

KUAOTUNU.

The principal mines have been worked energetically during the year, the Try Fluke Mine having produced 3,247oz. 10dwt. of gold. But it is to be deplored that the Kuaotunu mines only saved about 50 per cent. of the gold, owing to its extreme lightness. The slimes and the richest part of their tailings are carried into the river, and in most cases lost to the colony for ever. It has been found by experiment that, when ore is ground wet and run into settling-tanks, there collects on the surface a considerable quantity of light froth, which when collected, dried, and assayed, is found to contain a much larger proportion of gold than the ore under treatment. For instance, the froth produced from an ore containing 15dwt. of gold contained over 2oz., and the slime produced from the same ore contained about 3dwt. more than the coarser portion. It appears to me a grave question whether the colony, the ultimate loser, ought not by legislation to take some steps whereby battery or crushing-plant owners would be obliged to so construct their tailing-pits that all slimes and tailings should be saved, and so prevent this great waste. The Great Mercury Company, whose holding is situated on the same spur as the Try Fluke, have lately had this matter under review, with a view to considering what method they can adopt to prevent this waste. I believe they now contemplate trying dry crushing, but by what after process they will treat their ore I am not aware.

A good deal of work has been done on the Carbine, Kapai, Otama, Red Mercury, Waitaia, and Just in Time Mines, and if they could save more of their gold and could obtain water-power to crush by, I do not think there is a doubt they would yield a large amount of gold for years to come. There is a fact worth noticing in passing: the last-mentioned mine was worked and fairly opened up by the company without any very satisfactory results. The shareholders got tired of paying calls, so it was decided to let it on tribute, with the usual result—the tributers got on gold almost at once, and in a very short time were rewarded with 393oz. Instances similar to this are continually occurring on this field, and are in many cases difficult to explain. Since my last report, acting under instructions from the Hon. the Native Minister and the Mines Department, I have obtained the signatures of the majority of the owners of Kuaotunu No. 3 Block, containing an area of 4,916 acres, ceding to the Crown the right to mine over it; but unfortunately two Natives who have yet to sign are very obstinate and unreasonable, demanding a guarantee from the Government that, should they sign, they shall have half the claim discovered by some prospectors on this block; this, together with the Kauri Company having a lease with the right to remove the timber, will, I am afraid, bar the opening for mining for a considerable time.

KAURI TIMBER COMPANY'S LAND.

There are two leases working on this property, Lanigan's and the Oweria. The former has produced 80oz. of gold out of 400 tons of dirt. The latter is erecting a ten-stamp mill, which when finished will be very complete. The mine at present shows every indication of being a good one, but the arbitrary and exacting regulations under which the company offer their land have prevented the miners taking up leases.

COROMANDEL.

This part of the field will never produce much more gold than at the present until an entirely different system to that in vogue is adopted. At present there is only one small custom plant working, where the miners have to pay a much higher price to have their quartz crushed and treated than at the Thames, in consequence of which all low-grade ore is thrown over the tips, whereas, if a good plant were working on the east side of the Tokatea divide, driven by water, the whole of the mines that are now barely existing would yield handsome profits. This is proved by the fact that for some time past men have been engaged in picking over the old tips and sorting the stone, and, after carrying it to the mill before mentioned, they make from 10s. to 15s. a day. The Kapanga, an English company's mine, is being worked with the usual vigour. At present they are erecting the machinery that was on the Coromandel Company's mine to enable them to sink to a much greater depth, where they expect to find some rich patches of gold under the worked-out levels. Scotty's, the adjoining property, which is owned by a Sydney syndicate, have opened up the surface-portion of the mine, but so far with anything but satisfactory results. They now propose to work from an old abandoned shaft in the Kapanga Mine, whence they will be able to cross-cut at greater depth, and so get under where the former runs of gold were found. The Try Again Mine, three men's ground, have obtained 474oz. of gold. The reef is small, and the country very hard, but where the reef makes gold it is found in very rich patches or pockets; and, though it pays the owners who work it themselves, would never pay a company, the management and other expenses of which would absorb all the proceeds. This is found to be the case in many of our mines where the reefs or leaders are small. Very little has been done at Cabbage Bay since my last report, and I do not expect any great improvement in this locality till a small plant is erected to enable the miners to crush their ore. At Kopukaitahi McDonald found a reef that so far is very encouraging, gold showing freely in the stone. Four claims have been taken up, but the country is very inaccessible, and, as it has only recently been discovered, very little work has been done—too little for me to say anything about its permanency.

TIKI, MATAWAI, AND MANAIA.

These places are abandoned, except the last mentioned, where there is one prospecting party. All the old claims have been given up, the expense of carting the quartz for more than seventeen miles over a very bad road being too great; and, though there are many nice-looking reefs, I do not anticipate any brighter future for this part of the field until some enterprising person erects a battery on one of the fine streams or the main river that flows through the Manaia Valley.