

head of stamps, and four berdans has been erected at the foot of the hills on the Kennedy Bay side of the ranges. The battery is driven by either steam- or water-power. A steam-engine, 20-horse power, is being used to drive the mill when water gets scarce. The water-race is 60 chains in length, and made to carry five sluice-heads, the pressure being 50ft. A Smith and Vaile turbine is used for motive-power. The quantity of quartz crushed was 370 tons, the treatment being solely by amalgamation, and 1,345 oz. of gold, value £3,800, was obtained, showing the return—£10·27 per ton—to be of a high standard. Forty men were employed.

Tokatea Consols Mine (Area, 30 acres; owners, the Tokatea Consols Gold-mines, Limited).—Operations have been carried on on the leaders formerly opened up, and 63 tons 13 cwt. crushed yielded a return of 267 oz. 3 dwt., valued at £774 11s. 10d. Nine men were employed.

Triumph Mine.—Very little work was done at this mine, and 162 tons of stone yielded 11 oz. 14 dwt. of bullion, valued at £33 11s. 9d. Four men were employed.

Queen of the North Mine.—Prospecting operations were carried on during the year, only a few men being employed.

Southern Star Mine (Area, 13 acres 2 roods 10 perches; owners, Southern Star Gold-mines, Limited).—Operations were for a time carried on, and a crushing of 38 tons 15 cwt. returned 15 oz. 10 dwt. of bullion, valued at £40 7s. 3d.

In the Golden Spark Mine a crushing of 2 tons of stone returned 12 oz. 10 dwt. of gold; value, £42.

Prospecting was also carried on in the Buffalo Claim; 7½ tons of stone was crushed, for a return of 126 oz. 16 dwt., valued at £369 18s. 9d.

Prospecting operations were also carried on in other mines, but no returns are recorded.

Success Gold-mines (Limited).—The greatest depth of workings in this mine below surface is 275 ft. In the deepest level the Company is driving to come under and in line with the No. 2 Success reef, that yielded the rich gold in the upper workings. A winze is sunk to that depth, so that once a communication is effected the mine will be thoroughly well ventilated. At that point it is proposed to cut a chamber, and with the aid of an air-compressor and an air-winch to sink a trial shaft in line of the run of gold, to test its value in depth. In the upper series of workings prospecting will be continued on the blocks of ground, in the hope of meeting similar rich patches of gold to those got in the early days. The property is also being well prospected on the surface. The company is thoroughly developing the property, and it is hoped they will meet with the success they so richly deserve.

New Hauraki Gold Properties (Limited).—This company is engaged testing the various large reefs discovered on the property. Very recently a large reef was discovered, from which samples were obtained carrying gold-ore worth £2 14s. per ton. The average of the reef, however, makes the ore of too low grade to pay. The object of the company in following up these large reefs is to try and discover a payable section in any one of them. Should this be accomplished the success of the company would be immediately assured, as the bodies of ore would be enormous. Considerable prospecting is being carried on throughout the property, which is of large extent, and ultimately it is hoped to make this company a success. Twenty-six men were employed.

Kapanga District.

Kapanga Mine (Owners, the Kapanga Gold-mining Company, Limited).—1,000 ft. level: This level has been driven west 654 ft. The Kapanga reef was intersected near the forebreast, and proved to be of no value. The object of driving this level was to intersect the two main reefs on the property—the Scotty's and Kapanga—in junction. In the upper levels they were inclined to junction, but at this level they are apparently as far apart as they were where intersected in the 300 ft. cross-cut east. The Scotty's reef, where cut through, was also poor. In this level we extended south-easterly on a reef 79 ft. We sunk a winze below the level 11 ft., and put up a rise 36 ft. The vein was small, but both in the rise and winze strong dabs of gold were met with. The reef is known as the Anniversary reef. The reef known as Cadman's, in the south-east drive, also showed colours occasionally. The width of this reef varied from 15 in. to 6 in. of solid quartz. 940 ft. level: At this level 339 ft. were driven west and 56 ft. east. A cross-cut was developed 22 ft., a rise extended 77 ft., and a winze sunk 66 ft. These developments were mostly on what is known as Hartridge's reef, a fine body of stone of very promising appearance, showing colours, and at times some nice picked stone. This is presumably the same reef that was intersected in sinking the shaft, at which point it yielded a good patch of rich stone. 900 ft. level: At this level 109 ft. were driven east and 71 ft. north. A rise was put up 27 ft., and a winze sunk 21 ft. This reef was supposed to be Hartridge's, and has produced low-grade ore. 700 ft. level: At this level the only point of development has been the extension of the cross-cut 217 ft. where it communicated with the level below for ventilation purposes. 500 ft. level: At this level 90 ft. were driven on the Kapanga reef north. 420 ft. level: 96 ft. have been driven on the Kapanga at this level, and a rise put up 17 ft. On Scotty's, at the intermediate, we have driven 105 ft. and risen 29 ft. In these developments fair and poor-grade ore was obtained, but in small quantities. 300 ft. level: 147 ft. were driven on the hanging-wall of Scotty's at this level and 150 ft. on the Kapanga. A winze was sunk on Scotty's 17 ft. and a rise put up 30 ft. Corby section: A considerable amount of work has been done in this section of the property. 181 ft. were developed in cross-cutting and drives, and a rise put up for 21 ft. The water was a great hindrance to development in this section. It is now suspended. Thirty-six tributes were let, seven being on the surface sections of the property and twenty-nine below ground—at the 200 ft., 300 ft., and 420 ft. levels. Most of these tributes have since been surrendered. There are now being worked three on the surface and nine below ground. Only eleven of these tributes got any returns, and of these two have been very successful. By the aid of the Government the company have been enabled to test the country-rock about 230 ft. below the 1,000 ft. level by means of the diamond drill, an exhaustive report upon which was forwarded to you at the end of 1897. Operations at the lower levels are for the moment suspended, the financial