

year it has been necessary to make considerable alterations in the working plant. No. 1 elevator has been raised 10 ft., lifting now a total of 68 ft.; No. 2 raised 5 ft. 6 in.; and No. 2B, which works in series, has been moved some 200 ft. nearer the working-face, and now lifts the dirt 43 ft.; No. 2 lifts 69 ft.: making a total lift of 112 ft. This readjustment of the working plant has rendered necessary extensive alterations in the position and alignment of the supply-pipes, and in each case increased efficiency was secured. The net value of the year's output of gold has proved to be £3 19s. 3½d., but for the purpose of the subjoined tabular statements I have adopted £3 19s. as the value. Total quantity of gold won, 3,163·9 oz. = £12,497 8s. 1d. Last year I was fortunate enough to be able to show a decrease in expenditure on the preceding twelve months; this year the total expenditure in the colony has slightly increased. The cost of production represented 43·65 per cent. of the value of the gold won during last year; this year the cost has risen to 50·15 per cent.—that is to say, the expenditure is virtually the same, while the productiveness of the mine has been less for the period. The head-races have given but little trouble during the year beyond the constant attention required to keep long ditches in working-order, and owing to the prolonged and severe drought the races brought in a much-reduced supply, as shown by the following statement of the quantity of water used, expressed in hours of sluicing time: No. 1 division—1896-97, 3,985·5 hours; 1897-98, 3,207·5 hours: No. 2 division—1896-97, 3,931 hours; 1897-98, 3,954 hours. Totals—1896-97, 7,916·5 hours; 1897-98, 7,161·5 hours. The two main items of expenditure are as last year. Wages and explosives and the cost under these heads is shown below: No. 1 division—Wages, £1,586 13s. 9d.; explosives, £265 2s. 6d.: total, £1,851 16s. 3d. No. 2 division—Wages, £2,408 14s. 10d.; explosives, £247 1s. 2d.: total, £2,655 16s. Grand total—Wages, £3,990 8s. 7d.; explosives, £512 3s. 8d.—£4,502 12s. 3d. About 7,500 lb. of roburite has been used. Taking the net value of the gold at £3 19s., it has cost for labour and explosives—No. 1 division, 1,110·4 oz., cost £1 13s. 4d. per ounce, £1,851 16s. 3d.; No. 2 division, 2,053·5 oz., cost £1 5s. 9½d. per ounce, £2,650 16s.: total, 3,163·9 oz., cost £1 8s. 5½d. per ounce, £4,502 12s. 3d. This is an increase of 2s. 0½d. per ounce over last year's results. The following is a statement of work, &c., for the year 1897-98:—

—			Hours Sluicing.	Cement.	Gold.	Value per Cubic Yard.	
				Cub. yds.	Oz.	Gr.	d.
No. 1 division	...	...	2,636	70,117·6	1,085·7	7·43	14·68
No. 1A	"	...	571·5	10,001·2	24·7	1·19	2·34
No. 2	"	...	1,146·5	38,178·4	555·8	6·99	13·8
No. 2B	"	...	2,807·5	84,225·0	1,497·7	8·53	16·86
			7,161·5	202,522·2	3,163·9	...	...

The Local Industry Gold-mining Company.—This company's plant is now being removed to Rocky Point, Gabriel's Gully. A storage-dam of large capacity has been erected. The work done during the year was satisfactory. They won 270 oz. of gold, and paid a dividend of 1s. per share.

Munro's Gully.—Mills and party are working their claim by elevating to a height of 25 ft. The party is now termed the Tuapeka Creek Gold-mining Company.

The Cornishman's Claim, to the northwards of Blue Spur, is also being worked by means of the elevators. As the pressure of the water is not strong, operations are carried on from three floors.

Weatherstone's.

Smyth, Adams, and Donlan, known as the "Golden Rise Mining Party," have increased their area during the year, and now hold a special claim of 73 acres. They have an elevating plant, and have been working steadily, with satisfactory results.

Waitahuna.

The Norwegian Claim has been working continuously during the year, and the results are said to be satisfactory. Twelve men are employed.

Ferris and party have been working on their claim for an average yield.

Sailor's Gully Gold-mining Company (Limited).—This party have gone to a considerable expense in enlarging water-races, laying down pipes, and constructing dams. For the past three months they have carried on sluicing operations, the returns being such as to induce confidence that the claim will turn out satisfactorily.

Hagan and party and Quilter and party are working old tailings in the bed of the gully, and most of the other claims in the locality have been doing fairly well.

Manuka Creek.—Stewart and party hold several claims, and have done a considerable amount of work in bringing in an additional water-supply. The claim being situated at a high altitude, very little can be done in the summer through the scarcity of water, but during the remainder of the year a great deal of ground is turned over, and it is hoped that in the present winter the yields will be satisfactory.

Waipori.

The Amalgamated (Waipori) Deep Lead Gold-mining Company's Claim.—This claim is soon to be worked; the mortgagee, having purchased the property, is preparing to work the claim in a systematic manner.

Bakery Flat Sluicing Company.—This company have got their new claim into good working order, and are said to be obtaining satisfactory returns, 71 oz. of gold having been obtained for one