Waitekauri Company.—This company has been wholly manned by tributers, who, during the earlier part of the year, met with little or no success; but at present several parties are on gold. Indications point to a rush setting in here within the next few months.

A party are erecting a battery at the head of the Mangakara Creek, which will afford facilities for

working this-the southern-portion of the Waitekauri District.

The Government grant of £40 is being judiciously spent in forming a road to the new battery, where crushing is expected to commence about July.

Several parties are out prospecting, and rumours of a "big find" are afloat, which, if not true in the present instance, will certainly be so some day, judging from the indications of the district.

Waihi District.—All the small mines in this district have now been amalgamated into one, under

the name of the Waihi Gold Mining Company.

The works in this Company's mine are carried out under the management of Mr. John Moore. The reef is an exceedingly large one, and though not all taken, crushing stuff is taken from it for a width of from 14 to 20ft.

The average return per ton does not exceed 3 or 4dwts., and yet by judicious management, and crushing continuously, the large debt incurred for machinery, battery, tramways, water races, dams, &c., &c., has been cleared off, and now there is a large surplus on hand from which it is expected a

dividend will soon be paid.

Karangahake District.—In my last report I mentioned that "very little work had been done in this portion of the field, but from one of the mines there, the Sir Walter Scott, very encouraging returns had been obtained from a small crushing." But this small crushing led to great results, and will lead to greater still—where there were only a few miners at that time there are now between 50 and 60. Without going too much into details, the Sir Walter Scott reef was followed down into the Ivanhoe. In both of these it averaged 5ft. thick, and went about 1½0z. to the ton. From thence it has been traced to the westward across the creek and again picked up on the ground now known as the Woodstock. Here the reef was about the same thickness, and went 20z. to the ton, but the value was reduced about half the ordinary price as it contains about 62 per cent. of silver. In addition to this on the western side of the creek there have been two reefs found on the Golden Crown ground, averaging 4ft. in thickness, the crushing from which have varied from 2 to 7oz. per ton. The Hidden Treasure's reef is 18in. thick, the last crushing from which went 5oz. to the ton. But the great difficulty in a mountainous country like this is to get a road, or ways and means of conveying quartz to the battery, but where quartz is payable these difficulties will, in time, be overcome here as elsewhere.

The total quantity of quartz crushed in Hauraki South for the year is 31,495 tons 1,937lbs. for a return of 37,705oz. 1dwt. 7grs. melted gold.

I have, &c.,

James M. M'Laren, Mining Inspector.

MARLBOROUGH GOLD FIELDS.

No. 5.

Mr. Warden Allen to the Under-Secretary for Gold Fields.

Sir,—

I have already forwarded you my annual returns of the Marlborough Gold Fields, and have now briefly to report as follows concerning the mining operations in the districts under my charge, and the future prospects of the Marlborough Gold Fields:—

QUEEN CHARLOTTE SOUND AND RAVENSCLIFF.

This field is practically closed, no work has been done during the last twelve months requiring any special mention.

WAIRAU VALLEY DISTRICT.

There is nothing of any importance to report of this district. There are very few miners at work, and they are scattered about in the different gullies on the north bank of the Wairau from Onamalutu to Birch Hill. They cannot be described as doing more than making wages.

Wakamarina (known as Pelorus District).

Again I am sorry to say there is nothing of any importance to report. The river and alluvial companies have either given up their claims or retired from the field; and in the case of one or two who have manfully stuck to their work I am afraid that floods and other disasters will have caused them to find a very unprofitable result of their twelve months' labours. The Quartz claims are for the most part abandoned. Matters appear to be at a stand-still. The few alluvial miners at work are making wages.

FUTURE PROSPECTS.

I can only repeat what I have stated on former occasions. I believe that there is every probability of good payable gold reefs yet being discovered. We have a range of rough bush-covered mountains extending for several miles between the Wakamarina and the Wairau Valleys; good gold has been found in almost every gully on either side of this range, and handsome gold-bearing quartz specimens have been picked up in the water-courses. Poor men cannot afford to prospect such rough country, and rich men will not take the matter up. Unfortunately, Marlborough is not situated either in the District of Otago or Auckland, therefore it is a question of time and patience: we must wait for something to turn up. When some fortunate individual stumbles across and turns up "a find," there will be no lack of either labour or capital.

I have, &c.,

J. Allen,

The Under-Secretary, Gold Fields Department, Wellington.

Warden.