

this was completed a number of men in the surrounding district would have taken the opportunity of testing some of the reefs that were said to contain gold in payable quantities. So far the result has been disappointing. The testing plant was completed in the beginning of the month of December, and all the quartz treated in the plant up to the present is 21 tons 10 cwt. and 20 lb. of picked stone for 5 oz. 13 dwt. of gold, valued at £15 10s. 9d. About nine men are employed in the district.

GUMTOWN.

The new goldfield discovered in the early part of the year is about six miles in a southerly direction from Gumbtown. Gold having been discovered by Kenny, Murphy, and others in payable quantities, a number of leases were pegged off, but the ground where the gold was found was on the Kauri Timber Company's lease, and in consequence considerable delay has been caused in granting the leases, pending arrangements with the Kauri Timber Company. This has now been amicably settled, and some of the leases granted. There were in the beginning of February eight men employed in the Welcome Jack, five men in the Kapowai No. 2, three men in McIsaac's Big Beetle, and some others prospecting in the immediate neighbourhood of these claims.

In the Welcome Jack Claim three leaders were opened up on the surface, running parallel to each other, and about 30 ft. apart, varying from 4 in. to 8 in. in thickness. A crosscut was driven from the side of the hill, and the No. 1 leader intersected and driven on for a short distance, and a winze sunk on it to a depth of 40 ft. The No. 2 leader was driven on for a distance of 60 ft. from the western side of the hill, and the No. 3 leader was only opened up by a trench on the surface. The quartz treated from these leaders has given good payable results, and, as work has again been resumed, discoveries of importance may be met with at any time, as it is new ground and unprospected.

Big Beetle.—The No. 1 leader varied from 6 in. to 18 in. in thickness. Three drives have been started on this leader from the side of the hill, but have only been driven on a few feet above each other. Gold is freely seen in the quartz as it is broken out, and in several trenches cut through the outcrop of the lead good dish-prospects can be obtained. On the No. 2 leader there is a long open face, and a drive put in on the leader for a distance of 40 ft. Gold is seen here in very small veins of quartz, which are running parallel to No. 1 leader, and about 30 ft. apart. This claim looks exceedingly encouraging, and should when opened up give good results.

Meikle's Kapowai No. 2.—The work in this claim was being done by blasting the country and iron veins that carried the gold out in an open face, and as the rock was shot out the small veins carrying gold were selected for treatment.

MATA DISTRICT.

A few men have been intermittently employed prospecting in this locality during the year, but have not been successful in discovering anything of importance.

TAPU DISTRICT.

Mahara Royal (Limited).—In the Royal section of this mine the drive on the reef in the low level has been extended 366 ft., and 1,170 ft. of stoping has been done on the Royal reef, the reef varying from 2 ft. to 5 ft. In the Shannon section a crosscut was advanced 101 ft., when a leader about 1 ft. in thickness was intersected. This was driven on for a short distance, but, being small and of low grade, driving was discontinued. A new surface-prospecting drive has been put in on this section a distance of 70 ft. A crosscut in the Fluke section has been put in a distance of 307 ft., when a leader about 1 ft. thick was met with. This leader has been driven on for a distance of 58 ft., but continues small, and is also of low grade. During the year about 3,448 tons of ore and tailings has been treated at the company's battery for a return of 1,031 oz. of gold, valued at £3,207 2s. 6d. An average of forty-six men have been employed.

Bullion Mine.—This ground, which was formerly known as the Sheridan Mine, has been steadily worked during the year. Operations were carried on during a part of the time by the company, who have done a fair amount of work in prospecting and developing the mine, but, the returns obtained not being payable, the company stopped work and let the mine on tribute to C. Manuel and party, who were successful in discovering a chute of payable ore, on which stoping operations are now carried on over the back of the low level. During the time operations were carried on by the company fourteen men were employed, but at present seven tributers and one wages-man are employed in connection with the mine and battery. During the year 176½ tons of quartz and 126 lb. of picked stone was obtained from the mine, which was treated at the company's battery for a return of 389 oz. 15 dwt. of gold, valued at £1,210 12s. 6d.

Prospecting-work has also been carried on in the Golden Horn, Diehard, Royal Star, and Black Swan Claims, with one to two men in each.

WAIOMO.

Monowai Mine.—This mine was stopped for a few months on account of the ore treated at the battery not giving a return of bullion nearly equal to the assay-tests made from time to time. 312 tons of ore was treated at the company's battery for bullion valued at £76 10s. 2d. This being disappointing, the directors, not being satisfied with the treatment, directed the general manager to ship 60 tons of concentrates to the smelting-works at Dapto, New South Wales. This was successfully treated, giving a yield of bullion worth £10 per ton, and on this result they decided to add further to their own plant by erecting three Union improved concentrators with a view to reducing the ore down to concentrates, and shipping it to New South Wales for treatment. Operations have again been resumed in the mine, and driving and stoping on the reef, which varies from 6 ft. to 42 ft. in thickness, is proceeding. An average of nineteen men have been employed.