

No. 3.

Mr. Mining-Inspector McLAREN to the UNDER-SECRETARY for GOLD FIELDS.

SIR,—

Mining Inspector's Office, Thames, 20th April, 1880.

I have the honor to forward herewith statistics, with the following report on mining operations carried on in the Hauraki South Gold-mining District for the year ending 31st March, 1880:—

For the first nine months of the year mining matters generally were very dull, and, except by a few companies, very little prospecting or opening-up of new levels was done, principally on account of being unable to collect calls. About the beginning of January, however, a great improvement took place in the mines situated in the Punga Flat District, through a rich find in the Alburnia Company's ground. This reef has since been traced into the Whau Company's ground, and splendid returns obtained therefrom. Soon after a party of tributers (Garvey and party) found a fresh run of rich gold in the same reef, in the New North Devon Claim, situated to the north-east of the Alburnia, giving additional confidence in the district, and causing a number of new claims to be taken up in the vicinity.

Another great cause of returning prosperity to the field is the recent final settlement of the vexed question of the mortgages held by the Thames County Council over the Imperial Crown, Caledonian, Golden Crown, and Tookey Mines. The County Council having now foreclosed and sold the mines, these companies will for the future be able to collect their calls and pay their drainage contributions, which could not be done while the mortgage was held over them, seeing the shareholders did not know the day their properties might be sold.

Another cause is that pumping operations are about to be resumed in the Waiokaraka District by the Queen of Beauty Gold-mining Company.

I mentioned in my last report that, owing to the stoppage of the pumps, the water would soon rise and drown out the various mines below sea-level: the water continued steadily to rise till the month of August, when it had reached to within 233 feet from the surface; at this date pumping operations were again resumed by the Moanataiari Company in the Big Pump; but, as contributions could not be got in on account of the mortgages, a stoppage was again made in December, after the water had been lowered to 350 feet from the surface. On the 6th March the completion of the sale of the mines enabled the work to be again resumed, the water by this time having risen to within 192½ feet from the surface; and the work of lowering the water is now steadily in progress.

Kuranui Hill United Mine.—In this mine the chief work done was above the sea-level, in what is known as the Odd Fellows' Section. The reef there has been stoped from the tunnel-level up to the surface wherever it was found payable. A considerable amount of cross-cutting had been done in other portions of the mine, but with moderate success. Below sea-level, when the water was lowered by the Big Pump, work was commenced on the level known as the Caledonian No. 3, and a reef found which, from all indications, will prove payable; but work had to be suspended on account of the water rising. The greater part of the mine over sea-level is worked on the tribute system, there being about a hundred men employed, who pay from 17½ to 37½ per cent. on the gross yield of gold. The value of the gold produced by the tributers during the last year was £10,054 15s. 5d., of which the company received £2,655 14s. 2d., and the tributers £7,399 1s. 3d. On their own account the company crushed 3,775 tons of quartz, which yielded 1,337 oz. 16 dwt. of gold, valued at £3,263 6s. 1d. The prospects of this mine are very encouraging when work can be resumed in lower levels, while the upper workings will continue to give employment to a large number of men.

Imperial Crown and Prince Imperial Mines.—These mines are both situated on the flat, near the sea. As the ground is nearly all below sea-level, they were unable to carry on any extensive operations on account of the water; nor can they do so till the water is lowered, which it is expected now soon to be. The tributers in the upper levels were moderately successful.

Tookey Mine.—This mine has only been worked in the upper levels during the year, and some very handsome returns have been got by the tributers.

Caledonian Mine.—During the year this company opened a reef on the boundary of the Golden Calf Mine, which was worked from No. 2 level upwards, and proved payable; the same has also been cut at No. 3 level and worked on for a short time, yielding at the rate of 1½ oz. of gold per load; but, owing to the rise of the water, this level had to be abandoned. The prospects of this company are therefore very good when work can be again resumed on the No. 3 level; and the fact of payable quartz being obtained at the deep level (360 feet) has given increased impetus to mining operations in this part of the field. With the view of energetically working the ground on the water being lowered, the manager is now engaged repairing the shaft, erecting new poppet-heads, and renewing the winding-gear and ropes. Some of the upper parts of the mine were worked on tribute with good returns.

Golden Calf Mine.—This mine also obtained good returns from the reef worked on the 360-foot level, and as soon as the water is drained operations will be resumed there. The upper portions have been worked by tributers with fair success.

Red Queen, Cure, and Manukau Mines have also been worked under the tribute system; but, on account of the water, no deep or extensive operations could be carried on.

Golden Crown Mine.—The new proprietors of this mine have started work in the upper levels with great success. In order to obtain capital to develop the low levels, it is their intention shortly to form into a company.

Waiotahi Mine.—This company completed the opening of the new or No. 3 level (mentioned in my last report), and connected it by winzes with the reefs in the upper levels. The returns obtained from all the reefs at this low level were very good, and paid well up to the time they were—like the other mines—flooded out. The reefs and leaders, however, in Nos. 1 and 2 levels enabled them to supply their battery with payable quartz.

Waiokaraka District.—This district was drained by the pump fixed in the Piako shaft, situated on the flat in Grahamstown. This shaft, for nearly 100 feet from the surface, was sunk through mud, blue clay, and shells (sea-deposit). In working the ground some years ago, very little care could have