Walker, McLean, and Kneebone, who gave options upon it to the representatives of two English syndicates, who surrendered their options owing to some disagreement about terms. The mine was then purchased by a syndicate of Auckland men, who formed the company now carrying on the operations here described. There are two distinct gold- and silver-bearing lodes running through the full length of the mine, and it is within the bounds of possibility that explorations will reveal other ore-bodies. The two lodes mentioned are known as the Maratoto and Pay Rock respectively. They are running parallel to each other, and are located about 500 ft. apart—the Maratoto dipping to the westward and the Pay Rock to the eastward. They vary from 8 ft. to 20 ft. in thickness, and it is reasonable to assume that deep mining will result in a convergence of the two lodes, forming a strong body of ore. Although the richest ore was got in the early days from the Maratoto lode, the present owners decided to test the Pay Rock lode in the first instance. Originally this lode was opened up by Mr. William Goldsworthy and party, who proved it to be a payable ore-body for a length of about 250 ft. by driving along its course, on the south side of McBruin's Creek, and on the hanging-wall portion of the lode. When the English syndicates took over the property they drove a distance of 300 ft. north of McBruin's Creek, and on the foot-wall portion of the lode, which carried gold, but not in payable quantities. As soon as the present company started operations two of the directors—Messrs. Adams and McCombie—examined the property, and concluded that the payable ore-body worked upon on the south side of the creek was still intact on the north side of the same point, as no trace of it could be found in the option-holders' workings. Driving northwards was then started from the face of the level last mentioned, and, after diverging to the right a distance of 7 ft., the hanging-wall portion of the lode was met with. Here some ore rich in the precious metals was disclosed. On the extreme hanging-wall of the lode there is a belt of ore which assayed up to £113 per ton. Since then the hanging-wall portion of the lode has been driven upon, south of the first point of contact, and the average assay result for a width of 2 ft. throughout was very satisfactory. With a view to still further proving the extent and value of this rich ore-shoot both overhead and underfoot, rising and sinking were started upon it. The rise is now up to a height of 35 ft. on the hanging-wall of the lode, which is being broken out to a width of fully 5 ft., and the average assay-value of the ore is £6 per ton. In the winze a depth of 20 ft. has been attained, and here the gold-bearing portion of the lode averages 4 ft. in width, and the assay-value is £11 per ton, with every indication of a continuance of the rich ore-deposit. About 800 ft. north of McBruin's Creek the Pay Rock lode outcrops in the Maratoto Gully, and in between these two points the range rises to a height of fully 250 ft. Some time since a low level was started on the lode from the last-mentioned gully, and already it has been driven southwards for a distance of 400 ft. In the present face the lode measures 6 ft. in thickness, and carries gold and silver, but not in payable quantities. This level will afford 120 ft. of backs beneath the option-holders' level—known as No. 1 level—at McBruin's Creek, and a distance of 200 ft. remains to be accomplished before it reaches under the shoot of ore that is now being sunk upon in the winze already referred to. At the No. 1 level the shoot of rich ore is now fairly proved to be 600 ft. in length, and there is every prospect of its continuance downwards. The No. 2 level is to be the main adit for connecting the whole of the mine-workings with the mill, which will be located about 100 ft. lower down, and 7 chains distant therefrom. The excavations for the battery-site are now approaching completion, and a contract has been let for the construction of the water-race, which is about 12 chains in length, and will afford 170 ft. of fall. The water-supply will be equal to running the full force of the battery for about seven months of the year, and auxiliary steam-power will be used for the remaining five months. The battery will comprise one No. 2 Gates crusher and fifteen head of 700 lb. stampers, with a complete cyanide-plant attachment, and the work of erection is being carried out under the supervision of Mr. H. H. Adams. The system of ore-treatment to be adopted will be wet crushing, amalgamation on plates, and cyanide for the tailings. The whole of the machinery and plant is now at the Junction, within 60 chains of the battery-site, awaiting completion of the road-connection up McBruin's Creek, and this, it is expected, will be ready for traffic about the end of May. The mill, it is hoped, will be ready for ore-treatment sometime in the month of August next.

Komata District.

Komata Reefs Mine (Area, 79 acres; owners, Komata Reefs Gold-mining Company, Limited; mine-manager, Charles H. Lawn).—This mine is worked from adit-levels, the lengths and depths of which are as follows: No. 1 level cross-cut, 40 ft. long and 60 ft. below surface; No. 2 level cross-cut, 125 ft. long and 140 ft. below surface; No. 3 level cross-cut, 850 ft. long and 240 ft. below surface. No. 4 level cross-cut is now being driven with air-drills, and when completed will be 2,900 ft. long, and will cut the reef at a depth of 540 ft. below the surface. The distance so far driven is 900 ft. The reefs operated on are Wilson's lode (formerly called Argall's lode) and Hartridge leader. Wilson's lode runs north and south through the property, and has an average width of 3 ft. to 4 ft. The ore-bodies occur as irregular chutes and patches, the ore being loose friable quartz carrying free gold and sulphide of silver. Hartridge leader strikes off from the east wall of Wilson's lode, and runs north-east and then north almost parallel with Wilson's lode. It is composed of similar quartz to Wilson's lode, is about 8 in. wide, and produces high-grade ore. The development work during the year has been driving No. 4 level cross-cut and driving on the reefs being operated on in levels Nos. 1, 2, and 3. The mine machinery consists of one air-compressor, 12 in. cylinder and 16 in. stroke, which supplies air at 60 lb. pressure per square inch to work two Little Giant drills. The motive-power to drive the compressor is one Pelton wheel, 3 ft. in diameter, working under a head of 285 ft., with about half a Government head of water. In dry weather this power is supplemented with a 10-horse-power nominal Tangye's vertical boiler. The mill machinery consists of a twenty-head battery driven by water-power, with a small semi-portable engine as auxiliary in dry weather. There are two rock-breakers, one of the Blake-Marsden type, with 12 in. jaws, and one Gate's Crusher No. 2, style D.