

The quartz consisted chiefly of large blocks of oxidized ore, and on tests being made, it was found to be very low grade. In the eastern section communication has been effected between Nos. 1 and 2 shafts, which has given excellent ventilation to this portion of the mine, but to complete this work, 243 ft. of rising and driving had to be done at a considerable cost. At No. 2 level, the drive on the lode was extended for a distance of 36 ft. for the purpose of reaching the Waihi Company's boundary. In the north-eastern drive on the lode at the same level the drive has been extended a distance of 304 ft., and four winzes opened out and sunk for a short distance below the level. The lode here (I am informed) at each place gave satisfactory results, and the company have every confidence this portion of their mine will prove to be highly payable at greater depth. At the bottom of No. 1 shaft the No. 3 level crosscut has been driven a distance of 167 ft., In the month of May the directors decided to test the lode at a depth of 1,000 ft. by means of boring, and let a contract to the Goldfields Diamond Drilling Company (Limited) to put down a bore from the 500 ft. level at an angle of $68\frac{1}{2}^{\circ}$. At a depth of 458 ft. the first quartz was met with, and the bore was to all appearance in lode-formation, until the supposed footwall of the lode was reached at a depth of 784 ft. The company intends shortly to commence sinking the No. 1 (main) shaft to a distance of 750 ft., where a crosscut drive will be put in to intersect the lode. An average of twenty-nine men have been employed.

Waihi Extended Mine.—This company's operations have been directed to crosscutting north, south, and westward, at the 500 ft. level, with the object of discovering the Waihi Company's lodes. In several places quartz and silica veins running through the country were met with, and what appeared to be the hanging-wall of a lode was followed for some distance, but as the Grand Junction or Waihi Company's lodes have not been met with (although striking direct into this company's ground) the manager is of opinion that the lodes will not be found until a greater depth is reached, on account of the broken nature of the country. A total of 830 ft. of driving has been done during the year. An average of ten men have been employed.

Waihi Gladstone.—Operations in this mine (which is worked by a syndicate) have not turned out as successful as was anticipated. The small five-stamp battery which the owners erected on the property was completed about the middle of the year, when crushing operations were commenced for the purpose of testing in bulk the value of the ore won from the different prospecting and development workings of the mine. The reefs vary from 1 ft. to 6 ft. in width at different points of the property. The method of treatment adopted was wet crushing and plate amalgamation. Up to the present however, the results obtained have not proved of a payable nature. The total quantity put through the mill was 400 tons of quartz from which 47 oz. 10 dwt. of gold was obtained; value, £115 3s. 9d. An average of six men were employed.

Waihi South.—All work in this mine is stopped for the present, pending negotiations with the Goldfields Diamond Drilling Company (Limited) for a series of boreholes to be put down on the property to locate any ore-body that may be traversing the ground at a depth previous to incurring a large expenditure in machinery, &c., to enable deep sinking to be undertaken. In the early part of the year work was carried on in the Waihi Grand Junction West Mine by this company, but when the aforesaid company stopped operations here, the Waihi South Company could not carry on the work they had on hand at the time on account of the large amount of water to contend with.

Waihi Consols.—This company is directing attention to boring with the object of discovering any lodes that may run through their property at a depth, and a contract was let in October last to the Goldfields Diamond Drilling Company (Limited) to put a hole down 1,200 ft. At the end of the year the hole had reached a depth of 262 ft.

Waihi Consolidated.—There has been very little work done on this ground during the year; a contract was let for boring, and a start was made with the old machine that was on the ground, but this not being good enough for the work, operations were temporarily suspended until one of the Goldfields Diamond Drilling Company's machines arrived.

Pride of Waihi.—There has been little work done on this ground for the year.

Ohinemuri River Syndicate Claim.—The syndicate have gone to considerable expense in the erection of houses and machinery, and although temporary trials of the machinery have been made, and also experiments to find out the best mode of treating the tailings, the work is practically at a standstill until a grinding-machine is installed. It is confidently assumed that the sands will then be treated efficiently and economically, and thereby a payable concern made of the venture. An average of ten men have been employed.

WAITEKAURI DISTRICT.

Waitekauri Gold-mining Company.—Golden Cross Section.—Work here has been chiefly directed towards testing the reef at No. 7 level and prospecting the upper levels and the surface. No. 7 level: Crosscuts east and west were commenced from a point in this level 531 ft. northward of the main shaft. The eastern crosscut was driven 219 ft., and a chamber was then constructed from which to undertake boring operations. No. 1 borehole penetrated a total distance of 810 ft. below No. 7 level, at an angle of 72° across the footwall formation. The western crosscut was driven 147 ft., and No. 2 borehole was commenced here. 350 ft. was bored at an angle of 54° , thus proving the hanging-wall side of the formation. No. 3 borehole was projected from the end of the western crosscut at an angle of 35° . This work was discontinued when 120 ft. had been bored. For the purpose of further proving the formation, a fourth borehole has been commenced from a point on the surface 360 ft. eastward of the main reef. It is designed to cross the line of reef at a point 260 ft. north of the main shaft, or 271 ft. southward of the previous boreholes at a depth of 500 ft. below No. 7 level. No. 1 level: The main drive north on the reef has been extended 352 ft., making a total of 1,406 ft. north of the shaft. The ore opened up in the course of this work is not of a payable grade. The main crosscut west was extended with a view to locating parallel reefs. After reaching a point 645 ft. westward of the main workings, the work was suspended. Several rises and crosscuts were made at this level through large bodies of