

to work, thereby making the results poorer. The working on "Maori bottom," as described, is the only new departure from the old systems—chiefly hydraulic elevating—in vogue in this district.

The water season was fairly good until June; then, generally speaking, until about the 1st December very dry weather prevailed, especially in the spring months, when the weather was unusually dry, with cold harsh winds, lessening, as a matter of course, the water-supply. However, a full supply of water is expected by the miners here next spring-time. It is to be hoped that their expectations will be realised.

At Patearoa and Serpentine the usual state of mining matters exists, and those engaged in mining appear to be doing fairly well.

At Hyde the same state of things prevails. Twelve to sixteen men are employed at quartz-mining at Mount Highlay, but nothing good has as yet been found. Nevertheless there are several who have still faith in Mount Highlay as a quartz district.

At Kyebrum the miners are jogging along the same as usual, and seem contented with their earnings. The Naumai dredge—the only one in this vicinity—has not been a success so far, and is now closed down and the company in liquidation; but I have been informed that a syndicate of local men has been formed to purchase the dredge and claim and have another try, with, it is to be hoped, better success.

At St. Bathans there are some good claims. The Scandinavian Company, employing sixteen men, has, I have been informed, obtained upwards of 5,000 oz. of gold during the year.

The Shamrock Claim, too, has been doing well.

The United M. and E. Company has a good water-supply, and is elevating wash from a depth of 82 ft. This, I think, is the greatest depth at which elevators work in Mount Ida district. The company employs six men, and is obtaining very satisfactory results.

*Vinegar Hill Gold-mining Company.*—A new company formed of the mining properties of Messrs. Morgan and Hughes and the trustees of the late James Nicolson. Capital, £6,000, divided between those parties. The ground held by the company is good, and evidently the company has a prosperous future before it.

Besides these principal claims there are some smaller ones—sluicers and fossickers—and all seem content with their earnings.

At Matakanaui (Tinker's) mining affairs seem to be much as usual, the only thing of any importance occurring there being the amalgamation of properties owned by Messrs. Ewing and McConnochie and the Sugar-pot Company, and forming same into a company, with a capital of £15,000, divided amongst themselves. It is intended to work the ground by means of hydraulic elevating.

At Macrae's a dredge was built during the year and put on some ground near the township; but after ten weeks' working it was found that the ground would not pay, and the dredge has since been closed down. There is very little mining now in this once prosperous goldfield, merely a few Europeans and some Chinese, whose earnings are small. The prospects of quartz-mining, however, are rather cheering. I have been favoured by Mr. Griffen, mining agent at Macrae's, with the following notes on quartz-mining in the Macrae's district:—

*H. Mills and Sons' Quartz Claim, Macrae's.*—This party have an eight-head stamper at work. Their mine is on private property, and they pay a royalty to the owner on the gold obtained. During the year they crushed 2,000 tons of stone for a yield of 327 oz. 13 dwt. 11 gr. gold.

*Donaldson Bros., Golden Point, Macrae's.*—This mine is worked by tunnelling and driving on the lead about 3 ft. thick, and the stone carried to the mill by means of an aerial tramway, and treated by a five-head battery and Huntingdon mill. In addition to quartz in this claim there is some alluvial gold and scheelite. The claim is believed to be paying well, but the shareholders do not care about publishing results.

*Bonanza Mine, Macrae's.*—This mine is owned by Mr. L. O. Beal, and a good deal of work towards developing the mine has been done during the year. This mine uses an aerial tramway, a Huntingdon mill, a rock-grader, and an amalgamating-pan, all gold being saved by the amalgamation process. This mine, too, is said to be paying well, but yield of gold not ascertained.

*Ounce Mill, near Dunback Hill.*—This mine is owned by Spiers and Ross, and an eight-head battery is in use. The stone has to be carted about three-quarters of a mile to the mill. Party believed to be doing fairly well.

*Golden Bar Mine, Dunback Hill.*—This mine was originally taken up by a Dunedin syndicate, who spent a considerable amount of money in prospecting the reef. Had various trial crushings, and eventually found that the mine did not pay, so abandoned it.

In February, 1901, a party of six miners took up 10 acres on line of reef, and started to work prospecting. Made roads, races, and dams. Took out trial crushings, with results of 5 dwt. to the ton. Next they purchased a battery of ten heads of stampers, erected it, hired a traction-engine, started crushing in August last, and have crushed 900 tons of stone up to the end of year, with a result of 5½ dwt. to the ton. Since then they have purchased a 12-horse-power engine and dispensed with the traction-engine. The reef averages from 6 ft. to 8 ft. in width, and is as yet all worked on surface of the ground. This syndicate has spent about £1,800 on mine, but it would seem there is a prosperous future ahead of it.

The Dunback dredge as yet has not been a success. It has been shut down for some time past, but it is expected that it will start to work soon again, with better results it is to be hoped.

Gold to the value of £48,021 15s. 6d. has been purchased by the banks in this district during the year.

Statements showing total revenue under the various heads is also forwarded herewith.

Courts at the appointed places have been held regularly during year.

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The Under-Secretary, Mines Department, Wellington.

J. McENNIS, Warden.