105 C.—3.

There is still a considerable quantity of gold in Ross Flat, but the great difficulty is the large quantity of water there is to contend with at the deep levels; and it really becomes a matter of pounds, shillings and pence whether the gold on these levels is worth more than the money expended in obtaining it. It is now about twenty years ago since the original workings on these levels were suspended, and, with the exception of a few months' work by the Ross United Company, no

mining operations have been carried on.

Ross United Company.—This company was formed with the express intention of working the deep ground in Ross Flat, but found, after they had got all their machinery erected, their pumping-engines and plant were not sufficiently powerful to contend with the water, and after a few months' work they had to abandon ground which was giving good returns. The failure of this company in not carrying out its original intention is due in a great measure to the manner in which their operations were conducted. At the time they sank their shaft the whole of the old original workings were full of water, and no regular surveys of the old workings had been ever made or at least kept by each company who were then working the ground. It was also known to those who were acquainted with the character of the ground on this flat that it was liable to run if the greatest care was not taken in timbering the ground. After the present company got down their shaft, they commenced to block out ground adjacent to the old workings, and very soon the water broke in from the roof of the drive and swamped them out. Indeed, taking the state of the flat at the present time, no company can work the ground systematically unless they are prepared to pump the water out of the original workings, and divert the course of Jones's Creek down the back of the Cemetery Hill, to prevent floods from overflowing the channel, which sends the water into the worked-out grounds, and would be always liable to swamp the low levels with any pumping machinery that could be erected.

During last year the company has been carrying on operations on the upper levels on Ross Flat, from which the drainage can be carried away in a tail-race to the ocean beach. According to the mining-manager's report to the directors of the 7th February last, the elevators on Ross Flat have been kept continually working with two shifts of men throughout the year on tribute; and up to the end of December last, being about eleven months' work, 73,825 cubic yards of wash-drift were treated, which yielded 804oz. 15dwt. 5gr. gold, representing a value of £3,138 11s. Of this amount, £1,098 9s. 6d. was paid to the company in tribute, being 35 per cent. on the gross yield of gold. From January up to 7th February about 5,000 cubic yards of material was washed, but the gold

from this was not taken out of the boxes.

In addition to the claim on Ross Flat, this company have another at Donahues, where another set of elevators are worked on tribute. The yield of gold from these for the year was 368oz. 14dwt. 6gr., having a value of £1,442 19s., of which amount the tribute paid the company was £419 18s. 6d., being about 29 per cent. of the gross proceeds. Altogether, including their ground on Ross Flat, there has been during the past year forty men employed on tribute. Although the tribute paid to the company may appear to those not acquainted with all particulars to be very high, the company has last year expended in maintenance and other expenses in connection with these two elevator claims, inclusive of the salary of mining-manager, £1,112, less £76 9s. 6d. for sales of water to other parties, thus leaving the net expenditure by the company to be £1,035 11s. 6d. The total tribute paid by those working the two claims referred to was £1,518 8s. Deducting from this the expenditure by the company, the tribute paid last year was about $10\frac{1}{2}$ per cent. of the gross yield of gold. In addition to the tribute paid by those working in the elevator claim, the company received in tributes from other parties £101 13s. 6d., who were working in other portions of their ground. The sales of water to these were as previously stated, £76 9s. 6d., thus making the company's total revenue for the past year £1,696 11s. Their expenditure in connection with the claims and management at Ross was £1,115 10s. 8d., and the expenses in connection with the management in Hokitika £336 2s. 10d., making the total expenditure for the year £1,451 13s., which leaves a net profit on last year's transactions of £244 18s.

Mont d'Or Company.—This is the only other company of any note carrying on extensive operations, and it may be termed the most prosperous one that has been engaged in mining in the Ross District for the last twenty years. They are working the ground by hydraulic-sluicing, and although they wash away a large amount of material yearly, they make very little alteration in the face of the hill, owing to the great depth of drift-gravel. This company have all the water-rights at present that commands the ground at the elevation they are working, and it will take many years to work out their present claim. During last year they obtained 1,8230z. 8dwt. 14gr. of gold, repre-

senting a value of £7,112 4s.

Rangito to.

A considerable amount of prospecting has been done on Messrs. Pollock and Bevan's property at Rangitoto, and it is represented that they have obtained both gold and silver of a payable character for working a granitic conglomerate, which crumbles away on exposure to the atmosphere. The following is an extract from a letter forwarded by these gentlemen recently to the Hon. the Minister of Mines, which shows that, notwithstanding the failure of the original company to find gold or silver in payable quantities, Messrs. Pollock and Bevan have been for several years expending money in prospecting operations, and their letter shows that they are likely to be rewarded for their energy and perseverance:—

"You may perhaps be aware that for a very long time past we have been prospecting a huge belt of conglomerate, or a sort of bastard granite, which crumbles away on exposure, and that we have found it to be auriferous. We have had many trials from the outcrop, taken indiscriminately from an extensive surface. One trial of a ton by chlorination in Melbourne gave us 6dwt. 12gr. of gold; another by the Cassel process yielded 6dwt. 14gr. Our own fire-assays from the face of the formation have yielded a variety of results; some poor, some exceedingly good, but encouraging from a prospector's point of view, owing to the fact that we seldom or ever failed to get gold, although

15—C. 3.