

Several hundred feet of driving was done at the low level, without favourable results. Prospecting was also carried on at the higher levels, and occasional blocks of payable stone were obtained. 480 tons of quartz was crushed, for a return of 390 oz. 11 dwt. of gold; value, £1,582 6s. 1d. A large parcel of accumulated tailings treated by the cyanide process yielded 860 oz. 17 dwt.; value, from £2 10s. to £2 15s. per ounce. Twenty-five men were employed.

Victoria Range.

An important discovery of auriferous quartz was referred to in my last report, but at that time no prospecting of any consequence had been done to prove whether the large deposit of auriferous stone lying on the surface would be found *in situ*. The prospector, Mr. William Kirwan, and those connected with him, had not sufficient means to carry on large development works, and they entered into an arrangement to give the Anglo-Continental Gold Syndicate (Limited), of London, an option of the property, on certain terms, on condition that it would expend a sum up to £200 per month in developing the property, when the range was not covered with snow. This syndicate commenced operations on the property, which consists of one special claim—namely, the Lord Brassey—and three licensed holdings—the Lady Brassey, Earl Brassey, and Kirwan's Reward—in the end of last year, and have already expended a large amount in carrying on development works without meeting with success in locating the lode from which the rich deposit of auriferous stone on the surface came. Several mining men of good repute have visited and inspected this property, amongst whom may be mentioned Mr. A. McKay, Government Geologist; Mr. Park, formerly Assistant Government Geologist, and also late Director of the School of Mines, Thames; and Mr. H. A. Gordon, the late Inspecting Engineer of the Mines Department, and they all agree that the deposit of auriferous stone on the surface could not come from any other place than the Lord Brassey Claim, where the deposit is lying. The configuration of the country, and the line of the different formations bounding the belt of country-rock in the Lord Brassey Claim, shows that it could not have been brought there from any great distance, and there is little doubt but that the lode *in situ* will yet be found. This range, although it goes under the name of Victoria, is not entitled to be designated by that name. It is several miles distant from the Victoria Range proper, and it is now better known as Kirwan's Hill, the highest point of which is on the Lady Brassey Licensed Holding, being 4,200 ft. above sea-level, and the place where the rich auriferous stone is lying on the surface is about 3,770 ft. above sea-level. There are evidences of a slip having taken place at some remote period from the Lady Brassey Licensed Holding in the direction where the stone is lying, and the sinking of shafts near that particular place shows broken ground to a depth of 30 ft. Two adit levels have been driven into the eastern side of the range for a distance of 250 ft., one of which is 205 ft. under the top of the range and the other 130 ft. In constructing the southernmost adit 30 ft. of loose material, mixed with highly auriferous blocks of quartz, was passed through before the country-rock was met with, which was for a further distance found in a loose broken state. Several leaders of quartz were met with in this adit level, one of which has a width of 18 in., but the quartz has a different structure to that found on the surface, and does not contain gold—at least, not in payable quantities for working. No quartz has yet been found in the northernmost adit level, but none of these adits are sufficiently far ahead at present to prove whether the lode the prospectors are in search of exists in the range or not. Recently the construction of these adit levels has been suspended in order that all the workmen may be employed in prospecting on and near the surface before the bad weather sets in. These surface operations have been so far successful in finding a large deposit of the auriferous quartz to the eastward of where the adit levels commenced, which indicates that the lode from which the rich stone came has been running in a northerly and southerly direction, and underlying eastward at a comparatively low angle to the horizon. This is the direction of the whole of the lodes *in situ* on this range, and their underlie is also in the same direction. Prospecting operations are now being energetically carried on near the place where the deposit of stone below the surface was found, and in all likelihood an adit level will shortly be commenced lower down the east side of the range, to prove whether the lode will be found as indicated. The aim at the present time is to get all the information that can be got from surface indications so long as the good weather continues, as adit levels can be constructed during the time the snow is on the ground.

On the Earl Brassey Licensed Holding there are several lodes, one of which can be traced for a long distance, and a considerable amount of prospecting work has been done on the lode, and also on parallel lodes in the Mark Twain Licensed Holding, but so far no quartz of a payable character for working has been found in any of the claims in this locality. A little gold could be seen in the outcrop in a lode in the Earl Brassey Claim, and an adit level is being constructed on the lode from the north side of the range, which is very steep, and this will soon prove whether payable ore exists in this claim or not. It may be mentioned that the present value of the Kirwan's Syndicate Company's property is considerably exaggerated. It may be termed a first-class prospecting venture, and beyond this nothing is known as to whether the lode being searched for *in situ* will be found or not.

The following is the report of Mr. A. McKay, the Government Geologist, on the auriferous rocks of the western slopes of the Victoria Mountains:—

“As directed, I visited and partly explored the western slopes of the Victoria Mountains, and made an examination of the area of loose auriferous quartz on Kirwan's Hill, and of several lodes in the same vicinity, on which I have the honour to report as follows:—

“The discovery on the northern slope of Kirwan's Hill of a considerable area over which are strewn a covering of loose blocks of auriferous quartz has led during the past season to a great amount of prospecting there, in the vicinity and surrounding district. The result has been the discovery of numerous reefs of quartz within the area lying between the upper part of Larry's Creek and the upper part of the Waitahu or north branch of the Inangahua River. Of the reefs found, none of them as yet afford prospects of gold equal to what are to be obtained from the loose quartz on the northern slopes of Kirwan's Hill. This loose quartz occurs in blocks of all