

The workings in this mine up to the present, and no doubt in future, will be the means of leading to the developing and opening up a large tract of country known as the Hikutaia Falls and the watershed of that river. A low level has been driven a distance of 500 ft., and is 200 ft. lower down than the above-mentioned workings. All buildings connected with the working of a large mine are being erected, such as manager's house, men's quarters, blacksmiths' shops, assay-room, &c., and everything will soon be in working-order. The water rights and machine-sites which were obtained for the company consist of five water rights and two machine-sites, and ample water for a large crushing-mill can be obtained. A water-race is being constructed, consisting of a ditch, about 500 ft. of wood fluming, and 950 ft. of iron piping 16 in. in diameter. This water-race is about three miles long, and has about 380 ft. of a fall, and is estimated to give about 460-horse power. A forty-stamp crushing-mill is being erected on the battery-site, and will shortly be completed. The mill was ordered and obtained from the Union Ironworks, San Francisco, and consists of 1,000 lb. stamps, two double-discharge mortars, two large Comet rock-breakers, 6 ft. Pelton wheel, large wooden vats, &c., and we hope to be crushing and in full swing about September next. An aerial tramway of a very large size and a mile and a quarter long has been obtained from Fraser and Chalmers, London, and will, I think, be erected within ten months. In the meantime a temporary tramway, consisting of partly ground and partly wire, is being erected, and will be ready for transmitting the ore from the mine to the battery before the mill is ready to crush. The work has been carried on carefully, and will be one of the best plants in the district. The prospects of the mine are such as to warrant the expenditure which has been incurred. The reefs are large, and on account of the facilities for working and the character of the ore the cost of reduction and treatment will be reduced to a minimum. A considerable sum of money was expended on making roads, to which the Ohinemuri County Council have contributed. This work, of course, had to be performed before the machinery could be got on the ground, and the road will largely assist in the opening-up of this part of the field. About 110 men were employed.

Prospecting work has also been done in the Bombadier, Musketeer, Brigadier, Takapuna, and Consols by surface tunnels, for the purpose of tracing and locating the large lode worked in the Waitekauri Extended. Some 1,000 ft. of driving has been carried on in these properties.

Prospecting operations were also carried on in the Nebraska, Australia, Marburg, Pilot, and Central properties owned by the Waitekauri Union Claims (Limited), an English company.

Prospecting was also carried on in the Zion, Queen Annie, Waitekauri Consolidated, Norena Key of Komata, Wangakara United, Burbank, and Alpha Extended.

The Waitekauri Union Claims comprise in the western section (228 acres 3 roods 20 perches)—the Pilot Special Claim, the Pilot Extended Licensed Holding, the E.M.C. Licensed Holding, the E.M.C. Extended Licensed Holding, the Central Licensed Holding, the Central Extended Licensed Holding, and the Californian Licensed Holding; in the eastern section (406 acres)—the Australia Special Claim, the Nebraska Special Claim, the Anglian Special Claim, and the Marburg Special Claim. These were taken over by the Waitekauri Union Claims (Limited) in August, 1896, and extensive prospecting operations will shortly be commenced.

General Remarks.

In this district success still attends the principal mines. The returns from the Waihi, Silvertown, Waitekauri, Crown, Woodstock, and Talisman Mines are most satisfactory, and the mines are so well opened up that ore reserves are in sight sufficient to keep up a continuance of rich returns for several years to come. New mills will shortly be ready at the Waitekauri Extended and Komata Reefs Mines, whilst other mills are in process of erection at the Royal Standard, Cross, and other mines. The yield of gold from the district for next year may be confidently anticipated to exceed that of the present year. The mills are used for dry-crushing and cyanide treatment. In the mill at the Crown Mine, however, the manager is again resorting to wet-crushing, using cyanide solution instead of water in the stamp-boxes.

The quantity of quartz treated last year was 64,463 tons 4 cwt., for a yield of 148,626 oz. 8 dwt. The quantity of tailings treated was 2,522 tons, the whole producing gold and bullion of the value of £218,067 19s. 9d. During the year 1,820 men were employed.

TE AROHA DISTRICT.

This goldfield is situated to the southward of Ohinemuri, and includes part of Ohinemuri and Piako Counties. The claims taken up are on the northern, southern, and westerly spurs of Te Aroha Mountain. The ore is chiefly of a refractory character, requiring special treatment. The past returns of gold were, however, obtained from the parts of the reefs not highly mineralised. Substantial parcels of ore have been sent to England, with a view of ascertaining a method of profitably dealing with the large quantities of quartz in the various lodes. The following list shows the claims taken up in this district:—