

main shaft from the low level, which has now attained a depth of 100 ft., and it is expected that a further distance of 50 ft. of sinking should intersect the junction of the No. 2 and Fluke reefs, but it is the manager's intention to open out a chamber at a depth of 100 ft., and drive for the No. 2 and Fluke reefs at that level. At the top of the shaft a large chamber has been cut out of the rock in which the pumping and winding machinery is erected, and near the centre of the claim, being 750 ft. in a north-easterly direction from the main cross-cut that was driven conjointly by the Kapai-Vermont and this company. The smoke is carried direct from the furnace of the boiler up to the surface, a distance of 300 ft., through a steel pipe-flue, which is suspended in the centre of a rise by iron yokes, the whole being air-tight to prevent any smoke finding its way into the workings. The whole of this work has been carried out in a most efficient and careful manner, and reflects credit on the management of the mine. The Try Fluke and Eastern reefs that have been operated on this year have varied from 18 in. to 5 ft. in thickness, and have produced 2,812 tons of ore, and, on being treated by the amalgamation process and cyanide process, gave a return of bullion to the value of £3,740. The prospects of this company look more promising than they have done for some time past, and, should the reefs at the low level yield as high a percentage of the precious metal as was obtained from the quartz won from the upper levels, the shareholders will have a fair chance of being recompensed for the money it has cost in opening up the mine.

*Kapai-Vermont.*—The operations in this company's mine have been of a very limited nature for the greater part of the year, the ground being partially protected. Two and sometimes three men were employed to repair the drives and do a little surface prospecting. The company's affairs have been for some considerable time in a very unsatisfactory condition, but the property has now been sold, I am informed, to an English company, who are going to lose no time in commencing work to open up the reef below the main adit-level, from which excellent returns were obtained in the floor of the drive.

*Great Mercury Mine.*—This company's claim comprises 34 acres, and there has been an average number of eighteen men employed on the property during the year. There has been 629 ft. of driving done in the reef and 470 fathoms of the reef stoped out, from which 1,202 tons of quartz has been treated by the wet amalgamation process, for 518 oz. 18 dwt. of gold, value, £1,237 18s. 2d.; 1,065 tons of tailings treated by the cyanide process, for 633 oz. 2 dwt. of gold, value, £1,299 7s. 5d. The operations in the mine have been carried out satisfactorily and with a fair amount of success; but, as the affairs of the company have been very complicated, the directors found it necessary to sell the property, and in consequence it was sold on the 27th March to Mr. J. Craig, of Auckland.

*Waitaia Mine.*—This company has done a large amount of development work in the shape of opening up the reefs and leaders that have been intersected at the different levels, and the following are some of the works carried out during the year:—Geard's level, north on the Blue-face reef, has been extended a distance of 50 ft. This drive is in a total distance of 285 ft. from the cross-cut, 85 ft. having been driven on the Blue-face reef and 200 ft. on No. 5 reef, and the same level has been driven south on the reef for a distance of 282 ft. The drive on No. 3 reef, at the Smithy level, has been extended a distance of 70 ft., and is now in a distance of 117 ft. A winze has been sunk on No. 3 reef from Barrett's level to a depth of 55 ft., and a rise put up from the Smithy level, to meet the bottom of the winze, to a height of 60 ft. This is considered a good block of ground, as payable crushing dirt was obtained from the top of the winze to the bottom of the rise, a distance of 110 ft., and the reef will average 9 in. in thickness throughout. The No. 3 reef has been driven on at No. 4 level for a distance of 30 ft., making the total distance driven on the reef 516 ft., the ore broken out in this drive for the whole of the distance being of a payable character. No. 4 level cross-cut has been extended 10 ft. This drive is now being put in for the purpose of intersecting any reefs or leaders that may traverse the eastern portion of the property. No. 5 level south has been extended on the reef for a distance of 166 ft., and is now in a total distance of 577 ft. The reef has varied from 3 in. to 3 ft. in thickness, and gold has been frequently seen in breaking out the quartz. In the north drive at this level the No. 3 reef has been driven on 90 ft. and No. 5 reef driven on 88 ft. A rise has been put up on this reef from No. 5 to No. 4 level, a distance of 150 ft., and an intermediate level is now being driven 70 ft. up the rise for the purpose of proving the block, and to be in a position to work out the reef to more advantage. There are various other works done in this mine, but too numerous to mention. The company contemplates erecting a crushing-plant to treat the ore as it is won from the mine, but the kind of crushing-plant has not been decided on yet. During the year 112 tons of ore has been treated for 171 oz. 6 dwt. 4 gr. of gold, value £432 2s. 4d., and on an average eighteen men have been employed.

*Irene Mine.*—This company's mine has been protected for the greater part of the year. In the month of May a crushing of 163 tons of ore was treated, when 91 oz. of gold was obtained by amalgamation and 43 oz. 10 dwt. by the cyanide process, the value received for the gold being £283 1s. 1d.

*Aorere Mine.*—This company has done very little work on their own account during the year, but the mine has been let to a party of four tributers, who have confined their operations to driving and stoping on the Aorere reef at the low level. The average thickness of the reef is about 9 in.; but the quartz has to be carefully selected before it is sent to the mill, as a good deal of it is not of a payable character. The tributers have had 89½ tons of ore crushed and treated, from which they obtained £246 16s. 7d. for the bullion by amalgamation and £253 13s. 11d. by the cyanide process.

*Handsworth Mine.*—This claim comprises 5 acres, and adjoins the Irene. It is owned by Lewis Woodcock, who works the mine with two men. The low-level cross-cut is in a distance of 340 ft., and in this drive several leaders have been intersected, varying from 1 in. to 4 ft. in thickness, all carrying gold; and in driving on what is termed No. 2 leader very good picked stone is frequently obtained. A parcel of 170 lb. of stone was treated in the month of January last, which