

resources of the company being scarcely sufficient to continue the development of lower levels at the present time. All efforts are now being concentrated to work the various blocks of ground both on the Kapanga and Scotty's above the 420 ft. level, and I see no reason why these developments should not open up valuable returns, and, with the capital in hand, give results to enable the shareholders at some future time to resume operations at the deeper levels, and also recoup their outlay.

Scotty's Gold-mine (Limited).—The main shaft of this company has now reached a depth of 400 ft. At this level a cross-reef has been intersected near the shaft, and driven on, intersecting Breuer's reef. We are now engaged driving north, to come under the winze which yielded the rich patch of gold. The winze is the same depth as this level, and we hope in a few weeks to effect communication for ventilation. We shall then proceed to drive north for the winze, in which direction we have reason to believe we may pick up a run of gold at this level. At the 300 ft. level we are rising, stoping, and driving intermediate levels through large bodies of quartz, which at any time may disclose rich discoveries. The whole of these works may be termed prospecting. At the 157 ft. level we are developing Scotty's reef. The reef is very similar in character to where rich gold has been found in this reef, but a fault detrimental to its yielding gold is the fact that it is running almost horizontal. We are trying to locate its uniform strike, which is westerly, and at a grade of 2 in 1. We feel confident if we can effect this we shall be successful. The property is being very vigorously developed with forty men, and I hope with the developments in hand to make the mine a success.

[The foregoing two reports are furnished by Capt. Hodge, the manager of the mines.]

The Manola Claim also crushed 130 lb. of stone, for a yield of 100 oz. 6 dwt. 16 gr., valued at £284 11s. 1d. Two men were employed.

Kauri Block.

Hauraki Mine (Owners, Hauraki Gold-mining Company, Limited).—This company, for thirteen lunar months, ending 11th December, 1897, by the development of, I may say, twenty reefs and small veins, obtained fair results. The development works are summarised as follows: Shafts sunk, 52 ft.; cross-cuts driven, 403 ft.; drives on lodes, &c., 1,286 ft.; rises, 183 ft.; winzes, 162 ft.; stoping, 4,805 ft. (stoping is in lineal feet, 6 ft. high, the width of the reef); levels cleared, &c., 217 ft.: giving a grand total of 7,108 ft. The old Union Beach section has also been equipped with machinery, cleared of water, and to-day the mine is in active operation. In the Hauraki a permanent pumping plant has been erected, and is at work. We have very nearly completed our second plunger-lift 13 in. to the 400 ft. level. Developments at this level will be resumed in a few days. In this mine we have now two plunger-lifts, and the shaft is in fair order to resume sinking at any moment. The company's returns have been (ending 11th December, 1897) £35,710 5s. 3d. Total gold won for the year, 11,793 oz. 3 dwt.; total quartz crushed, 4,275 tons; total picked stone treated, 4,778 lb. (or 2 tons 2 cwt. 2 qr. 18 lb.): making total amount of ore treated, 4,277 tons 2 cwt. 2 qr. 18 lb. The average price of gold per ounce was £3 0s. 6·73d.; average yield of gold per ton of ore, 2 oz. 15 dwt. 3·48 gr. At the present time the mine is a little more than paying costs. The importance of this mine in the future developments rests with the development of the 400 ft. level and below. There is practically nothing done below the 300 ft. level. We have a reef dipping west through our entire property and towards the Union Beach section (known as Ross's No. 6), and, taking the line of bearing, we have reason to believe it to be the cross-reef worked on in that mine which gave such fabulous results. This in the coming year will be proved, and if it yields as it promises to do to-day it will be a valuable development for the company. This is now yielding at times rich ore. The outlay of the company has been considerable in the way of machinery and laying off the mines on a permanent basis to be carried on in a miner-like manner. This is now overcome, so that we have now a free hand to put all efforts in the vigorous development of the property without any extraordinary outlay in extraneous costs, and I trust the future of the company will be a good one for the shareholders. [The foregoing is extracted from a report by the manager, Captain Hodge.]

Welcome Find Mine (Area, 8 acres 1 rood 8 perches).—This mine has been kept working during the year. The engine-shaft has been sunk 36 ft.: total depth, 236 ft. No. 3 level: After forming a good chamber, a cross-cut was started at this, our lowest, level (230 ft. from the surface), and extended 210 ft. Two promising lodes were exposed here, one averaging about 5 in. in width, the other about 18 in. No. 2 level (170 ft. below the surface): A great deal of prospecting work has been done at this level, and on four different bodies of crystallized quartz varying from small veins 2 in. to reefs 6 ft. in width. No. 1 level (110 ft. from the surface): Much work has been done here in the form of driving and rising during the past year, the principal operations being confined to the development of a fine body of oxidized ore from 15 in. to 4 ft. in width, and the country in which it is encased is of a favourable nature for gold. There has been 579 ft. of cross-cutting, 603 ft. of driving on the line of reef, 56 ft. of winze-sinking, 34 ft. of driving, and about 56 fathoms stoped. A crushing of 58 tons of general stuff and 140 lb. of picked stone produced 235½ oz. of bullion; value, £682 19s. It was treated at the Thames at a cost of 6s. per ton. There have not been any additions to the machinery in the past year. The 40-horse-power pumping- and winding-engine combined is all that is required at the present time. Fifteen men were employed.

New Golconda Mine (Area, 5 acres; owners, New Golconda Gold-mining Company, Limited).—During the early part of the year this mine was protected, but operations were resumed on the 1st November last. New buildings were erected, and a steam-winch for winding provided. The low level was extended, and is now in 320 ft. In this drive, which is in a north-easterly direction, several leaders have been cut. On No. 1 leader 40 ft. has been driven and a rise put up to No. 1 level. Gold was got in the leader half-way between the two levels, and an intermediate drive put in to the Welcome Find boundary. This block was stoped out up to No. 1 level, and twelve loads of general quartz and 60 lb. of specimens yielded gold—60 oz.; value, £180. A drive was put in from