

veins was expected to be encountered was 4,000 ft., so that this belt of country is 650 ft. wider than was anticipated. 650 ft. further should bring us to where the vein being carried down in the winze should be found, when drifting to the north along the strike of the vein will put the tunnel under country carrying known ore-bodies higher up. The following work has been done: Drifting on vein, 591 ft.; cross-cutting, 133 ft.; raised or sunk, 240 ft.; reopened old workings, 180 ft.; Inangahua Tunnel driven, 1,089 ft.; reopened caved portion, 200 ft.: total, 2,433 ft. 800 ft. of road has been constructed to the mouth of the tunnel. Boiler and air-compressor and an air-winch for hauling in empty mine-cars have been installed.

*Boatman's Group*, consisting of the Welcome United, Fiery Cross, Cadman, Seddon, and Blake, is situated one mile from the Town of Capleston and twelve miles by wagon-road from Reefton in a northerly direction. The ground comprised in this group has been the scene of great activity in the past. £198,600 has been paid in dividends, and the mines were opened to a depth of 1,500 ft. below the surface. The Welcome United has given the largest returns of this group, having paid £110,250 of the amount above mentioned. The average grade of the ore in this mine was 2 oz. 8 dwt. The ore occurs in shoots in a defined channel of slate running nearly north and south, and dipping to the east. The shoots pitch north into the hill in depth, and were followed until either the ore gave out or the continuation of the shoot was lost. From the appearance of the workings it will be seen that development work has been confined to the limits of the different ore-shoots, and there still remains a large extent of virgin ground to the north of the old Welcome and to the south of the Fiery Cross workings. The Eureka incline was sunk in the hanging-wall, with the intention of striking the Welcome ore-shoot as it dipped out of their ground as held at the time. However, the shoot had ceased to be payable 200 ft. above the Eureka level, and in the No. 10 level, 246 ft. below, has not been picked up, though the ground has been pretty thoroughly cross-cut at that depth. Nearly all the workings in the Welcome, except the Eureka incline and level, were caved. Operations in No. 10 level were impracticable, owing to lack of ventilation, and an attempt to reopen from the lower workings upward was also unsuccessful. Attention is now being given to prospecting the untouched ground to the north of the Welcome workings, operating through No. 5 level, and opening the ground between the Welcome and Fiery Cross through a cross-cut from the Eureka level. The latter development has not yet reached the line of reef. The No. 5 level has been reopened, and 18 in. of ore picked up beyond the former workings. There has been no time as yet to ascertain its extent. Work has been entirely confined to the Welcome Company's claims, and is as follows: Drifting on vein, 204 ft.; cross-cutting, 292 ft.; reopened old drifts and winzes, 1,218 ft.: total, 1,714 ft. There is a twenty-five-stamp mill belonging to the Fiery Cross, which could be used on any ores developed for some time to come. The other four claims carry the Welcome line of reef for a distance of a mile and a half, and, should the ground now being opened continue to develop as it has begun, a large extent of country will be available from which the ore may be extracted without being hampered by old workings.

*Caledonia* and *Rosebery* are situated at Larry's Creek, about seven miles by pack-track from Capleston. They are each special claims of 100 acres. No work has been done on the properties pending the completion of a wagon-road now about to be constructed. When, however, it is possible to haul in machinery with which to prospect this ground there is ample reason for doing so. Access to the lower workings cannot be gained, as the mine is full of water, but they are limited in extent, and have by no means prospected the ground. The property was worked to a depth of 200 ft. at one point, when operations, it is said, were interrupted by the creek breaking through into the stopes. The yield of 6,209 oz. gold for 8,080 tons of ore, and the extensive mineralisation of the belt of country-rock carrying the shoots, are inducements for further investigation as soon as the conditions for working will permit. Ample water rights have been secured, and timber for mining is abundant.

*Keep It Dark Mine* (Area, 56 acres 1 rood 34 perches).—This mine has been profitably worked during the year. The block of ground opened from the inside shaft continued to yield steady returns. The present workings are 1,240 ft. below the outcrop of the reef, 950 ft. below the Inangahua River, and 300 ft. below sea-level. The reef averages 15 ft. in width, and 2,559 tons of quartz yielded 2,264 oz. of gold. Thirty-eight men were employed. The mine is worked from a shaft which is 503 ft. deep to No. 3 level. An inside shaft was then sunk to a further depth from No. 3 to No. 7 level of 505 ft., making a total depth of 1,008 ft. from the brace. The No. 7 level is at the greatest depth yet attained in this district. The winding machinery is worked by water-power, a large overshot wheel being used. There is, however, a steam-engine of 12-horse power, which can be used for winding if required. The battery consists of twenty stamps with three berdans, and is driven by water-power. There is also an air-compressor driven by water-power. The water-race is 140 chains in length, 6 ft. wide, and 1 ft. 6 in. in depth. The following extracts from the report furnished by the directors at the annual meeting held on the 21st December, 1896, give a full description of the mine and workings:—

“Stopping out stone has been carried on between No. 6 and No. 5 levels, and the top stope is now up to within 23 ft. of No. 5 level. For the last three or four stopes the reef has been gradually making into the hanging-wall. The principal part of the reef is now about 30 ft. into the wall from the perpendicular of No. 5 level, so that there is every likelihood of the reef living up a long way above No. 5. The quality of the stone which was taken from the bottom of No. 6 level is being fully maintained, last month's crushing being the best average yield we have had. A winze has been sunk on the reef from No. 6 level to a depth of 125 ft. The winze for a short distance from the bottom appeared to be on the end of the block, but at the bottom a short drive exposed the stone, carrying payable gold. The inside winding-shaft is now being sunk by contract, and is down 84 ft. from No. 6 chamber. The rock is very hard, consequently the progress of sinking is slow. When it is down the required depth a drive of 180 ft. in length will connect with bottom of winze, and No. 7 level will then be opened up ready for stopping. The work in the mine for the year has