Campbell from participating in the results of anything that had been or might be found, envious of those on whose land the gold was supposed to exist, and generally apprehensive that in some way wrong and injustice would be done to them. A meeting was held, at which it was decided to leave the matter in the hands of Te Heu Heu, the principal chief in the district, who the day following refused his consent, and in consequence I proceeded by the first opportunity to Rotorua, and thence on the 21st January to Te Puke.

At Te Puke I remained for a week, at the end of which time I received further instructions with respect to the examinations to be made in the country to the eastward of Lake Taupo, and returning accordingly I reached Taupo Township on Saturday, the 28th January, and, armed with a proper authority, with Mr. Campbell set out for the Upper Hinemaia the following day. For the night we stopped at Tauranga Taupo, and by noon of the following day reached Wairoa, a small Native settlement on the southern branch of the Hinemaia River. Near here the principal prospecting-works carried on by Mr. Campbell were situated, and these were reached about midday. In the afternoon several prospects made with the dish were panned off, but nothing like a payable prospect of gold was found; and next day was spent in prospecting this locality, with a like result. Many Natives assembled to ascertain the results of the examinations being made, and several of these washed numerous prospects, with no better results than were obtained by Mr. Campbell and his mate. I also panned off several dishes of washdirt, but was not more fortunate than the others had been, and eventually I was forced to the conclusion that at this place, at least, there was not sufficient gold in the wash to make it payable to work. Wednesday was spent in endeavouring to trace the auriferous wash into or under the terrace on the right bank of the stream, and in an endeavour to prove an extension of the wash in this direction, but the results were not as satisfactory as could be wished. On Thursday, with Mr. Campbell and his mate, I went to see the other localities within the Hinemaia watershed whereat he asserted gold had been obtained by him. To do so we followed down the branch stream on which we were camped to its junction with the main river, and by the way prospected the gravelly banks of this tributary where the bottom could be reached, and at higher levels the terraces where these, showing the presence of coarser gravels, had been cut into by the lesser streams crossing them to join the larger creek. Gold was obtained from wash at the higher levels indicated, but as a colour only, and, though bottom (a rhyolite rock) was reached at two places along the main stream, no gold was found. Reaching the Hinemaia River at a point a little above the junction of the first southern branch, which had been followed from Wairoa downwards, here the left bank of the river showed the presence of a dark wash, mainly formed of volcanic material, but containing also a percentage of sandstone derived from the ranges to the east and south-east, the principal source of the Hinemaia being in that direction, among the higher peaks of the Kaimanawa Range. Doubtfully was the presence of gold determined at this place, and the wash could not be bottomed owing to its being in part below the level of the river at the place where gold was said to have been found. The rock-bottom shows a few chains up the river, and is overlain by a gravelly wash, which also was prospected, but without the result desired; also, two other places in the same vicinity. I was next taken about a mile down the main stream to where a gorge, by the action of the river, has been formed in the solid rhyolite rock. Here various pot-holes and fissures were cleaned out, as it was here Mr. Campbell relied on for the finding of coarse gold, which I was informed had been obtained on a previous occasion. No trace of gold, after a prolonged search, could be found, and after prospecting the river-bank at two other places, further endeavouring was abandoned, and we returned to the camp at Wairoa. I was then informed that I had seen the different localities relied on as being gold-bearing, but, over and above this, gold had been obtained on some of the bars of the Upper Hinemaia River, which possibly might lead to further discoveries. I was not asked to see these, possibly from the fact that I had very plainly hinted that what I had already seen in no way supported the assumption that payable alluvial gold would be found further up the valley. Mr. Campbell expected that I would stay to see the results of further stripping and trenching at the locality, near Wairoa, first described. I did so till it was plain that the wash along the bank of the river abutted against the pumice-sands overlying the rhyolite rock, and forming the terraces on both banks of the stream. This done, I left on the Friday afternoon, reaching Tauranga Taupo the same night, and Taupo Township the following day, the trip having thus occupied seven days.

As regards the source of the gold, all that can be said is that in the first southern branch of the Hinemaia, near Wairoa, the precious metal is associated with volcanic rocks only, there being neither sandstones nor slates represented in the wash. A few stray pieces of quartz are occasionally present, but these may have been derived from either a sedimentary or a volcanic formation, and there is thus nothing to show that the gold has had its source in the Kaimanawa Range, and been drifted west and north to the position in which it is now found. On the other hand, dark fluidal rhyolite is not, according to all experience, a favourable rock for the occurrence of gold. This rock, however, forms the bulk of the wash in which the gold is obtained, and in some way an explanation of this association has to be found. This rock exists to the east of Lake Taupo under most peculiar conditions, and, except in some doubtful cases near Taupo Township, it never occurs *in situ* as far to the eastward as my explorations have extended. For some twelve to fifteen miles to the east of Lake Taupo the crystalline rhyolites showing at several places along the shores of the lake and in the Upper Hinemaia are overlain by some 500 ft. of fine pumiceous sediment. This may have accumulated in a former extension of the lake, or it may be of marine origin, but this need not be discussed here and at this time. Towards its upper part these beds of finer grain are interstratified with well-rolled gravels of dark volcanic rock 2 ft., 4 ft., or 6 ft. in thickness; and, finally, overlying the uppermost of the fine pumiceous sediments is a heavy bed, variable in thickness from 10 ft. to 20 ft. or more, which is composed of angular pieces of fluidal rhyolite, pitchstone, and rocks approaching the character of obsidian. This breccia is composed of pieces of all sizes from a few inches to 10 ft. or 12 ft. in diameter. It occupies all the higher lands between