

**UNITED PARACALE MINING COMPANY
ANNUAL MEETING**

At the meeting of the United Paracale Mining Company on March 6, 1939, it was reported to the stockholders that the company had a very successful year during 1938. The annual report showed net current assets of approximately P740,401.57. The net profit for the year 1938 was P620,177.60, of which P551,176.48 was paid in dividends corresponding to 5 centavos per share.

The ore reserves at the end of 1938 contained 243,000 tons valued at P6,836,000.00, for an average of P28.12 per ton. Notwithstanding the produc-

tion of 113,473 tons during the year having a value by P2,607,854.00.

The very satisfactory condition of the mill and mine was explained to the shareholders by Major Beckerleg.

The directors elected for the year are as follows: Elmer Madsen, H. P. L. Jollye, Major A. Beckerleg, A. F. Kelly, J. H. Marsman, Luis Perez de Olaguer Feliu, and S. J. Wilson.

A resolution was passed extending a vote of thanks to Marsman & Company for the successful and efficient management during 1938.

UNITED PARACALE MINING COMPANY

OPERATING ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To OPERATING COSTS:			
Mine Operating	P608,219.98		
Mill Operating	220,699.08		
Mine General	154,991.14	P	983,910.20
" <i>SMELTING AND MARKETING EXPENSES</i> —			
See Schedule			454,700.45
" <i>OTHER MINE GENERAL EXPENSES</i> —See			
Schedule			113,834.51
" <i>DEPRECIATION</i>			210,095.33
" <i>OPERATING PROFIT</i>			869,710.11
			P2,632,250.60
By BULLION AND CONCENTRATES PRODUCED			
			P2,607,854.10
" <i>OTHER INCOME:</i>			
Profits on Exchange	P	1,764.67	
Interest Earned		472.01	
Miscellaneous		22,159.82	24,396.50
			P2,632,250.60

UNITED PARACALE MINING COMPANY

BALANCE SHEET

AS AT 31st DECEMBER, 1938

ASSETS

FIXED ASSETS:

Mine & Mining Properties	P 520,973.14	
Capital Development	1,400,428.10	P1,921,401.24
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Mill Buildings	P 70,299.44	
Mill Machinery & Equipment	225,660.54	
Powerhouse Building	29,807.87	
Powerhouse Machinery & Equipment	423,099.36	
Mine Buildings	11,346.01	
Mine Machinery & Equipment	307,282.53	
Assay Office Building	2,497.75	
Assay Office Machinery & Equipment	12,132.18	
Blacksmith Shop Building	12,596.85	
Blacksmith Shop Machinery & Equipment	41,177.20	
Carpenter Shop Building	2,006.90	
Carpenter Shop Machinery & Equipment	4,198.05	
Camp Buildings	116,464.99	
Water Supply Installation	17,049.50	
Light & Power Installation	61,576.44	
Hospital Buildings	20,877.30	
Hospital Equipment	6,475.55	
Tools & Engineering Equipment	15,562.10	
Furniture & Fixtures	50,480.24	
Miscellaneous Equipment	72,756.49	
Roads, Trails & Bridges	37,933.87	
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	P1,541,281.16	
Less—Reserve for Depreciation	716,810.18	824,470.98
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CURRENT ASSETS:

Cash on Hand & In Bank	P 95,649.41	
Sundry Deposit	2.00	
Accounts Receivable	16,147.52	
Bullion & Concentrate in Transit	114,872.38	
Bullion & Concentrate on Hand	272,699.58	
Machinery Parts & Supplies	241,030.68	740,401.57

INVESTMENTS:

Philippine Smelting Co.	100,000.00
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DEFERRED ASSETS:

Prepaid Charges	3,387.72
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	P3,589,661.51

UNITED PARACALE MINING COMPANY

LIABILITIES

CURRENT LIABILITIES:

Advances—Marsman & Co., Inc.	P	13,654.74	
Marsman Trading Corporation		44,834.63	
Accounts Payable		33,903.28	
Accrued Expenses		62,375.95	
Accrued Payroll		18,285.10	
Accrued Taxes		25,126.47	
Unclaimed Wages		929.13	
Chapa Deposits		2,800.00	
Uncollected Dividends		6,852.54	P 208,761.84

RESERVES:

Income Tax			37,210.66
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NET WORTH:

Capital Authorized—

11,000,000 Shares @ 10¢ each as at 31st December 1937		P1,100,000.00	
2,000,000 Shares @ 10¢ each Authorized 1938 ..		200,000.00	
		P1,300,000.00	

Issued—

13,000,000 Shares of 10¢ each		P1,300,000.00	
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Stock Premium—

Balance as at 31st December 1937	P1,562,500.00		
Add—Premium on Additional Issue	23,381.34	1,585,881.34	

Surplus—

Balance as at 31st December 1937	P 388,806.55		
Add—Profit for the year to Date	620,177.60		
Less—Dividend Nos. 2, 3, and 4 ..	551,176.48	457,807.67	3,343,689.01

There is a contingent liability for machinery parts and supplies ordered under irrevocable letter of credit in the amount of P30,900.00.

P3,589,661.51

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

We have examined the books and accounts of United Paracale 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 to us and as shown by the books.

FLEMING & WILLIAMSON
Accountants

UNITED PARACALE MINING COMPANY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

To LOSSES ON BAD DEBTS	₱	6,111.54	
" ADMINISTRATION EXPENSES		71,218.34	
" GENERAL OVERHEAD:			
Audit Fees	₱	3,000.00	
Bonuses		3,000.00	
Documentary Stamps		366.36	
Fees and Licenses		2,618.05	
Income Tax		37,210.66	
Insurance		14,150.00	
Legal and Notary Fees		6,219.23	
Miscellaneous		4,438.08	
Postage		649.17	
Stationery and Supplies		637.32	
Subscriptions and Contributions ..		5,793.73	
Telephone, Radios and Telegrams .		114.21	78,196.81
" PAYMENTS MADE UNDER FIN- ANCING AGREEMENT WITH MARSMAN & CO., INC. DATED 19th JUNE 1935, AUTHORIZED BY STOCKHOLDERS 17th JUNE 1935, AS AMENDED 6th JUNE 1938			94,005.82
" NET PROFIT FOR THE YEAR			620,177.60
			<u>₱869,710.11</u>
By OPERATING PROFIT			₱869,710.11
			<u>₱869,710.11</u>



Downtown Manila from the air; the Pasig River in the foreground, with the Post Office Building in the back center.