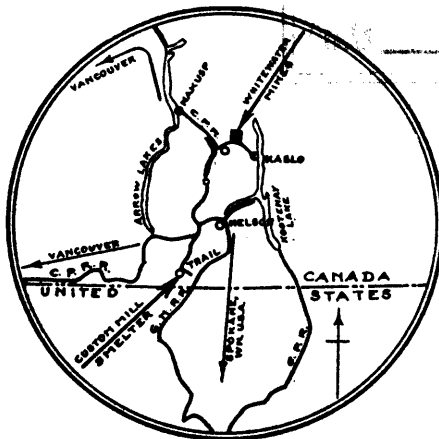


82KSW033-05 Whitewater

004305

REPORT OF THE  
WHITEWATER MINES LTD.  
N.P.L.  
1926



KEY MAP  
SHOWING POSITION OF  
WHITEWATER MINES.

PROPERTY FILE

## WHITEWATER MINES, LIMITED

(Non-Personal Liability)

Incorporated under the laws of  
British Columbia.

### Capital Stock Authorized

Preferred.....	100,000 Shares (See Note)
Common.....	1,100,000 Shares

### Capital Stock Issued

Preferred.....	100,000 Shares
Common.....	925,005 Shares

Par Value \$1.00

---

### OFFICERS

---

MAJOR-GENERAL J. W. STEWART, C.B.....	<i>President</i>
DONALD McLEOD.....	<i>Vice-President</i>
W. H. BURGESS.....	<i>Managing Director</i>

### DIRECTORS

MAJOR-GENERAL J. W. STEWART, C.B. Vancouver, B.C.	W. H. BURGESS, Kaslo, B.C.
DONALD McLEOD, Vancouver, B.C.	JAMES ANDERSON, Kaslo, B.C.
CAPT. F. R. GLOVER, Vancouver, B.C.	J. R. COURT, London, England.

### BANKERS

BANK OF MONTREAL  
Kaslo, B.C.

### HEAD OFFICE

Kaslo, B.C.

NOTE.—Preferred shares are preferred in that they have a first charge of \$1.00 per share on dividends over all other shares. After settlement of this charge they revert to ordinary and will rank as such for dividends. During current year 25 per cent. in dividends was returned to preference shareholders.

# WHITEWATER MINES, LIMITED

(Non-Personal Liability)

## MANAGING-DIRECTOR'S REPORT

KASLO, B.C., 15th April, 1927.

*To the Shareholders:*

I am submitting to you herewith the Balance Sheet as at first January, 1927, together with Profit and Loss account for the year ending 31st December, 1926.

The past year cannot be considered a "Production Year," and I will therefore refrain from giving figures as to cost per ton, etc. Our efforts during the year have been devoted to opening up new ore, in the endeavor to justify the establishment of a concentrating plant, to get the maximum profit from the ore. In this, I am glad to say, we have been successful, the mine having responded well to the development undertaken. All costs, other than driving to get under the old high grade ore shoot above No. 11 tunnel, have been charged to ore production, as to a more or less extent the work was productive of ore, which was shipped to the Trail Smelter for milling and smelting.

During the year, we shipped 10,082 tons of ore, which netted F.O.B. White-water \$152,363.92. After deducting freight, milling and smelting, we received net returns of \$86,648.25.

The grade of the ore shipped was as follows:	Silver Ozs. per ton	Lead %	Zinc %
February to August.....	7.7	5.1	17.6
September to January.....	6.8	3.8	16.8
Shipments 1927 to date.....	10.9	6.2	22.9

The savings made in the customs mill at Trail have been:

	Silver %	Lead %	Zinc %
February to August.....	66	74	87
September to January.....	56	65	87
Shipments 1927 to date.....	75	78	85

The savings in the second period were poor, and this, combined with the drop in metals, resulted in no profit being made in that period. When the returns from this period were received, I immediately stopped shipments in quantity, and recommended to the Directors the establishment of our own milling plant adjusted to our own ores, and have confined shipments to sufficiently higher grade ore to meet the monthly expense until construction of the mill is completed.

Work during the past year has proven that there are two major ore shoots in the Whitewater vein, having a Southerly dip, and a bedded limestone ore zone with a Northerly dip. A reference to the map will explain these occurrences more clearly. The bedded ore zones and the Westerly of the major ore shoots have been opened at a depth of 1600 feet from surface in virgin ground, indicating a long productive period ahead.

We have re-timbered a good part of levels Nos. 7 and 9, in the old productive zone, as we should get a good supply from these levels for our own mill.

We have also prepared some stopes between Nos. 10 and 9 levels, and have a good block of ground about 180 feet on the slope of the vein to mine.

In his last progress report, our Consulting Mining Engineer, Mr. Arthur Lakes, has detailed his last examination of the mine, and I quote his report verbatim as to the important developments during the year:

Nelson, B.C., April 9th, 1927.

W. H. Burgess, Mng. Dir.,  
Whitewater Mines Ltd.  
Kaslo, B.C.

"I visited Whitewater Mine April 1st to 4th inclusive.

"I surveyed the millsite in sufficient detail to permit Mr. Zeigler to make his final plans for the mill.

"The mine looked better than it has at any time since I have been connected with it."

The downward continuation of the East ore body of the main vein has been followed about 150 feet in No. 11 level, showing scattered bodies and short lenses of lead-zinc-silver ore, some of which is evidently high grade as indicated by the appreciable amount of grey copper scattered through it. You will appreciate the fact that the grey copper is rich in silver. As the drift is just entering the ore zone from the West, the advance Easterly into this ore body should show improvement as it enters the ore zone proper. The showing is encouraging. I would point out that this ore showing is the objective of the original plan when Whitewater Mine was re-financed. This ore body will be virgin for about 200 feet on dip between No. 10 and 11 levels. The distance along dip of vein from surface to this ore at 11 level is about 700 feet, nearly half of which has been stoped either wholly or in part.

In my opinion the most significant showing is the disclosure of ore in No. 12 West level along the main vein. The work has progressed about 80 feet West from the old face and followed ore varying from 12 to 18 inches of steel galena high grade ore upwards to 7 feet of mixed lead-zinc ore, which makes a high grade ore. The face, when I left, April 4th, was in 7 feet of ore, about one-third of which was solid lead and zinc ore. The importance of this disclosure is that it is totally virgin and has not been touched in the upper levels, as its rather flat Easterly rake (downwards) will carry it West of all levels above No. 12. The disclosure in No. 12 level is from 1500 feet to 1700 feet on the dip of the main vein beneath the surface. The outcrop of vein containing silver-lead showings on Myrtle R. Claim is probably upward continuation of part of the West ore zone. This body is a distinct ore body from the East ore body from which the \$4,000,000 gross past production was made down to No. 10 level. It is similar to the East ore body. It will require considerably more development before we may forecast its relative importance, but if it maintains its present good showings in further lateral and vertical development it might equal the past production from the East ore body.

The showings to date are sufficient to indicate an important addition to the ore possibilities of the mine and I believe that fuller development in this West ore zone will materially add to the life and future profit possibilities of the mine.

The important replacement ore bodies in the limestone which have dip and strike across the veins proper have been increased by one more ore bearing bed in the footwall of the ore that was mined from which practically the production of mill ore for 1926 was maintained. This footwall "cross vein" has been followed about 80 feet by drift and indicates that the ore body will be 6 to 15 feet ore more width, similar to that in the "121" or hanging wall "cross vein" ore body. The drift was discontinued as shortage of power would not permit work here, the drills being needed in more important exploration at No. 12 West above described. The plan was to drift sufficiently to define this ore zone. The work indicates a further additional ore supply from which a good tonnage can be mined for the mill to be constructed at the property.

Indications are that a third "cross vein" ore body may be encountered further into the footwall country or to the South-West of the one just described. This will be explored at some later date.

Whilst it is impossible to measure ore possibilities in the mine at the present time, there are numerous places where good ore faces are exposed, and such explorations as have been done have generally shown that the lower grade ore bodies are extensive. The mode of ore occurrence in the Whitewater Mine is such that it is uneconomic to attempt to block out large tonnage of ore ahead of the actual exploitation of the ore bodies in the mine. For this reason it is not possible to make a definite tonnage estimate before mill installation. The past history of the mine and the three important new additions to tonnage possibilities partially exposed all tend to give assurance that the projected mill will have continuous supply of good mill ore at from 75 to 100 tons per diam. The local mill will give more efficient results than was possible by the interrupted and periodic treatment at Trail Custom Plant, and in addition there will be saving in costs of milling and shipment equivalent to \$2.90 per ton of mill ore. The local mill will permit mining and profitable treatment of lower grade ore which could not be handled by shipment to Trail for mill treatment. The tonnage of this lower grade ore would be considerably in excess of tonnage of ore mined and shipped to Trail.

My past good opinion of Whitewater Mine has been considerably increased by the conditions existing at the time of this last trip.

In connection with the above report, an assay of the clean lead ore taken from No. 11 drift East went 122.9 ounces silver to the ton, and 81 per cent. lead.

To handle this ore on No. 11 East, we are driving the level West to connect with a raise from No. 12, and, while at this time we have only broken a few rounds in the drift, we have unexpectedly struck 2½ feet of mixed lead-zinc ore in the face. It is yet too early to say whether this will be important or not.

A raise is now going up from No. 14, or deepest level of the mine, to undercut the ore below No. 13 level, and locate its extension downwards on No. 14 level, or 1800 to 1900 feet below its outcrop.

A loading siding was established at the mine, which has cut loading costs very materially, and has been a great help in keeping up production during wet weather and impassable roads.

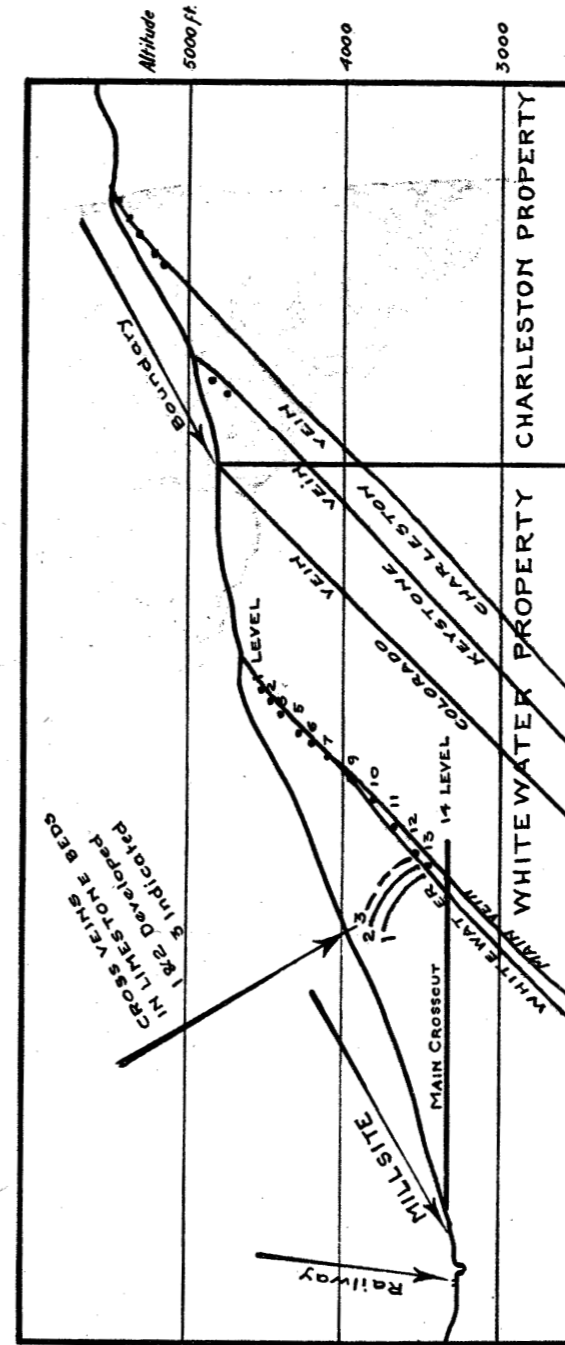
Mr. W. L. Zeigler, Mill Superintendent of the Hecla Mining Co., has been retained to design and superintend the construction of our mill, and it is expected that it will take about three months from that date to put the mill into operation.

During the latter part of 1926 the prices of silver, lead and zinc dropped materially, affecting our profits, but prior to that we made sufficient profit to return to the preference shareholders 25 per cent. in dividends, and since the first of this year we have returned a further 10 per cent. When the mill is running, I anticipate no difficulty in quickly paying off the balance due on the preference shares, after which they will revert to common, and all shares will then participate in future profits.

Without being unduly optimistic, I would say that the mine has fully come up to our expectations, and that we should have a long and profitable production period ahead of us.

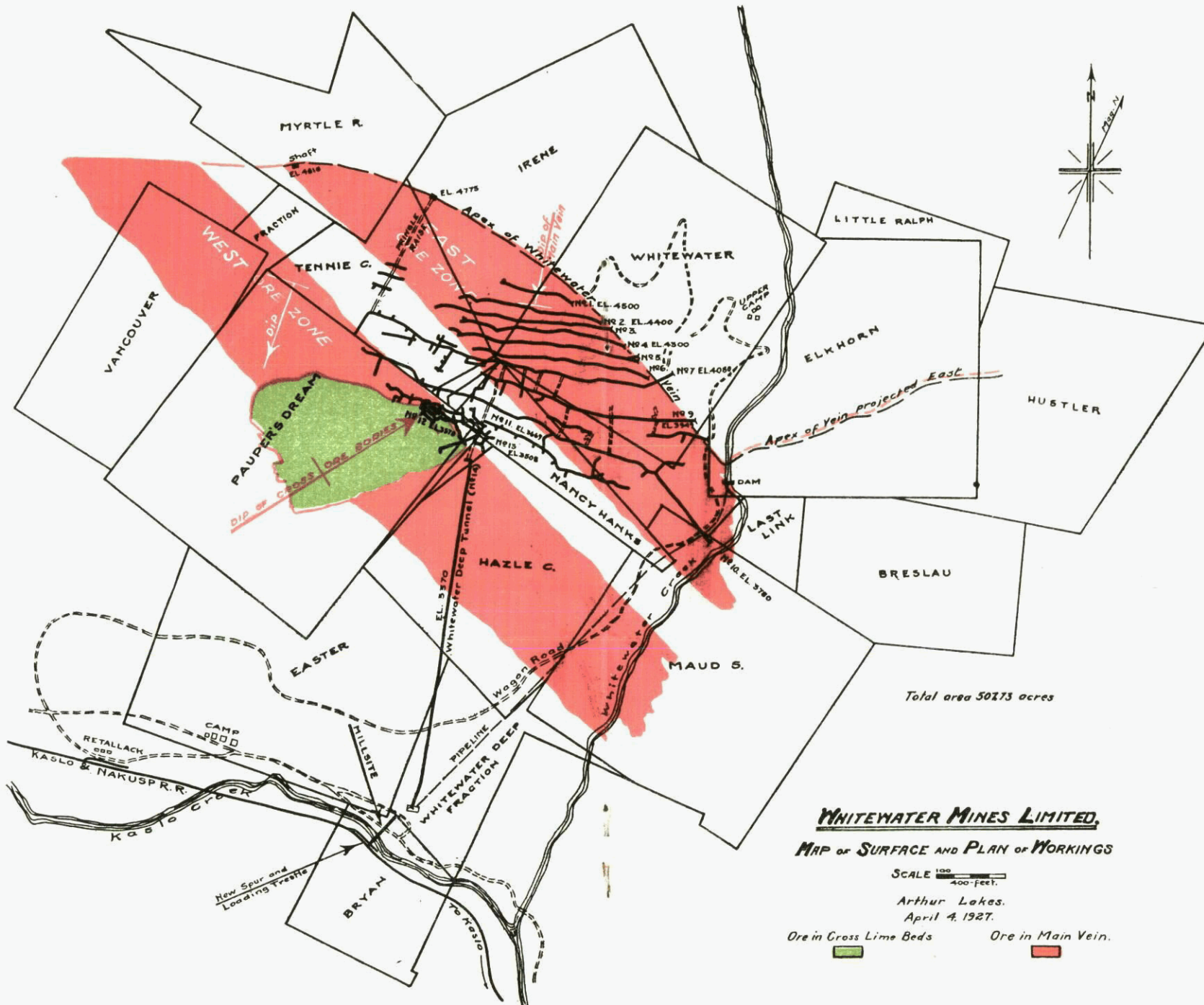
I wish to acknowledge valued help and co-operation from D. S. McLellan, Mine Superintendent, and Arthur Lakes, Consulting Engineer.

W. H. BURGESS,  
Managing Director.



CROSS SECTION.  
SHOWING RELATION CROSS VEINS TO  
WHITEWATER VEIN and DIP OF THE  
PARALLEL CHARLESTON VEINS INTO  
WHITEWATER GROUND.

SCALE: 1000-FT.  
500-FT.



Total area 50273 acres

**WHITEWATER MINES LIMITED.**  
**MAP OF SURFACE AND PLAN OF WORKINGS**

SCALE  $\frac{1000}{400}$  feet.

Arthur Lakes.  
 April 4, 1927.

Ore in Cross Lime Beds      Ore in Main Vein.

0 1  
 inches

0 1 2  
 centimetres

This reference scale bar has been added to the original image. It will scale at the same rate as the image, therefore it can be used as a reference for the original size.

WHITEWATER  
(Non-Personal  
Liability)  
BALANCE SHEET

MINES, LIMITED  
As at December 31, 1926.

ASSETS

FIXED:	
MINING PROPERTY (Including Mining Claims, Water Rights, Development and Share Discount).	\$932,796.74
BUILDINGS	13,255.20
PLANT, MACHINERY AND TOOLS	20,430.40
ELECTRIC PLANT	1,036.40
OFFICE FURNITURE	296.23
LOADING SIDING	2,318.96
	\$970,133.93
CURRENT:	
INVENTORY (Stores on hand)	\$ 1,586.96
ACCOUNTS RECEIVABLE	2,632.13
ORE IN TRANSIT	6,000.00
CASH, BANK OF MONTREAL	35,587.60
	45,806.69
PROFIT & LOSS: TO BALANCE	17,020.99
	\$1,032,961.61

LIABILITIES

CAPITAL STOCK:	
Authorized 100,000 Preference, par \$1.00	\$ 100,000.00
Authorized 1,100,000 Common	1,100,000.00
	\$ 100,000.00
Outstanding 100,000 Preferred	\$ 100,000.00
Outstanding 925,005 Common	925,005.00
	\$1,025,005.00
CURRENT LIABILITIES:	
VOUCHERS PAYABLE	7,956.61
	\$1,032,961.61

Kaslo, B.C., 31st January, 1927.

I have examined the books and accounts of the Whitewater Mines, Limited, Non-Personal Liability, for the period from first January to thirty-first December, 1926. I have obtained all the information and explanations required by me, and I hereby certify that, in my opinion, the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at thirty-first December, 1926, according to the best of my information, the explanations given to me, and as shown by the books of the Company.

(Signed) A. W. ANDERSON,  
Auditor.

(Signed), JAMES ANDERSON,  
W. H. BURGESS  
Directors.

NOTE.—Development expenditure charged to Profit and Loss.

WHITEWATER MINES, LIMITED

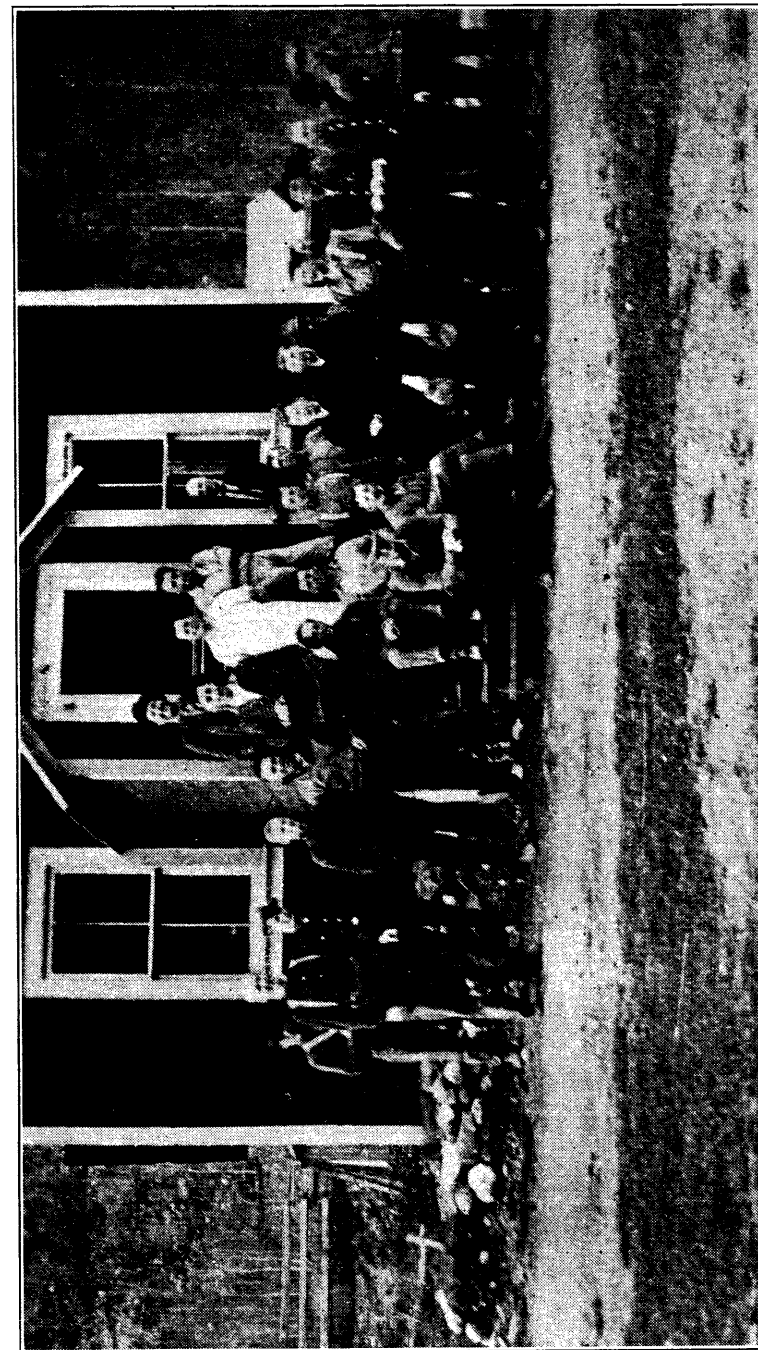
(Non-Personal Liability)

PROFIT & LOSS For Year Ending December 31, 1926.

Ore Sales	\$86,648.25	
Royalty on Tailings	2,888.13	
Rent of Building	85.00	
Profit on Boarding House	231.55	
Interest	1,169.89	
BALANCE		91,022.82
		12,576.91
		<u>\$103,599.73</u>

Ore Production	\$49,699.82	
General Mine Expenses	5,246.85	
Ore Transport	6,611.23	
General Expenses	3,544.12	
		\$65,102.02
Dividends on Preference Shares		\$25,000.00
		<u>90,102.02</u>
Retimbering Upper Mine	\$ 2,880.26	
Development	8,774.40	
Depreciation on Plant	1,843.05	
		13,497.71
		<u>\$103,599.73</u>

A. W. ANDERSON,  
Auditor.



Whitewater Crew and Cook House

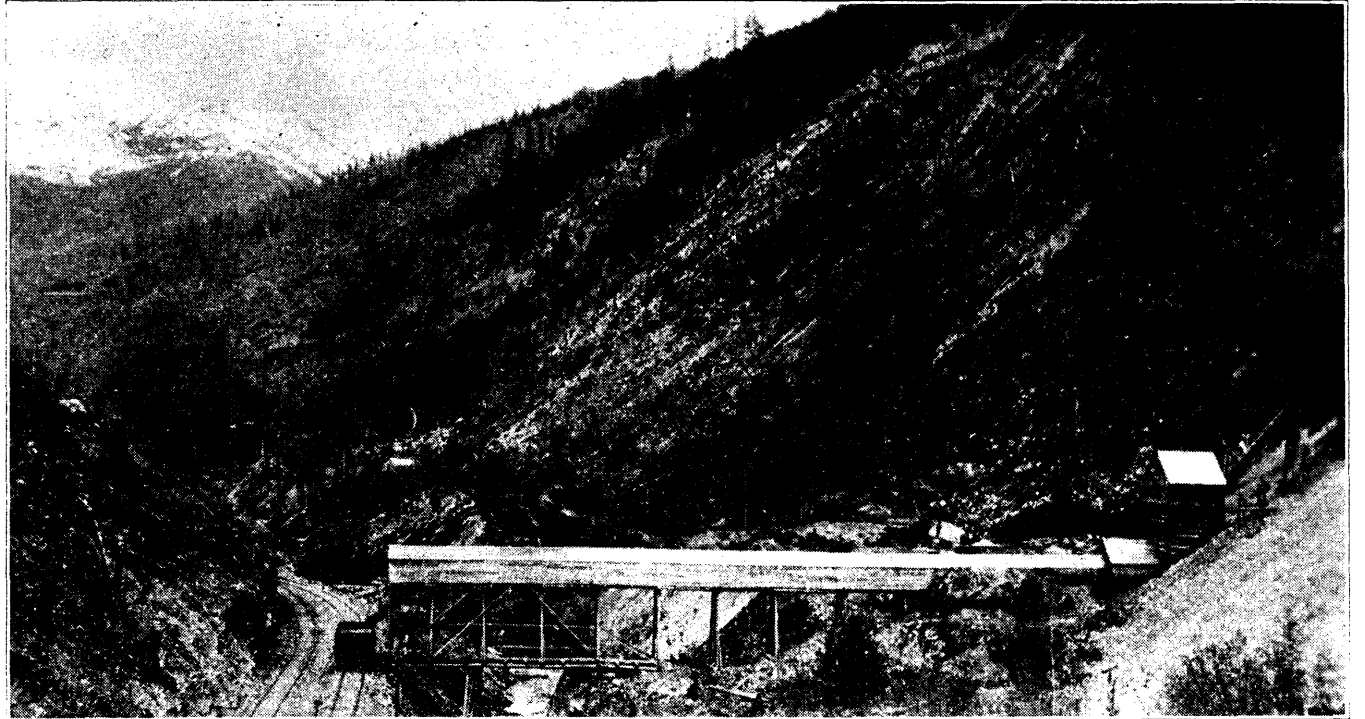




*Site of New Concentrating Mill*



*Building Materials on Site of New Concentrator*



*Loading Spur and Chute*