

for the purchase of their plant. I have been informed that they have been successful in acquiring the same at a moderate cost. I am not aware how the Board propose to raise funds to pay for the machinery; but I presume it will not be from the amount realized from the year's drainage assessment, as this will be required for drainage purposes. However, the possession of this plant, and the direct control of the drainage being in the hands of a locally-elected Board, will, I have no doubt, be a great public benefit, tending as it does to a reduction in cost of drainage in future. It is to be hoped that the stoppage of the deep-level drainage is but temporary; for, if the workings at the 640-feet level have done nothing more than prove that gold goes down to that depth, they will have done much to encourage search for it at that or lower depths.

A prominent feature in my last year's report was the reference to the necessity of introducing new gold-saving appliances into this district, in the full belief that a very large percentage of gold was being lost by the present method of treatment. The advent of Mr. La Monte, from California, in the early part of the year was taken advantage of by an energetic syndicate, who at once made arrangements for the erection of two of his wet-jacket smelting-furnaces, one at the Thames, the other at Karangahake. The Thames furnace was completed, and up to the 31st March last had run through about 180 tons of ore, purchased from various mines at Waihi, Karangahake, and Tui (Te Aroha); but little of any Thames stone was put through. I give below the result of the thirty days' run at the furnace when this stone was put through, as reported by the directors of the company dealing with La Monte to the shareholders.

COST OF TREATMENT.						£	s.	d.
Iron-ore (320 tons, at 15s.)	..	..	..	..	..	240	0	0
Lime (59 tons, at 7s. 6d.)	..	..	..	..	..	22	2	6
Coke, Greymouth (56 tons, at £2 19s.)	..	..	..	..	..	165	4	0
Coke, Gas (61 tons, at £1 6s., with allowance net)	..	..	..	..	..	81	3	0
Coal (15 tons, at £1 11s. 6d.)	..	..	..	..	..	23	12	6
Gas	..	..	..	..	..	12	6	0
Wages—General*	..	..	..	..	..	165	12	0
Experts	..	..	..	..	..	70	0	0
Refinery, general	..	..	..	..	..	24	15	0
Assayer	..	..	..	..	..	31	10	0
Water	..	..	..	..	..	2	10	0
Lead-ore (22 tons 10cwt., at £15)†	..	..	..	..	..	337	10	0
Scrap-iron (7 tons, at £1 10s.)	..	..	..	..	..	10	10	0
Cartage	..	..	..	..	..	15	0	0
Bone-ash	..	..	..	..	..	22	0	0
Pearlash	..	..	..	..	..	3	0	0
Total	..	..	..	..	..	£1,227	5	0

Ore smelted—Gross weight, 181 tons; average cost per ton, £6 15s.

RESULT AND VALUE OF BULLION TREATED.						£	s.	d.
						Oz. dwt. gr.		
Gold purchased	..	..	..	..	..	585	6	0
Less 10 per cent.	..	..	..	..	..	58	10	14
						526	15	10
Gold banked	..	..	..	..	..	447	10	0
						79	5	10
Short	..	..	..	..	..	317	0	0
Silver purchased	..	..	..	..	..	3,148	0	0
Less 10 per cent.	..	..	..	..	..	314	16	0
						2,833	4	0
Silver banked	..	..	..	..	..	1,877	15	0
						955	9	0
Short	..	..	..	..	..	191	2	0
Gold Account—Dr. as above	..	..	..	..	..	79	5	10
Silver Account—Dr. as above	..	..	..	..	..	955	9	0
						£508	2	0
<i>Creditor—By Estimated on Hand.</i>						Oz. dwt. gr.		
Gold—In flue-dust	..	..	..	..	..	11	6	0
In furnace (scrap)	..	..	..	..	..	31	7	4
In crucible	..	..	..	..	..	1	0	0
						£ s. d.		
Total gold (43oz. 13dwt. 4gr., at £4)	..	..	..	..	..	174	12	0
Silver (170oz. 3dwt., at 4s.)	..	..	..	..	..	34	0	0
Bullion, estimated	..	..	..	..	..	103	0	0
Litharge, estimated	..	..	..	..	..	56	18	0
						368	10	0
Deficiency	..	..	..	..	..	£139	12	0
Add the bullion in the slags, estimated by Mr. Stearns at the close of the three days' preliminary run to be 130oz., at £1 per oz.						130	0	0
Total deficiency	..	..	..	..	..	£269	12	0

R. SPRATT.
E. MENZIES, Secretary.

* Wages, exclusive of Mr. La Monte's experts.

† Exclusive of galena-ore imported and used by Mr. La Monte contrary to the instructions of the Board, and estimated by assay to contain twenty-six tons of metallic lead, valued at £390.