

*Karaka District.*

*Auckland Gold-mining License.*—The ground held under this license was taken up in a branch of the Karaka Creek called the Lucky Hit Creek about eighteen months ago. The ground in this district had been abandoned for many years; but in the early days of the field some very rich patches of gold were obtained in the surface-levels. The cause of the abandonment was the difficulty of getting a low level driven at a moderate expense (the ground being comparatively flat, a long drive was necessary), also the belief that gold only existed near the surface, and did not go down to any depth. One of our mine-managers, Mr. Peter Hansen, did not, however, hold this view, but, believing gold would be found at deeper levels, induced some ten gentlemen to subscribe sufficient capital to meet the necessary preliminary works and drive the low-level tunnel. This tunnel, when completed, was 600ft. long: the cost of driving varied from 10s. to £2 per foot, the average being over £1; the total cost of the tunnel being £700. In this tunnel three reefs were cut, No. 1 being 2ft. wide, No. 2 8in., and No. 3 15in. All of these were gold-bearing: but, so far, No. 2 has proved the richest, having averaged 4oz. to the load, which is equal to 1½ tons; the value of the gold is £2 19s. per ounce. In this (No. 2) reef 65ft. by 50ft. of stoping has yielded seventy-three loads of quartz, for a return of a little over 300oz. of gold, valued at £900. On No. 3 Reef 83ft. has been driven and two rises put up, one 20ft. and one 35ft. in height; but the quartz proved poor in this part of the reef. On No. 1 Reef very little work has as yet been done: on it a winze has been sunk for the purpose of ventilation, which is now good throughout the mine. This low level will give backs of from 65ft. to 200ft., so that there are years' work ahead before the ground will be worked out and a still lower level required. The above works were all carried out under the management of Mr. Peter Hansen, who, with his partners, fully deserve the good fortune that has followed their perseverance and energy. There are many other places on the Thames which have been abandoned for the same reason as this ground was, which would, doubtless, prove payable if prospected in the same way; but this, of course, cannot be done by the working-miner, as capital is required.

*Enterprise Claim.*—This ground is situated in the same district as the Auckland License, near the junction of the Lucky Hit and Karaka Creeks. Similarly to the Auckland, this was taken up on ground long abandoned, and, strange to say, it was taken up by another mine-manager—namely, Mr. Vivian, late manager of the Moanataiari Mine. Mr. Vivian's party have been prospecting this ground for now over twelve months, the principal work being the extension of the old low-level or creek-level tunnel. At a distance of 700ft. from the mouth, a 9in. leader has been cut, in which the gold is plainly visible. Driving on this, for the purpose of opening out and stoping, is now in progress. This leader, though it cannot be the same as the No. 2 in the Auckland ground, is very similar to it in appearance, and ought to give about the same returns.

*Triumph Claim* is a small piece of ground recently taken up on the north-east side of the Auckland to work the same reefs. No new levels have been opened out in this claim, all the work being from the old levels, which have given some small but good crushings, some of the quartz going from 4oz. to 5oz. to the load.

At the foot or lower part of the Karaka Creek mining matters are in much the same state as at the date of my last report. The Rocky Point Mine has been let to tributors. Scott's City of Manchester and Barclay's Lone Hand continue to give handsome returns.

*Waiomo District.*

As I mentioned in last year's report, loose gold had been found on the surface in this district, but the question then was, Would this gold continue down into the solid rock, and make this place a permanent goldfield? This it has been since proved to do.

The owners of the Paroquet or Prospectors' claim have sunk from 25ft. to 30ft. below the cap of the reef, and found gold going down all the way. A level was then put in, and after cutting the reef it was driven on for some 50ft. or 60ft., from which the lowest crushing gave 3oz. to the ton, and the highest was a parcel of 2 tons, which gave 175oz. gold. From this level a winze has been sunk for some 14ft. or 15ft., and the gold is still proved to go down.

The Waiomo license owners are also working on the continuation of the Paroquet or Prospectors' reef, and have sunk a winze 60ft. deep from their surface-level, and also proved the gold to go down. From appearances it is expected that the quartz taken from this winze will go about 20oz. to the ton. The reef is from 2ft. to 6ft. wide. In this mine a low level is being driven to cut the reef. When cut, there will be some 60ft. further to drive along it to get under the winze.

*Maori Claim.*—In this claim a drive 200ft. long has been put in, and a 4ft. reef cut, which is also supposed to be a continuation of the Prospectors' reef. The reef here is very broken and disturbed; it contains a little gold, but is not thought to be payable.

There are several other claims taken up in this vicinity, the owners of which are engaged prospecting their ground. There is no battery yet erected in this district, the first arrangements for erecting one having, it appears, fallen through; but there is now another application to the Warden for a water-race and battery-site, on which it is to be hoped, for the sake of the district, a crushing-plant will soon be erected. At present there are about thirty miners employed in this district.

*Tapu.*

This district has been very quiet during the year. The Low-level Tunnel Association, assisted by Government, have continued steadily at work driving their low-level tunnel; but, owing to the exceedingly hard belt of country through which they have to drive, the progress has been very slow, the total distance driven up to date of last measurement, on the 19th March, being 417ft., the cost up to that date being £940 18s. 4d., or £2 5s. 1d. per foot.

*Bullion.*—This claim, from which such good returns were obtained in the early days of the goldfield, when it was called the Full Moon claim, now belongs to Messrs. Harrison and party,