

Success Claim.—A crushing of twenty-five tons from a small reef yielded about $\frac{1}{2}$ oz. to the ton.

Gordon Claim.—Ten tons of quartz yielded 6oz. 15dw. of gold.

Firth's special claim of 140 acres has been protected for twelve months, and Ferguson's special claim of 160 acres has also been protected, in both cases with a view to placing those mines in the English market.

The Battery Company erected at Waiorongomai a White-Howell revolving-furnace, 24ft. long and 52in. in diameter, capable of roasting twenty tons per day. Salt at the rate of $\frac{1}{4}$ per cent. to 10 per cent. is used in roasting, also lime at the rate of 5lb. to 15lb. per ton. An average of 78 per cent. of the assay of the tailings roasted has been saved by amalgamation in berdans. This company purchased the New Find and Canadian licensed holdings, and obtained a lease of the tramway from the Piako County Council for ten years, at a rental of £100 per annum.

During the month of March, the Battery Company (Messrs. Firth and Clarke) disposed of all their property, including Firth's special claim, the New Find, Canadian, May Queen, and Galena licensed holdings; also the battery, tailings, plant, furnace, water-rights, &c., to Mr. W. R. Wilson, one of the proprietors of the famous Broken Hill Mine in New South Wales. Mr. Wilson has also purchased the Silver King Mine from the owners. The price paid for these properties was £29,000 cash, and £20,000 paid-up shares. It is the intention of Mr. Wilson to expend a sum of £20,000 in prospecting and opening up the mines, also to further extend the Wairakau water-race, and erect a wet-jacket smelting-furnace to treat refractory ores. Forty tons of quartz from the New Find and ten tons from the Silver King are to be forwarded to Adelaide for treatment at the Adelaide smelting works, in order that the necessary fluxes may be ascertained.

TUI DISTRICT.

Champion Lode Mine.—The reef has been driven on for 50ft. in No. 2 licensed holding, where it is 12ft. in thickness, and a large quantity of quartz broken out at the surface. A low-levels cross-cut has been driven 150ft., and the reef intersected, showing rich silver ores, also large quantities of galena, one of the bands or seams of which is about 2ft. in thickness, and other smaller seams, in all, about 4ft. The reef does not appear to be cut through, although 12ft. have been driven across it. Mr. Cornes informs me that this galena assays 70 per cent. of lead and from 7oz. to 17oz. of silver per ton. Three other reefs in this mine also give prospects of silver and gold. About five or six hundred tons of quartz from the workings are broken out ready for treatment when a suitable method is discovered. The 150 tons of ore which were sent to England were treated at different places with varied success. The owners of the mine have made arrangements with a Mr. Parkes (who is now on his way from England to New Zealand) to inspect the mine for the purpose of examining the different reefs, and adopting a process of smelting the ore, he having treated portions of the ore sent to England successfully by smelting.

Ruakaka Licensed Holding (30 acres).—Two reefs, one about 21in., and the other about 5ft. in thickness, have been discovered, and assays showing silver and gold in payable quantities, worth from £6 to £20 per ton, have been made. There is not much work done, the reef having been only lately discovered.

Earl of Aberdeen Licensed Holding (20 acres).—A large reef, apparently a continuation of the Champion lode, crops out through the ground, and fair prospects of silver and gold got by assay tests.

May Bell Mine (6 acres).—Mr. Edward Cameron, the owner of this mine, has extended the low-level drive to 110ft. The drive is through hard rock, and has cost about £1 15s. per foot. There has not been a reef found, although it was the opinion of Mr. Cameron that he would cut quartz before reaching the distance driven. A parcel of five tons of quartz, from surface-boulders, was sent to Freiburg for treatment, but the return is not yet to hand. Another lot of $4\frac{1}{2}$ tons has been sent to the Adelaide Company's smelting works, at Adelaide, estimated to be worth from £20 to £30 per ton.

Six special claims, comprising 184 acres, and six licensed holdings, comprising 150 acres, have recently been marked out and applied for in this district.

There appears to be several lines of reef running nearly in the same direction as the Champion Lode, lying between that reef and Te Aroha Mountain. The general run of these reefs is north-east, and as the main reef at Waiorongomai runs nearly north, there is every probability that the Tui reefs may be traced to join the Waiorongomai main reef. Two special claims of fifty acres each have been applied for on the line of the Waiorongomai reefs, and when the surveys are completed, these two portions of the district will be connected. The junction of the Tui and Waiorongomai reefs will occur in the Mangakino Valley, to the eastward of the main range from Te Aroha Mountain to Karangahake. Prospecting tracks are very much required to open up this valley and the eastern slope of the main range. There is also a belt of country between the Tui Mines and Waihi, which should be opened up by tracks, as those reefs appear to run in the direction of Waihi.

The future prospects of this district have greatly improved during the past three months. The discovery of rich ore in that portion of the New Find reef, which hitherto has been deemed worthless, and left standing in the mine, has added to the value of that portion of the field. The rich prospects obtained from the reef in the Silver King Mine also lead to the belief that when suitable methods of treating the ores are discovered this mine will be profitably worked.

At the Tui Creek fresh discoveries of rich silver ore have been made, showing that there are several reefs which bid fair to become payable when that district is opened up by roads or tramways, and the ores can be successfully treated.

As mentioned in my last report, the development of the mining resources of the district is impossible without large expenditure of capital, and every encouragement for its investment should be given. Messrs. Firth and Clarke have disposed of all their mining property to a gentleman