

decided to sink the main shaft 300 ft. deeper and thus open up two other levels on the reef which is at present being worked. The shaft will then be a sufficient depth to give one level beneath the No. 7 level on the old reef, situate about 500 ft. north of the present workings. Tenders were invited and a contract let to sink the shaft 300 ft. and cut out and complete two chambers. The contractors commenced work on the 24th November, and up to the 24th December sank and timbered up 50 ft. Battery department: The battery and plant, head-race and tail-race have been maintained in good condition. The new cam-shaft and ten new cams have recently been put on, the battery being now in good order. 12,568 tons has been crushed, the yield of gold being 3,639 oz. 1 dwt. 6 gr., averaging nearly 5 dwt. 19 gr. per ton. The total cost of the year's crushing which includes all expenditure in connection with the crushing plant, and upkeep of head-race and tail-race amounts to £1,464 14s. 1d., being a small fraction under 2s. 4d. per ton. Cyanide department: The amount of gold extracted from the tailings has been much better than it was in 1902. This may partly be accounted for by the absence of antimony in the ore in large quantities. A little antimony does sometimes yet show in the slimes and bullion when melted, but not in sufficient quantity to have an injurious effect. The bullion obtained for the year amounted to 1,643 oz. 5 dwt. 18 gr., valued at £5,697 9s. 5d. This gives an extraction of 9s. 0½d. per ton on the gross tonnage crushed. The cost of treatment including labour and all material used and consumed amounts to £2,316 3s. 5d., being 3s. 8½d. per ton; this leaves a profit of 5s. 4½d. per ton on the total tonnage. One shipment of about 40 tons of sulphides which are caught from the overflow of the tanks while filling, was sent to Melbourne for treatment, and notwithstanding the heavy expenses of cartage, railage, and ship's freight, and charge for treatment, a fair percentage of profit was obtained. The spread of canvas tables has recently been increased to more than double the extent, so that more sulphides will accumulate in future. The total value of gold won during the year was £20,473 2s. 2d., out of which dividends have been paid amounting to £8,750. From the inception of the company, 145 dividends have been paid amounting to £132,166 13s. 4d."

Mr. T. Hubert Lee, manager of the Golden Lead, Ulster Industry, and New Scotia Companies, reports thereon as follows:—

*Golden Lead Gold-mining Company (Limited).*—Operations during the year have been confined to prospecting in Nos. 3 and 4 levels with a small number of men. In No. 3 level a small gold-bearing leader of stone was followed for some 120 ft., but it could not be traced down to No. 4. Eleven tons of stone were stoped over No. 3 level on the small leader and crushed at the New Scotia battery, with the result of 16 oz. of melted gold, valued at £65. In the stopes the stone became poor and broken; work was therefore discontinued. The company has now been wound up and amalgamated with an adjoining mine owned by the Industry Gold-mining Company (Limited). Both mines are now being worked by the new company, which is called the United Gold-mines (Limited)."

*Ulster Company.*—This mine is situate about half a mile to the north of and in a line with the Golden Fleece line of reef, and has been prospected continuously throughout the year by a small local prospecting syndicate. A tunnel was driven in under the reef-outcrop on the surface, for 100 ft., at which point the reef was cut 2 ft. 6 in. wide, carrying highly payable gold. This stone was then followed for 110 ft., and is now about 1 ft. 6 in. wide in the face, with greatly increased values, gold being visible in almost every piece of stone. Operations are now suspended temporarily, as the owners have floated the concern into a public company with sufficient capital to thoroughly develop and equip it with plant, &c.

*Industry Gold-mining Company (Limited).*—This company after a period of unsuccessful prospecting in 1902 and temporarily stopping work, resumed operations early in 1903. In the No. 1 level good gold-bearing stone was cut in a branch drive to the west, and then followed down in a winze for some 67 ft., the reef being from 3 ft. to 4 ft. wide. The old Exchange level was then opened up, as it offered a better prospect of proving the reef lower down. After extending this level a short distance, the lode was cut, and then followed on to the winze above referred to. A trial-crushing of 100 tons of stone taken generally from all the workings on the reef, was carted to the New Scotia battery and crushed. The yield was 56 oz. 15 dwt. retorted gold, valued at £227 14s. 2d. The tailings were treated by cyanide under the supervision of Mr. J. W. Lee of the New Inkerman Mines (Limited), and gave the very handsome return of 74 oz. 12 dwt. 6 gr. of bullion, valued at £242 9s. 9d., or £3 5s. per ounce. The yields thus resulted in values of £2 5s. 6d. and £2 8s. 6d. per ton being obtained from the battery and cyanide respectively. At this stage, as the company had no crushing-plant, proposals were made for an amalgamation with an adjoining mine, the Golden Lead, which has a crushing-mill of ten heads, aerial line, &c., in Deep Creek, and is within easy reach of the Industry Mine. These proposals were accepted, so the two companies were wound up and re-formed under the title of the United Gold-mines (Limited). The new company is now engaged in proving the reef underfoot from the Exchange level, so that the aerial line to connect with the battery can be removed to the best position for the future working of the mine.

*New Scotia Gold-mining Company (Limited).*—In this mine operations have been carried on extensively, but, so far, with indifferent results. The 200 ft. level was extended through to the Gallant section of the property, and up-rise completed between that level and the winze, that was sunk in the Gallant tunnel on the lode. This established connection between those two points, and thus furnished excellent ventilation, besides enabling the Gallant lode to be worked on a larger scale. After this, the battery and cyanide plant were run on stone produced from that lode. The results were as follows: Battery—719 tons crushed for a yield of 118 oz. 3 dwt. 6 gr. melted gold, valued at £465 11s. 8d. Cyanide—600 tons of tailings was treated for 35 oz. 14 dwt. 12 gr. of bullion, valued at £73 1s. 1d. These values being unpayable, all work on this reef was stopped, and crushing ceased. In the intermediate level