

65ft. above the level, the reef averaging 20ft. in width by a length of 60ft. The working of this block has given an average yield of 6½dwt. of gold per ton. A winze is being sunk on the reef, and is now down over 80ft. below the 500ft. level. The level has also been extended 60ft. south and 50ft. north, stone still continuing in either face. The battery level is being extended to connect with the old workings in the Energy and Undaunted. Cross-cuts are also being put in to prove the adjoining properties—viz., Beaconsfield and Gladstone. This group of properties will also be surveyed at once to fix a site for a main shaft to work the lot. In the meantime, prospecting works will be pushed on to prove the low levels. During the year the company have crushed 2,747 tons of quartz, the yield being 1,190oz. of gold, of a value of £4,734, out of which £1,625 was distributed in dividends, besides paying off a bank draft of £800. This mine has produced 61,213 tons of quartz, yielding 34,063oz. of gold, of a value of £132,465, from which £37,537 was declared in dividends.

*Hercules.*—During the year 1,646 tons of quartz were crushed for a yield of 822oz. 14dwt. 7gr. of gold, valued at £3,254 14s. 7d., enabling shareholders to receive dividends amounting to £1,200. At the date of my last report 60ft. of backs remained to be worked, between Nos. 8 and 7 levels, which has been stoped out with the above results. The winze from No. 8 level on the reef was continued until a depth of 100ft. was reached. Stone 4ft. in width was carried down to a depth of 80ft., when a break was met with. The bottom of the winze is still carrying a good track. The main shaft has been sunk a further depth of 151ft., and is now down 750ft., deep from the landing-brace in No. 3 level, making it one of the deepest vertical shafts in the district. This should give from 175ft. to 180ft. of back on underlay between the two levels. A chamber has been constructed at bottom of shaft for No. 9 level, and a cross-cut 200ft. driven to cut the line of reef. The drive on line of reef south is now in a distance of 130ft., and is still being steadily carried on. It is estimated 320ft. will have to be driven to intersect the block of stone on which the winze from No. 8 is sunk. Driving in No. 7 level to intersect block of stone worked in level above will shortly be resumed.

*No. 2 South Keep-It-Dark.*—Baling was the only work done for the first four or five months of the year. No. 3 level is now being extended south of the main shaft, from which the present face is now in about 200ft. A well-defined track is being followed, and boulders of quartz are occasionally met with. It is expected a good block of stone will be met with in this direction. The main shaft is down 450ft., or about 380ft. below the level of the Inangahua River. The country is solid and well defined.

*Keep-It-Dark.*—This well-known old claim, which paid regular dividends for so many years, lost the payable stone about four years ago, and during that time prospecting was carried on in various directions. Just prior to the date of my last report a strong body of payable stone, which had been sunk on from No. 5 level, was intersected in No. 6 level. This block is about 60ft. long, and about 30ft. wide. It has been stoped out to a height of 60ft., leaving another 60ft. to stope up to No. 5 level, and there is every prospect that it will go higher. A winze has been sunk on the reef from No. 6 level, and is now down 20ft. on a strong body of stone. Work in the mine has been delayed for the last month owing to a heavy landslip breaking the old and new winding-wheels, besides doing other damage. It is expected the mine will again be in working order shortly. During the year the company crushed 4,169 tons of stone, for a yield of 2,389oz. of gold, valued at £9,585, from which shareholders received £5,250 in dividends. The total output of the mine is 117,749 tons of quartz, which yielded 62,449oz. of gold, representing a value of £243,451, out of which dividends were declared to the extent of £113,333.

*Low-level Tunnel.*—The old drive is being repaired ready to start work. A contract has been let for timber, and, immediately an air-compressor can be got in place, rock-drills will be at work, and this tunnel driven to connect with the Golden Fleece workings, a distance of 2,400ft. Cross-drives will be pushed on to prove the Salisbury, Juno, Lillie, and other properties.

*Golden Fleece and Royal.*—Driving is now going on from both mines to connect these properties; the connection, it is expected, will be effected in about a month. A winze will then be sunk from the bottom of the Fleece workings to connect with the Low-level Tunnel, so that all the stone mined from this group can be taken to central reduction-works on the Inangahua River. It will be seen that these works are of some magnitude, and necessarily will take a considerable time and a large expenditure of capital to complete.

#### BOATMAN'S.

*Welcome United.*—This company have had two parties of contractors employed. One in the No. 10 level, where several hundred feet of driving has been done on a good reef track, but so far without success; they are now cross-cutting in an easterly direction. The second party has been cross-cutting from the Eureka shaft to intersect the Welcome Reef, about 90ft. below No. 9 level. The Consolidated Company, which took over this mine, have floated a new company, and a working capital of £15,000 has been paid into the Bank of New Zealand. The new company is in 110,000 shares, of which the old shareholders receive 24,000, the new shareholders 76,000, and 10,000 are reserved for the company.

*Fiery Cross.*—The old workings are being cleared and repaired. The old workings will be surveyed, and sinking and cross-cutting pushed ahead to prove this and the adjoining property—the Seddon—at low levels.

*Boatman's Low Level.*—This work is to be put in hand at once, the old tunnel will be repaired and driven to prove the value of the Cadman and Blake properties.

#### LARRY'S CREEK.

*Caledonia and Rosebery.*—Mr. Foster, engineer to the Consolidated Company, is now visiting the ground with a view to fixing the position for the main shaft to work these properties. Machinery will shortly be erected and sinking commenced.