,044
Richmond-Eureka.....	3,168		115,656	720,306		87,638
Phoenix Amalgamated.....	2,244	46	379		6,195	1,885
Snowshoe (leased).....	85,627	5,335	22,450		2,001,700	363,702
Sullivan (leased).....	34,065		258,376	14,187,354		635,223
Number Seven Group.....	1,776	445	20,052	49,674		19,339
Queen Victoria.....	1,985	13	744		59,210	7,977
Molly Gibson.....	733		31,043	197,634		23,435
Trail Smelter.....	388,785	119,067	1,458,758	24,026,015	4,421,988	4,437,901

PRODUCTION BEGINNING 1894 TO DATE

	Tons Mined	Gold in ozs.	Silver in ozs.	Lead in lbs.	Copper in lbs.	Gross Value
Centre Star Group.....	1,670,547	802,984	910,950		30,557,473	\$21,488,745
St. Eugene—Ore.....	1,001,820					
—Conc.....	187,833		5,259,477	225,076,673		10,394,520
Richmond-Eureka.....	11,126		559,639	3,569,049		422,286
Phoenix Amalgamated.....	2,493	53	423		8,409	2,336
Snowshoe.....	605,719	41,328	160,428		14,752,418	3,277,063
Sullivan.....	126,175		1,040,369	52,840,751		2,566,449
Number Seven.....	2,862	669	31,563	49,674		30,447
Queen Victoria.....	6,189	49	3,947		263,409	49,771
*Molly Gibson.....	733		31,043	197,634		23,435
Trail Smelter.....	2,847,469	1,017,123	18,458,631	224,898,570	47,875,802	47,083,926

\* For the year only; previous records not available.

DEVELOPMENT

The total amount of development work underground in the Company's mines is about as follows:—

	Feet	Miles
Centre Star Group.....	146,288.5	27.70
St. Eugene Group.....	103,102.5	19.54
Richmond-Eureka.....	7,003.0	1.32
Phoenix Amalgamated.....	2,581.0	0.48
Molly Gibson.....	6,985.0	1.32
Sullivan.....	15,162.0	2.87
Number Seven.....	5,479.0	1.03

No. During the year 22,452 feet of narrow work and 38,757.3 feet of diamond drilling have been done as follows:—

	Drifting and Crosscutting				Total	Diamond Drilling
	Raising	Sinking				
Centre Star Group.....	11,290.5	1,803.0	290	13,383.5	25,622.3	
St. Eugene Group.....	2,223.5	1,469.0	24	3,716.5	4,346.0	
Richmond-Eureka.....	667.0	295.0		962.0		
Molly Gibson.....	340.0	110.0	20	470.0		
Sullivan.....	1,322.0	431.0	45	1,798.0	8,789.0	
Number Seven.....	1,977.5	98.5	46	2,122.0		
Total.....	17,820.5	4,206.5	425	22,452.0	38,737.3	

In our Rossland Mines, ore developed and shipments have about balanced. Although the tonnage developed is numerically less than for the previous year—194,000 tons as against 245,000 for the year 1910—the average value of the ore developed this year on the lower levels is considerably higher.

In the Centre Star and Idaho Mines no ore has been developed in the lower levels and but little work done, most of the development having been confined to levels above the 10th. In these a number of small ore bodies have been opened up and one or two larger ones of lower grade. The same is true of the Iron Mask.

The greater part of the new ore that has been found has been in the lower levels of the War Eagle. A winze sunk from the 12th level opened up ore to a depth of 150 feet and of a length at the bottom of 200 feet. Values of this ore are very good. The 10th and 11th levels are also producing a large tonnage of good ore.

In the St. Eugene Group no new large ore bodies have been discovered and the ore reserves are practically depleted, being estimated at 6,000 tons. Enough ore is being found from time to time to keep the mine running at a small profit.

The Richmond Eureka Group continues to produce a small tonnage, though an estimate of the probable tonnage is difficult on account of the variable nature of the ore bodies. No large new ore body has been discovered.

A few tons were shipped from the Phoenix Amalgamated during the winter, but as the grade was unsatisfactory at the points where work was done, and as the price of copper was so low, it was thought advisable to do no more work there until conditions improved.

The Snowshoe lease has been abandoned, as it was no longer profitable, owing to low prices for copper, higher costs of mining, and conditions at the smelter which made the use of the Snowshoe ore no longer valuable as a flux.

The lease and bond of the Queen Victoria Mine has been abandoned for the same reasons.

The Molly Gibson Mine has commenced shipments and with about 14,000 tons of milling and shipping ore in sight and good prospects below the lower level, will, we hope, continue to be profitable.

Development on the Number Seven Mine has proved disappointing, both as regards the continuity of the ore bodies and their grade. Work is now being done on the lower levels in an attempt to locate further ore bodies of good grade.

## NEW PROPERTIES

During the year the Company has acquired a majority of the stock of the Fort Steele Mining & Smelting Company, Limited, owner of the Sullivan Mine. The lease to the Consolidated Company expired on June 30th, and the Fort Steele Company is now operating the property and shipping ore to Trail. The mine is producing between 2,500 and 3,000 tons per month of ore containing approximately, lead 20 per cent., silver 6.6 ounces.

Since the close of our fiscal year, arrangements have been completed with the liquidator of the Le Roi Mining Company for the purchase of all the property of the Le Roi Mining Company in Rossland. This property still has a large amount of low grade ore, and some prospects of finding ore of a better grade, and we believe that the purchase will be a profitable one.

## CONSTRUCTION

Construction for the year consisted mainly of the equipment of the Molly Gibson Mine with an aerial tramway about four and one-half miles in length; repairs and improvements to the old tramway, which was badly damaged by snowslides; new bunkhouses at the mine; improvements in the mill; horses and wagons for hauling ore, etc.; finishing the equipment of the



Number Seven Mine, and increasing the roasting capacity of the smelter by the installation of two Dwight and Lloyd roasters; the purchase of lands near the smelter to protect us against claims for damage by smoke; sundry small improvements.

## GENERAL CONDITIONS

The past year has been in many ways an unfavorable one for the Company. The early part of the year was marked by the low grade of the Rossland ores and limited tonnage, particularly in reduction of tonnage from the St. Eugene due to the working out of the principal ore bodies, and from the Slocan, due to bad forest fires and the consequent interruption of service on the Kaslo & Slocan Railway, which condition unfortunately still exists. Unfortunate weather conditions in the Crow's Nest Pass during the month of February, and interruption of coke shipments on this account, lessened the tonnage of the furnaces at Trail to a considerable extent, and finally, the present strike in the Crow's Nest Pass has lasted from the first of April until the present time, and has not only forced us to buy coke in Pennsylvania at greatly increased cost, but has, more or less, unsettled traffic conditions and *increased our cost of handling material, such as coke and limestone, at the smelter.* In addition we have been put to greater expense for coal supply. All these causes have made great inroads into profits for the year and account almost entirely for the reduction from last year.

With regard to the future, developments in the Rossland camp during the past six months have been favorable and give promise that this next year at least will be a profitable one in that direction, and there is good reason to hope for some time after that.

The loss of the St. Eugene tonnage has been serious, but will be partly overcome by the operation of the Sullivan, in which the mineral bearing area has not yet been thoroughly prospected. There seems, too, to be good grounds for the belief that new and profitable mines will be opened up in other parts of the Kootenay, and provided some means is found for the proper protection *of the lead industry by the Dominion Government, either by a renewal of the bounty on lead when that bounty expires in about eighteen months, or by an adequate duty on lead coming into Canada, prospects for the Kootenay country are, on the whole, bright.*

Considerable interest is being taken this year in lead properties throughout the country and some promising prospects have been opened up. We have continued the policy of the Company of adding to our list of properties by keeping men in the field looking up such prospects this summer and hope that in this way we may be able to add to our tonnage of profitable ore.

## MANAGEMENT

In conclusion I wish to express my appreciation of the hearty co-operation of those in charge of the various properties or departments as follows:

S. G. Blaylock, Assistant General Manager; T. W. Bingay, Comptroller; A. J. McNab, Superintendent of Smelter; J. F. Miller, Superintendent of Refinery; M. E. Purcell, Superintendent of Centre Star Group of Mines; Charles Biesel, Superintendent of Mines at Phoenix; C. H. McDougall, Superintendent of St. Eugene Mine; A. W. Davis, Superintendent Molly Gibson Mine; W. A. Cameron, Superintendent of Richmond Eureka Mine; James Buchanan, Metallurgist; John M. Turnbull, Mining Engineer; and W. M. Archibald, Mining Engineer.

Respectfully submitted,

R. H. STEWART, General Manager.

