

Arrangements were then made with Mr. H. J. Gilberd, boring contractor, to bore a series of holes, and up to the present two have been put down a depth of 330 ft., a third being now in progress, which is down a distance of 340 ft. In each of the bores the andesite rock was intersected at a depth of 180 ft. below the surface, the upper portions being composed of rhyolite boulders and pumice formation. In two of the bores quartz was intersected at a depth of 297 ft. and 300 ft. respectively, and penetrated into for a distance of 30 ft. in one and 40 ft. in the other. This shows a large body of quartz, and probably belongs to the Martha reef system; if such is the case, it will traverse the property a distance of between 2,000 ft. and 3,000 ft. Specially-made chisel-bits were used in boring operations, and found more suitable for cutting through the boulders and pumice formation than the diamond-drill. The total number of feet bored up to date is 1,000 ft., at a cost of 6s. 6d. per foot. The assay from the quartz borings (or sand) gives 8 dwts. of gold and 2 oz. of silver, equal in value to £1 16s. per ton. As the result of the assay is very encouraging, the directors of the company have decided upon sinking and the erection of winding machinery to thoroughly develop the property; and there is no doubt that when this work is completed, and the mine properly opened up, it will become one of the gold-producers of Waihi.

*Favona and Brilliant Mine.*—This property was formerly owned and developed by the Waihi Consolidated Gold-mining Company (Limited), who spent a considerable amount of money in putting down a main shaft a depth of 300 ft., and in erecting pumping and winding machinery, &c. They also opened up three different levels from the shaft, which have been driven various distances, and reefs have been intersected varying from 4 ft. to 6 ft. in width. The capital, however, became exhausted, and it was decided by the shareholders to sell the mine and plant, which was purchased by a local syndicate, who have since amalgamated with the Ohinemuri Claim, which adjoins the property, and on which boring operations have been carried on for some time to try and locate a reef, and also to prove the class of country should they desire to sink another shaft. In the Favona section very little work has been done during the year, but operations are again about to be resumed in a large way to thoroughly open up and improve the value of the property in both sections. At present only seven men are employed, but it is expected that a large staff will be put on in a short time.

*Union Waihi Mine.*—Work in this mine during the year has been chiefly confined to opening up and developing the Union reef in the different levels from the main shaft, which is down a depth of 485 ft. In the No. 2 level the Union reef, which averages about 5 ft. in width, has been opened up a total distance of 885 ft. east of the shaft; in No. 3 level the same reef has been driven on 725 ft., and at No. 4 level 85 ft. Below the No. 3 this reef has been driven on 428 ft. east of the shaft, and 195 ft. west. In the No. 5 or present low level the same reef has been opened up a distance of 353 ft. east and 185 ft. west of the crosscut. In the No. 3 and No. 4 levels the drives on the reef are being timbered, and the leading stope carried along, the necessary passes, &c., being put in previous to permanent stoping operations being carried on. The Amaranth reef has also been opened up to a considerable extent in Nos. 1, 3, and 4 levels, and is a very large body of ore, from 18 ft. to 20 ft. in width. In the Winner section of the property the Winner reef has been opened up to a fair extent, but very little work has been done for some time. At present preparations are being made for sinking the main shaft a further depth of 200 ft., and a small winding-engine has been specially erected in the main engine-room for the purpose, the winding-rope being passed down the pumping-compartment so as not to interfere with the cage-ways and the operations at the different levels. The mullock from the shaft will be sent up this compartment to the No. 5 level chamber. During the latter part of the year the Waihi-Silverton Mine and battery were purchased by the Union Waihi Company, both properties now being worked under one management. In the Silverton section preparations are also being made for sinking the main shaft. At present a new set of pumps, with the necessary pit-work, is being put in. The battery is also undergoing an overhaul, it being contemplated by the company to erect an additional fifty head of stamps. A branch line is also in course of construction from the main Silverton line, which is to be erected near the Waihi Union main shaft. At present a hundred men are employed in connection with the development of the mine, surface-works, &c. Operations in the Silverton section of the property were carried on by the Silverton Gold-mining Company up to the time the property was taken over by the Waihi Union Company, their operations being chiefly confined to driving and stoping on the main reef in the Nos. 2 and 4 levels, the reef varying from 5 ft. to 9 ft. in width. From this the company treated, up to the month of December, 9,384 tons of quartz for a return of 6,828 oz. 3 dwts. of bullion, valued at £13,724 16s.

*Waihi South Mine.*—The principal work done in this mine during the year has been the sinking of the shaft a further depth of 50 ft., making a total depth of 270 ft., at which level two prospecting crosscuts were opened out, and driven north and south of the shaft, with the expectation of intersecting one of the Waihi well-known lodes, but so far have not been successful in discovering anything of importance. Fourteen men have been employed during the year.

*Waihi Consols.*—Very little work has been done in this mine for some time. During the early part of the year sinking operations were carried on in the shaft, but through the plant being rather small to cope with the water operations were discontinued, pending arrangements being made for amalgamation with the adjoining claim, or a scheme devised for the working of the property.

*Waihi Gladstone Mine.*—The work carried on in this mine during the year has been prospecting, and developing the main reef at the No. 2 level, where it has been opened up to a fair extent, but no returns of gold have been made. From four to eight men were employed.

*Waihi Beach United Gold-mining Company.*—Only a limited amount of work has been done on this property during the year, the operations being chiefly confined to driving prospecting-levels from the side of the hill, but so far nothing new of a payable character has been opened up. The