

the face, and although stone 18 in. wide of fair value was intersected, it only continued for a length of two sets of timber. At this point sinking was quite impracticable, owing to the heavy inflow of water from the dyke formation which overlay the stone. However, to win the stone on a lower level No. 7 has been driven 63 ft., but before it can be cut on line with No. 6 a further distance of 80 ft. will be required. On this level driving has been very expensive owing to the wet and loose nature of the ground. An outcrop was recently exposed under a heavy overburden of slide country, which necessitated further prospecting to be abandoned. Consequently, driving is now in progress around the slide in view of cutting the stone further into the hill. Stone milled, 1,004 tons; yield 534 oz., valued at £2,014 14s. Sands treated by cyanide were 1,650 tons, yielding 414 oz. 17 dwt., valued at £1,199 14s. 9d. Concentrates valued £91 5s. 4d.

LYELL.

Alpine Company.—This company having dissolved, mining was resumed under the ownership of Messrs. Craig, Stevenson, and Billett. In resuming operations two men were engaged in repairing and further extending No. 7 level on a strongly defined track, when, at a driven distance of 20 ft., the parties were fortunate in striking a valuable vein of stone 1 ft. thick on the hanging-wall. The stone as taken from the mine shows gold freely, and guided by general appearance may be classed as "picked stone." At the end of the year the stone had maintained thickness and value to a depth of 20 ft. Another man attends to repairs and the pumps on No. 12 level.

New Creek.—The prospectors abandoned all work during the winter months, and at time of writing work was not resumed.

The Italy Syndicate (late Tyrconnel).—Nothing further has been done on this property since previous report.

BOATMAN'S.

Welcome.—This mine is still let on tribute to McKenzie and party, who extracted approximately 118 tons of ore, yielding 223 oz. 4 dwt. 10 gr., valued at £918 3s. 7d. They also cyanided the tailings produced, valued at £195 15s. 11d. Work consists of locating a small ore-body, extracting and milling it, and then looking for another, which must be considered as a hand-to-mouth existence.

Kirwan's Reward (William Kirwan, mine-manager).—As the loose payable stone overlying the cap of the range was nearing exhaustion, an intermediate level was driven between 300 and 400 ft. to intersect the outcrop known to exist in what is known as Saw-pit Gully. Stone was met with, but soon pinched out, and so far has not again been picked up. Plant and general working-conditions are in good order. Stone milled, 2,354 tons; yield 522 oz. 4 dwt., valued at £2,019 7s. 3d.

Lady of the Lake.—Although this persevering party has driven a considerable distance and intersected various supposed reef-tracks, values are still awaited.

Italian Creek, Caplestone (John Knight in charge).—Since Knight and party commenced work on this old mining property the main tunnel has been repaired and driving extended to a total length of 800 ft. Fortunately, the party has finally succeeded in locating a small reef, which is considered payable, and for 50 tons of stone treated the yield of gold was 55 oz. 2 dwt. 12 gr., valued at £217 10s. To effect further economy in milling, &c., the steam-power formerly used is likely to be early replaced by water installation. Timbering and ventilation are strictly attended to. Three men employed.

Hopeful Syndicate.—This property includes the Hopeful and Alexander leases. The party having previously determined the position of rich stone on the surface, crosscutting was commenced on a low level, and the track intersected at a driven distance of 250 ft. Driving has since been continued on the line of reef for 150 ft., and the party is confident that a further 20 ft. will strike the lode.

Specimen Hill.—Under authority, Mines 1905/1334, Howell and Kennedy were granted a subsidy of £75 to drive a tunnel at Specimen Hill, Boatman's district, a distance of 500 ft. at 3s. a foot. Paid, 294 ft.

Caledonian Syndicate.—Subsidy at the rate of £1 for £1 up to £250 was approved on behalf of the Caledonian Syndicate towards sinking a shaft 10 ft. by 4 ft., and divided into three compartments. Total depth sunk, 70 ft. Paid, £161 15s.

REEFTON.

Wealth of Nations.—This mine has worked steadily, while the quartz required for milling purposes was taken from Nos. 6, 7, and 8 stopes, and also from the development of No. 9 level. The No. 6 stopes were worked to a finish by the end of March, when the men were drafted to No. 8 stopes, the incline shaft secured to act as an airway, and the rails withdrawn, so that since then the total output has been handled through the Energetic shaft from Nos. 7 and 8 stopes, neither of which maintain a high grade. Stopping is not yet commenced on No. 9 level, but during the year connection was completed with No. 8, on stone. Thus the ore is ready to break when required. On the 8th September Stokes and party contracted to sink the main shaft to No. 10 level, a further vertical depth of 125 ft., and at the end of the year sinking was completed. The same party have further contracted to drive the new level, which will be the principal work of importance during the current year. The quartz milled was 12,676 tons, yielding 4,160 oz. 12 dwt. of bullion, valued at £17,245 4s. 1d., or £1 7s. 2½11d. per ton. Concentrates to the value of £755 5s. were saved and shipped to the smelter. At the cyanide-works, 8,640 tons, representing 68·16 per cent. of the tonnage crushed, were cyanided, yielding bullion valued at £5,717 0s. 5d., or 13s. 2·806d. per ton. Of this figure, 2s. 1·437d. per ton was consumed in working-cost, leaving the handsome profit of 11s. 1·369d. per ton treated. The exploratory work conducted has exposed values of non-importance, while driving and crosscutting amounted to 1,186 ft., and raising and sinking to 320 ft., at a cost of £3,224. Diamond drilling was done through barren country to the extent of 753 ft. horizontally. Alterations of importance have not been made to the