

Welcome Extended.—The reef—worked by tributers—in this mine was very broken and irregular, and appeared to be in a slide. It has recently, however, been picked up in solid ground, which, combined with the fact of its containing greater quantities of gold, gives prospects of future large returns.

A large reef, 8 feet thick, has been discovered at Waihi, about five miles from Owharau, which, being gold-bearing, will doubtless in time attract the attention of capitalists.

The following return shows the quantity of quartz crushed and gold obtained during the year; from which it will be seen that the gold returns are in excess of those of the previous year:—

Month.			Quartz Crushed.			Tailings Treated.			Yield of Gold.		
			Tons	cwt.	qr. lb.	Tons	cwt.	qr. lb.	Oz.	dwt.	gr.
April, 1879	...	...	2,536	6	1 26	1,086	12	1 21	4,228	17	1
May, 1879	...	...	2,280	1	3 1	1,338	10	0 0	3,529	3	6
June, 1879	...	...	2,507	1	3 25	1,399	13	2 20	4,992	15	3
July, 1879	...	...	3,166	7	3 1	1,499	4	0 0	4,007	13	5
August, 1879	...	...	2,487	5	1 27	1,511	5	0 0	3,290	14	2
September, 1879	...	...	2,848	14	3 17½	1,605	15	0 0	4,698	10	18
October, 1879	...	...	3,777	12	3 0	1,409	5	0 0	4,786	4	12
November, 1879	...	...	2,516	5	1 22½	1,072	5	0 0	3,356	2	5
December, 1879	...	...	2,782	15	2 25	1,574	10	0 0	12,788	5	0
January, 1880	...	...	3,344	19	3 9	1,339	5	0 0	4,561	2	8
February, 1880	...	...	2,248	5	0 15	1,055	10	0 0	3,029	12	0
March, 1880	...	...	2,521	6	2 14	1,244	0	1 17	6,306	10	12
Total	...	...	33,017	3	3 15	16,135	15	2 2	59,575	10	0

The general prospects of the field are now much brighter than they have been for some years; one good feature towards future success being, that the companies are now combining to carry out expensive works in driving long tunnels to develop the lower levels of their ground. Another is, that, learning wisdom from former experience, in all cases, when paying dividends they now reserve a large percentage of the money to meet the cost of "dead work," which must occur in every mine, to open out lower levels as the upper ones become exhausted.

The cause of the failure of many of the companies in the earlier days of the field was, not that the gold was exhausted, but it was that, when paying dividends, no reserve fund was kept, and when a necessity arose for increased expenditure to develop deeper levels, or other prospecting works, there were no funds on hand, and the shareholders could not be induced to pay calls, and in time the ground had to be abandoned, or forfeited for non-working.

Another system is also now adopted with regard to ground newly taken up. In floating companies formerly, the promoters sold the shares and pocketed the proceeds; while the present plan is to put all the money thus obtained to the funds of the company, enabling a start to be made without making a call.

For not working the ground there have been, in the Thames District, eleven licensed holdings or portions of holdings forfeited, representing 209 men's ground. The greater portion of the ground thus thrown open has, however, been again taken up, as also a considerable portion of the ground forfeited by me during the preceding twelve months. There have also been, for the same reason, two licensed holdings forfeited in the Ohinemuri District.

I am glad to be able to report that the year has been singularly clear of mining accidents, there having been only three, none of which were fatal. In two of these cases, the men themselves were directly to blame. In one instance a miner forgot the position where a winze was being sunk, and, though it was then only 4 feet deep, he broke his leg in slipping into it. The second and most serious case was that of a miner who, though he was supplied with all the requisite tools, and these of the best description, in the most foolhardy manner, after a shot had blown, immediately re-charged with powder, without even washing out the hole. Some fire had evidently remained in a crack, causing the powder to ignite and blow out on his face and arms, whereby he lost his sight. The third was caused by a small portion of the roof in the Moanataiari Mine dropping, from what is known as a "soupy head," breaking the leg of a miner. But constant attention to, and examination of, the workings is necessary on my part—more especially with tributers, who only take up certain blocks for a stated length of time. Their whole object is, therefore, to get out as much gold, and that as cheaply as possible, during their term; and if they can only support the ground sufficiently to last their time, they have no care as to what may come after. In enforcing with these the necessary work to insure safety, I am glad to say I have received every assistance from the mine-managers.

Where miners holding claims are poor, there has often been difficulty in enforcing works for their own safety, and constant watchfulness, as well as firmness, is required. In this work I have been most ably supported by the underviewer, Mr. George Wilson.

I have, &c.,

JAMES M. McLAREN,
Mining Inspector.

The Under-Secretary for Gold Fields, Wellington.