

the coarser matrix of the overlying tuffs. The deposit is thus likely to be confined to the limits of the property within which it occurs, there being little evidence of the occurrence of similar deposits to the west and south, while more to the north and north-north-west similar quartz deposits, so far as known, contain gold only. Far too little work has been done on the property to enable an estimate of the extent and true value of the ore, but from what could be seen, and as far as I could judge, there is warrant for the further opening-up and developing of the property. The stone already tested proves to be at places of a paying character, and, while the whole of the deposit may not be so rich, it has still to be considered that much richer stone may be discovered than any yet found. Mercury and the ore of mercury (cinnabar) occurs in connection with thermal springs at Ohacawai, in the Bay of Islands district of Auckland. There the thermal conditions interfere with the working of the deposit to any considerable depth from the surface. Here, within the watershed of Otunui Creek, thermal action has long since ceased, and no such difficulties are likely to be experienced in working the ore. The ore-bodies are favourably placed for working, and, as thermal deposits, are at or near the surface, while yet, as in the Karangahake and Waihi districts, there is the possibility of thick deposits having considerable linear extension descending to considerable depth, and forming reef-like masses under the more superficial deposits. I forward samples taken by myself, so that if desired the returns here given may be checked at Wellington. Of the samples sent, Nos. 1 and 2 are from the second highest outcrop, as above described; No. 3, the largest sample, is from the outcrop 5 or 6 chains further down the slope of the hill towards the Mangakirikiri Creek.

*Hiki District (Upper Kauaeranga).*

A new discovery was made during the early part of the year. Several parcels of rich stone were crushed, yielding 48 oz. 16 dwt. of gold; value, £3 3s. per ounce.

*Matatoki and Kirikiri Districts.*

The mines held in these localities have been idle during the greater part of the year.

*Neavesville District.*

Very little work of any importance has been carried on in this district during the year.

*Tairua River District.*

*Broken Hill Mine* (Area, 340 acres).—A considerable amount of money has been expended on this property, but subsequent to the purchase of the battery, all arrangements having been made for its erection, and the acquisition of a water-race and tramway to connect with same, it was discovered that no stone of a payable character had been found to warrant the outlay. Work has consequently been stopped, pending instructions from the London directorate. Thirty men employed.

*Albert Mine* (Area, 130 acres).—A large amount of prospecting work has been done in this mine, and the management is sanguine as to the ultimate results, though at present nothing of importance has been discovered.

*Anglo-Continental Company.*—A large amount of prospecting was done, but, in consequence of the poor prospects met with, work on the properties held by the company was for a time stopped, though it is probable operations will be resumed shortly.

*Ohui District.*

The *Last Chance* (30 acres) and the *Golden Hill* (100 acres); owners, J. H. Harrison and Herbert Gentles.—Prospecting work to a limited extent was carried on by Seaver Brothers, who held an option to purchase the ground. Since they ceased operations the mine has been let on tribute to Mr. George Clarkson for a term of four years. A stamp-mill capable of crushing 50 tons per week is to be erected.

A large number of men were employed in prospecting operations in this district during the early part of the year, but most of the claims are now under protection. A six-stamp battery has been erected, but no returns have yet been received.

*Whangamata District.*

*Whangamata Proprietary Mine* (Area, 306 acres; owners, Whangamata Proprietary, Limited, London).—The principal work carried on during the year was in driving No. 1 level, which is 760 ft. on the reef, and No. 2 level 809 ft. The main reef varies in width from 3 ft. to 17 ft. The richest ore averages about 5 ft. The other portions of the quartz, although gold-bearing, are of much less value. The lode matter consists of a whitish quartz generally exhibiting a banded structure of wavy laminæ, frequently coloured with sulphide of silver. Above No. 1 level the backs vary from 20 ft. to 177 ft. at the greatest height. The distance from No. 1 to No. 2 level is 77 ft., and a cross-cut has been driven for a distance of 610 ft., which will cut the reef 100 ft. below No. 2 level. A dry-crushing plant, consisting of two stone-breakers of Blake type, one revolving ore-dryer, one Krupp mill, twelve wooden cyanide-vats each 20 ft. in diameter, six berdans, with all the ordinary accessories, is now being erected. The machinery is to be driven by a 6 ft. Pelton wheel. Thirty men were employed.

*Wentworth Mine.*—In this mine two reefs, about 2 ft. in thickness, and believed to contain payable gold, have been driven on. Nine men were employed in the mine and seven in constructing a water-race. It is the intention of the company to erect a battery.