

level East of Scott's shaft, the sum expended in prospective work was not less than £700, Cy. ; so I think we cannot be fairly charged with taking all and giving nothing in return. I have been longer than perhaps was necessary on this subject, because, from the nature of my private arrangements with the Company, my motives and acts in relation to it are peculiarly liable to suspicion, and, for the credit of the mine as well as myself, I wish to lay the matter as clearly before the Stockholders as possible.

As the prospective operations named in last Report are almost entirely those which should engage our attention this year also, I need not say more in reference thereto.

As regards the mining operations generally, I am of opinion that next spring, should the price of copper continue satisfactory, we should give such rates for cutting the ground as will ensure a full complement of men, and thus be enabled afterwards to carry forward all our operations simultaneously. By that time most of the skimpings will be dressed up ; and, to keep our machinery fully occupied, a much larger force of miners will be necessary than heretofore. The force required to keep our dressing machinery constantly supplied with mine stuff, or rough ore, will not be less than 125 men, of whom 100 nearly should be employed stopeing, and the others in prospective work. Such a force would be adequate, I think, to the production of from 2,500 to 3,000 tons of ore per annum, which will be equal probably to the capacity of our ore dressing machinery. The general expenses, which fall heavy on a small "crop," would then be distributed over a much larger produce, and far more than counterbalance the extra prices necessary to obtain miners in sufficient numbers to carry on the mine vigorously, and it is hoped prosperously.

We have at present—

52	miners stopeing
4	" driving 25 fm. level East of Scott's shaft
4	" preparing to drive the 50 fm. level East of Scott's shaft.
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60	miners altogether.

The charge for mining operations in the Accounts is more than I could have wished. But the rates paid to miners have