

SAN MAURICIO DIVIDEND

The newly elected Board of Directors of the San Mauricio Mining Company, at a meeting held on March 6, 1939, declared a five centavo per share cash dividend. The dividend is payable March 22 to stockholders of record on March 18. This dividend will represent an aggregate distribution to shareholders of ₱500,000. The amount closely follows a similar dividend payment made last year, and is the first 1939 dividend.

Further distribution of a 100% stock dividend was explained at the meeting. The stock dividend was ratified early in March, and the necessary documents to effect this issue have been filed with the Securities and Exchange Commission. As soon as the legal technicalities permit, the date of record for those

stockholders entitled to this dividend will be announced.

Also announced at this special meeting was the plan to increase the milling capacity at the mine. For the purpose of increasing the milling capacity at San Mauricio from 300 tons to 450 tons per day, an appropriation of ₱100,000.00 was made. According to present plans, it is expected that within three or four months the increase of 150 tons per day will be in operation.

The following officers were elected by the board: H. P. L. Jollye, President; P. A. Meyer, Vice-President; Major A. Beckerleg, Vice-President; A. F. Kelly, Treasurer; M. H. O'Malley, Secretary; Geo. C. Dankwerth, Assistant-Secretary; Miss H. M. George, Assistant-Secretary.

SAN MAURICIO MINING COMPANY

OPERATING ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To <i>OPERATING COSTS:</i>		
Mine Operating	₱ 610,950.55	
Mill Operating	216,493.37	
Mine General	167,897.46	₱ 995,341.38
To <i>SMELTING AND MARKETING EXPENSES</i> —		
See Schedule		569,802.30
To <i>OTHER MINE GENERAL EXPENSES</i> —See		
Schedule		206,543.49
To <i>DEPRECIATION</i>		234,752.35
To <i>OPERATING PROFIT</i>		2,026,376.19
		₱4,032,815.71
By <i>BULLION AND CONCENTRATES PRODUCED</i>		₱4,000,035.70
By <i>OTHER INCOME:</i>		
Profits on Exchange	₱ 883.14	
Rents Received	884.08	
Miscellaneous	31,012.79	32,780.01
		₱4,032,815.71
		₱4,032,815.71

SAN MAURICIO MINING COMPANY

BALANCE SHEET AS AT 31st DECEMBER, 1938 ASSETS

FIXED ASSETS:

Mine & Mining Properties	P 323,234.45	
Capital Development	1,091,393.60	P1,414,628.05
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Mill Buildings	P 64,072.09	
Mill Machinery & Equipment	212,674.01	
Powerhouse Building	51,504.23	
Powerhouse Machinery & Equipment	453,807.13	
Mine Buildings	7,619.42	
Mine Machinery & Equipment	466,654.25	
Assay Office Building	7,588.03	
Assay Office Machinery & Equipment	10,729.07	
Blacksmith Shop Building	6,349.63	
Blacksmith Shop Machinery & Equipment	32,854.79	
Carpenter Shop Building	1,705.12	
Carpenter Shop Machinery & Equipment	1,140.06	
Camp Buildings	140,989.68	
Water Supply Installation	22,029.94	
Light & Power Installations	82,304.90	
Hospital Buildings	18,942.77	
Hospital Equipment	9,388.18	
Tools & Engineering Equipment	8,787.37	
Furniture & Fixtures	36,218.70	
Miscellaneous Equipment	54,896.74	
Roads, Trails & Bridges	51,176.32	
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	P1,741,432.43	
Less—Reserve for Depreciation	597,010.31	1,144,422.12
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CURRENT ASSETS:

Cash on Hand & in Bank	P 92,555.89	
Accounts Receivable	10,862.36	
Bullion in Transit	115,859.99	
Bullion & Concentrates on Hand	649,532.05	
Production Pending Outturn	119.18	
Machinery Parts & Supplies	149,675.07	
Sundry Deposits	2.00	
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		1,018,606.54

INVESTMENT:

Philippine Smelting Company		100,000.00
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DEFERRED ASSETS:

Prepaid Charges		10,277.18
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		P3,687,933.89

SAN MAURICIO MINING COMPANY

LIABILITIES

CURRENT LIABILITIES:

Advances—Marsman & Co., Inc.	P 178,129.75	
Accounts Payable	15,383.27	
Marsman Trading Corporation	44,109.03	
Uncollected Dividends	54,546.65	
Accrued Taxes	54,944.78	
Accrued Expenses	78,204.20	
Bills Against Bullion and Concentrates shipments ...	104,483.94	
Unclaimed Wages	253.04	
Chapa Deposits	2,938.35	
Accrued Payrolls	17,970.20	P 550,963.21

RESERVE:

Income Tax		97,509.26
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NET WORTH:

Capital Authorized—

8,000,000 shares of 10¢ each as at 31st Dec. 1937	P800,000.00	
2,000,000 Shares of 10¢ each Autho- rized 1938	200,000.00	P1,000,000.00

Issued—

10,000,000 Shares of 10¢ each Fully Paid	P1,000,000.00	
Stock Premium	151,575.96	
		P1,151,575.96

Surplus—

Balance as at 1st Jan. 1938	P740,231.08	
Add—Net Profit for the Year 1938	1,625,154.38	
	P2,365,385.46	
Less—Dividend No. 2	477,500.00	1,887,885.46
		3,039,461.42

There is a contingent liability for machinery parts and supplies ordered under irrevocable letter of credit amounting to P34,310.00.

P3,687,933.89

Manila, P. I., 1st February 1939.

We have examined the books and accounts of San Mauricio Mining Company for the year ended 31st December 1938, and have compared them with the Mine Manager's Certified Returns which have not been audited by us. No provision has been made for Ore Depletion. Subject to the foregoing 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 31st December 1938, according to the best of our information and the explanations given us and as shown by the books.

FLEMING & WILLIAMSON
Accountants

SAN MAURICIO MINING COMPANY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To <i>LOSS ON SALE OF MACHINERY AND SUPPLIES</i>		4,457.79
To <i>ADMINISTRATIVE EXPENSES</i>		105,706.84
To <i>GENERAL OVERHEAD:</i>		
Audit Fees	P 3,000.00	
Bonuses	3,500.00	
Documentary Stamps	515.53	
Fees and Licenses	2,171.31	
Income Tax	97,509.26	
Insurance	12,926.68	
Interest	4,469.72	
Leave Salaries	4,583.85	
Legal and Notary Fees	6,000.00	
Miscellaneous	2,369.96	
Postage	604.81	
Stationary and Supplies	589.90	
Subscriptions and Contributions ..	8,631.21	
Telephone, Radios and Telegrams ...	277.26	147,149.49
To <i>PAYMENTS MADE UNDER FINANCING AGREEMENT WITH MARSMAN & CO., INC. DATED 6th AUGUST 1935 AUTHORIZED BY STOCKHOLDERS 15th JULY 1935 AS AMENDED</i>		143,907.69
To <i>NET PROFIT FOR YEAR</i>		1,625,154.38
		P2,026,376.19
By <i>OPERATING PROFIT</i>		
		P2,026,376.19