

In the North Island, gold- and silver-mining is entirely confined to the working of quartz-lodes, some of which contain ore of a complex and refractory character, being difficult to treat so as to recover a fair percentage of the precious metals.

PUIHIPUI.

On the Puhipuhi field, where the latest discoveries have been made, very little has yet been done to prove the payable nature of any of the lodes. One small reduction-plant has recently been erected, which will afford facilities for testing some of the ore in bulk, and the value of the lodes ascertained. However, this plant is merely a prospecting one, and, although it may test the value of the ore, it is not one likely to be worked economically. There are numerous lodes in this locality containing silver, which is generally found in a free state near the outcrops; but so little work has yet been done that it would be premature to express a decided opinion as to the extent or payableness of the field. The outlook is, however, most favourable.

KUAOTUNA.

On the northern portion of the Hauraki Peninsula, the Kuaotuna field promises to give good returns, but the gold is in so minute particles, and so finely disseminated through the quartz, that it is difficult to save it with the appliances now in use. I am informed that possibly not more than 40 per cent. of the gold is recovered by the ordinary battery process, the rest being partly carried away in suspension amongst the muddy water, and partly left in the tailings. In many of the claims on this field the work done is only of a prospecting character, and it is only in a few of them where stoping operations have been carried on. The Try Fluke Company has so far been the most successful: from 3,083 tons of stone, 5,077oz. of gold was obtained. There are now three batteries at work.

COROMANDEL.

At Coromandel a large expenditure has been made by two English companies, and a considerable amount of work has been done. One of these companies—the Kapanga—has met with fair success, but the other—the Coromandel—has not yet found any lode payable for working. A limited number of men are employed in Scotty's, Tokatea, Royal Oak, and Harbour View Companies, but the three latter companies are not carrying on the workings so energetically as they might.

THAMES.

The Thames field, which is by far the largest in the Hauraki Peninsula, is not turning out so much gold as it did in former years, yet the mines are the means of supporting a large population, and some of them hold out prospects of being profitable investments for their owners for years to come. The Saxon, Moanataiari, Fame of Fortune, Waiotahi, Occidental, Cambria, Trenton, and May Queen, were the largest gold-producing mines on the field last year. Three of these have been dividend-paying companies for several years past. The Saxon, with a paid-up capital of £4,033, has paid £15,417. The Waiotahi, with a paid-up capital of £15,000, has paid £24,000, while the Cambria has paid £79,357 in dividends, with only a paid-up capital of £1,181. The deepest workings are in the Saxon mine. The workings in this mine are being carried on from the 470ft. level, and there is still good payable stone left underfoot. The greatest difficulty to contend with is the drainage of the mines working at deep levels; this is at present effected by the Big Pump, on which the Government expended £50,000 in purchase and erection. The working expenses in connection with this pump, I am informed, are about £340 per month. This amount has to be paid by a few claims, some of which are not benefited, but being included within the drainage area they have to contribute towards the working expenses.

WAIHI.

At Waihi one of the finest plants in the colony has been erected, and a large additional plant is now in course of construction. The Waihi Company, who are the proprietors of the plant referred to, purchased during last year the Martha mine for £3,000. In order to show the value of improved machinery and appliances for the treatment of auriferous and argentiferous ores, the Martha Company worked this mine for eight years, and could only recover from 4dwt. to 6dwt. of gold per ton, which merely paid the working expenses; but since the present company have worked the mine they can get handsome returns. One parcel of the ore, sold to the Cassell Company, realised £100 a ton. The lode is the largest of any yet worked