55 C.—2.

has been disclosed. Owing to transport difficulties, the ore cannot be properly worked at present. A short aerial tramway (20 chains) has been erected, and it is proposed to send the best ore for treatment

Kelly's lode (J. J. Lynch, mine-manager): Prospecting has been carried on continuously during the year. About 300 ft. of driving has been accomplished, making a total of 617 ft. driven in the mine since commencement. No ore was sent to the mill for the period. The prospects are considered encouraging. Four men on an average were employed.

The Glenorchy Scheelite Syndicate's treatment plant has been in steady work during the year, dealing with the ore supplied from the company's own mines and that purchased from outside mining parties in the district. A total of 643 tons of ore was dressed, and yielded 63 tons 6 cwt. 78 lb. scheelite concentrate (72 per cent. WO₃), of an estimated value of £6.080. An average of five hands employed at the works.

Mount McIntosh Scheelite Syndicate (R. McIntosh, mine-manager).—This mine is located on the summit of Mount McIntosh, at an elevation of 4,000 ft. The ore, obtained from an outcrop of the reef on the property is sledged down the mountain-side, and carted into the Glenorchy Scheelite Syndicate's reduction-works. No permanent development-works have been undertaken by the party.

Bonnie Jean Scheelite Mining Company.—This mine has been idle during the year. The battery worked a short period to treat some 13 tons of ore brought from the Alaska Mine. The amalgamation

of these two properties is considered likely to eventuate.

General.—Some six other parties are out prospecting on various lodes in the district. The ore produced by all operators is brought into Glenorchy and treated at the syndicate's mill. The output from these various and scattered propositions amounted during the year to about 30 tons of 72 per cent. WO₃, valued, approximately, at £2,900.

SOUTHLAND.

Preservation Inlet.

Tarawera Gold-mining and Smelting Company (C. E. Storrie, mine-manager).—This company's property is situated on Isthmus Sound. A smelter has been erected for the reduction of the ores from the mine. The present holders have not done much development-work in the mine. The vendor company sunk a shaft 76 ft. deep, and crosscut into the reef. There was a trial run of 35 tons obtained from the outcrop, from which no return was made. The reef is 3 ft. wide on the surface. The works closed down indefinitely after the trial, and have not been reopened.

Alpha Gold-mining Company (Longuest and Party).—This syndicate are driving on a small leader varying in thickness from 1 ft. to 1 in. The drive is in 86 ft. Mortar tests of quartz show splendid

prospects.

Morning Star Gold-mining Company (D. McKenzie, mine-manager).—This company has persevered with the prospecting of this one-time gold-producing mine. A low-level tunnel has been driven 1,000 ft. and a fine body of stone, 6 ft. wide, has been intersected. This level is 115 ft. below any of the existing old workings. Preparations are being made for a trial crushing, and sanguine expectations are entertained about the result. Seven men are employed.

GENERAL REMARKS.

Natural ventilation is the means adopted to ventilate the mines. Strict regard being had for close and rapid connections, the air in the mines is good. Other conditions are equally satisfactory.

HYDRAULIC SLUICING AND ELEVATING.

Concerning this branch of mining, the most notable feature is the total dependence on the water-supply. The early part of the year was exceedingly bad for water, but this last summer has been much more favourable, as copious rains have fallen. The expansion of the industry is somewhat hampered by the concentration of the available water on the deep alluvial beds that are being operated on. Large areas of auriferous ground still exist. The shallower portions have been exhausted, and the remainder is almost, generally speaking, deep ground; concentration of water is therefore necessary. During the year there were 160 elevating and sluicing plants at work throughout the district, employing 650 men. In the following reports only the more extensive mines are dealt with.

TUAPEKA.

Blue Spur and Gabriel's Gully Consolidated Gold Company (Limited), Blue Spur (J. Howard Jackson, general manager; J. Uren, mine-manager).—There is little of interest to report regarding the working of this mine during the last twelve months. It suffered disastrously from absence of water for the first seven months of the year, and for the remaining five months only a very moderate supply was forthcoming. This state of affairs was brought about by an inadequate snowfall in the catchmentarea for five winters. The works have been carried to the gutter (bottom level) of the cement deposit, and this has neces itated the use of about 4 per cent. of the total water-supply for pumping to keep the works clear. The cement dealt with, owing to its hard character and level, is difficult and expensive to work.

Golden Crescent Sluicing Company, Wetherstones (W. R. Smyth, manager).—Sinking in the cement, a continuation of the Blue Spur deposit, is now being carried out. The demand for water for lifting purposes is rapidly increasing.