

on behalf of a syndicate, who propose working the claims should the results of prospecting offer sufficient inducement to do so.

On the Great Barrier Island, the operations of the Barrier Reefs Gold-mining Company have principally been in the treatment of tailings, which contain a considerable percentage of silver in addition to a little gold, and have yielded an average value of 16s. per ton. This has demonstrated the fact that during the time the mine was being worked bullion was being carried off in the tailings, and the knowledge so gained may possibly lead to the mine being again worked. At the Sunbeam Mine prospecting work has been carried out and a five-stamp battery and cyanide plant erected during the year. Hopes are entertained that the mine will be a payable concern.

The reports of Mr. Coutts, Inspector of Mines, and Mr. Warden Bush deal very fully with the gold-mining industry of the Hauraki Goldfields.

MIDDLE ISLAND.

Quartz-mining in the Marlborough Province is practically at a standstill; the only property on which any work of a practical nature is being done is that of the Wairau Gold-mining Company, at the Jubilee Mine, Top Valley, near Blenheim. A small reef which carries scheelite is being worked on tribute. The company propose to test this mineral on a commercial scale, and also to extend the main crosscut for the purpose of more fully developing the mine.

Prospecting in the Anatoki Ranges, behind Takaka, Nelson Province, is to be carried out at an early date, arrangements for this work having been recently made.

The deeper ground at Johnston's United old mine, Bedstead Gully, Collingwood, is being prospected by the Golden Blocks Gold-mining Company, and should the results be favourable there is little doubt that the mine will be again worked.

The operations of the Golden Blocks Gold-mining Company at their mine at Taitapu appear to have been satisfactory, 2,387 tons of quartz yielding gold to the value of £11,108 3s. 6d., or an average of £4 1s. 3½d. per ton. An extended area has been obtained, and prospecting operations over this put in hand.

No gold was won at the Golden Ridge Mine (Taitapu Gold Estates) during the year, operations having been practically confined to prospecting-work, the results so far not being of an encouraging character.

In the Westport district a little mining has been done at the Red Queen Mine, Mokihinui (where three men working on tribute have been employed), and also at the Britannia Mine, Waimangaroa. At the former property, 118 tons of ore yielded an average value of £4 9s. 6½d. per ton, and at the latter, 889 tons of ore gave a return of £3,348 13s. 5d., or equal to an average of £3 15s. 4d. per ton. A new tunnel has been commenced at the Britannia Mine and operations put in hand for the erection of additional stamps and a cyanide plant.

Work at the Alpine Extended Mine, Lyell, has been largely of a prospecting character without any ore-bodies of commercial value having been met with. The stone obtained in the various prospecting drives was treated at the battery for an average value of 9s. 4½d. per ton.

Prospecting operations beyond Lyell are being carried on by the New Creek Syndicate, but the party known as the Italy Syndicate, who got very good returns for a year or two, have surrendered their mining privileges. The inference to be drawn from this is that the ground opened up has been exhausted.

At the Welcome Mine, Caplestone (Boatman's), prospecting was carried on during the early part of the year, but the results obtained were not considered particularly good. Subsequently the mine was let on tribute and worked during the last three months of the year, 45 tons of ore yielding gold to the value of £212, or an average of £4 14s. 2½d. per ton.

Knight and party have opened out an old mine (referred to in last year's report) at Italian Gully, and erected a five-stamp battery. It is intended, should circumstances warrant the expenditure, to increase the crushing-power to ten heads of stamps and erect a small cyanide plant.

Prospecting is being conducted by Mr. McKenzie at the Lady of the Lake Claim, and by Dunn and party at the Fiery Cross, Hopeful, and Alexander Claims.

Kirwan's Reward Mine, Victoria Ranges, has been vigorously worked during the year, and operations commenced for improving the conditions of work. The mine is worked as an open quarry, stone and mullock being sent in bulk to the mill by means of a self-acting aerial tram-line. The expenses of mining are thus very small, and consequently ore of an average low grade is made to pay well. 7,584 tons gave a return of £6,699 13s. 11d., or equivalent to an average of 17s. 8d. per ton. Mr. Kirwan spent some time in the early part of the year in prospecting-work on the northern side of the Waitahu River (Mr. B. Sutherland taking charge of the mine in the meantime), and discovered a reef known as Kirwan's New Find. This reef is 2 ft. 6 in. wide at the surface, and its appearance is very promising. It was briefly referred to in my last report as having just been discovered.

In the neighbourhood of Reefton, the Progress Mine, at Progress Hill, is the principal mine, and is connected with the battery-works near Crushington by a self-acting aerial tramway. The mine-developments have, in accordance with the company's practice, been kept well ahead of battery requirements. These include the sinking of the main shaft and the opening of lower levels. For the purpose of locating ore-bodies, the diamond-drill is largely used at this mine in drilling horizontally, and has been found of very material service in accomplishing the desired object. The battery-works include sixty-five heads of stamps, concentrating, cyanide, and chlorination plants; in fact, the method of chlorination is not practised elsewhere in New Zealand. During the year 60,000 tons of quartz was crushed for a value of £75,408 9s. 4d. (recovered by amalgamation), 37,000 tons of the sands treated