

*Karaka Block.*

The Success, New Hauraki, Poneke No. 2, Poneke No. 3, Standard, and Shetland are the only claims that work on this block, and very little gold is being obtained. So far the claims on this block have been disappointing; not one has come up to expectations.

*Kennedy Bay.*

The Bay View and Rose are the only claims at work apparently in this district, and I hear of no gold being obtained.

*Pukemaukuku.*

This block is still being prospected, but with no results so far.

*Tiki.*

The Progress-Castle Rock Company has now got a battery erected, and hopes are entertained that, as there are so many reefs about there, payable crushings will eventuate shortly.

*Kuaotunu.*

The Try Fluke Claim, belonging to the Mariposa Company, which has been the great gold-producer of this part of the Hauraki district for so many years, is at present under protection. When work is resumed I hope to see this claim again to the fore, with steady crushings.

The Kapai-Vermont Claim is at present being worked with a reduced number of men. This mine has for some time past been in law troubles, but an arrangement has recently been come to which is likely to enable the present company to work it continuously, and, it is to be hoped, with success, as a considerable quantity of gold was recovered from it in past years.

The owners of the Great Mercury Claim have obtained very little gold since they took it over last year.

The Irene, Juno, and Waitaia Claims are at work, mostly on tribute, and small crushings are being obtained from time to time.

*Mercury Bay, Mahakirau, and Kapowai Block.*

A number of new claims have been applied for in these parts, particularly on the Kapowai and Rangihau Blocks, most of which are now granted, as the Kauri Timber Company's surrenders and agreements have been arranged. Considerable delay was caused through these documents having to go before the directors of the company in Melbourne for confirmation. Good prospects have been found in several of these claims, notably in the Welcome Jack. Some very rich leaders near the surface, but so far no large gold-bearing reefs have been discovered. The leaders, however, are rich.

*Opitonui.*

Since my last report the Kauri Freehold Gold Estates' forty-stamp battery has been completed, and crushings are being regularly obtained each month. This company have expended a large amount of capital, and very large works are being carried on on its properties. The gold returns, however, vary, and are not as good as one would like to see. Some difficulty is experienced in treating the ore, which renders the returns smaller than they would otherwise be. So far the results do not reach expectations.

The School of Mines at Coromandel is now in thoroughly good working-order. A battery in connection with same is being erected. This battery has been long looked forward to by the miners, who will, upon its completion, have a ready means at hand for testing the results of their prospecting operations.

The monthly returns have fallen off, but this, of course, in country of this class must ever and anon occur as the rich patches are worked out, until others are unearthed. There is, however, a great deal of prospecting- and development-work being undertaken, which probably will result in some rich pockets and lodes being discovered.

*TE AROHA.*

There has again been little progress during the year, still in some respects there has been considerable improvement.

The Aroha Mines at Waiorongomai, under the management of the proprietor, Mr. Hardy, have proved a decided success. Though handicapped in being worked with only five out of ten head of stampers for some time through want of water, the results obtained exceeded every expectation, and go to show that, if only worked properly, there is plenty of remuneration for outlay of money in Te Aroha properties. Mr. Hardy has also during the year treated several parcels of ore forwarded to him by prospectors, and intends continuing to do so in the future.

The Rev. Joseph Campbell, of the Montezuma Mines, has not as yet met with great success in thermo-hyperphoric experiments, but latterly has turned his attention to dealings with local fluxes. He now claims to have made a most important discovery in the form of a method of melting refractory concentrates quite new to metallurgical science. By this process he considers the cost of treating refractory concentrates will be largely reduced, so that more may be heard of it during the coming year. Te Aroha district contains an immense quantity of somewhat low-grade ore, and a cheap process is exactly what is wanted. Arrangements have recently been made for carrying on Mr. Campbell's reduction-works as a public mill for the treatment of parcels of ore.

Prospecting is still going on in several claims—Alexandra, Empire, Golden Crown, and Golden Lead—a few being let on tribute.