

In the mine the work was confined to stoping on the Waitaia reef in the Nos. 3, 4, and 5 levels, where the reef varies from 1 ft. to 4 ft. in thickness, and is composed of good clean quartz of a payable quality. There are also a number of other leaders opened up in this company's ground at the different levels, all of which are carrying gold. Now that the company has acquired the Irene battery, those leaders will no doubt be operated on, as the manager will have a better opportunity of testing their value than he has hitherto had. 989 tons of quartz was broken out and treated for a total value of £4,094 9s. 5d. An average of twenty men was employed.

Irene.—This mine was worked by a party of tributers during the greater part of the year, their attention being directed to driving and stoping on the Irene lode, from which they obtained a total of 240 tons for a return of 299 oz. 15 dwt. of gold, valued at £649 18s. 2d. I am informed negotiations are at present proceeding between the Waitaia Company and the Irene Company with a view to the Waitaia Company purchasing and taking over the mine. It could, no doubt, be worked in conjunction with the Waitaia Mine to greater advantage than by any other party, as the battery is in close proximity to the workings of the Irene Mine.

Great Mercury.—This mine has been worked during the year by Carroll and party on tribute. The tributers have done a large amount of prospecting-work on the western side of the hill, with rather poor results. 325 tons was treated for a return of 332 oz. 3 dwt. of gold, valued at £786 2s. 6d. The proprietors intend putting in a low level on the eastern side of the Try Fluke lode. This is of very great importance to this part of the goldfield, as such a level would open up a large block of ground in this mine, and would also afford an easy means of developing the Irene and adjacent mines.

Handsworth.—This mine still continues to be worked by the owner, Louis Woodcock, who employs one wages-man. The operations are directed to stoping on the different leaders, and the quartz is treated at his small battery, which is driven by an overshot water-wheel when water is available. 88 tons 6 cwt. 3 qr. 20 lb. of ore was treated for a value of £309 4s. 9d.

Juno.—This mine has been worked on tribute by Neugent and party, the work being confined to driving and stoping on small leaders on and over the back of the main level. The quality of the ore was good enough, but, as quantity could not be obtained within a reasonable time, the money received for the work done is not sufficient for the labour entailed, and does not pay. 6 tons 5 cwt. of quartz was treated for 31 oz. 6 dwt. of gold, valued at £78 5s.

Invicta.—A portion of this ground (which was abandoned for a considerable time) was recently taken up by S. Gribble and party, who started working on a reef which had been previously cut in the No. 2 level, and from which they broke out and treated 15 tons of ore for a return of 10 oz. 4 dwt. of gold, valued at £25 9s.

A little prospecting-work has been done on the Aorere Claim, but nothing payable discovered.

MERCURY BAY DISTRICT.

Welcome Jack, Guntown.—The new low level has been driven a total distance of 488 ft. The leaders, where intersected at this level, did not prove to be as good as anticipated. A rise was put up on the principal leader from the low level, and was expected to open up a payable block of ground. A winze was also sunk on the leader from the upper level. 208 tons of ore was treated from this mine, which yielded 489 oz. 13 dwt. of gold, valued at £1,164 3s. 10d. An average of ten men was employed.

Big Beetle.—Only a limited number of men have been employed in this mine during the year. The low level was extended a distance of 100 ft. to intersect the No. 2 leader underneath the point where a winze was being sunk from the upper level for the purpose of connection. The drive was then put in on the course of the leader for another 100 ft., and as there are 80 ft. of backs over this level a fair amount of crushing-dirt will be obtained when stoping is commenced. 100 ft. has been driven on the new leader cut in the crosscut, and a rise put up on it 20 ft. Two prospecting-levels have also been driven; one is in a distance of 150 ft., and the other 50 ft. The latter is on No. 1 leader, and was cut 200 ft. to the east of any previous work that had been done on this leader. Here it is from 1 ft. to 3 ft. in thickness, and gives very good prospects. A parcel of 2 tons treated from here at the Coromandel School of Mines gave a yield of 51 oz. 14 dwt. of gold, valued at £155 2s. This result being highly satisfactory, the directors decided to erect a small battery, and purchased one from the Progress-Castle Rock Mine (three stamps, &c.), which is to be removed and re-erected adjacent to the mine. Three men have been employed.

Kapowai.—Operations in this mine have been directed to putting in the No. 3 low level, which has been driven on the reef for a distance of 100 ft., 50 ft. being on the reef, which at this level is considered payable where stoping is proceeding; A little prospecting has also been done, but nothing important met with. 29 tons 10 cwt. was treated for a return of 47 oz. 16 dwt. of gold, valued at £113 8s. 11d. Four men were employed.

Golden Reefs.—During a portion of the year two men were employed in prospecting a lode formation, from which good dish-prospects of loose gold could be obtained. A test parcel of 1 ton was treated at the Kapowai battery for a yield of 13 oz. 15 dwt. of gold, valued at £32 19s. 1d.

Nil Desperandum, Mahakirau.—This was a claim held by Prescott and party, who did some work on it in the early part of the year. The leaders are small, and, the claim being situated some considerable distance from a battery, it did not pay to continue working. 30 lb. of picked stone was treated at the public battery, Coromandel, for 6 oz. of gold, valued at £15 15s. The party obtained six months' protection for the ground, but I was informed they intended to surrender it when the protection term expired.

Mahakirau Battery.—There has been no stuff treated in this battery during the year.