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SOUTH AURORA SILVER MINING

COMPANY, LIMITED.

176. 27

REPORT.

54, OLD BROAD STREET, LONDON, E.C., 24th October, 1871.

of the Company. be held at the LONDON TAVERN, Bishopsgate Street, in the City of London, on Wednesday, the 1st day of November next, at Two o'clock in the Afternoon, for the purpose of receiving and considering the Report, Accounts, and Balance-sheet of the Directors, Second General Meeting of the proprietors of South rotation, and does not offer himself for re-election; for the transaction of the General Business of the for the election of a Director in the place of Mr. E. F. SATTERTHWAITE, who retires from office by Company; and also for the re-election of Auditors AURORA SILVER MINING COMPANY (LIMITED), will I HEREBY GIVE YOU NOTICE, that the

An engineer of the first of the

Your obedient servant, CHAS. CADOGAN,

BY ORDER OF THE BOARD.

THE SOUTH AURORA SILVER MINING COMPANY,
54, OLD BROAD STREET, E.C.,

London, 23rd October, 1871.

THE Board of Directors beg to submit the following Report to the Shareholders for the year ending 31 August, 1871:—

By the agreement for the purchase of the property the Company were entitled to the profits from the 1st of September, 1870, and when the purchase was consummated on the 4th March, in accordance with the resolutions adopted at the meeting of the 18th January, 1871, the Company received the net earnings of the property for the four months ending 31st December, 1870, during which time the Mine and Mill had been worked by the Vendors for the benefit of the Company. The number of tons of ore treated during that time was stated by the Manager to be 4,443 2000 the gross result \$159,822; the expenses \$56,763.15, and the profit \$103,058.85, The first run of the Mill in 1871 was from the 16th January to the 19th February. During that time 1,7063 tons of ore were treated, yielding \$56,202.47, or about \$33 per ton. The expenses for three months ending 31st March were stated by the Manager at \$45,852.99: the nett result for the same time being \$10,349.48. Before the final payments were made in March. 1871, by virtue of which the Company became actually in possession of the property, a contract had been made between the Manager at the Mine and the Eberhardt and Aurora Company for the use of their wire tramway, then in course of construction, at a rate which would have reduced the price of hauling ore from the Mine to the Mill from \$4 to \$1.50 per ton, equal to a reduction on our usual monthly expenses for hauling, of \$4,000. Relying on the fulfilment of this contract, our Manager ceased hauling ore by teams towards the end of February, and awaited the completion of the tramway, which was promised to be finished about the middle of March. Various causes, however, delayed this, and the tramway was not started until the month of May. Unusually severe weather had occurred during this delay, and it was only at considerable expense, and after surmounting unexpected difficulties, that the old waggon-road was again cleared, so as to enable the communication between the Mine and the Mill to be fairly opened for use. The sorting platforms had been moved to a more convenient position for the connection with the tramway, and new ore sheds had been erected at lower levels for the same purpose, so that when it was decided not to wait longer for the completion of the tramway, a new road had to be cut from our ore sheds to join the old grade at considerable cost. The causes above stated delayed the next starting of the Mill till the 1st of May. The Mill was then in continuous operation till the 31st of May, during which time 1,065% tons were treated, yielding \$22,289.55 or \$20.91 per ton, also 501 tons from the Chloride Flat, yielding \$13,683.35, or \$27.25 per ton.

On the 15th of May an offer was made to the Board by the owner of the Chloride Flat Mine to sell to the Company about $7\frac{1}{2}$ acres of mining land immediately adjacent to the South Aurora for the sum of £10,000. This proposal was accepted by the Directors, subject to the following conditions, viz.: That the Company was to be at liberty to work the Chloride Flat property until the decision of the Shareholders in reference to the purchase could be taken at the General Meeting in November, and all profit arising from such working to belong to the Company, whether the decision of the Shareholders should be in favour of the purchase or not; that the Company be held free from any claim for damages on account of such working; and the property be reported on by an Agent, to be appointed by the Board. In accordance with this agreement the Manager was instructed by telegram to work the Chloride Flat, and the first result secured was from the 501 tons treated during the May run of the Mill. (See Appendix A, B, C, and D.)

'Mr! James D. Hague, whose ability as a Mining Engineer and Geologist is equally recognised in England and America, was selected by the Board to report on the Chloride Flat, and it was also thought desirable 'to give Mr. Hague instructions to report on the South Aurora property, in view of the great diminution both of the quantity and quality of the ore reported by the Manager since June last.

Mr. Hague's Report, when received, was at once ordered to be printed and sent to the Shareholders.

The Mill was again started on the 6th of July, and ran till the 3rd of August. The number of tons treated from South Aurora was 1,071\frac{1}{4}, from Chloride Flat 164, and from other sources 92 tons. The gross result of the whole was stated to be \$42,797.34; the average result of the South Aurora ore was about \$26 per ton, and that of the Chloride Flat about \$51 per ton.

The Mill Superintendent reports the number of tons treated during the year as follows:

		r 1		TONS. LBS.
September, 1870	•••	14 days		528 1550
October "		25 ,,		1143 1200
November ,,	•••	30 ,,		1354 900
December ,,		31 ,,	•••	1416 900
January, 1871	•••	15 ,,	***	771 1400
February ,,		18 ,,	•••	935 141
May ,,		31 ,,	***	1567 1200
'July "		28 ,,		1327 1982
		. i i .		F
Tota	ls	192 days	•••	9045 1273

The average gross yield per ton for the four months ending 31st December, 1870, is stated by the Manager at nearly \$36 per ton. The average for the first run of the Mill (January and February) this year \$32.99; for May, \$20.91; and for July, the average is about \$26 per ton.

The gross amount of bullion produced from the Ore treated during the year and shipped to London is

\$294,794.71. (32—
In the month of August the Manager reported a serious falling off in the produce of the Mine. It was found impossible to procure a sufficient quantity of pay ore to keep the Mill running steadily; and a contract was made with the Eberhardt and Aurora Company to crush 1,500 tons of their ore, at a charge for milling of \$15 per ton. The quantity actually treated was 1,486, $\frac{615}{2000}$ tons. The amount received \$22,294.60, and the actual profit on the operation to this Company is £1,922 128. 11d.

2 3 3 2 60

90215.6

The Mill was again started on the 19th September on South Aurora ore, of which about 2,000 tons had been accumulated, and at last advices it is running steadily: the latest reported assay being \$26 per ton.

On the 12th August the Manager reported "The ore from South Aurora is very much mixed with spar and lime for the present: the production will not exceed 20 tons daily, and that of very low grade. I hope we shall get a concentrated body of higher grade soon." And on the 12th of September he writes, "I am sorry to have to reiterate that the Mine at its present level will not afford us pay ore; it is therefore necessary to sink shafts at greater depth inorder to endeavour to find new deposits. A glance at the maps will show to what extent the Mine has been worked since the first map made in March last was forwarded and what deep shafts we are now sinking, with their positions, in order to further develop its resources. When we first penetrated the ore in the lower tunnel every person that examined the deposit estimated it at fully 15,000 tons, but it decreased in quantity to such an extent as to require 150 tons undressed ore to produce 25 tons dressed. Since Mr. Hague's departure the supply has been so small and the grade so low that we have been compelled to stop the work. Notwithstanding the present unfavourable appearance of the Mine, I am of opinion that we shall find new deposits at greater depth. We are without doubt on the main ore channel, and the deposits, so far, have been found near, and on a regular spar slip running north and south with a pitch of about 35° eastward, which might properly be designated as the foot wall of the vein, and is easily traced from the Hidden Treasure Mine to the South Aurora."

When the change in the character of the Mine, which is indicated in these extracts, began to be apparent to the Directors they at once sent out orders to sink prospecting shafts below the level of the tunnel in such positions as seemed to be the best adapted for exploring the Mine to a lower depth. The ground at and above the level of the tunnel has been actively prospected in every direction since last June. Letters were also sent to Mr. Attwood, on whose Report the prospectus was based, requesting him to explain his statements and estimates, and the discrepancies between these and the actual results from the property; and to the Vendors calling their attention to the cost of prospecting incurred in the Mine, and to the statements in the prospectus, from which it was apparent that no such expenditure could have been presumed to be necessary. Copies of these letters are given in the Appendix to this Report (E and F). No answer has yet been received from Mr. Attwood, but from the Vendors of the property a reply was received (see Appendix G)—in which they express their surprise and regret at this unexpected strain on the resources of the Company, and deposit with the Company's bankers £10,000, towards defraying the cost of exploration in the Mine. This amount will reimburse the Company for the cost of prospecting incurred to 31st August, and leave about £4,000 in the treasury to pay future costs under this head. The Mining Superintendent estimates that the cost of future exploration (working a force of 28 men for this purpose alone) to a depth of 100 feet below our present deepest level, will not exceed \$5,000 per month, and this work is now being carried on with all possible despatch, and, as our Mining Superintendent, Dr. Goodfellow, states, with a reasonable hope that in a short time the South Aurora will be again among the most productive Mines of

the White Pine District.

The Report of the Auditors is given herewith, embracing statements of the accounts of the Company to the 31st of August, and Balance Sheet. The cash Balance at that date was £3,050 2s. 5d., and the estimated value of stores and materials on hand £1,642 7s. 4d. A statement of the shipments of bullion

received in London to date is given in the Appendix.

Two interim Dividends have been paid during the year; the first for four months ending the 31st of December at the rate of 20 per cent. per annum, on 14,778 Shares then allotted, and the second, at the same rate for three months ending the 31st of March, on all the Shares, with the exception of 20,000 Shares originally taken by the Vendors, who waived their right of Dividend on these Shares, in consideration of the delay and loss to the Company occasioned by the contract with the Eberhardt Company for the use of their Tramway, this contract having been entered into by the Manager previous to the final transfer of the property to the Company. The letter in reference to this is given in the Appendix H.

After the provisional arrangement for working the Chloride Flat had been entered into, the proprietors applied for an United States patent for the property, and to avoid any contention about the title pending such application the ground was but partially worked. In consequence, the trial of the property which the Directors had secured has not been so complete as they had anticipated. Enough has been done to shew that the Flat would be a very desirable addition to the South Aurora, and that it would also facilitate the development of the resources of our Mine by affording other means of access to the lower levels to be opened up; but inasmuch as the delay and hindrance in working, while the patent was being applied for, was to some extent to the detriment of this Company, the Directors have asked for an extension of the option to take the Chloride Flat until the 15th January next. (See letter on this subject, Appendix K.)

The attention of the Board has been called to the state of the water supply at White Pine. The only available spring of water, within reasonable distance, is owned by the White Pine Water Company, who have thus absolute control over this most necessary element in the entire district. The water is forced by powerful steam-engines to a height of about 1,500 feet above its source, and carried in large iron pipes, and through a tunnel, to the different points of supply. The amount paid by this Company for water is \$1,000 per month, and by the Eberhardt and Aurora, for their Mill, \$2,000 per month. The town of Hamilton, and all the Mines of the district, are dependent on this source for water, and the nett revenue of the Water Company is stated at \$2,500 per month, and there is every prospect of this being largely increased. The works are stated to have cost originally over £60,000, but the present proprietors became possessed of them at a much lower price. The works are now offered for sale. The present proprietary are most friendly to this Company, but the possession of the water-works by other parties might result in serious embarrassment to us, by raising the rates or diverting the supply altogether. It has been suggested that it is of vital importance to the Company to control the water-works, and that if they can be bought at a reasonable price, -say to pay a clear 20 per cent. on the investment, it would be well worth the consideration of the Shareholders whether it would not be for their advantage to reconstitute the Company so as to enable them to buy the water-works, and any adjoining property that might be found necessary to the extension of their mining operations. The power of this Company under its Memorandum of Association to acquire and deal with any property other than the Mine and Mill is very limited, and the Directors think it right to place this matter before the Shareholders, and invite their attention to it.

The present position of the Mine may not seem to warrant the consideration of any acquisition of

property, but periods of alternate success and failure occur in the history of almost every Mine, and it is often necessary in the conduct of such enterprises to make provision for future plans of working at times when the actual results from the property are such as to test all the resources of the Company in the prosecution of the work.

The Company's Mill is in excellent condition, and amply sufficient for the treatment of 45 to 50 tons of Ore daily.

The Report of Mr. Hague, which was issued to the Shareholders, is so exhaustive, that the Directors feel they cannot better convey a thorough knowledge of the actual condition of the property than by adopting it as a portion of their own.

BY ORDER OF THE BOARD.

CHAS. CADOGAN, The South Aurora Silver Mining Company, Limited. Dr. REVENUE ACCOUNT. Cr. £ s. d. To Charges on Bullion, including Freight
,, Expenses at Mine and Mill, viz.:—
Salaries and Wages—Mill...
Ditto ditto, &c, —Mine ... £ s. d. 61,797 6 2 1,922 12 11 By Amount of Silver Bars shipped and sold in London ...
, Eberhardt and Aurora Contract
, Interest and Discount £ s. d. 9,416 7 11 15,709 14 8 : :: ::: Transfer Fees (126 2 7 (1554 3 7 (156 11 0 341 18 1 89 3 1 466 14 6 18 17 9 17 7 1 244 9 5 141 13 18 8,103 3 2 Hauling Account General Charges Lumber Wood :: Repairs Printing and Stationery Interest and Exchange Commission ::: ••• ... Chemicals ••• 40,396 17 10 ,, Home Management, viz.:— Directors' Fees ... Salaries and Overtime Salaries and Overtime
J. D. Hague for Examination and Report
Printing, Stationery, and Advertising
Postages and Petty Cash
Telegrams
Law Charges
Rent 3 19 9 3 Rent *** Office Expenses ... Income Tax on Dividends ... *** 82 10 2,889 14 10 860 7 2 Carruthers and Watson* 860 7 2 18,077 15 5 ,, Carruthers and Watson* ...
,, Balance carried to Profit and Loss ... £64, 16: 3 -4 £64,165 13 Carruthers and Watson, for Ore crushed for them, the yield of which is in shipped, as per contra. cluded in Silver Bars PROFIT AND LOSS ACCOUNT. Dr. Cr. £ s. d. 5,027 13 0 10,000 0 0 3,050 2 5 £ s. To First Interim Dividend By Balance from Revenue Account Second ditto
Balance, as per Balance Sheet £18,077 15 5 £18,077 15 5 Dr. BALANCE SHEET, 31st August, 1871. Cr. £ s. d. s. d. By Purchase of Mine, Mill, Machinery, Plant, Stock, and Effects 300,000 o Less estimated value of Stores on hand, 1st Sep-To Capital Account-60,000 Shares of £5 each Sundry Creditors— viz. Messrs. Seligman, Brothers ... 300,000 0 0 2,333 3 583 6 150 18 tember, 1870... 8,344 5 4 Directors' Fees outstanding ... 291,655 14 8 Sundry small Accounts Exploration Account-For estimated amount paid for Explora-tion, from March 1st to date 3,067 8 3 " Dividends unclaimed-6,000 0 0 1,642 7 4 rst interim dividend Account and ,, ditto 40 5 0 31 0 0 Stores on hand ... Stores on hand Suspense Account—
For Tax on proceeds of Mine, paid under ditto 71 5 0 3,050 2 5 ,, Profit and Loss Account 136 15 9 104 13 0 Office Furniture ... ASSETS. Sundry Debtors—
viz. Messrs. Seligman & Co.
J. Steinhart Cash on Deposit 6,649 4 11 £306, 188 15 8 £306, 188 15 8

AUDITOR'S REPORT.

I have examined the above with the books of the Company, and certify the same to be correct. The payments in England are duly vouched, with the exception of certain warrants for the payment of the First Interim Dividend, which are stated to have been mislaid during the removal of the Company's Offices. The item of salaries and wages, &c., at Mine appears to include payments for materials, wood, water, lumber, &c., but owing to the accounts represented by this sum having been furnished by the Manager in gross and not in detail, it has been impossible to dissect them. The bullion shipments agree with the Manager's statements and the sale notes, and have been passed to the Company's credit through the Agents' accounts.

23rd October, 1871.

JAMES FORD, 76, Cheapside.

APPENDIX.

LONDON, May 15th, 1871.

DEAR SIR On behalf of the Owners of the Consolidated Chloride Flat Mine, which adjoins the South Aurora Mine, in the State of Nevada, in America, I beg to offer the Consolidated Chloride Flat Mine for Sale to the South Aurora Silver Mining Company for the sum of £10,000 (say ten thousand pounds sterling), upon the following terms and condi-

The purchase to be subject to the approval of the Shareholders of the South Aurora Silver Mining Company (Limited), present at the General Meeting of the Company, to be held in November next, and if so approved the purchase to be completed, and the purchase money paid within three months after such General Meeting.
 A good title, according to the laws of the State of Nevada, to be made to the said Consolidated Chloride Flat Mine before the complete of the said Chloride Flat Mine before the complete of the said Chloride Flat Mine before the complete of the said Chloride Flat Mine before the complete of the said Chloride Flat Mine before the complete of the said Chloride

made to the said Consolidated Chloride Flat Mine before the completion of the said purchase, such title to be approved by an Agent of the Company, to be appointed by them for that purpose, and the purchase-money to be paid to such person or persons as shall be able to give a valid discharge for the same.

3. The South Aurora Silver Mining Company (Limited) shall be at liberty to work the Consolidated Chloride Flat Mine forthwith at their own expense, and the South Aurora Company shall retain (whether such purchase shall be approved at the General Meeting or not) all the proceeds and profits arising from such working as

or not) all the proceeds and profits arising from such working as

part of the assets of the Company.

I shall be obliged if you will bring this letter before your Board of Directors, and let me know whether they will agree to purchase the Consolidated Chloride Flat Mine on the above-mentioned terms.

Flat Mine on use
I am, dear Sir,
Yours faithfully,
IGNATZ STEINHART,
(Per E. TUCHMA To C. CADOGAN, Esq., Secretary, South Aurora Silver Mining Company, Limited, 54, Old Broad Street. (Per E. TUCHMANN).

South Aurora Silver Mining Company, Limited, 54, Old Broad Street, London, E.C., 19th May, 1871.

Your letter of the 15th instant, offering to sell to this Company for £10,000 the Consolidated Chloride Flat Mine, upon the terms and conditions therein mentioned, was laid before the Board of Directors at their Meeting on the 16th instant; and on the other side I beg to hand you a Copy of the Resolution passed by the Board on the subject.

I shall be glad to hear from you that you agree to the modification of the terms of your letter of the 15th instant, as proposed by the Resolu-

the terms of your letter of the 15th instant, as proposed by the Resolution of my Directors. I am, dear Sir,

I. STEINHART, Esq.

Yours faithfully, CHAS. CADOGAN,

C. [EXTRACT FROM MINUTES.]

Read a letter from Mr. STEINHART, dated the 15th instant, on behalf of the owners of the Consolidated Chloride Flat Mine, offering to sell this Mine to the Company upon the terms therein mentioned.

Resolved: "That this offer be accepted, subject to the Conditions mentioned in Mr. Steinhart's letter of the 15th instant,

mentioned in Mr. Steinhart's letter of the 15th instant, provided a satisfactory report is received by the Board from an Agent to be appointed by them to inspect the property, and provided the 'South Aurora Silver Mining Company, Limited,' is held absolutely free from any claim for damages from any cause whatever on account of the working of this Mine,"

D.

LONDON, 20th May, 1871.

Secretary.

DEAR SIR,

I am in receipt of your letter of the 19th instant, inclosing Copy of
the Resolution passed by the Board of Directors of the South Aurora
Silver Mining Company, Limited, with reference to the offer made by
me on behalf of the Owners to sell to your Company the Consolidated
Chloride Flat Mine. I beg to inform you that on behalf of the Owners
of the last-mentioned Mine I agree to the terms contained in my Letter
to you of the 15th instant, as modified by the Resolution of the Directors.

Yours faithfully,
IGNATZ STEINHART,

Per G. Tuchmann

Per G. TUCHMANN

To C. CADOGAN, Esq., Secretary, South Aurora Silver Mining Company Limited, 54, Old Broad Street, E.C.

THE SOUTH AURORA SILVER MINING COMPANY, LIMITED, 54, OLD BROAD STREET, LONDON, E.C., 12th September, 1871.

DEAR SIR,

I have now before me your Report on South Aurora, dated March 20th, 1870, also your letter on further examination of the Mine of 29th September, 1870, copies of which I now enclose.

I also enclose copy of a Report made by Mr. Hague, July 12th, 1871.

I and my co-Directors are much struck with the discrepancy between your Reports and that of Mr. Hague, and I write now to ask you to be good enough to afford such explanation as you can as to-the difference in the actual results obtained from the Mine as reported by Mr. Hague good enough to anord such explanation as you can as to the difference in the actual results obtained from the Mine as reported by Mr. Hague from the books at the property, and the statements contained in the reports made by you. I shall feel much obliged by your reply per return mail as the Annual Meeting of the Company takes place on November the 1st.

I remain, my dear Sir,
Yours faithfully,
E. F. SATTERTHWAITE, Chairman of South Aurora Silver Mining Company. MELVILLE ATTWOOD, Esq., San Francisco

F. THE SOUTH AURORA SILVER MINING COMPANY, LIMITED, 54, OLD BROAD STREET, LONDON, 26th September, 1871.

The advices from the Manager since May, and the recent report by Mr. Hague, indicate a very serious difference between the present aspect of the Mine and that exhibited in the Report of Mr. Melville Attwood

According to the portions of the latter Report which were embodied in the original Prospectus, the Company had no reason to apprehend that any outlay for dead work would be required for some years, inasmuch as it was stated that "The quantity of Ore already developed above the deep tunnel will keep two Mills of the capacity of the Stanford Mill fully employed for many years to come," and "That 100 tons of Ore per day can easily be extracted from the Mine, yielding a clear profit of \$40 per ton."

The yield of the Mine has already been so much diminished that a very large proportion of the expenses since May has been necessarily incurred in prospecting for fresh bodies of Ore. It is estimated that at least £2,500 per month has been spent on this account, and we would submit to you that some portion of this unexpected outlay should be borne by you, as it admits of but little doubt that the Capital could not have been raised unless on the anderstanding that the statements in reference to the development of the Ore were substantially correct.

reference to the development of the Ore were substantially correct.

We are, Gentlemen,
Yours very faithfully,
EDWARD F. SATTERTHWAITE, (Signed)

C. S. SEYTON,
L. MESSEL,
Directors of the South Aurora Silver Mining Company, Limited.
To A. P. Stanford, Esq., and Others,
Vendors of the South Aurora Mine.

LONDON, September 27th, 1871.

In reply to your letter of the 26th instant, I beg, on behalf of the

original vendors of the South Aurora property, to say, that the statements made in the Prospectus from actual results were based on the return from the Mine and Mill during the greater part of the year 1870, and we had no reason at the time to consider that the yield of the Mine

would change.

The Reports of Mr. Attwood seemed to justify much more sanguine calculations as to the immediate future than we thought fit to adopt, and if his estimates have proved fallacious we have been as much disappointed as the present Shareholders can possibly be. It must be borne in mind that about three-fourths of the price of the Mine was taken by us in Shares, and this, at the time, was accepted as a very satisfactory evidence of our belief in the representations of Mr. Attwood. Mining is essentially an adventure, at the best, and the most productive Mines are subject to sudden changes, but we have little doubt that the present phase of South Aurora is a very transient one.

are subject to sudden changes, but we have little doubt that the present phase of South Aurora is a very transient one.

All the experience of the adjacent properties, as well as our own, point to the strong probability of opening up fresh bodies of good paying Ore, and the Report of Mr. Hague, in reference to this, is indicative of his faith in the continued value of the property.

That the Directors and the Shareholders should, under the circumstances, be disappointed at the results is most natural, but we cannot hold ourselves answerable for every change in the character of the Mine. Our representations, as to its value, were made in the firm conviction that the Report of Mr. Attwood was a reliable one, and we could never have anticipated the necessity of the present outlay for prospecting.

that the Report of Mr. Attwood was a reliable one, and we could never have anticipated the necessity of the present outlay for prospecting.

While, however, holding ourselves free from any responsibility, on this head we are willing to do all in our power to lighten this unexpected strain on the resources of the Company, and we have to-day placed to the credit of the Company with their bankers, the sum of £10,000, to reimburse the Company for the cost of prospecting, and for the purpose of defraying the cost of similar work should it be necessary to continue it. I am, Gentlemen,

ntlemen,
Yours respectfully,
A. P. STANFORD,
For the VENDORS.

Messis. Satterthwaite, Seyton and Messel, Directors of the South Aurora Silver Mining Company Limited.

H.

LONDON, May 13th, 1871.

It appears from the Reports of the Manager of the South Aurora Silver mining Company that owing to the delay which has occurred in the completion of the tramway constructed by the Eberhardt Company (for the use of which tramway the Manager has entered into a contract with the Eberhardt Company), a stoppage in the working of the Mill has occurred resulting in a considerable diminution in the quantity of bullion produced at the Mill for the quarter ending 31st March.

bullion produced at the Mill for the quarter ending 31st March.

The contract with the Eberhardt Company was made after the date of the original agreement for the sale of the Mine and Mill to the Company, but before the final transfer of the Mine and Mill was completed, and the Vendors recognise the fact that the stoppage of the Mill in consequence of the delay in the construction of the Tramway may be fairly considered as the result of this contract, and they are desirous of saving the Company from loss arising from the non-completion of the tramway.

The Vendors therefore beg to state that they are willing to consider the 20,000 shares which have been issued to them under the original agreement with the Company as deferred shares so far as the interim dividend for the quarter ending 31st March is concerned, and to forego their claim to any dividend on such shares for the last-mentioned quarter.

In making this concession, the Vendors draw attention to the fact that when the original contract of the 1st October, 1870, was entered into, the formation of the tramway and the arrangement made between Mr. Benjamin and the Eberhardt Company were not contemplated, the Vendors therefore do not consider themselves in any way responsible for

Mr. Benjamin and the Eberhardt Company were not contemplated, the Vendors therefore do not consider themselves in any way responsible for the contract with the Eberhardt Company, or that they are liable to make good the loss occasioned by any failure thereof, and this letter must be taken as not admitting any such responsibility or liability.

Yours, A. P. STANFORD, For the VENDORS of the South Aurora Mining Company. C. CADOGAN, ESQ., Secretary
South Aurora Silver Mining Company, Limited.

I.

THE SOUTH AURORA SILVER MINING COMPANY, LIMITED, 54, OLD BROAD STREET, LONDON, E.C., 13th October, 1871.

DEAR SIR,
Our Manager, Mr. BENJAMIN, advises us that he cannot work the
Chloride Flat as fairly as we expected he would be able to do, in consequence of the necessity of securing the title by United States Patent,
and we trust you will see fit, under the circumstances, to extend the
time of our option to take this property under the terms we now hold it
to the 15th of January next, in order to enable us better to judge of the
value of the Flat to the South Aurora Company.

Learly this by order of the Board.

I send this by order of the Board, And beg to remain, dear Sir,
Your faithful Servant,
CHARLES CADOGAN,

To IGNATZ STEINHART, Esq.

Secretary.

LIST OF SHIPMENTS OF BULLION RECEIVED IN LONDON.

1870.	\$	1871.	\$
Sept. 1—3 bars Silver, 247	@ 9 . 3,563.40	Jan. 21—3 bars Silver, 387 @ 9	3,381.48
3—3 " 250	2 3,539'94	23—3 ,, 390 2	3,307.48
5—3 ,, 253	5 3,558.65	25—3 ,, 393 5	3,336.69
7—3 ,, 256	8 3,547.05	27—3 ,, 396 8	3,456.30
9—3 ,, 259	61 3,251.08	. 29—3 " 399 401	3,223.07
12—3 ,, 262	4 3,390'94	31-3 ,, 402 4	3,557.08
17—11 ,, 265	75 12,189.86	\$20,262'10	\$180,084.10
			Ψ100,004 10
\$33,040'92	\$33,040.92	Feb. 2—3 bars Silver, 405 @ 7	3,572.68
Oct. 11—3 bars Silver, 276	@ 8 3,419'31	3—3 ,, 408 10	3,556.38
70 0		5—3 ,, 411 13	3,537'70
-6 - 00	1,100	7-3 ,, 414 16	3,571.27
-00.	The state of the s	9-3 ,, 417 19	3,540.59
20 2		II—3 ,, 420 2	3,573'46
		13—3 " 423 5	3,514'14
23—3 ,, 29:		16—3 ,, 426 8	3,515.40
26—3 ,, 292		19—7 ,, 429 35	7,858.75
28—3 ,, 29%	The state of the s		
30-3 ,, 300	and all and a second will be a second wi	\$35,940.37	\$216,024.47
\$30,477.20	\$63,518.12	March.—No Returns.	
Nov. 1—3 bars Silver, 30	3 @ 5 3,446.48	April.—No Returns.	
4-3 ,, 30	5 8 3,444.05	May 8-3 bars Silver, 436 @ 8	3,143'16
6—3 ,, 300		11—3 ,, 439 41	3,324.27
8—3 ,, 31		133 ,, 442 4	3,223'49
,, 3I		17—3 ,, 445 7	3,481.86
14—3 ,, 310		21—3 ,, 448 50	3,428.42
17—3 ,, 32		25—3 ,, 451 3	3,116.22
19—3 ,, 32.		28—3 ,, 454 6	3,491.83
21—3 ,, 32		31—8 ,, 460 7	9,225'29
23—3 ,, 33		and the second s	-
26—3 ,, 33	The second of	\$32,434.54	\$248,459.01
29-3 ,, 33	70 10 10	June 1—3 bars Silver, 457 @ 9	3,538.36
		\$3,538.36	\$251,997.37
\$42,053.88	\$105,572*00		
Dec. 3—4 bars Silver, 33	9 @ 42 4,555'96	July 10—3 bars Silver, 468 @ 70	
6 0			2,810.90
0	[12] [11] [12] [12] [12] [12] [12] [12]		3,547.43
			3,288.65
이 사람들이 그리고 있는 아들은 얼마나를 살아왔다면 하면 하는 것이 없는데 그렇게 되었다면 그 어머니?			3,227.88
13—3 , 35 16—3 , 35			3,561.73
[10] : : : (10] : [10]		27—3 ,, 486 88	3,612'19
19—3 ,, 35		29—3 ,, 489 91	3,477*24
22—3 ,, 36		\$25,882*13	
24—3 ,, 36		Aug. 1—3 bars Silver, 492 @ 94	3,380'91
27—3 " 36	전경 하나 그 보다는 그래, 하면 없었다면 나는 나를 하는데 되었다면 하는데 그 나는 그 때문에 모든데 그리고 없다면 하는데 그리고 없다면 하는데 그리고 있다면		7 4,168.75
29—3 " 37		Harris Control (1985) - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	9,365.55
31—14 " 37	3 86 15,705 67		
ori \$54,250.00	\$159,822.00	\$42,797.34	\$294,794.71
	of the		Ministra de la descripción del descripción de la