

Waitoa New Find.—Considerable excitement was caused by Mr. J. B. Smith reporting the discovery of gold in a volcanic deposit—somewhat similar in character to that recently ejected from Rotomahana—which covers the surface of a large area in the Waihou Valley to a great depth. It is certainly a strange deposit in which to find a large percentage of gold; even scientific men like Captain Hutton, Mr. Pond, and Sir James Hector were for a time deceived. The samples of stuff sent for analysis contained gold and silver to such an extent as to make those who study the character of the rocks where the different metals are found suggest some theory to coincide with the circumstances. Sir James Hector thought that the gold might come from some large auriferous-quartz reef which at one time stood up on the plain and had become decomposed and washed away for a certain distance on each side, forming an auriferous deposit. A company was formed to work the ground, and 1,000 acres of freehold land purchased from the proprietor, Mr. J. B. Smith, and shares went up to double their nominal value. This, however, did not last long. Mr. Whitaker, of the Bank of New Zealand, Auckland, and Mr. Pond, analytical chemist, on examining the material through a microscope, observed the gold twisted in a spiral form as if it had been done by a file. Careful attention was then paid to the character of the stuff sent for assay, and it soon became apparent that the gold had been fraudulently mixed with the material. A small plant was erected on the ground to test the deposit on a large scale, but, as was anticipated, gold could not be found to pay for working, and I have since heard that operations are suspended.

MIDDLE ISLAND.

REEFTON DISTRICT.

Although this district has not produced so much gold last year as it did the previous one, yet the mining-claims appear to be in a more healthy condition. The gold-producing claims were formerly confined to a very few, but the discoveries made during last year show a new district between Oriental Creek and Merijig's that is likely to have several gold-producing claims. The Big River District also promises to turn out fairly, so that on the whole there is a prospect of a good return being obtained from the mines during the present year.

Keep-It-Dark Company.—This was formerly one of the best gold-producing mines in the district. During last year the second level was worked out, and stoping was commenced on No. 3 Level, which is 500ft. below the surface at the mouth of the shaft. The east and west lode was cut, but the north lode was not found until very recently. A new block of stone was struck, which was at the time taken for the north lode, but this block only went up a few feet above the level and wedged out. However, it forms a strong lode underfoot and is likely to prove a good find when the next level is opened out. During the year 1887 there was 7,726 tons of stone crushed, which yielded 3,392oz. of gold, representing a value of £13,248. The dividends paid last year amounted to £6,000. This makes the total amount of dividends paid by this company £88,166 13s. 4d. There are 20,000 shares in the company, of which 10s. per share is declared paid up, and 2s 7½d. per share actually paid in calls, the balance of uncalled capital amounting to £7,373. This mine has been working for the last fourteen years. During that time 88,589 tons of stone has been crushed, which yielded 48,869oz. of gold, representing a value of £189,933.

Wealth of Nations.—This company has been doing nothing but prospecting for the last two years. They have constructed an adit-level into the hill for 800ft., at the end of which a shaft is sunk to a depth of 200ft. below the adit-level, and another level opened out at the bottom of the shaft. A trace of a reef has been found, but nothing more. The company intend to follow up this trace to see if it will lead on to a body of stone. They have erected a battery of berdans, and are now treating their old tailings, which yield about 10dwt. of gold per ton. The winding from the shaft at the end of the adit-level is done by a reversible overshot water-wheel fixed outside the mouth of the adit-level, having the gear fixed inside at the mouth of the shaft, whereby the man can, by means of different levers and breaks, stop the cage at any point in the shaft at a moment's notice.

Nil Desperandum Company.—This company has been carrying on mining operations since April, 1877, and has spent £9,671 of its capital in opening out and prospecting the mine; having, during a period of eleven years, only paid £144 in dividends. During the last year, ending the 1st March, the expenditure of carrying on their operations was £3,055, while the value of gold obtained was only £1,035. The amount of calls paid during last year was £1,587. An adit has been constructed into the hill for 300ft., and at the end of this adit a shaft is being sunk to prospect the mine at a greater depth.

Pandora, Keep It Dark, and South Wealth of Nations Companies.—These three companies have combined to sink a shaft near the boundaries of their claims which all adjoin. This shaft is sunk to a depth of 280ft., and adit-levels opened out, one at 178ft., and another near the bottom of the shaft. The reef is about 2ft. 6in. in thickness, with well-defined walls, and shows gold in several places very freely. Before sinking the shaft a winze was sunk down to a depth of 176ft., 100ft. of which was on the reef, which averaged here from 12in. to 20in. in thickness. From this winze, 78 tons of stone were crushed, yielding 102oz. of gold, representing a value of £395, which was on an average 26dwt. of gold per ton. The shaft is sunk on the boundary of the Keep It Dark No. 2 and Pandora Companies mining leases, the South Wealth of Nations Company's ground being a little to one side of the shaft. The Pandora Company was formed in May, 1887, and from that date to the 21st of January last the expenditure on the mine and plant has been £1,644. The amount of calls paid is £1,281; in addition to this £295 was paid before registration; and the value of gold obtained £395. The South Wealth of Nations Company was formed in June, 1887, and since that date the amount of calls paid has been £750, and the expenditure £464. The ground held by the Keep It Dark No. 2 Company was prospected and partially worked on and near the surface two years ago, when a narrow quartz lode was discovered, containing