C.—3.

the Thames-Hauraki Company's new pumping machinery is erected, and the Queen of Beauty shaft enlarged to a depth of 650 ft. As soon as this is done the mine will be opened up, and from the returns got from the reefs by the old company at the present levels, which proved to be the richest ones got from the mine, there is every reason to believe that rich ore will be got when once the next levels are constructed—at least, the evidence so far is in favour of this—and that it is likely to prove in the future one of the best mines on the Thames Goldfield. In carrying on prospecting operations on the present levels a cross-cut was constructed from the No. 6 level in the Saxon section for a distance of 500 ft., and two new reefs were cut, each varying from 12 in. to 15 in. in thickness. These were cut in the Cardigan ground, near the boundary of the May Queen-Hauraki property on the No. 4 level, in the Saxon section, but the yield at this level in the Cardigan was only about 10 dwt. of gold per ton. The No. 2 reef, in the May Queen ground, which was cut about 300 ft. from the Cardigan boundary, showed fair specimen stone; and, after driving on it to the north-eastwards for about 70 ft., twenty-seven loads of quartz was crushed at the battery, which yielded 46 oz. gold, being equal to an average of 1 oz. 14 dwt. per load. The company are now satisfied with the prospects, and have commenced to construct an uprise to connect with the No. 4 level, which was driven on the boundary of the Cardigan ground in order to obtain ventilation. Stoping cannot be commenced until this is done, as the air is very sluggish at the present time, and has to be forced into the uprise to admit of work being carried on; but when once the connection is made it will give good ventilation in this portion of the mine to enable stoping operations to be continued. The May Queen shaft is being enlarged to 12 ft. by 5 ft. in the clear, to give two winding compartments and ladder-way. This is completed to a depth of 270 ft., leaving about 250 ft. yet to enlarge before it reaches No. 4 level. As soon as the Thames-Hauraki Company commence pumping operations, and lower the level of the water in the ground, this shaft will be sunk to a corresponding depth to the Queen of Beauty shaft as fast as the level of the water admits. Prospecting has steadily been carried on in the St. Hippo and Lone Hand sections of the property, but so far no reefs have been met with containing ore considered payable for working. During the year ending the 7th June last, which is the yearly return for the present company, 346 loads of quartz has been crushed from different leaders and reefs met with in carrying on the development works, which yielded 526 oz. gold, representing a value of £1,411 19s. 4d., while the average number of men employed in carrying on

development works for the same period has been thirty-six.

St. Hippo Mine (Area, 75 acres).—This mine has also been purchased by the May Queen-Hauraki (Limited), and important works are about to be commenced in sinking a shaft to prove the

ground at Collarbone Creek at a depth hitherto impossible without capital.

Lone Hand (Area, 27 acres 3 roods 35 perches).—This mine, which is situated chiefly in the Karaka Creek, but adjoins the St. Hippo, has been purchased by the May Queen-Hauraki (Limited), and important works will soon be commenced. A small party of tributers working on the surface obtained 2 oz. 15 dwt. of gold from a parcel of 2 tons of quartz, valued at £6 11s. 3d.

Block XXVII. District.

Deep Sinker (section of Thames-Hauraki Mine).—This consists of an area of 93 acres, lying between the Township of Shortland and the Una Hill. The land was formerly prospected by a tunnel driven from Karaka Creek in a southerly direction. It was found that almost the whole of the ground through which the drive had been carried was of a late formation, the solid rock being underneath, as it was occasionally found in the floor of the drive. It was therefore imperative, in order to prospect the ground, to sink a shaft. The company decided to commence operations in the lowest portion of the land, near Rolleston Street. Twelve men were employed. Mr. T. A. Dunlop, the manager, gives the following account of the work already done:—

This ground is virgin, and situated on Block XXVII., part of the Thames Goldfield, and adjoining the Queen of Beauty on its southern boundary, and has hitherto not been prospected, principally on account of its large alluvial-drift formation. The shaft now being sunk has reached a depth of 230 ft., and its dimension 12 ft. by 8 ft., divided into three compartments, two winding and one ladder and pumping. A 10 in. plunger and draw-lift pump has been fixed in position. The first 110 ft. of this shaft was driven through the above-mentioned drift. We are now sinking through a hard diorite formation. It is intended to go to a depth of 300 ft. to 400 ft. before opening out, unless we meet something good before attaining that depth. This property is on the line of several well-known reefs, such as Pride of Karaka, Occidental, Oriental, Silver King, Rose, and Consolidated, all well known to be gold-bearing.

Shortland District.

Deep Level Consolidated (section of the Thames-Hauraki Goldfields property) (Area, 110 acres) is situated to the southward of the Deep Sinker section, and lies chiefly in the Suburb of Parawai. The characteristics of the surface formation are in a great measure similar to those of the Deep Sinker. An adit-level has been driven towards the rising ground from a point not far distant from Hogg's Corner. Six men were employed. Mr. Dunlop gives the following description of the work done:—

This adit tunnel has been driven for the purpose of prospecting. The whole distance has been driven through a volcanic-mud formation, and we have now reached a point in a line with what is known as the Moanataiari Slide or Fault, and is similar in appearance to the Moanataiari. Our intention is to pick up the solid country behind this slide formation on the eastern side, with a view to getting its underlie so as to guide us in locating our principal shaft for pumping and winding. This mine is situated on the goldfield, which has hitherto not been prospected.