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ISLAND MOUNTAIN 0734 026
PROSPERINE 0734 027
MYRTLE-SHAMROCK 0734 025

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AND STATISTICS

Island Mountain Mines Company Limited

(NON-PERSONAL LIABILITY)



Twenty-First
Annual Report
for period ending
November 30, 1954

Island Mountain Mines Company Limited

(NON-PERSONAL LIABILITY)

Incorporated under the Laws of the Province of British Columbia in 1933.

HEAD OFFICE:
WELLS, BRITISH COLUMBIA

REGISTERED OFFICE:
744 WEST HASTINGS STREET, VANCOUVER 1, B.C.

CAPITALIZATION

AUTHORIZED	-	-	-	1,100,000 shares of \$0.50 par value
OUTSTANDING	-	-	-	1,050,716 shares of \$0.50 par value

Officers, Directors, Transfer Agent and Registrar on November 30th, 1954

OFFICERS AND DIRECTORS

FORBES W. GUERNSEY, President and Director
FRED SEARLS, JR., Vice-President and Director
PHILIP KRAFT, Vice-President and Director
CARROLL SEARLS, Secretary and Director
WALTER P. SCHMID, Treasurer
ROY C. BONEBRAKE, Assistant Secretary
DAVID N. HOSSIE, Assistant Secretary and Director
WM. F. RICHARDS, JR., Assistant Treasurer
PLATO MALOZEMOFF, Director
JOHN DRYBROUGH, Director
SHERWOOD LETT, Director
J. A. PIKE, Director

J. A. PIKE, Manager
JOHN DRYBROUGH, Consulting Engineer

TRANSFER AGENT AND REGISTRAR
THE TORONTO GENERAL TRUSTS CORPORATION
TORONTO, ONTARIO AND VANCOUVER, B.C.

Directors' Report

Vancouver, B.C.
February 10, 1955.

To the Shareholders:

ISLAND MOUNTAIN MINES COMPANY LIMITED (N.P.L.)

The Directors present the Twenty-first and final Report of the Company for the eleven months ended November 30th, 1954, together with the Manager's Report, the Report of the Auditors, the Balance Sheet and Statement of Profit and Loss.

The mine operated until August 15th, and thereafter clean-up operations were completed in the mill. Gross revenue, including \$50,000.00 estimated recoverable under the Emergency Gold Mines Assistance Act, was \$488,732.81. Cost of operation was \$429,814.01. Operating profit was therefore \$58,918.80. Adding to the operating profit \$6,148.60 received as dividends and interest, \$30,571.86 received as a profit on sale of investments, and \$237.86 as an adjustment of gold bonus for 1952, makes a total profit for the year of \$95,877.12. No provision was made for depreciation or depletion.

The shareholders have been advised of the sale of the Company's Island Mountain group of claims and underground equipment to the Cariboo Gold Quartz Mining Company Limited (N.P.L.). Also, you have been advised that the Company, by vote of the shareholders, has gone into voluntary liquidation and a liquidator appointed on November 30th.

The Balance Sheet at November 30th, 1954 showed net current assets amounting to \$927,084.36 and the liquidator has since made an initial distribution of 70c per share, or a total of \$735,501.20

The final winding up of the Company must await disposal of remaining assets, consisting of the mill, certain power house equipment and the Myrtle and Proserpine Groups of claims.

The Directors regret the passing into history of this small but satisfactory operation, but are of the opinion that the best interests of the shareholders are served by this disposition of the Company's assets.

The Directors wish to express their appreciation of the work of Mr. Drybrough, Mr. Pike, Mr. Sullivan and their staff and crew.

Submitted on behalf of the Directors.

F. W. GUERNSEY,
President.

Manager's Report

Vancouver, B.C.
February 7, 1955.

Mr. F. W. Guernsey, President,
Island Mountain Mines Co. Ltd. (N.P.L.),
744 West Hastings Street,
Vancouver 1, B.C.

Dear Sir:

Herewith is my report covering operations of the Company up to November 30th, 1954, when liquidation proceedings began.

MINE

Total development footage in 1954 and totals to date are as follows:

	1954	To Date
Drifts and Crosscuts	1,515	98,352
Raises	240	14,433
Internal Shaft	0	1,530
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	1,755	114,315
Diamond Drilling	6,085	249,808

Practically all development footage was for the purpose of exploring the cluster of quartz veins found at the east end of the 3000 Level.

Total mine output to August 15, 1954 was 30,584 tons assaying 0.437 ounces gold per ton.

MILL

Tonnage milled was 30,584 with a daily average of 134.7. Heads averaged 0.437 ozs. and tailings 0.019 ozs. Recovery was 95.6%.

PRODUCTION

Total production was 12,808.736 fine ounces gold and 1,614.04 fine ounces silver. Value of production, including an estimated gold subsidy of \$50,000 was \$488,732.81. Anticipated average per ounce payment under the Emergency Gold Mines Assistance Act is \$3.90. Royal Canadian Mint payments per ounce varied between \$33.76 and \$34.525. Average return per ton of ore milled was \$15.98.

PRODUCTION COSTS

Operating costs to close of operations were:

	Amount	Per Ton
Mining	\$271,860.65	\$ 8.89
Development	53,295.87	1.74
Milling, Refining, Marketing	96,660.86	3.16
Undistributed Overhead and Shut-down Expense	7,996.63	.26
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	\$429,814.01	\$14.05

GENERAL

Operations are now in the hands of others. It is unfortunate that it was necessary to break up an excellent staff. Particularly appreciated are those who remained on the job until their services could no longer be used.

I acknowledge with thanks the assistance received from the Directors, Consultant and Staff, and the good work done by the crew.

Respectfully submitted,

J. A. PIKE,
Manager.

Island Mountain Mines Company Limited

(NON-PERSONAL LIABILITY)

(IN VOLUNTARY LIQUIDATION), VANCOUVER, B.C.

BALANCE SHEET AS AT NOVEMBER 30, 1954

A S S E T S	L I A B I L I T I E S
CURRENT ASSETS:	
Cash on hand and on deposit.....	\$691,211.00
Accounts receivable	41,704.53
Estimated amount receivable under the provisions of The Emergency Gold Mining Assistance Act	66,490.38
Government of Canada 2¼% bonds at cost, (market value \$100,380.00).....	98,659.90
Province of Newfoundland 4% bonds at cost, (market value \$24,875.00).....	25,000.00
Interest accrued on bonds.....	2,267.14
Prepaid expenses	3,319.68
	\$ 928,652.63
FIXED ASSETS, book value at December 31, 1953	
	\$449,357.58
Less proceeds from sale of assets.....	342,819.06
	106,538.52
	\$ 1,035,191.15
CURRENT LIABILITIES:	
Accounts payable	\$ 1,568.27
SHARE CAPITAL:	
<i>Authorized:</i>	
1,100,000 shares of 50 cents each.....	\$550,000.00
<i>Issued and fully paid:</i>	
1,050,716 shares of 50 cents each.....	525,358.00
EARNED SURPLUS	508,264.88
	1,033,622.88
Approved on behalf of the Board:	
F. W. GUERNSEY, <i>Director</i>	
JOHN DRYBROUGH, <i>Director</i>	
	\$ 1,035,191.15

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Island Mountain Mines Company Limited (Non-Personal Liability) (In Voluntary Liquidation) as at November 30, 1954 and the statement of profit and loss and earned surplus for the eleven months ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. Fixed assets are stated at their book value on December 31, 1953 less proceeds received on disposal and no attempt has been made to estimate the amount that will be realized from the remaining assets.

Subject to the foregoing, in our opinion the above balance sheet and related statement of profit and loss and earned surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at November 30, 1954 and the results of its operations for the eleven months ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Vancouver, B.C.
January 3, 1955

HELLIWELL, MACLACHLAN & CO.,
Chartered Accountants.

Island Mountain Mines Company Limited

(NON-PERSONAL LIABILITY)

(IN VOLUNTARY LIQUIDATION), VANCOUVER, B.C.

STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS FOR THE ELEVEN MONTHS ENDED NOVEMBER 30, 1954

Proceeds from gold and silver sales (including estimated bonus of \$50,000.00 under the provisions of The Emergency Gold Mining Assistance Act)	\$488,732.81
Operating costs	429,814.01
	<u>\$ 58,918.80</u>
Dividends received and interest earned on investments and deposits	6,148.60
<i>Profit for the period</i>	<u>\$ 65,067.40</u>
Earned surplus at December 31, 1953	412,387.76
	<u>\$477,455.16</u>
<i>Add:</i>	
Profit on sale of investments	\$ 30,571.86
Adjustment of gold bonus for the year 1952	237.86
	<u>30,809.72</u>
<i>Earned surplus at November 30, 1954 as per balance sheet</i>	<u><u>\$508,264.88</u></u>