

Report of the Directors  

---

of

---

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

For year ending 30th June, 1912

---

BOARD OF DIRECTORS

W. D. MATTHEWS, Toronto	.	.	.	President
GEO. SUMNER, Montreal	.	.	.	Vice-President
<i>Sir</i> EDMUND B. OSLER	.	.	.	<i>Toronto</i>
CHARLES R. HOSMER	.	.	.	Montreal
H. S. OSLER	.	.	.	Toronto
W. L. MATTHEWS	.	.	.	Toronto
J. C. HODGSON	.	.	.	Montreal
W. H. ALDRIDGE	.	.	.	Los Angeles
WM. FARWELL	.	.	.	Sherbrooke, Que.



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

---

**DIRECTORS' REPORT**

---

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

Gentlemen:—

Your Directors herewith submit the Seventh Annual Report of the operations of the Company as contained in the report of the General Manager, the Financial Statement, and Auditors' Report for the year ending June 30, 1912.

The amount due to Banks now stands at \$343,819.82, having been reduced during the year by the sum of \$240,212.13.

The profits for the year show a substantial improvement over last year, the net profit being \$310,345.97, which, added to the balance at the credit of the Profit and Loss as shown in last year's statement, makes a total of \$1,183,635.35 at the credit of that account.

It is proposed that the fiscal year of the Company be changed to end on September 30th, as the management find that this is a more convenient time for the taking of inventories at the various properties, and a By-law changing the date of the Annual Meeting to the fourth Tuesday in the month of December will be submitted for your approval.

During the year the Company has acquired the property of the Le Roi Mining Company at Rossland, which has added materially to our tonnage of ore, and is showing a fair profit on operations.

The Virginia, Iron Horse, and the Abe Lincoln claims adjoining our Rossland properties have also been purchased.

W. D. MATTHEWS,  
President.

Toronto, October 11th, 1912.

# FINANCIAL STATEMENT

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

Balance Sheet June 30th, 1912

### LIABILITIES

CAPITAL:	
Authorized	\$7,500,000.00
Issued, 58,052 Shares of \$100 each	\$5,805,200.00
SUNDRY BANKS:	
Bank of Montreal:	
Loan and Overdraft	340,527.85
Accrued Interest	177.44
	<u>340,705.29</u>
Pay Roll Bank Accounts overdrawn	3,114.53
	<u>343,819.82</u>
CONTINGENT LIABILITY at June 30th, 1912, on	
Drafts against Matte Shipments	42,383.79
	<u>42,383.79</u>
ACCOUNTS PAYABLE AND UNPAID DIVIDENDS	
	294,788.19
RESERVE: Including provision for Claims awaiting adjustment	
	57,616.34
PROFIT AND LOSS ACCOUNT:	
Balance June 30th, 1911	873,289.38
Profit for year ended June 30th, 1912	310,345.97
	<u>1,183,635.35</u>

\$7,685,059.70

### ASSETS

MINES, MINERAL CLAIMS AND SHARES IN OTHER COMPANIES		\$4,774,860.87
MINING, SMELTING, CONCENTRATING AND REFINING PLANTS:		
Balance June 30th, 1911	1,490,687.32	
Construction for year to June 30th, 1912	122,135.40	
	<u>1,612,822.72</u>	
Less Sales of Plant	12,925.91	
Fire Loss, Rossland	1,800.00	
Depreciation	185,120.94	
	<u>199,846.85</u>	
		1,412,975.87
SMELTER PRODUCT ON HAND AND IN TRANSIT TO REFINERIES:		
Pig Lead, Bullion, Matte, Blaststone and Antimony		119,652.65
ORES AND METALS ON HAND AND IN TRANSIT TO SMELTER at JUNE 30th, 1912:		
Value of Metal Contents corrected to Market quotations:		
Ores on Hand	409,539.37	
Refinery, Metals on hand	336,166.88	
Ore in Transit to Smelter	2,753.04	
	<u>748,459.29</u>	
		808,111.94
MINE AND SMELTER STORES AND MATERIAL		
		332,611.41
ACCOUNTS RECEIVABLE		
		272,586.87
INSURANCE AND TAXES PAID IN ADVANCE		
		18,983.46
CASH IN BANKS AND ON HAND:		
Head Office, Toronto	2,776.83	
Sundry Pay Roll Bank Accounts	2,152.45	
	<u>4,929.28</u>	
		<u>\$7,685,059.70</u>

### Auditor's Report

We have audited the Accounts of the Consolidated Mining & Smelting Company of Canada, Limited, for the year ended June 30th, 1912, including the Mines and Smelter Accounts maintained at the Offices at Marysville, Rossland and Trail, B.C. The Inventories of Smelter Products at June 30th, 1912, are as certified by the Company's Officials; the values of Metal Contents have been corrected to market quotations of that date, and the 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 Storekeepers.

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, 1912.

VANCOUVER, B.C., August 26th, 1912.

BELLIWELL, MOORE & MACLACHLAN  
FORMERLY CLARKSON, CROSS & BELLWELL  
Chartered Accountants.

# PROFIT AND LOSS ACCOUNT

For Year ended 30th, 1912

To Smelter Product on hand June 30th, 1911, and in transit from Smelter to Refineries.....	\$ 112,494.46
" Ore in Transit to Smelter June 30th, 1911, and in process of treatment.....	776,103.11
" Customs Ore, Lead and Bullion purchased.....	1,805,275.56
" Freight on Ore from Company's Mines.....	55,413.89
" Mining, Smelting and General Expense:	
"St. Eugene" Mine.....	69,341.97
"Centre Star" Mine.....	549,566.35
"Le Roi" Mine.....	121,587.97
"Snowshoe" Mine.....	1,981.33
"Richmond Eureka" Mine.....	18,564.83
"Queen Victoria" Mine.....	551.80
"Sullivan" Mine.....	1,358.59
"No. 7" Mine.....	2,242.90
"Molly Gibson" Mine.....	57,565.44
"Phoenix Amalgamated" Mine.....	2,003.63
Trail Smelter and Refinery.....	1,337,462.44
	<hr/>
	2,162,227.25
To Development Expenses:	
"St. Eugene" Mine.....	3,078.78
"Centre Star" Mine.....	219,492.91
"Le Roi" Mine.....	72,481.43
"Richmond Eureka" Mine.....	5,962.43
"Molly Gibson" Mine.....	18,533.06
	<hr/>
	319,548.61
To Development—written off.....	43,120.51
" Royalty on Ore.....	766.99
" Depreciation General Plant and Equipment.....	185,120.94
" Directors' Fees.....	8,800.00
" Sundry Items written off (including Bad Debts).....	7,625.45
" Balance, Profit.....	310,345.97
	<hr/>
	<u>\$5,786,842.74</u>

By Sales of Smelter Product, Ore, etc.....	\$4,911,231.67
" Smelter Product on hand June 30th, 1912, and in transit from Smelter to Refineries.....	119,652.65
" Ores and Metals on hand and in transit to Smelter June 30th, 1912; value of Metal Contents corrected to market quotations:	
Ores on hand.....	409,539.37
Refinery Metals on hand.....	336,166.88
Ore in Transit to Smelter.....	2,753.04
	<hr/>
	748,459.29
" Rents and Sundry Revenue.....	7,499.13

\$5,786,842.74

# Managing Director's Report

Trail, B.C., August 27th, 1912.

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

Gentlemen:—

I beg herewith to submit the results of this Company's operations for the year ending June 30th, 1912, including Balance Sheet, Profit and Loss Account, Production, and General Report.

## FINANCIAL STATEMENT

Operations for the year show a net profit of \$310,345.97, after writing off depreciation on plant and equipment \$185,120.94 (as compared to \$193,342.27 for last year), development written off on properties which we have had under bond \$43,120.51, sundry items including bad debts \$7,625.45, and charging to Profit and Loss Account \$319,548.61 expended in the development of our own properties.

Additions to plant and equipment for the year totalled \$119,743.10, from which is to be deducted sales of plant to the amount of \$12,925.91 and insurance on Centre Star Assay Office \$1,800, leaving a net amount of \$105,017.19 which, with the amount of \$2,392.30 increase in lands at the smelter, makes the total charge to Plant Account.

Expenditure on account of the purchase and development of new properties amounted to \$337,017.72. This amount was expended in further purchase of stock and bonds of the Fort Steele Mining & Smelting Company, in the purchase of claims adjoining the property of the Fort Steel Mining & Smelting Company, in the purchase of the Le Roi Mine in Rossland, the Virginia Mine in Rossland—which adjoins the property of the Consolidated Company—in the purchase, or part purchase, of certain groups of claims in the Ainsworth Camp, and in development of these and other properties.

The amount due to banks for borrowed capital is \$343,819.82, a reduction of \$240,212.13 for the year.

Quotations for metals for the year are as follows:—London Lead £15.593 as compared with £12.953 during the previous year; New York silver 56.355c. as compared with 53.696c.; electrolytic copper 13.942c. as compared with 12.337c.

## PRODUCTION

The gross value of metals produced at the Company's smelting works for the year was \$5,083,078, as compared with \$4,437,901 for the previous year, increases being shown in all metals except copper, in which there is a heavy decrease. This decrease is due to the closing down of the Snowshoe.

**PRODUCTION, YEAR ENDING JUNE 30TH, 1912**

	Tons	Gold in Ounces	Silver in Ounces	Lead in Pounds	Copper in Pounds	Gross Value
Centre Star Group.....	170,082	83,946	46,208		1,859,894	\$2,005,356
Le Roi.....	39,345	15,016	17,633		764,502	428,964
St. Eugene—Ore.....	13,460		59,673	2,538,163		133,465
—Concentrates.....	2,288					
Richmond Eureka.....	1,626		56,747	278,079		42,875
Molly Gibson—Conc....	2,144		118,511	652,669		90,993
Number One.....	436		41,738	27,154		25,753
Sullivan.....	(21,189)		(205,654)	(10,569,211)		(517,206)
	Smelted					
Trail Smelter.....	296,458	129,789	1,765,992	26,072,074	2,914,181	\$5,083,078

**PRODUCTION, BEGINNING 1894 TO DATE**

	Tons	Gold in Ounces	Silver in Ounces	Lead in Pounds	Copper in Pounds	Gross Value
Centre Star Group.....	1,840,629	886,930	957,158		32,417,367	\$23,494,101
Le Roi.....	1,535,625	737,037	1,079,922		43,357,182	21,648,171
St. Eugene—Ore.....	1,015,280					
—Conc.....	190,121		5,319,150	227,614,836		10,527,985
Richmond Eureka.....	12,752		616,386	3,847,128		465,161
Phoenix Amalgamated..	2,493	53	423		8,409	2,336
Number Seven.....	2,862	669	31,563	49,674		30,447
Molly Gibson (*Conc.)..	2,877		149,554	850,303		114,428
Number One*.....	436		41,738	27,154		25,753
Sullivan.....	(147,364)		(1,246,023)	(63,409,962)		(3,083,655)
	Smelted					
Trail Smelter.....	3,143,927	1,146,912	20,224,623	250,970,644	50,789,983	52,167,004

Note:—Production given above includes that of previous owners.

\*Since Company acquired property 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.....	156,029.0	29.55
Le Roi Group.....	70,095.0	13.27
St. Eugene Group.....	103,431.5	19.59
Richmond Eureka.....	7,632.0	1.44
Phoenix Amalgamated.....	2,581.0	0.48
Molly Gibson.....	7,966.0	1.50
Number Seven Mine.....	5,934.0	1.12
Number One Mine.....	3,024.0	.57
Sullivan Group.....	17,913.5	3.39

During the year 18,549 feet of narrow work and 20,282 feet of diamond drilling have been done as follows:—

	Drifting and Crosscutting	Raising	Sinking	Total	Diamond Drilling
Centre Star.....	8,550.0	1,190.5		9,740.5	9,575.6
Le Roi.....	2,582.0	481.0		3,063.0	7,276.3
Richmond Eureka.....	299.0	330.0		629.0	
Molly Gibson.....	922.0	59.0		981.0	
St. Eugene.....	266.0	63.0		329.0	
Number Seven.....	260.0	47.0	148	455.0	
Number One.....	224.0	100.0		324.0	
Sullivan.....	2,390.0	230.5	131	2,751.5	3,430.0
	<u>15,493.0</u>	<u>2,501.0</u>	<u>279</u>	<u>18,273.0</u>	<u>20,281.9</u>

Our Rossland Mines show an increase in the amount of ore developed, with, we believe, a higher average value.

In the Centre Star and Idaho Mines new ore has been developed in the 2nd, 3rd, 5th, 7th, 8th, 11th and 12th levels, the tonnage developed showing a slight increase over shipments.

In the War Eagle, new ore has been opened up on the 4th, 6th, 8th, 11th and 13th levels, development on the 13th level having been especially satisfactory. This ore was referred to in last year's report as having been opened up from a winze sunk from the 12th level. The total length of the ore body developed on the 13th level has been in the neighborhood of 530 feet. The average value of this ore is high. There is also in the War Eagle an increase in tonnage of ore developed.

The St. Eugene Mine has been practically closed down for the greater part of the year, although we are mining a small amount of good grade ore from the upper levels.

In the Molly Gibson mine operations have been, up to the present time, more or less limited, but a considerable improvement has been shown in the stopes during the year. The prospects are good for a considerable tonnage of good ore in the old workings, and prospecting on the surface has opened up high grade ore at a distance of 3,000 feet from the present workings. In addition to this, a cross-cut tunnel 920 feet long, driven 240 feet below the lowest workings, has just encountered the vein and drifting has been commenced thereon. The vein has been opened up for a length of 75 feet and shows particularly good values. This fact, taken in connection with the fact that there is considerable good ore in the bottom of the tunnel 240 feet above would make it appear that the ore reserves of this mine will shortly show a large increase.

The Richmond Eureka Group continues to produce a small tonnage, but nothing of great importance has been discovered.

The properties of the Consolidated Company surrounding the Sullivan Group have been prospected to a small extent with a diamond drill, with promising results. The Sullivan lease having expired, the property has been operated by the Fort Steele Mining & Smelting Company and the ore shipped to Trail for treatment. The mine shipped during the year 21,189 tons of ore, containing 205,654 ounces silver and 10,569,211 pounds of lead.

The Phoenix Amalgamated has not been operated during the year.

The Number Seven Mine was operated for a short time during the early part of the year, but has been closed on account of the amount of silicious ore which the Company is receiving from the Republic Camp.

## NEW PROPERTIES

During the year the Company has acquired the property of the Le Roi Mining Company in Rossland. This property has been of great value to us in connection with our smelting operations, both on account of the increased tonnage and the character of the ore which has been shipped; besides having produced a reasonable profit on mining operations for the year.

Opportunity having arisen during the year for the purchase of the Virginia Mine adjoining the property of the Company in Rossland, it was thought advisable, on account of its proximity to our workings, to obtain this property. Since the close of the fiscal year, the Abe Lincoln (adjoining the Le Roi property) and the Iron Horse (adjoining the Idaho and Enterprise) have also been purchased.

An option was taken during the year on a group of claims near Salmo, known as the Hudson Bay Group, and development work and prospecting was

carried on, on these claims during the winter. They did not, however, come up to our expectations of them, and the option was dropped. A property called the Silver Dollar, also near Salmo, is still under option and is being prospected in a small way.

Options have also been taken on a number of properties in the Ainsworth Camp. Some of these have been operated at intervals for a good many years, but most of them have been closed down for some time. These properties are the Highland Group, the Number One Group, Maestro, Banker, Tiger, and Libby (adjoining the Highland Group). Development and prospecting is being carried on on all of these groups, in the case of the Number One with very satisfactory results. In the other cases work is not yet far enough advanced to give any definite results.

## IMPROVEMENTS

The principal expenditure on Plant Account was the installation on Mark Creek, near Kimberley, of a compressor plant operated by water power obtained from the creek, for the use of the Sullivan Mine and other properties of the Company adjoining the Sullivan Mine.

At the Molly Gibson an additional compressor plant, also operated by water power, was installed and various changes made in the mill.

At the smelter an addition has been made to the copper flue to make the settling of flue dust more efficient. The matte handling plant has been rebuilt, alterations being made necessary by a change in the method of treating low grade matte. Extensive alterations have been made to the lead sampling plant. These were made necessary by the increase in the tonnage of coarse lead ore received at the smelter. Additional tanks have been put in at the lead refinery to handle the increased tonnage of lead. A number of electric traction lines and tunnels have been built throughout the plant to facilitate the handling of ore, coke, matte, bullion, and other material between the smelter and refinery, and to and from storage; and for charging the lead furnaces.

## GENERAL CONDITIONS

During the first six months of the year the strike in the Crow's Nest Pass and the consequent high price of coke imported from Pennsylvania increased the expenses of operating to a large extent, coke imported from Pennsylvania having made an increase in costs for the year estimated at \$120,000. With the settlement of the strike this unfavorable condition has disappeared. At the close of the strike the cost of electric power was increased to an extent which will increase the expenses of the Company approximately \$40,000 annually. In spite of this extra expense, however, the year has been a moderately profitable one for the Company, largely on account of improvement in the grade of the ore shipped from the Rossland Camp. This, in turn, is largely due to developments in the lower levels of the War Eagle and to ore which has been obtained from the upper levels of the Le Roi.

Since the early part of the year there has been a large increase in the tonnage of customs lead ore. The Sullivan Mine has been shipping in the neighborhood of 3000 tons per month. The Standard, Rambler Cariboo, and a number of other mines in the Slocan District; and, recently, the Bluebell Mine at Riondel has resumed regular shipments. The Kaslo & Slocan Railway has been taken over by the Canadian Pacific and shipments from that district, which have been suspended for some time, have recommenced.

A number of properties in the Slocan District have resumed work after years of idleness or comparative idleness, some of them with comprehensive schemes of development.

Taken as a whole, prospects for silver-lead mining in Southern British Columbia show very decided improvement, and with the assistance of the Dominion Government in reasonably protecting the industry, should prove profitable.

## MANAGEMENT

The properties and departments of the Company have been in charge of the following gentlemen:

Mr. S. G. Blaylock, Assistant General Manager; T. W. Bingay Comptroller; James Buchanan, Superintendent of Smelter; H. H. Sullivan, Assistant Superintendent; M. E. Purcell, Superintendent Centre Star Group of Mines; E. G. Montgomery, Assistant Superintendent; F. S. Peters, Superintendent Le Roi Mine; C. H. McDougall, Superintendent St. Eugene Mine and the Company's properties at Kimberley; K. B. Carruthers, Molly Gibson Mine; W. A. Cameron, Richmond Eureka; J. M. Turnbull and A. W. Davis, Mining Engineers; W. E. Archibald in charge of properties under bond to the Company.

Mr. A. J. McNab, Superintendent of the Smelter, resigned early in the year to take charge of the smelter at Mason Valley Mines.

Mr. Charles Biesel, for several years in charge of operations in Phoenix resigned to become General Manager in charge of properties of the Mines Company of America.

Respectfully submitted.

R. H. STEWART, General Manager.