

prosperity many of the smaller holdings will have to amalgamate and become the property of few strong companies who can command sufficient means to undertake the sinking of large and expensive shafts and the erection of pumping and other necessary machinery, and to carry out on a general and comprehensive system operations of magnitude, at great expense. That this will be the fate of the older mines in the district, if prosperous mining is to continue, seems inevitable. Much of the ground which, under the ownership of small companies and individual miners, has yielded profitable employment for years is now practically worked out in the most easily-accessible portions, and will require for its future development the expenditure of capital beyond the means of the present proprietors.

At Waiomo the favourable anticipations of last year have not yet been realised. Considerable delay took place in the erection of the battery and the completion of the roads from the mines. When these were completed a long period of dry weather so reduced the supply of water as to render it impossible to carry on crushing until quite recently. The result of the quartz so far treated is at the rate of about 1½oz. to the ton, and, though not as high as anticipated, is payable. The progress of the district has, for want of facilities for crushing, been seriously retarded, the only quartz yet treated being for the Paroquet Company—the proprietors of the battery. Many miners have left the locality, being attracted to the new finds at Marototo, Mata, and elsewhere. During the year twelve new licensed holdings have been granted, comprising an area of 131 acres.

In August of last year a discovery of a rich reef was made at Marototo, near Hikutaia, by Richard McBrinn. After some delays, through litigation and other causes, a license was granted for thirty acres of land, and a company was formed to work it. Sufficient was done on the ground to prove the payable nature of the find, some of the quartz treated yielding, by assay tests, extraordinarily rich results, and by practical treatment of several small parcels at the rate of 41oz. of gold and 600oz. silver to the ton. This company has lately disposed of their property to a syndicate in Sydney, New South Wales, and a company has been formed for the purpose of working the ground. Operations have already been begun, and several tons of ore have been exported for the purpose of ascertaining the most suitable process to be adopted for its treatment. The land has been marked off on all sides of the Prospectors' claim for a considerable distance, and, besides that taken up as ordinary claims under miners' rights, thirty-three licensed holdings, comprising an area of 495 acres of land, have been, up to the 31st March, marked out and applied for.* Not much work has yet been done in the district, except on the Prospectors', or Marototo licensed holding, and on a few of the smaller claims, but from trials made from several reefs in different parts of the district, it appears that a valuable discovery has been made, and that when proper machinery is introduced for dealing with the ore, Marototo will become an important portion of the Hauraki Mining District.

At Whangamata, on the East Coast, about nine miles north-eastward from Marototo, a quartz-reef of about 3ft. in width, yielding satisfactory tests, was discovered by McWilliams and party, and a prospecting claim was granted by the Warden, for which a license has recently been issued, the property having been acquired by the Goldwater Gold-mining Company. Eleven licensed holdings have been marked out and applied for, comprising an area of 156 acres. There are no quartz-crushing batteries or any appliances for treating the ore nearer than the Thames, some thirty miles distant over a rugged range of mountains; and, until machinery is erected in the vicinity, no substantial returns can be expected, although, when a good road is completed to the coast, the better class of ore could be shipped for treatment elsewhere. In the meantime, prospecting is being carried on, and trials of small parcels of stone from time to time have been very promising. From the Goldwater Mine 11cwt., treated at Fraser's Reduction Works, Auckland, yielded 14ozs. of gold (bullion). A few tons of ore from this mine have been sent to Adelaide for treatment. As this ore contains a large percentage of sulphide of silver it cannot be profitably treated by any of the processes at present in use in this district.

At the Mata Creek, situated near the coast, about fifteen miles northward from Grahamstown, several claims have been marked out and five licensed holdings applied for. Crushings of small parcels of quartz from the Gentle Annie and Mata claims have resulted very satisfactorily, and steps are being taken to erect a quartz-crushing machine on the Mata Creek. A discovery has recently been made of a gold bearing reef on the Waiwawa Creek, some miles inland from the settlement at the head of Te Puru creek, on the track to Mercury Bay, in a portion of the district hitherto unprospected, and several miles distant from any existing workings. The discovery is very recent, and beyond the fact that a small quantity of quartz treated in Auckland proves the reef to contain gold in payable quantities, nothing is yet known.

At Puriri, about nine miles southward from Grahamstown, work has been resumed after an interval of some twelve or fourteen years. A discovery was made by Bedford and party of a payable reef in the Puriri Creek which led to other claims being marked out. In one of these, taken up by a party of ten Maoris, the proprietors took out about 28cwt. of quartz from the face of an old abandoned drive which was crushed for the excellent return of 10½oz. of gold. Several claims have been marked out and a small battery has been erected by Bedford and party. A machine site and two water-races have also been applied for by other parties in this locality, and two licensed holdings of thirty acres each have been applied for, and there seems every possibility of payable returns being obtained during the next year from these claims, which have remained unworked and abandoned for many years past.

In the Karangahake District, Ohinemuri, very little progress has been made during the past year. Railey's battery, which it was hoped would deal satisfactorily with the ores of the district, proved ineffective and too expensive, and comparatively little work has been carried on in the mines.

* Since the 31st March thirty-two licensed holdings, comprising an area of 792 acres, have been marked out and applied for, making a total area to date of 1,287 acres applied for in sixty-five holdings.