

There are three mining centres in this district all deserving of notice—namely, Karangahake, Waitekauri, and Waihi.

There are numerous auriferous and argentiferous lodes at Karangahake, some of which have given good returns in gold, but generally there is a large percentage of silver in the ore, and in some of the lodes there are other minerals which make the ore refractory to treat; and although the ore according to assay contains a fair percentage of bullion, when it comes to be treated in the ordinary manner a very small percentage of it is saved. The New Zealand Crown Company, consisting principally of shareholders residing in Great Britain, purchased a mine on this field some three or four years ago, and arranged with the Cassel Company to erect one of their cyanide plants in conjunction with their mine, and, since they have commenced operations, the company have proved that some of the lodes are very rich, having an assay-value of from £8 to £15 per ton. Recently this company has erected a new reduction plant, and intend to purchase ore from other mining companies according to its assay-value, which will induce individual miners to take up and prospect some of the lodes, as no outlay will be required for a plant. They will thus be able to sell their ore for its full value, after deducting expenses of treatment. Wherever there are refractory ores to deal with, the mines cannot be made as profitable ventures as they should be until central custom-plants are established, at which the ore can be disposed of according to its assay-value. The Crown Company has therefore taken a step in the right direction, as it will not only tend to develop the mining industry in this particular locality, but will no doubt prove such a source of revenue to themselves as will induce others to follow their example.

At Waitekauri Mr. T. H. Russell has erected a large crushing-plant to work the ore from the reefs there, but so far the ore has not proved of much value; and had it not been for the discovery of rich ore at Komata, the venture would have proved a failure. However, the ore from this new find has proved to be highly payable for working, and success has therefore attended the undertaking. A valuable discovery was made during last year by Lowrie Brothers of an auriferous and argentiferous lode near one of the branches of the Waitekauri Creek, about five miles up the stream from Mr. Russell's crushing-battery. The interests of the discoverers of this lode have also been recently purchased by Mr. Russell. This, together with the Komata Mine, is likely to prove a very valuable property.

During last year there was 22,771 tons of stone crushed in the Ohinemuri District, which yielded 1,722oz. of gold, and 40,203oz. of bullion. The latter represented a value of £61,118, while, in addition, ore was sold to the value of £2,222; the returns for the former year being 13,865 tons of quartz crushed, yielding 1,022oz. of gold, and 20,673oz. of bullion, the latter having a value of £25,975; and ore was sold to the value of £2,581. The total value of the gold and bullion obtained here last year was about £67,704, while for the former year it was £31,111, which shows that there was an increase in the value of the yield of gold and bullion on the year to the extent of £36,593.

WAIORONGOMAI.

The yield of gold from Waiorongomai still continues to be very small. Last year there was 1,519 tons of quartz crushed and 1,650 tons of tailings treated, which yielded 1,178oz. gold; as against 1,597 tons of quartz crushed, and 1,125 tons of tailings treated, for the previous year, which yielded 979oz. gold. The principal mining operations carried on here are by a small company, who now have part of the plant and properties formerly belonging to the Te Aroha Gold- and Silver-mining Company. Portion of the plant has been sold, and the company are now converting twenty heads of stampers to crush the ore dry, and intend to treat it by the Cassel process. Recently they forwarded 8½ tons of tailings from refractory ore to the Maryborough Smelting Works, in Queensland, and, after paying £3 5s. per ton for treating it, they had a net profit of £48 17s. 6d. being £5 15s. per ton. This shows that ore which cannot be treated by any process now in use in this colony, and which is considered valueless, can be made to yield excellent returns by a proper method of treatment. There are numbers of lodes on this field on which little or no work has yet been done. Many of these were prospected in the early days of the field, but were abandoned years ago as valueless owing to the refractory nature of the ores; but the recent returns show that some at least of these lodes will yet become valuable properties.

INANGAHUA.

The Reefton field is by far the largest quartz-mining centre in the Middle Island. The auriferous lodes extend over a very large area. Taking the northern limit of the present