

is well opened by three levels, giving a depth on the reef of about 250ft. The reef is from 2ft. to 4ft. in thickness, and the prospects are so favourable that the owners have determined to erect a ten-stamp mill, to be driven by water-power. A large reservoir has been constructed to store water for motive-power. This dam has an area of about 7 acres, and the depth of the water stored will be 5ft. A large water-race has been constructed from the creek to the reservoir, which will be capable of carrying a large quantity of water during freshes. The water will be conveyed to the mill by an open race and in pipes. A horse-tramway, 50 chains in length, is being constructed from the mine to the mill.

WAIKOROMIKO DISTRICT.

Lillis's Claim, 10 acres.—Mr. John Lillis and party have been very successful during the year. Three tons of quartz yielded 250oz. 2dw. of gold. The reef is about 18in. in thickness, but only the best quality of quartz is saved, as it is expensive to get it to the battery.

Several prospectors occasionally work in the district, but I have not learnt of any further discoveries.

MOEWAI DISTRICT.

The party of Natives who were at work here last year have again been prospecting in the district. Two tons of quartz crushed yielded 8oz. of gold.

PUIA DISTRICT (BOAT HARBOUR).

Several parties have been prospecting in this district, and Hornibrooke's party had a parcel of 14 tons of quartz conveyed to Kuaotunu, which was crushed for 8oz. 12dw. of gold.

MAHAKIRAU DISTRICT.

Mahakirau Claim.—A small parcel of quartz was crushed for a yield of 11oz. 16dw. of gold. Several parties have been engaged prospecting in the district, and an endeavour has been made to obtain a crushing-plant.

KUAOTUNU DISTRICT.

Try Fluke Mine, 18 acres 2 roods (Try Fluke Gold-mining Company, Limited, owner; Mr. John Goldsworthy, manager).—Twenty men have been employed in the mine and eleven in the battery, and 5,032 tons of quartz were crushed for 3,172oz. 10dw. of gold. A large amount of work has been done on the No. 1 reef, which varies from 2ft. to 12ft. in thickness, both at the No. 2 and also the No. 3 level. The drive on the No. 2 reef was carried up to the boundary of the Kuaotunu Mine. This reef varies in size from 1ft. to 6ft. in thickness. Four hundred and sixty-six fathoms of reef were stoped out at the different workings. The quartz is of a loose nature, and great care has to be taken in keeping the roof safe. This work is well done, and the stopes are well filled up. The ground tramway, 1,200ft. in length, has been completed from No. 3 level to the battery, and the wire tramway is also used. The battery consists of eleven stamps, two pans, and three berdans driven by two portable steam-engines, 30-horse power. The manager reports during the year, "We have kept the mine well opened up, and have paid to the shareholders £3,750 in dividends after paying all other expenses." The want of cheap power is very much against this field. There are a number of claims that would pay well had they water or some other cheap crushing-power. I am also of opinion that large quantities of quartz at Kuaotunu would pay if the charges for crushing were the same as at the Thames.

Carbine Mine, 5 acres (Carbine Gold-mining Company, Limited, owner; Mr. John A. Dobson, manager).—Nine men have been employed in this mine, and 387 tons of quartz crushed for 620oz. 10dw. of gold. Work has been carried on upon the large reef 6ft. thick, as well as on the smaller vein 4in. in thickness. The roof is the same as in the Try Fluke Mine, requiring great care in securing it. The work is well done, and the stoping well filled. A wire tramway, 6 chains in length, has been constructed to carry the quartz from the mine to the main road.

Kuaotunu Mine, 12 acres (Kuaotunu Gold-mining Company, Limited, owner).—This mine is situated next the Try Fluke, and further up the hill. The parcel of quartz broken out last year was crushed, and 100 tons yielded 45oz. 5dw. of gold. The only work carried on during the year was driving through the Try Fluke ground in conjunction with that mine. Two men were employed.

Red Mercury Mine, 14 acres (Red Mercury Gold-mining Company, Limited, owner; Mr. Thomas Blair, manager).—Twenty-five men were employed, and 1,249 tons of quartz crushed for 1,826oz. 10dw. of gold. The chief workings were driving on the reef from the low level, and stoping the blocks towards the surface. The rock on both sides of the reef is hard, and all requires blasting, so that no difficulty is experienced in securing the ground. Five hundred and fifty feet of driving on the reef has been done, and 480 fathoms stoped out. A wire tramway 1,150ft. in length, has been constructed to convey the quartz to the main road.

Great Mercury Mine, 28 acres 12 perches (Great Mercury Gold-mining Company, Limited, owner; Mr. H. B. Hornibrooke, manager).—Twenty-five men have been employed in this mine and nine in the battery, and 2,693 tons of quartz crushed yielded 1,469oz. 3dw. of gold. The chief workings have been driving and stoping on the Red Mercury reef on the eastern side of the spur, and stoping on several small leaders on the surface. The ground is well secured, and 598 fathoms of reef have been stoped out. There are 2,100ft. of tramway used in conveying quartz to the battery. The battery consists of ten heads of stamps, two Price's pans and two John Fraser's pans, and one berdan. This is driven by a steam-engine, 40-horse power; a small steam-pump is also used to supply water to the battery, which is 60ft. above the level of the creek. The manager reports: "The battery is now undergoing an alteration for the purpose of settling the slimes and using the water over and over again; also amalgamating incharges with the present pans (settles being added). The gold generally being very fine, the water carries away a very large percentage. The Cassell process would be the best for saving surface gold. All the reefs and leaders in the mine carry gold,