

The No. 5 level is carried from the bottom of the shaft, and is about 700ft. below the level of the surface. The lode here varies from 4ft. to 40ft. in width, and would average about 25ft. thick for 118ft. long. The stone underfoot in this level appears to be of better quality than that worked above this. A winze has been sunk on the lode from this level to a depth of about 100ft., carrying good gold in the stone for this distance. There has been no working on the line of this reef at this level within 600ft. of the Globe boundary. From all the information supplied me, the No. 5 level in the Progress is about 65ft. lower than the deepest working in the Globe. This ground is easily worked, and the cost of mining should be very small when the size of the lodes are taken into consideration, and the fact that only about 560 gallons of water have to be lifted per week.

The following statement will show the result of the working in this mine from March, 1894, to July of the present year :—

Date.	Returns.				Expenditure.			Dividends.		
	Tons.	Oz.	dwt.	gr.	£	s.	d.	£	s.	d.
1894.										
10 March ...	425	180	15	6	732	1	9	819	3	0
6 April ...	710	415	15	0	1,685	2	3	1,690	16	3
9 May ...	895	458	11	12	1,859	2	8	1,510	5	9
6 June ...	720	242	5	6	984	3	9	1,332	15	7
30 July ...	1,480	741	9	5	3,011	15	5	994	2	11
23 August ...	495	222	18	8	905	13	7	1,019	18	4
7 September ...	...	...	...	...	...	...	...	851	15	5
10 October ...	...	...	...	...	...	...	...	382	14	4
7 November ...	...	...	...	...	...	...	...	476	19	4
4 December ...	1,375	783	17	23	3,169	10	11	1,388	4	1
1895.										
17 January ...	...	...	...	...	...	...	...	165	11	5
February ...	760	374	11	4	1,516	19	2	1,811	17	6
March ...	715	380	8	0	1,540	12	4	705	0	0
April ...	815	374	18	0	1,518	15	0	844	7	5
May ...	...	319	15	22	1,295	3	6	757	12	1
14 June ...	860	337	16	9	1,365	7	0	855	8	10
July ...	875	308	10	8	1,243	1	4	1,146	9	2
	10,120	5,141	12	7*	20,827	8	8	16,744	1	5
								6,600	0	0

* This leaves a net profit on the working of £4,083 7s. 3d., while £6,600 has been paid away in dividends. This shows that there must be a considerable reserve in hand.

There is a great deal of pyrites in the stone, which is very rich in gold. Recently 10 tons 18cwt. of concentrates obtained from the washings of the blankets, after working the concentrates in the berdans, and taking all the gold that could be got by this process by amalgamation, was sent to Melbourne for treatment. The returns for this showed that the concentrates contained gold to the value of £260, or equal to £23 16s. per ton.

As stated in my annual report, the tailings are carried away by the water in Devil's Creek and strewed over its bed, and would now be difficult to recover; but it is certain that there has been in the past, and even at the present time, a very large loss of gold at this company's plant.

The crushing plant and winding gear being fully described in my annual report, there is no need to refer to this again. It may, however, be stated that, notwithstanding anything that may be said to the contrary, this company has a valuable property, and from the large waste of gold that is still being made, until such time as a considerable change is made in the method of treating the ore, it is only by having very rich stone that any profit on the working of the mine can be expected.

Larnach.

This is a special claim of 100 acres, including ground held in mining leases known as the Empress, General Gordon, Heather Bell, Lone Hand, Pioneer, Albion Extended, Surprise, and Great Western. This claim adjoins the southern boundaries of the Globe and Progress. Very little can be said respecting this ground, with the exception that some rich specimen-stone was found on the surface, although very little has yet been got from any record of stone crushed. There was 60 tons of stone crushed from the Heather Bell, which yielded 10oz. gold, representing a value of £39. This claim is on the line of the gold-bearing belt of country, and, as there has not been any prospecting done at any great depth below the surface, there is a fair probability of auriferous lodes being found payable for working.

MERRIJO'S.

Cumberland.

This is a special claim of 30 acres, bounded on the north by the Success and Exchange holdings, on the west and south by the Golden Head and Durham Claims. There has been 12,655 tons of stone crushed from this ground, which yielded 11,096oz. of gold, representing a value of £45,420, out of which dividends have been paid to the extent of £13,800.

The workings were carried on below the level of the surface to a depth of 230ft. from three adit-levels. In the lowest of these a shaft was sunk at a point about 580ft. from the mouth of the adit to a depth of 200ft., where the present workings are now carried on. The length of the block of stone