

The following account of the work performed, &c., in the principal mines will give some idea of the state of the mining industry in this district :—

*Keep-it-Dark Company, Crushington.*—The company has been steadily at work during the year sloping out quartz from Nos. 2 and 3 levels, about an equal quantity of ore being taken from each level. Development-work has been attended to by extending the different levels. A block of quartz 50 ft. in length and 5 ft. thick has been disclosed in the north end of No. 2 level. The extension of No. 3 level has disclosed upwards of 50 ft. of reef, with an average width of between 5 ft. and 6 ft. The length of reef now driven on in No. 3 level is 292 ft. The ore treated during the year has been of low grade, but owing to economical and scientific treatment it has proved profitable. The output of stone treated for the year was 11,962 tons, which with 8,849 tons of tailings treated under the cyanide process yielded 4,287 oz. 14 dwt. 8 gr. of gold, valued at £15,668 3s. 6d., out of which £5,000 was disbursed in dividends. The total output of the mine has been 148,773 tons of quartz, from which has resulted 75,902 oz. of gold, valued at £293,730 7s. 3d., out of which dividends to the extent of £119,416 13s. 4d. have been distributed.

*Golden Lead Company, Merrijigs.*—Early in the year the driving of the low-level tunnel, which had been driven 1,700 ft., was discontinued. A new level, known as No. 3, was started at the north end of the claim, about 120 ft. perpendicular below No. 2 level. This level has been driven about 370 ft. When 150 ft. in, a rich gold-bearing leader was struck, and continued along the drive for 70 ft. In the remaining 150 ft. of driving the ground has been broken. Occasionally rich gold-bearing lumps of stone were met with, but no defined lode. The nature of the ground has changed from what it was in the upper workings, a slate formation, which is favourable for stone, taking the place of sandstone, which prevailed in the upper level. It is intended to prosecute the driving of this level, with a view of intersecting the rich run disclosed in the western drive of No. 2 level.

*Snowy Creek United, Snowy Creek.*—The tributers put through one or two small crushings of stone obtained from the north winze, but the results were not satisfactory. The company bought out the tributers' battery, plant, &c., and commenced prospecting operations from same winze, and had a couple of small trial crushings. In consequence of the heavy expenditure in hauling from the winze, operations here were temporarily suspended. It is contemplated at an early date to complete the construction of water-race for winding, and then prosecute development of mine from the main shaft. The reefing country opened up so far has a promising appearance, and hopes are entertained of finding a payable lode.

*Kirwan's Reward Company, Victoria Range.*—The erection of the battery and aerial tramway was not completed until June last. After working a fortnight it was found necessary to make several alterations to the aerial tramway, to enable the buckets to properly deliver the peculiar kind of quartz-rubble which is being treated. This took nearly a month to accomplish, and it was virtually August before everything was in full working-order. Since then the battery and aerial tramway have worked splendidly, and 2,619 tons of quartz and rubble have been crushed, yielding 2,591 oz. 13 dwt. 7 gr. of gold, of the value of £10,328 12s. 10d. This return has enabled the company to pay off £2,000 of liabilities for plant, &c., and pay two dividends of 6s. each, amounting to £2,800. The stuff being treated consists of loose quartz and rubble lying on the surface of the ground, and, as the whole of the surface is being stripped, it is highly reasonable to suppose that the solid reef from which this quartz and rubble has been shed will be disclosed. A crosscut tunnel has been extended upwards of 200 ft. in a north-easterly direction, about 200 ft. below the previous deepest workings, and is now going through what appears to be solid country.

*Victoria Range Company, Victoria Range.*—This is a prospecting company. Several outcrops of stone occur on the property owned by the company. On the surface the stone is barren, or very nearly so. The company propose driving a tunnel 1,000 ft. in length to intersect these lodes, at a depth of from 1,000 ft. to 1,200 ft., or thereabouts, with a hope that the character of the stone may change and become payable. A contract for 500 ft. has been let, and is now being driven.

*New Inkerman Mines, Merrijigs.*—The company having thoroughly prospected their mine and proved the existence of large bodies of ore, with the view to ascertaining if it would pay to handle on a large scale, the old battery was taken down and re-erected, and a quantity of ore sent to the battery and treated. 2,763 tons of stone was crushed for a return of 204 oz. 17 dwt. 9 gr. of gold, valued at £819 9s. 6d. During the year sinking was continued below the low-level tunnel, and the winze is now down over 100 ft., on fairly good stone. The total amount mined. In order to thoroughly test the ore-bodies, a total of 722 ft. of stopes were opened and of crosscutting for the year was 192 ft., driving on the line of reef 273 ft., and uprising 131 ft. A new battery-site on the Inangahua River has recently been granted to the company, and it is reported the company intend erecting a large crushing plant, with all the necessary gold-saving appliances.

*New Scotia Company, Merrijigs.*—In this company are now combined what were formerly known as the Scotia, Gallant, Happy Valley, and Sir Francis Drake Mines. Immediately after acquisition of the property, the company erected a cyanide plant to treat an accumulation of tailings of the former proprietary, and also future products. The plant consists of three steel ore-tanks, each 21 ft. 6 in. in diameter and 5 ft. deep, and capable of treating 50 tons of tailings each; two sumps, each 4 ft. deep (one 18 ft. diameter and the other 12 ft. 6 in.), together with extractor-boxes, piping, pump and water-wheel for lifting the sand into the ore-vats. The cost of the plant was £1,000. They have been at work since October last, and have treated 1,800 tons of old tailings for a return of 393 oz. 1 dwt. 18 gr. of gold, valued at £1,269 2s. 2d. Operations in the mine were commenced at the beginning of this year. In the Sir Francis Drake section the shaft was freed of water, and No. 1 level repaired up to the face, and a winze was sunk to a depth of 50 ft. on reef showing in the north end of that level. The reef, however, was found to live down