

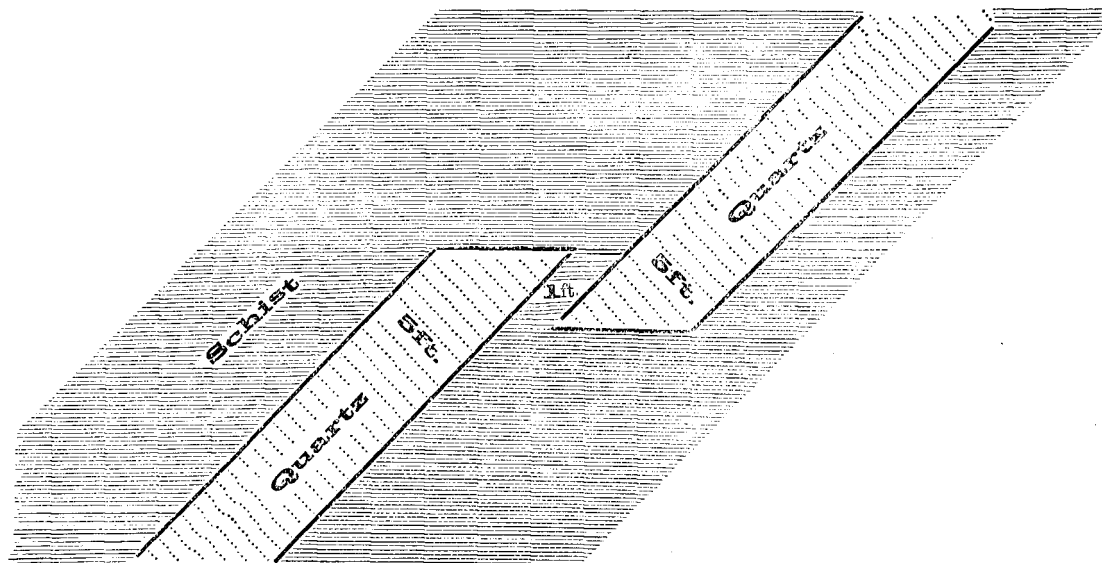
the expenditure on head-race and plant during the year, £7,837 15s. 3d. The amount of capital paid up during the year was £7,098 4s., in six calls. 300 shares have been forfeited during the year; so that at the present time the number of shares on which calls can be made is 62,984. This will reduce the available capital by the difference between the 73,000 contributing-shares and the 62,984 shares which are now held.

The value of gold obtained during last year was £3,720 11s. 6d., and working-expenses connected with the working of the claim, together with the ordinary expenses of management, were £3,157 18s. 5d., leaving a profit on working the claim of £562 13s. 1d. This does not appear a large amount when the capital of the company is taken into consideration; but it must be borne in mind that the successful working of all hydraulic claims depends to a great extent on the amount of water available, as the same number of men that is now employed can do a far greater proportion of work if a plentiful supply of water was obtained.

The length of the main head-race is now 10 miles 67 chains, and a tunnel is constructed for 30 chains for a branch supply; but before this branch supply can be made available it requires 1 mile 76 chains of open ditching to be constructed. The length that the head-race will require to be constructed before it reaches the Arahura River is 4 miles 63½ chains. Surveys of the incompleted portions have been made, and the company's engineer estimates the cost at £22,516. When these works are completed he estimates from the present returns that the annual yield of gold from the claim will be 5,634oz., representing a value of £21,409 4s., and the expenditure in connection with carrying on the company's operations, £9,169 11s. 9d. If this estimate is based on reliable data, the annual profits of the company would be increased to about £12,240, which would be about 12 per cent. on actual capital invested. Whether this is realized or not, sufficient work is done to show that the auriferous character of the ground is payable if worked systematically. There may be additional expenditure which is not at present calculated on in connection with outlet for tailings. This is almost certain to be the case, as the tailings, even from the limited amount of ground that has been sluiced away, have necessitated an expenditure of £430 to protect the adjoining farms on the Native Reserve from sludge and water from the claim.

SKIPPER'S.

Phoenix Company.—This company's mine is looking better than it did on my previous visit. The workings are more fully opened out, and the character of the lodes better determined. The principal workings at the time of my visit were on the middle lode, which averages 5ft. in thickness. This lode is stoped out for 500ft. in length, 30ft. in height at the one end and 90ft. high at the other, where the lode breaks off. It was formerly considered that this was the top of the lode, and that the difference in the level at each end showed the exact strike, but recently it has been proved that the lode at this level is only broken across and the top portion pressed backwards, as shown in the following sketch. At the same time the bottom of the lode appears to have been pressed upwards.



Where the lode overlaps to a depth of about 6ft. there is about 1ft. thick of soft decomposed schist between the two portions of the lode. This is a new feature in quartz reefs in the Middle Island. In many instances a break in reefs is found, and the lode again found some distance on one side; but I have not seen anything like so complete a break in a quartz lode as that which occurs in this particular one: the bottom of the one portion and the top of the other exactly correspond with each other, only the bottom portion of the lode has been apparently pressed upwards since the break took place. The company has commenced stoping out the upper portion of this lode, but are still in ignorance as to what height it may still go.

Workings are carried on in the Scandinavian, or main lode, on the third level, where good payable gold has recently been struck in a lode of a peculiar-looking mullocky kind of finely-laminated schist intermixed with very thin quartz veins. Judging from the appearance of the stuff, no one unacquainted with it would think of obtaining payable gold in such material. Indeed, Mr. Evans,