

the bearing being S. 70° E., and dipping to the south-west at an angle of about 45 degrees. The lode averages about 1ft. in thickness, and is composed of pug or clay of a dark-grey colour, detached pieces of quartz, carbonate of lime, iron and arsenical pyrites, and a little mica. The hanging-wall branch of the lode is very small, having a slight dip to the east, whereas the general dip of the lodes on the upper level is westerly.

A few men are employed on Scotty's Lode at the 300ft. level, and at the time of my visit they had come upon a patch of rich specimen-stone; but at the place where it was found the lode is all stoped out, there being only a small block left, which was considered valueless when the other portions of the lode were taken out.

At Blagrove's Freehold a shaft has been sunk to a depth of 93ft., but before further sinking can be commenced pumping machinery will have to be erected. It is also intended, if further capital can be raised, to place a winding-engine on the ground.

As regards the future prospects of the Kapanga Mine, the manager states that, looking at the nature of the rock and the general appearance of the reef at the 600ft. level, and also taking into consideration the fact of having met with a little gold at the bottom of the drive, he has recommended the company to sink deeper. He, however, qualifies his statement in the following words:—“If the Kapanga and Scotty's Lodes continue their underlie, as in the upper levels, by sinking the shaft another 200ft. they should be cut at 600ft. from the shaft; where the two lodes will join, and where it is expected very rich ore will be found.”

The Kapanga Company was reconstructed in 1886, and from July in that year to April, 1893, the company's expenditure in New Zealand, exclusive of expenses of the London office, amounted to £60,715 14s. 2d. During the same period they crushed 7,585 tons of quartz, which yielded 14,959oz. 1dwt. of gold, representing a value of £44,023 3s. 4d., showing a clear loss of £16,691 10s. 10d. This represents the loss on working the Kapanga Mine only; but the same company owns the Coromandel Mine. The expenditure on that mine, exclusive of the purchase of machinery in England, since the company purchased it in January, 1887, to April, 1893, amounted to £22,951 8s. The quartz treated during the same period was 222 tons, which yielded 463oz. 19dwt. of gold, representing a value of £1,389 1s. 6d., showing a loss on the working of £21,562 6s. 6d. It will be seen from the foregoing statement that the company has expended in the colony, exclusive of the expenses of the London office and purchase of machinery in England, the sum of £83,667 2s. 2d. Against this they have received from the proceeds of the mines £45,413 4s. 10d., leaving a direct loss on the expenditure in the colony of £38,253 17s. 4d. Previously to the last reconstruction of the company, many thousands of pounds of English capital were spent in developing the workings in the Kapanga Mine without the shareholders getting any return of their capital.

The manager estimates that £10,000 will be required to sink the shaft to a further depth of 200ft., and, as the whole of the present capital is almost expended, the company will have again to be reconstructed, and fresh capital subscribed before work can be proceeded with. Under these circumstances the manager intends to make application to the Government for some assistance in prosecuting this work. The average number of men employed on wages last year by the company was forty-four, and nine men working on tribute in the Coromandel Mine. Taking the whole of the quartz crushed from the Kapanga and Coromandel Mines last year, 286 tons were got by wages-men, which yielded 177oz. gold, and 48 tons by tributers, which yielded 127oz. 7dwt. gold; making the total gold return 304oz. 7dwt., as against 1,634oz. 8dwt. for the previous year.

#### *Tiki, Kopukaitahi, Waikoromiko, and Opitonui.*

Very little work has been done at either of these places. An average of thirteen men has been employed, who got about 3½ tons of stone, which yielded 213oz. 19dwt. gold, giving an average of about 16oz. 9dwt. per man for the year.

*Owera Company.*—This company's claim is in the Kauri Syndicate's property, the syndicate holding one-half of the claim. There is a condition in any lease issued by the syndicate that they have the option of having one-half of the interest, on their paying the prospectors one-half the cost of carrying on prospecting operations and in opening up the mine. On my previous visit this company had completed the erection of a crushing-battery of ten heads of stamps, a rock-breaker, and one berdan, driven by water-power, and a tramway connecting the mine with the crushing-battery. During last year 1,496 tons of stone was crushed, which yielded 1,921oz. gold; the company having on an average twelve men employed. The gold is of very low value, and although there is a considerable body of stone, the company cannot carry on mining operations without incurring a loss on the working; and it is now said that if the company cannot let the mine on tribute they will shut it down. Crushing has been discontinued, and most of the wages-men have been paid off.

*Matarangi.*—A party of miners who have taken up abandoned workings at Matarangi have succeeded in finding payable stone, which was forwarded to the Thames and crushed at the Moanataiari Battery, and yielded 100oz. of gold.

#### **KUAOTUNU.**

There are a number of auriferous lodes in this district, containing principally low-grade ore. The lodes are large, but the whole of the ore, with the present crushing-plants, will not pay to take out and treat; only a small portion of the stone is taken out of the large lodes at present. This is a field, however, where there is a fair prospect of its being remunerative for working for many years, especially if there was a cheap motive-power obtainable to work the crushing-plants. Mining matters are, however, much duller than on my former visit; a good deal of dead-work has to be done in opening up fresh leads in some of the claims, and this, together with the small percentage of gold saved by the battery process of treatment, make it a hard matter to make both ends meet. Some new ground has been opened out in the Waitaia Block, but not sufficient work has been done to determine whether the lodes will continue to carry sufficient gold to pay for working as the lode