

## SAN MAURICIO ANNUAL MEETING

The annual meeting of the San Mauricio Mining Company was held March 3, 1938 at the Marsman Building, Port Area, Manila. The stockholders reelected the 1937 board of directors; J. H. Marsman, Major A. Beckerleg, P. W. Meyer, Benj. S. Ohnick, S. J. Wilson, and H. P. L. Jollye, and one new member, Dr. Antonio Vasquez.

The production of San Mauricio is expected to increase substantially this year, stockholders were informed. Development work has brought excellent results, the haulage problems of the mine have been successfully solved, and the mill is now running at its full capacity of 300 tons a day.

The stockholders present agreed that it would be beneficial and advantageous to the company and to shareholders to terminate the financing agreement with Marsman and Company by the exchange of a corresponding share interest through increase of authorized capital which could provide sufficient means for liquidating the outstanding obligations of the company, if the directors considered it desirable. To that end a resolution was adopted recommending to the board of directors that such proposal, after study and after having been made feasible, be submitted to Marsman and Company. Should Marsman and Company accept, a further meeting of the shareholders will be called for ratification.

Major A. Beckerleg, first vice-president and consulting mining engineer of wide experience, explained the situation which exists at San Mauricio. Production was lowered during the last few months of 1937 for three reasons, he said: shaft trouble, which resulted in insufficient haulage capacity, excessive water underground, which made it impossible to mine the richer portions of the mine, and the failure of the rich ore chute to continue as anticipated.

Development during the last four months has brought very good results, Major Beckerleg reported. The bringing into operation of the new main haulage shaft has made it possible for the

mine to feed the mill with ore to full capacity.

Since the beginning of the year a good tonnage of high grade ore has been developed on the Santa Ana vein, and this has raised the mill heads considerably.

Steps have been taken to avoid the recurrence of troubles experienced last year. A new drainage tunnel has been started, and it is expected that it will be completed before the next rainy season.

Both mining and milling costs have been reduced substantially through the increased capacity and the use of the new main haulage shaft. A considerable saving is being effected through the treatment of concentrates at the smelter of the Philippine Smelting Company rather than shipping them to the States.

Major Beckerleg explained for the benefit of the stockholders who were not familiar with mining practice that the ore reserves of San Mauricio, about 1½ years supply, were exceptionally good for a mine that had only been in operation two years. He went into detail as to the theory of estimating ore reserves and stated that the accomplishment of San Mauricio in doubling its mill capacity supplying its plant, and developing ore for 1½ years ahead was excellent.

As a result of the work of 1937, San Mauricio now has a better dissemination of values, since several ore chutes are supplying the mill.

Important figures covering 1937 operations: 68,539 tons of ore milled, with a recovered value of ₱27.42 per ton, or a total of ₱1,879,164.00. Extraction for the year was 93%. Net profit for the year, ₱371,348.03. Ore Reserves as of Jan. 1, 1938, 143,198 tons with an average value of ₱24.29, a total of ₱3,477,422. These figures do not include the Tacoma 300 level reserve or the Santa Ana developments, which represent substantial tonnages of high grade, nor do they include ore indicated by diamond drilling in depth on any of the vein systems, as these developments were insufficient at the date of preparing the report to bring the ore into the positive brackets.