

Claim, and communication effected with that company's ground, good ventilation being thus secured for both mines. At the No. 2 level the Waihi Company's Martha Lode was intersected, and found to be 28 ft. wide. The Waihi Company's No. 2 reef was also cut, and proved to be 7 ft. wide. The values of both reefs were fully maintained for the whole distance driven. An electrical-lighting plant has been installed, and several buildings which were necessary have been completed. During the year the company purchased the forty-stamper mill which was used for a comparatively short time by the Kauri Freehold Gold Estates Company (Limited) at Opitonui. This mill has been taken down and conveyed to Waihi, where it is to be re-erected. The prospects of this company seem very encouraging at present.

The Waihi Extended Gold-mining Company (Limited): About the middle of last year this company was fortunate in unexpectedly finding the reef they were looking for at the 500 ft. level, which proved to be 18 ft. wide. The values of the reef are, however, very low, and it has been decided to sink another 135 ft. in the hope that at that level the reef upon which the Grand Junction Company are working may be struck. The reef was driven on for a distance of 100 ft., and a winze sunk to a depth of 40 ft. If the reef should turn out to contain gold in payable quantities the company will have a valuable property. Twelve men have been employed on this company's ground during the year.

The Waihi Gladstone Gold-mining Company (Limited): This company have fitted up a cyanide plant, and commenced treating the ore obtained from the ground, but so far have failed to secure payable results. They are still experimenting, and hope before long to be able to extract the gold in sufficient quantities to recompense them for the labour and expense they have gone to.

The Waihi Beach Gold-mining Company (Limited) have been engaged sinking a shaft, and during the year a distance of 100 ft. was completed. It is proposed to continue sinking to 265 ft., and then drive at the 250 ft. level, the estimated length of crosscut required to get the reef being about 130 ft. from the shaft. While sinking, a small leader about 18 in. wide was met with. A winding plant and a 14-horse-power engine have been erected on the ground.

The Waihi Consolidated Gold-mining Company (Limited): This company have been prospecting by boring for a considerable time, having entered into a contract with the Diamond Drilling Company to bore to a depth of 1,200 ft. After reaching 600 ft. the country became so difficult that the drill would not work satisfactorily, and operations had to be suspended. Nothing further has been done up to the present, although the company are trying to arrange matters so that further boring may be proceeded with. The drilling company's operations on this field have not altogether been a great success, nor have the borings so far been of much advantage to the field.

The Waihi Consols Gold-mining Company (Limited): This is another company who have endeavoured to find a reef on their ground with the assistance of the drilling company. The latter company have been engaged boring on the company's Haines Morrin Section to a depth of 1,225 ft. without striking a reef. Arrangements are again being made to put down another bore, about 100 ft. south of the former, to a depth of 1,000 ft. This is all the work that has been done on this company's ground during the year; the other portions of the area held by them have been protected.

The Waihi South Gold-mining Company (Limited): This company's property has been under protection for a considerable period, but a contract has just been let to the Diamond Drilling Company to put down a bore, and the work will be taken in hand immediately. The chairman of directors has recently left for Home, and it is expected he will be successful in raising capital for development purposes.

The Pride of Waihi Gold-mining Company (Limited) have employed two men on the Waihi Extended property during the year in accordance with an arrangement entered into with the latter company to allow the former to use its workings to facilitate the operations of the Pride of Waihi; so far, however, the results of this arrangement have not disclosed anything of a startling character.

The Waihi Alma Gold-mining Company (No Liability): So far no work has been done by this company on their ground; efforts are being made to raise capital in England with which to develop these claims, but so far nothing definite has been done.

The Martha Hill Extended, the Martha North, the Waihi Reefs, the Waihi Proprietary, the Waihi Standard, the Three Cheers, the Romulus, the Remus, the Waihi East, and the six claims held by Mr. Walker have been protected for various periods.

Besides the area held by the Waihi Beach Company, the only claims outside of Waihi are the Waihi Monument Nos. 1, 2, and 3.

The Waihi Queen, the Queen Alexandra, and the Waihi Main Leads: Only a little prospecting-work has been done on these.

*Karangahake.*—The New Zealand Crown Mines Company (Limited): The bullion returns of this company have decreased very much, I am sorry to say, during the past year, mainly due to the disappointing nature of the developments in the lowest levels, and the general falling-off in ore-values throughout the mine. The amount realised was £52,642, as against £80,468 the previous year. In consequence of this a thorough examination of the mine, on the lines suggested by the general manager at Karangahake, has been made by a mining engineer expressly sent for the purpose of reporting upon those suggestions, and to furnish other information as might be deemed of advantage. After examining the whole mine this gentleman in the main concurred in the recommendations and suggestions of the general manager, with the result that instructions have been received to vigorously carry out the exploratory works suggested, and that is now being done. So far, the indications of the new works are very promising, some fairly good ore having been met with, and should this prove to be of any considerable extent, the mine will probably be as successful very shortly as it was in former years. It was at one time thought that the crushing plant would have to be shut down, but so far the necessity for doing this has not arisen, although the shortage of water in the Ohinemuri River—caused by the very long spell of dry weather—prevents the mill from working to its full capacity, indeed, seldom