

SUYOC CONSOLIDATED ANNUAL MEETING

At the annual meeting of Suyoc Consolidated Mining Company held March 1, 1939, stockholders were told that prospects for the future of the company are extremely bright.

The development and improvement campaign during 1938 was successfully carried out. Development plans for the year 1939, explained to the stockholders by R. W. Crosby, head of the northern division of Marsman & Company, managers of Suyoc, are expected to add materially to the ore reserves. It was

learned since the conclusion of 1938, Suyoc has increased its ore reserves in excess of one million pesos.

The stockholders unanimously re-elected the board of directors as follows: Amos G. Bellis, president; J. H. Marsman and Major A. Beckerleg, vice-presidents; Benj. S. Ohnick and M. H. Ruppel, directors.

A vote of thanks to Marsman & Company for the splendid results attained in 1938 was unanimously voted by the stockholders.

SUYOC CONSOLIDATED MINING COMPANY

OPERATING ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

| | | | |
|--|---|--------------|----------------------|
| To Operating Costs: | | | |
| Mine Operating | P | 403,241.29 | |
| Mill Operating | | 298,518.04 | |
| Mine General | | 132,862.72 | P 834,622.05 |
| | | | <hr/> |
| To Marketing Expenses—See Schedule | | 22,920.11 | |
| To Other Mine General Expenses—See Schedule | | 59,096.96 | |
| To Depreciation | | 228,095.73 | |
| To Operating Profit | | 535,929.83 | |
| | | | <hr/> |
| | | | P1,680,664.68 |
| | | | <hr/> |
| By Bullion and Refinery Ashes Produced | P | 1,675,438.13 | |
| To other Income: | | | |
| Profit on Exchange | P | 3,106.92 | |
| Miscellaneous | | 2,119.63 | 5,226.55 |
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| | | | P1,680,664.68 |
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SUYOC CONSOLIDATED MINING COMPANY

BALANCE SHEET

AS AT 31st DECEMBER, 1938

ASSETS

FIXED ASSETS:

| | | |
|---|---------------|---------------|
| Mine & Mining Properties | P 441,273.74 | |
| Capital Development | 934,131.75 | P1,375,405.49 |
| <hr/> | | |
| Mill Buildings | P 162,675.87 | |
| Mill Machinery & Equipment | 424,144.19 | |
| Powerhouse Buildings | 38,114.29 | |
| Powerhouse Machinery & Equipment | 362,416.92 | |
| Mine Buildings | 32,056.13 | |
| Mine Machinery & Equipment | 294,988.77 | |
| Assay Office Building | 4,865.80 | |
| Assay Office Machinery & Equipment | 12,136.50 | |
| Blacksmith Shop Building | 8,886.02 | |
| Blacksmith Shop Machinery & Equipment | 36,668.36 | |
| Carpenter Shop Building | 6,626.86 | |
| Carpenter Shop Machinery & Equipment | 4,064.72 | |
| Camp Buildings | 205,523.58 | |
| Water Supply Installation | 17,470.46 | |
| Light & Power Installation | 12,999.27 | |
| Hospital Building | 17,128.36 | |
| Hospital Equipment | 10,423.81 | |
| Tools & Engineering Equipment | 20,114.85 | |
| Furniture & Fixtures | 23,614.96 | |
| Miscellaneous Equipment | 78,057.11 | |
| Roads, Trails & Bridges | 188,444.83 | |
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| Less—Reserve for Depreciation | P1,961,421.66 | |
| | 657,640.18 | 1,303,781.48 |
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CURRENT ASSETS:

| | | |
|--|-------------|------------|
| Cash on Hand and In Bank | P 59,789.68 | |
| Guaranty Deposits | 2,993.08 | |
| Accounts Receivable | 5,166.91 | |
| Bullion and Refinery Ashes on Hand | 73,184.22 | |
| Bullion in Transit | 213,665.47 | |
| Machinery Parts and Supplies | 374,299.73 | 729,099.09 |
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DEFERRED ASSETS:

| | | |
|-----------------------|--|---------------|
| Prepaid Charges | | 31,903.35 |
| | | <hr/> |
| | | P3,440,189.41 |
| | | <hr/> <hr/> |

SUYOC CONSOLIDATED MINING COMPANY

LIABILITIES

CURRENT LIABILITIES:

| | | |
|--|-------------|--------------|
| Accounts Payable | P 37,358.76 | |
| Advances—Marsman & Co., Inc. | 4,628.70 | |
| Marsman Trading Corporation | 18,431.28 | |
| Palidan Suyoc Deep Level Tunnel Co. | 103,284.59 | |
| Bills Payable | 6,970.00 | |
| Bills against Bullion Shipments | 192,685.86 | |
| Accrued Payrolls | 14,869.87 | |
| Accrued Expenses | 1,997.65 | |
| Accrued Taxes | 8,525.40 | |
| Unclaimed Wages | 2,261.35 | |
| Chapa Deposits | 2,345.46 | |
| Uncollected Dividends | 125,901.65 | P 519,260.57 |
| | | |

RESERVE:

| | | |
|------------------|--|-----------|
| Income Tax | | 20,269.59 |
|------------------|--|-----------|

NET WORTH:

Capital—

| | | |
|-------------------------------------|---------------|--|
| <i>Authorized</i> | | |
| 12,500,000 Shares of 10¢ each | P1,250,000.00 | |
| | | |

Issued—

| | | |
|---|---------------|--|
| 12,500,000 Shares of 10¢ each fully paid .. | P1,250,000.00 | |
| <i>Stock Premium</i> | 1,198,077.79 | |

Surplus—

| | | |
|--------------------------------|-------------|--|
| As at 1st January, 1938 | P364,755.00 | |
| Net Profit for Year 1938 | 337,826.46 | |
| | | |

| | | |
|-----------------------|------------|--------------|
| <i>Less—Dividends</i> | | P702,581.46 |
| Nos. 2 and 3 | 250,000.00 | 452,581.46 |
| | | 2,900,659.25 |

There is a contingent liability for machinery parts and supplies ordered under irrevocable letter of credit to the amount of P9,990.00.

P3,440,189.41

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

We have examined the books and accounts of Suyoc Consolidated Mining Company, Inc., 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 explanations given us and as shown by the books.

FLEMING & WILLIAMSON,
Accountants.

SUYOC CONSOLIDATED MINING COMPANY

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1938

| | | | |
|---|---|------------|-----------|
| To Loss on Bad Debts | P | 419.26 | |
| To Loss on Sale of Machinery & Equipment | | 2,520.02 | |
| To Administration Expenses | | 54,244.29 | |
| To General Overhead: | | | |
| Audit Fees | P | 3,000.00 | |
| Bonuses | | 5,400.00 | |
| Documentary Stamps | | 176.68 | |
| Fees & Licenses | | 1,272.26 | |
| Income Tax | | 20,269.59 | |
| Insurance | | 18,748.20 | |
| Interest | | 7,567.84 | |
| Leave Salaries | | 4,447.20 | |
| Legal & Notary Fees | | 6,600.00 | |
| Miscellaneous | | 6,993.36 | |
| Postage | | 316.92 | |
| Stationery & Supplies | | 661.53 | |
| Subscriptions & Contributions | | 5,599.73 | |
| Telephone, Radios & Telegrams .. | | 250.05 | 81,303.36 |
| | | | <hr/> |
| To Net Profit for the year Carried Down | | 397,442.90 | |
| | | | <hr/> |
| | P | 535,929.83 | |
| | | | <hr/> |
| Palidan Suyoc Deep Tunnel Co. Participation | P | 59,616.44 | |
| Balance Carried to Surplus Account | | 337,826.46 | |
| | | | <hr/> |
| | P | 397,442.90 | |
| | | | <hr/> |
| By Operating Profit | P | 535,929.83 | |
| | | | <hr/> |
| | P | 535,929.83 | |
| | | | <hr/> |
| Net Profit for the Year Brought Down | P | 397,442.90 | |
| | | | <hr/> |
| | P | 397,442.90 | |
| | | | <hr/> |