

yielding 160 oz. of gold. Two small blocks of ground which had been left in on account of the water percolating through from the surface during the wet season have also been taken out, and 20 tons of quartz from here gave a return of 58 oz. of gold. The new level mentioned has also been commenced from the Waikoromiki Creek side of the range and from the opposite side to that from which the company conducted their previous operations. The object of driving this level is to eventually cut the Tainui I. H. reef, but as the drive will transverse entirely virgin country, it is confidently expected that other known reefs as well as some not yet discovered, will be met with, and that good results will follow. A distance of 1,100 ft. has to be driven before the Tainui I. H. reef will be intersected, and 350 ft. has already been driven. 28 tons of quartz and 85 lb. of specimens were treated for 218 oz. 14 dwt. of gold, value, £632 13s. 10d., and an average of five men were employed.

New Tandem Claim.—This property, which is a small area of 10 acres, adjoins the New Four-in-Hand Mine, and has been steadily worked during the year with satisfactory results. The operations are chiefly confined to driving and stoping on the Tandem reef, which varies from 3 in. to 12 in. in width, and produces at times picked stone of good quality. During the year 10½ tons of general ore and 118 lb. of picked stone was obtained and treated at the Four-in-hand mill for a return of 257 oz. 11 dwt. of gold, value, £744 5s. 6d. From two to three men were employed.

White Star Mine.—This property, on which a good deal of work was previously carried out by an English company during the boom, has recently been taken up by a local syndicate, and work of a prospecting nature has been steadily carried on. Although a little picked stone has been obtained, yet nothing that might be considered payable has so far been discovered. 14 lb. of stone was treated at the School of Mines for a return of 3 oz. 19 dwt. of gold, value, £10 17s. 3d. From four to six men were employed.

Cabbage Bay Extended.—A limited amount of prospecting-work has been done on this property, on which a small battery is erected, but up to the present nothing of importance has been discovered, and no returns have been sent in. Two men were employed.

Macaronic Mine.—Operations in this property during the year have not been so successful as could be desired for the shareholders, who, after having had several of the different reefs and leaders traversing the property prospected with results that were considered would be payable, decided to erect a five-stamp battery. This was completed about the month of May, when crushing operations commenced, but as the returns obtained were not sufficient to meet expenses, the battery was closed down, pending further prospecting of the property. During the time the battery was run, 55 tons of quartz and 5 lb. of picked stone was treated for a return of 21 oz. 15 dwt. of gold, value, £57 3s. 2d. From four to six men were employed.

KUAOTUNU DISTRICT.

Great Mercury.—All tributing and working in the surface-blocks of the Great Mercury Mine ceased in October last. At that time the proprietors of the mine started a low level in what is known as Murray's Gully, on the boundary between the Irene and Great Mercury Mines, the object being to work both mines from this level. The work of driving this tunnel has been pushed ahead steadily with three shifts, the face being now in a distance of 520 ft. Several reefs and leaders have been cut, but so far none of them are gold-bearing. The intention is to keep driving on for the present, and if nothing important is discovered, to come back and drive on some of the reefs already cut.

Waitaia Mine.—There is little change to note since my last report. This mine has been continuously worked during the year, and regular monthly returns have been steadily maintained. The operations during the period under review have been confined to driving and stoping on the Waitaia reefs, at different points from the No. 5 level upwards. The reef has varied from 4 in. to 15 in. in width, and has been well opened up at the various levels, but being small, necessitates a considerable area of ground being gone over to keep the battery crushing. During the year 1,072 tons of quartz was broken out and treated at the company's mill for a return of 1,611 oz. 14 dwt. of gold, value, £4,537 2s. 3d. An average of twenty-four men were employed.

Handsworth Mine. This ground has again been successfully worked during the year by the owner (L. Woodcock), who directed his attention to stoping on the runs of gold that have been cut at the various levels in his mine, and from which excellent results have been obtained. Forty tons of general ore was treated for 391 oz. 2 dwt. of gold, value, £993. Two men were employed.

A limited amount of prospecting-work has been carried on in this locality in the Juno, Miny, and Hosie Claims, but nothing is reported to have been discovered.

GUMTOWN DISTRICT.

Kapowai Mine.—This property has changed hands lately, and the purchasing syndicate lost on time in commencing work. It is confidently considered that the mine can be made to pay as all the ore previously crushed was of high value. Under previous ownership, the mine was only worked intermittently. An average of four men are being employed. 276½ tons of ore was crushed for 233 oz., value, £547 11s.

Welcome Jack Mine.—This mine changed hands in the early part of the year, and the owners have been stoping out a block of ground on the main leader, between Nos. 2 and 3 levels. I am informed payable ore has been broken out and treated. The leaders being small, only a limited amount of quartz can be obtained by two men, but being convenient to the battery it pays to work. 123 tons of ore was crushed for 282 oz. 4 dwt., value, £539 11s. 5d.

Big Beetle Mine.—It was fully expected that when the company got their battery erected good returns would be obtained, but the results proved disappointing to some of the shareholders, although the quartz yielded nearly 2 oz. to the ton. This, under fair average conditions, should have been most encouraging, but the trouble is that the mill only consists of two stamps, and in consequence, the quantity of quartz put through is very limited. Still, there is a fair prospect of the mine continuing to pay for