C.—2.

No. 8 Level (850 ft.).—Royal lode: Shrinkage stoping-blocks. In the block east and west of Reptile pass the breaking of ore has been done up to 15 ft. of No. 7 level. In the block east of Lizard pass, breaking ore is completed, and the broken ore is being drawn off. All the broken ore has been drawn off in the block east and west of Boa pass. In the block east and west of Frog pass, breaking is completed, and the ore is being drawn off. Nite and Cobra passes have been connected to No. 9 level.

Scorpion south-east crosscut has been driven a total of 1,207 ft. from Royal lode. A Roots blower, with a capacity of 800 cubic feet of air per minute, driven by a motor, was used to ventilate this crosscut.

Edward lode: Stoping is in progress between Sprat pass and Welcome junction at 94 ft. up. In the shrinkage block north and south of Roach pass the ore was broken out to 15 ft. from No. 7 level, and is now being drawn off. Sole pass has been sunk to No. 8 level, the lower part being in payable ore.

Empire lode: Stoping is in progress in two blocks, and a third is about to be started.

Welcome lode: Stoping is in progress between Edward junction and Tulip pass at 99 ft. up. Also east and west of Thistle pass, at 75 ft. up.

Martha lode, north section : Breaking ore in the large shrinkage block east and west of Bullson No. 2 pass was completed in March, and drawing off the broken ore is now in progress. Manning pass was sunk 75 ft. in very hard partly sulphide ore.

South section: Stoping is in progress between Britannia and Wheel No. 2 passes, at 30 ft. up.

No. 7 Level (700 /t.).—Royal lode: The level has been widened out to full width of lode from 400 ft. west of north section junction to 535 ft. west. Reptile pass has been risen a total of 126 ft. The old shrinkage block between Nite and Toad passes is almost filled in.

On No. 6 Level (550 ft.) and the levels above the blocks of ground left in to support the levels are being removed. This is being done by driving a new level in the solid country, and the ore is taken out on square sets.

Shafts.—No. 2 shaft was put out of commission for hauling ore from 7th March to 5th August. The shaft was divided into two large winding compartments, so that the cage can take two trucks side by side. A new steel girder pattern head gear was erected, and the shaft is now well equipped, greatly facilitating mining operations. Telephones are installed at all the levels. A start will shortly be made to sink this shaft below No. 9 level.

No. 4 shaft: This shaft was sunk 135 ft. during the year, and is now $1\frac{1}{2}$ ft. below No. 10 level, or a total depth from surface of $1,149\frac{1}{2}$ ft. The electric pumps were put in commission on 15th May, and have run continuously since, in conjunction with the B pump. The further sinking of this shaft will shortly be resumed.

No. 5 shaft: Sinking was resumed on 24th October, and 25 ft. has been sunk, making the total depth from the surface 1,180¹/₂ ft. During the early part of the year the B pump 19 in. plunger was installed at No. 10 level, and several adjustments made to the upper plungers, so as to make a water balance to the main rod above the 1,000 ft. level. On 25th May the pent-up water in the reefs was met, and with both pumps going at maximum safe speed, the water rose 46 ft. above No. 10 level. It was 7th July before No. 10 level was uncovered. The B pump is delivering water to the electric pumps at the 1,000 ft. level. The water has now been reduced to the normal flow, which appears to be about 1,200 gallons per minute.

No. 6 shaft : This shaft has been constantly hauling ore from Nos. 9, 8, and 7 levels. When No. 2 shaft was out of commission the ore was drawn by horses from No. 2 shaft supply to No. 6 shaft. The total depth of this shaft is 1,023 ft.

Approximately, 250,738 short tons of filling material have been obtained from the various filling cuttings on the surface for filling up the depleted stoping areas underground. Five passes are in use for conveying this filling underground, and Sole pass is being sunk to facilitate filling up the stopes on the south end of Edward lode and west end of Royal lode. This pass, which will be completed in a few months' time, is also necessary to improve the ventilation in the south-west part of the mine.

At No. 10 level a considerable amount of development has been done. The Martha, Empire, and Royal lodes have been intersected, but unfortunately the values show a decided falling-off. The Edward and other lodes have still to be developed, and the sinking of No. 5 shaft, which up to date has reached a total depth of 1,230 ft., is being pushed ahead with all speed, in order to test the mine at a greater depth.

At the mills very little alteration has been made, but, owing to reduced tonnage treated, the Union mill was closed down.

Waihi Grand Junction Gold Company (Limited) (W. McConachie, Mine-manager).

The following is a summary of the development-work done: Driving on lodes, 3,353 ft.; Crosscutting on lodes, 849½ ft.; rises on lodes and through country, 990 ft.; winzes on lodes and through country, 1,795½ ft.: driving and crosscutting through country, 1,682½ ft.; shaft-sinking, 80½ ft.; total, 8,751 ft.

Main Shaft (No. 1).—Sinking was continued under difficulties to $1,089\frac{1}{2}$ ft., an advance of $69\frac{1}{2}$ ft. The inflow of water from the lode cut at 1,020 ft. exceeded 19,000 gallons per hour. A general average of samples taken during sinking gave £2 2s. 2d. per ton for a width of 9 ft. The lode dipped out of the shaft at a depth of 1,060 ft. Chambers were cut at No. 6 level, and the work of opening-up at this level was taken in hand.

No. 3 Shaft (new shaft).—This shaft is situated about 1,150 ft. to the east of No. 1 shaft, and has been laid out as a three-compartment shaft, two of which are winding-compartments and one a pumping and ladder way. The shaft has been sunk 11 ft., and timbered to that depth.