

each other, instead of combining together and having the plant under one roof and one management. Each of those companies will now require a battery-manager, and the same number of men as would be needed if their plants were double the size, or if they had combined and put up a larger plant between them. Indeed, the site chosen by the Crown Company is well suited for the construction of a large custom-mill, which could be made to treat the ore from the present claims on the field much more economically than by each separate company erecting a plant of its own. But the charge made for the ore of the Talisman Company was prohibitive, and forced that company to have a plant of its own.

Crown Company.—Below the creek-level, where a winze has been sunk some distance, this company's mine is looking better than ever, and good gold-bearing stone found all the way down. Arrangements were being made at the time of my visit to sink a shaft on the north side of the Waitawheta Creek, and to erect pumping and winding machinery. There is a large lode, and, according to the value of the ore as shown in their balance-sheet of the 31st May, 1894, the company has a valuable property, which ought to be made to pay good returns on the capital invested.

According to the balance-sheet referred to, the paid-up capital of the company at that date was £77,729, represented by—

	£	s.	d.
Purchase of property	35,000	0	0
Patent rights to the Cassel Gold-extraction Company, paid in fully-paid-up shares	15,546	0	0
Expenditure on works and buildings	8,643	9	9
Expenditure on roads, tramways, and water-races	5,696	8	9
Machinery and plant, less depreciation	8,466	7	1
Expenditure in developing the mine	3,039	18	6
Reconstruction expenses	227	10	8
Value of materials on hand	4,986	7	0
Cash in hand	52	8	10
	81,658	10	7
Deducting the paid-up capital	77,729	0	0
	£3,929	10	7

The liabilities to sundry creditors, &c., being £4,086 18s., it shows that there was a debit balance at that date of £157 7s. 5d. Taking the year ending the 31st May, 1894, the value of the bullion extracted was £24,257 4s. 11d. This is the value of the produce from 5,510 tons of ore, which gives an average of nearly £4 8s. 1d. per ton. There was also 380 tons of ore on hand, which is set down at a value of £570.

	£	s.	d.
The cost of the mining and stores is set down at	8,433	9	1
Haulage, reduction, and treatment of ores, maintenance, and repairs	8,147	1	5
Freight and incidental expenses, &c.	572	2	4
Management, &c., in New Zealand	1,264	10	4
Management in London, less transfer fees, &c.	504	18	7
	£18,922	1	9

Taking the value of the bullion, which was of 5,870oz. gold and 6,658oz. silver (namely, £24,257 4s. 11d.), and the ore on hand, £570, it leaves a credit balance on the year's operations of £5,905 3s. 2d. Of this amount the sum of £1,965 11s. 3d. is written off as depreciation of property, &c., leaving a balance of £3,939 11s. 11d., out of which a dividend of 1s. per share was paid, which amounted to £3,886 9s.

It will be seen from this that the cost of mining, reduction, and treatment, including management and all expenses, was equal to £3 8s. 8d. per ton, while the cost of reduction and treatment of ore alone was equal to about £1 2s. 3d. per ton.

For the four months ending the 31st October last, 1,890 tons of ore were treated, which gave bullion to the value of £6,812, being an average value of £3 12s. 1d. per ton. This shows a falling-off from the year's operations ending the 31st May previous.

Owing to the capital of the company being exhausted, and funds required to sink a shaft and erect pumping appliances, a scheme for reconstruction was proposed by the directors, and it is believed to have been adopted—namely: That a new company be formed with a nominal capital of £100,000, in 100,000 shares of £1 each, the new company to take over the assets and liabilities of old company in consideration of an allotment to the liquidators of 77,729 shares of the new company for distribution among the members of the old company—namely, 67,836 shares paid up to 15s. per share to original shareholders, and 9,893 shares fully paid up to the Cassel Company, who hold the same number of shares in the old company.

The Crown Company was the means of introducing into the colony the cyanide process on a large scale for the extraction of gold from its ores. It made an arrangement with the Cassel Company to erect a cyanide plant and treat the ore for, it is said, a certain percentage of profits. A certain quantity of ore had to be produced weekly. The company, however, could not fulfil their part of the agreement, and it finally resulted in the Cassel Company receiving a consideration from the Crown Company, a portion of which consisted of 9,893 fully paid-up shares. The reconstruction of the company by the issue of additional shares made the Cassel Company's interest less; but, in order to meet this, an agreement was entered into whereby, in addition to the 9,893 shares