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ISLAND MOUNTAIN (093H 006)  
PROSPER PINE 093H 001  
MYRTLE-SHAMROCK 093H 005  
RICH (93H/3W)

RECEIVED

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BUREAU OF ECONOMICS  
AND STATISTICS

# Island Mountain Mines Company Limited

(NON-PERSONAL LIABILITY)



Tenth  
**Annual Report**  
*for period ending*  
DECEMBER 31, 1943

# Island Mountain Mines Company Limited

(NON-PERSONAL LIABILITY)

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

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HEAD OFFICE:  
WELLS, BRITISH COLUMBIA

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

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## CAPITALIZATION

AUTHORIZED	-	-	-	1,100,000 shares of \$ .50 par value
OUTSTANDING	-	-	-	1,050,716 shares of \$ .50 par value

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Officers, Directors, Transfer Agent and Registrar on March 1st, 1944

### OFFICERS AND DIRECTORS

FORBES W. GUERNSEY, President and Director  
FRED SEARLS, JR., Vice-President and Director  
PHILIP KRAFT, Vice-President and Director  
HENRY E. DODGE, Secretary, Treasurer and Director  
CARROLL SEARLS, Assistant Secretary and Director  
GUS MRKVICKA, Assistant Treasurer and Director  
D. N. HOSSIE, Director  
SHERWOOD LETT, Director  
ROBERT H. STEWART, Director

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J. A. PIKE, Manager

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

## Directors' Report

Vancouver, B.C., March 1, 1944.

To the Shareholders of the

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

Your Directors submit the Tenth Annual Report of the Company for the year ending December 31, 1943.

Attached is the report of the Manager, Mr. J. A. Pike, the report of the Auditors with the Balance Sheet and Profit and Loss Statement for the year.

The year 1943 was a difficult one for this gold mine, as no relief from labor shortage was afforded until late in December when the Director of Selective Service advised that a limited number of new employees might be made available. In spite of this handicap, production was maintained at approximately 60 tons per day, 40 per cent of normal capacity, and the mine plant, surface and underground, kept in excellent shape, although with very limited development. In spite of the inability to carry on normal development work, the ore reserves showed only a nominal decrease during the year 1943.

The production for the period had a value of \$393,471.73; other income amounted to \$671.62, making a total of \$394,143.35. After deducting operating expenses of \$267,279.85, the allowance for depreciation of \$7,726.04, and the estimated Income and Mineral Taxes of \$36,285.74, a profit of \$82,851.72 was carried to the balance sheet. This compares with a profit of \$213,646.38 in 1942, when a tonnage approximately twice the 1943 production was milled.

Net current assets were \$289,447.13 at the year end as compared with \$279,352.71 at December 31, 1942.

Interim dividends paid during the year amounted to seven and one-half cents per share, a total of \$78,803.70. Dividends paid to date total \$982,419.46.

The Directors express their appreciation to Mr. Pike, his staff, and the operating crews for the favorable results achieved under trying conditions.

Submitted on behalf of the Directors:

F. W. GUERNSEY,  
*President.*

## Manager's Report

Wells, B.C., January 14, 1944.

Mr. F. W. Guernsey, President,  
Island Mountain Mines Company Limited (N.P.L.),  
212 Pacific Building,  
Vancouver, B.C.

Dear Sir:

The following report, covering operations of Island Mountain Mines Company Limited for the year ending December 31st, 1943, is submitted herewith.

### PROPERTY

Because labor for assessment work was not available, sixteen claims of the Rich Group, the maximum number possible, were held by recording only, by virtue of the Free Miner's Exemption Act, and seven claims, totalling 326 acres, were dropped.

An unpatented claim containing 24 acres was purchased and added to the Proserpine Group.

The property of the Company now consists of four groups: (1) 32 claims and fractions containing 1019 acres on Island Mountain; (2) 16 claims and fractions containing approximately 569 acres on Proserpine Mountain; (3) 19 claims and fractions in the Myrtle-Shamrock Group on Barkerville Mountain containing 573 acres; and (4) 16 claims and fractions in the Rich Group on Richfield Mountain containing approximately 659 acres.

### MINE

Total development footage in 1943 and total to date are as follows:

	1943	To Date
Drifts and Crosscuts .....	284	69,420
Raises .....	145	9,771
Internal Shaft .....	0	1,530
<b>TOTAL</b> .....	<b>429</b>	<b>80,721</b>
Diamond Drilling .....	4,177	176,942

Shortage of labor resulted in greatly decreased development footage. Total development in 1942 was 3,382 feet and diamond drilling in the same year amounted to 18,645 feet.

The most important and interesting piece of development during the year 1943 was the discovery by drilling and subsequent drifting of a lens of replacement ore on the 3875 level. This ore body assayed 2.36 oz. over an average width of 1.1 feet for a length of 39 feet. The rest of the development was done largely in conjunction with the mining of known ore bodies.

Much repair work is necessary in the mine before production may get back to normal, a fact recognized recently by National Selective Service which issued instructions that the company was to be supplied with more men as they became available.

During the year 22,635 tons of ore averaging 0.468 ozs. in gold per ton were delivered to the mill, consisting of 17,903 tons of quartz ore assaying 0.335 ozs. and 4,732 tons of replacement ore assaying 0.974 ozs.

#### ORE RESERVES

Ore reserves at December 31, 1943, are estimated as follows:

	Tons	Average Assay Gold
Quartz Veins .....	49,000	0.34 ozs.
Replacement Ore .....	19,000	0.76 ozs.
<b>TOTAL RESERVES.....</b>	<b>68,000</b>	<b>0.46 ozs.</b>

This compares with reserves of 71,000 tons at 0.456 ozs. gold as of December 31, 1942.

#### MILL

During the year, 22,635 tons of ore were milled, a daily average of 62 tons. Mill heads averaged 0.468 ozs. and tailings 0.0171 ozs. gold. Recovery was 96.35%.

Consumption of essential supplies per ton was as follows: Grinding balls 3.036 lbs.; Lime 2.024 lbs.; Cyanide 1.175 lbs.; and Zinc Dust 0.142 lbs.

#### PRODUCTION

Production totalled 10,203.8 fine ounces of gold and 1,546.1 fine ounces of silver, from which was realized \$393,471.73. This represents a recovery of 0.451 ozs. gold and 0.07 ozs. silver per ton milled, or a realization of \$17.38 per ton.

#### CAPITAL EXPENDITURES

Capital expenditures for the year were confined to the purchase of one dwelling for \$250.00.

#### PRODUCTION COSTS

Average operating costs for the year were as follows:

	Amount	Per Ton
Mining .....	\$158,809.57	\$7.02
Development .....	14,707.99	.65
Milling, Refining and Marketing	89,371.17	3.95
Miscellaneous .....	4,391.12	.19

**TOTAL OPERATING COST..... \$267,279.85 \$11.81**

Despite the fact that practically no development was done, costs were much higher than in the previous year, due to low tonnage handled.

#### GENERAL

With the exception of assessment work on one claim of the Proserpine Group, there was no outside development work done.

The overall average of men employed during the year dropped to 62.

With great regret I record the death by accident in the mine on August 24th of our Mine Superintendent, George M. Sinclair. For seven years Mr. Sinclair served the Company loyally and well, and his loss will be greatly felt in the mine operation and in the community.

Again I wish to thank the members of the staff for their able assistance and all our employees for their good work and loyalty during this trying year.

Respectfully submitted,

J. A. PIKE,  
*Manager.*

# Island Mountain Mines Company Limited

(NON-PERSONAL LIABILITY)

VANCOUVER, B. C.

## BALANCE SHEET AS AT DECEMBER 31, 1943

### ASSETS

#### CURRENT ASSETS:

Cash on hand and in bank.....	\$ 76,265.91
Dominion of Canada bonds, \$30,000.00 at cost plus accrued interest.....	30,160.26
Dominion of Canada non-interest bearing cer- tificates \$100,000.00 at cost.....	100,000.00
Wells School District debentures, \$2,400.00 at cost plus accrued interest.....	2,436.00
Accounts receivable .....	4,142.57
Bullion in transit at approximate realizable values .....	31,066.04
Inventories .....	68,992.22
	\$313,063.00

PREPAID INSURANCE ..... 1,236.54

#### DEFERRED ACCOUNT RECEIVABLE:

Estimated future refunds under Section 18  
of the Excess Profits Tax Act..... 4,121.60

#### FIXED ASSETS:

Mining claims and development at cost.....	\$802,102.88
Less reserve for depletion.....	472,748.92
	329,353.96
Mine and mill buildings, machinery and equip- ment, at cost.....	\$398,939.39
Less reserve for depreciation.....	290,987.05
	107,952.34
	\$755,727.44

### LIABILITIES

#### CURRENT LIABILITIES:

Accounts payable .....	\$ 12,627.74
Provision for mineral and income taxes.....	10,988.13
	\$ 23,615.87

#### 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

#### DEFERRED SURPLUS:

Estimated future refunds under Section 18 of the Excess  
Profits Tax Act..... 4,121.60

#### EARNED SURPLUS:

Balance as at December 31, 1942.....	\$198,583.95
Add net profit for the year ended December 31, 1943 .....	82,851.72
	\$281,435.67
Deduct dividends paid in 1943.....	78,803.70
	202,631.97
	\$755,727.44

Approved on behalf of the Board:

H. E. DODGE, *Director.*

F. W. GUERNSEY, *Director.*

#### AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the books and accounts of Island Mountain Mines Company Limited (Non-Personal Liability) for the year ended December 31, 1943, and have obtained all the information and explanations we have required. In our opinion, the above 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 December 31, 1943, 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.,  
February 16, 1944.

HELLIWEILL, MACLACHLAN & CO.,  
Chartered Accountants.

# Island Mountain Mines Company Limited

(NON-PERSONAL LIABILITY)

VANCOUVER, B.C.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1943

### SALES OF GOLD AND SILVER:

Including bullion marketed, on hand and in process of  
realization ..... 393,471.73

### DEDUCT:

Operating costs ..... 267,279.85  

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\$126,191.88

### ADD other income:

Interest earned on investments ..... 671.62  

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*Profit before provision for depreciation and taxes* ...\$126,863.50

### DEDUCT:

Provision for mineral, income and excess profits taxes ..... 36,285.74  

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*Profit before provision for depreciation* .....\$ 90,577.76

### DEDUCT:

Provision for depreciation ..... 7,726.04  

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*Profit for year ended December 31, 1943 carried to  
balance sheet* .....\$ 82,851.72  

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