

"Turning again to the mine, we find that cost of mining, exclusive of development, is about 9s. per ton, or, including a fair proportion of development, 12s. 6d. per ton mined. Average cost of transportation, 6d. per ton, over the aerial line, which has transported 32,965 tons since starting work.

"The number of men employed during March, according to our pay-sheets, is 263, exclusive of timber contractors, coal contractors, &c. Value paid away in wages during March, £3,109 15s. 9d."

MERRIJIGS.

Golden Lead.—The low-level tunnel is now in over 1,400 ft., and is 140 ft. past the perpendicular of the surface lode. The underlay of the strata is about 6 in. to the foot, so that nearly 100 ft. will yet have to be driven to intersect the same run of ground that is carrying the lode on the top levels. The driving now is fairly good, mostly slate, with occasionally small bars of hard sandstone. No quartz has yet been met with, but the drive is now in good reefing-country. New air-boxes have been laid from the mouth of the tunnel to the face, and the ventilation is all that could be desired.

Cumberland.—Prospecting operations have been actively carried on during the year. The low-level tunnel was extended to a distance of about 350 ft., and crosscutting therefrom and some prospecting at a higher level was done. The quartz met with in this level and crosscuts proved of low grade, and, beyond proving the existence of a large slate formation of great length and width, did not give satisfactory results. The face of this level is in a promising formation. A connection by means of an uprise between this level and the incline above was made, facilitating working and improving ventilation. Work in the mine at present is limited to driving and crosscutting from the incline level, about 150 ft. overhead from low-level tunnel. The ground is good driving country, and has the features usually accompanying a reefing formation.

Last Chance.—Here they have driven a main tunnel 150 ft. in length, and have stoped out some 50 ft. in height. Stone has also been quarried out from an open face 80 ft. in length, 20 ft. in width, by 25 ft. in height. The material quarried consists of numerous leaders of quartz encased in bands of sandstone. The quartz is separated from the sandstone by being dumped on grizzlies.

New Inkerman Mines.—The low-level tunnel from Rainy Creek to the New Inkerman shaft at Revival Gully was connected in August last with the section of the tunnel driven from the shaft during the previous year, thus connecting the two sides of the range. The distance driven for the five months was 1,058·18 ft., making the total length of the tunnel 3,752·18 ft. During the year various prospecting drives, north and south, were put in from the low-level tunnel. These represent 818 ft. of driving. Two uprisings were made. One of 50 ft. connects the tunnel with the ore-body in No. 3 level from the main shaft, and the other uprise, from No. 3 drive south low-level tunnel to connect with No. 3 Inkerman level from Rainy Creek, was started in January last, and at the end of February (when all work in the mine was stopped) had been risen 76 ft. Crosscuts opened from these uprisings represent 50 ft. of driving. At No. 3 Supreme level 1,210 ft. of ground was opened during the year, representing driving and crosscutting 1,176 ft., and sinking 34 ft. No. 3 Supreme level was extended 46 ft. At No. 1 level, Golden Gully, 449 ft. of ground was opened, representing 323 ft. of driving, 122½ ft. of sinking, and 3½ ft. of uprising. No. 3 Golden Gully level and crosscut was extended 191 ft., No. 4 level 43½ ft., and crosscuts therefrom were driven for 50½ ft. Excepting No. 3 Golden Gully all the Golden Gully workings and No. 3 Supreme level have been opening on ore. In the surface level and workings eastward of the main shaft 65 ft. has been opened on a reef track carrying patches of ore. The work for the year may be summarised as follows: Driving, 3,164½ ft.; sinking, 156½ ft.; uprising, 129½ ft.; clearing and picking up old ground, 782 ft.; making a total of 4,232½ ft. The average number of men employed during the year, exclusive of timber and coal contractors, was thirty-one. The company has now been working about two years and a half, and during that time has opened up over 12,500 ft. of country. The whole of the works have been well and faithfully carried out under the able management of Mr. B. Sutherland, mine-manager, and Mr. John Jamieson, underground manager, and careful supervision of Mr. Dixon, general manager and engineer. The total amount expended on the mine amounts to £29,524. Mr. Dixon has now gone to England, and will probably be absent about six months. He will doubtless place before his directors the true position of the mine. It is probable, as a result of his mission Home, that the capital of the company will either be increased or the company reformed, and that extensive crushing machinery and gold-saving appliances will be erected.

Sir Francis Drake.—In April, 1898, a start was made to deepen the main shaft for the purpose of opening a fresh level, for which purpose it was sunk another 130 ft., making the total depth of the shaft 356 ft. At a depth of 330 ft. a chamber was opened, and a crosscut of 25 ft. was put in when the line of reef was struck. The level was extended for 50 ft. further, when the reef was intersected. The reef was driven on for 80 ft., and an uprise was put up to connect with No. 1 level, and the work of stoping out was commenced and has been continued to date. The reef has been stoped to a height of about 90 ft., and about 1,069 tons have been taken out, and the stone has yielded 7 dwt. 4 gr. per ton. The reef has averaged 3 ft. 6 in. in width, and has lengthened as it has been stoped up, until at the top stope it is 130 ft. in length, and there is over 40 ft. of backs still to stope out to the level above. This year the level has been extended 120 ft. in blank ground, making 275 ft. driven from the shaft. In the surface level about 143 tons of stone have been taken out, averaging 1 oz. 4 dwt. 6 gr. per ton. On account of the good quality of this stone it is intended to prospect this part of the mine more thoroughly.

GENERAL.

The outlook for the current year is fairly promising, and it may, I think, be reasonably expected that the output of gold will be increased, as the Progress Mine's battery and plant is now