

The explanation of the object for which these new shares are to be issued is that it is being done in order to largely increase the number of stamps, and to enable the company to bring in more water for battery purposes, and for other work consequent upon the extended development of the company's undertaking.

The mining operations of the Waihi Company for last year resulted in 22,080 tons of stone being crushed for a yield of 55,676oz. of gold bullion, while an average of 230 men have been employed in the mine and in connection with the works.

The report of the directors of the Waihi Company show that during the year 1894 the value of the bullion produced for that year was £84,523 5s. 11d., and the total expenditure in connection with the workings of the company £40,976 18s. 4d., thus leaving a net profit on their workings of £43,546 7s. 7d. Out of this dividends were paid to the extent of 4s. per share, equal to 20 per cent. on the capital of the company.

During the year 24,864 tons of ore was milled and treated, which produced 55,437·5oz. bullion, valued at £82,524 0s. 10d. Of this quantity, 4,321 tons were treated by pan-amalgamation, yielding 5,015·5oz. bullion, valued at £11,564 17s. 3d., and 20,543 tons were treated by the cyanide process, which gave a return of 50,422oz. bullion, representing a value of £70,959 3s. 7d. The difference between the total amount of the receipts for the year and the value of the bullion as last stated is due to the extra value realised in London, and the value of tailings on hand from the pan process.

It will be interesting to show here the cost of the different processes in working this large mine for the last year:—

	£	s.	d.		£	s.	d.	
Mining ... ..	12,915	3	9	=	0	10	4·66	per ton on 24·864 tons.
Transport of ore to kilns ... ..	346	8	1	=	0	0	3·34	"
Roasting ores ... ..	3,924	12	9	=	0	3	1·46	"
Crushing through rock-breakers ... ..	786	15	0	=	0	0	7·59	"
Stamping ... ..	2,664	2	4	=	0	2	1·71	"
Extraction of bullion (cyanide, and zinc) ... ..	4,651	6	0	=	0	4	6·36	per ton on 20·543 tons.
Royalty ... ..	3,547	19	1	=	0	3	5·48	"
Steam power and wages, &c. ... ..	2,130	18	0	=	0	1	8·56	per ton on 24·864 tons.
Assaying and melting ... ..	524	16	2	=	0	0	5·06	"
Renewals to plant, &c. ... ..	1,295	5	9	=	0	1	0·50	"
Salaries of superintendent and officers, rents, gold duty, freight on bullion, &c. ... ..	5,811	1	0	=	0	4	3·18	"
Office expenses, London ... ..	2,266	10	8	=	0	1	9·88	"
Interest ... ..	111	19	9	=	...	...	...	"
	£40,976	18	4	=	£1	13	9·78	per ton.

The following information regarding this mine, which is at the present time carrying on the largest mining operations in the colony, has been kindly forwarded to me:—

The process (cyanide), as you know, is still continued. We have added during the period thirty more stamps, eleven percolating-vats, one sump, two sets precipitators, besides necessary further appliances for such. We have also erected one of Askham's separators, but it is premature to give an opinion upon it. In addition to this we have purchased a Gates' rock-breaker and petroleum oil engine, both of which are not erected. We also excavated four more roasting-kilns.

At the mine, we have sunk No. 2 shaft a distance of about 160ft. to date, and the No. 3 cross-cut to the reef is now being driven, and will probably touch the main reef in five weeks.

A tramway about 85 chains long has been laid to the bush at the back of Martha Mine for the purpose of supplying the mine with fuel and mining timber.

Water-races from Waitekauri and Ohinemuri Rivers, also from the Mangakara Creek, have been surveyed to the site at the foot of Thorpe's Hill, and during the year will be used for further crushing.

#### BULLION RETURNS from April, 1894, to 9th March, 1895.

1894.	Oz. Bullion.	Value.
		£ s. d.
April 7th ...	2,691·5 ...	5,005 9 1
May 5th ...	2,685 ...	4,493 11 1
June 2nd ...	4,003·5 ...	6,206 0 8
„ 30th ...	4,009 ...	6,155 6 0
July 28th ...	4,163·5 ...	6,498 3 4
August 25th ...	4,391 ...	6,168 3 1
September 22nd ...	5,597 ...	7,716 12 6
October 20th ...	6,223 ...	7,835 5 7
November 17th ...	6,724 ...	8,860 11 2
December 15th ...	7,687 ...	10,354 16 5
„ 22nd ...	1,561 ...	2,033 10 9
1895.		
January 12th ...	2,113 ...	2,746 3 10
February 9th ...	6,520 ...	8,607 2 3
March 9th ...	5,631·5 ...	7,558 11 7
	64,000	£80,239 7 5