

is now directing his attention to various other works—viz., opening up ground and exploring the leaders at the intermediate levels below No. 6, and also repairing and carrying on development-work at No. 7 level. Forty-six men have been employed.

*Four in Hand.*—During the last twelve months the new low level has been extended a distance of 233 ft., making the total distance of the tunnel 588 ft., and there yet remains some 500 ft. to be driven to complete it to the point under which the rich run of gold was obtained in the upper workings. On the Tainui Reef 32 ft. has been driven, 44 ft. of sinking done, 12 ft. of rising, and a block 20 ft. by 10 ft. stoped out. On the Four in Hand a block has been stoped out 92 ft. by 72 ft., and in the No. 4 level, 130 ft. of driving has been accomplished upon the Footwall Reef; the various works in progress are to be pushed on with all possible speed. Two hundred and fifty-three tons of ore was crushed for a return of 340 oz. 13 dwt. of gold, valued at £989 8s. 6d. An average of ten men were employed.

#### CABBAGE BAY DISTRICT.

*White Star.*—This company had two men employed during the greater part of the year, but the ground being hard and the leader small only a limited amount of quartz was obtained. 1 ton 5 cwt. of ore was treated for 27 oz. of gold, valued at £75 5s. 3d.

#### KUAOTUNU DISTRICT.

*Waitaia Mine.*—During the year this mine has been steadily worked, but work has been principally confined to stoping on the various leaders opened up over the back of the low level, from which 1,119 tons of ore was broken out and crushed at their own mill for a return of 2,033 oz. 1 dwt. of gold, value £6,063 10s. 9d., this being an increase of £1,526 8s. 6d. as compared with the previous year. There has been very little development-work carried on for some time past, and as the blocks of ground now operated upon will in time become exhausted, the company contemplate putting in a low level at an early date to open up new ground at depth. They anticipate this will prove to be richer in gold than that worked out at any of the upper levels. Twenty-one men have been employed.

*Handsworth Mine.*—This ground is still worked by two men, but the year's operations did not prove as remunerative as those of former years; but the owner is sanguine of dropping on payable ore during the coming year.

*Otama Mine.*—This mine adjoins the Handsworth Claim, and has been worked continuously during the year with three men who did a large amount of driving and stoping on the leader in the early part of the year. Some very rich stone was obtained in the low level, and it was fully expected that a payable block of ground was being opened up. On rising it proved very disappointing, as the gold did not carry up as good as on the level; still the proprietors are in hopes of coming on a payable chute of gold again. One hundred and eleven tons of ore was treated for 167 oz. 19 dwt. of gold, valued at £410 12s. 9d.

*Great Mercury Mine.*—In the early part of the year the low level was extended a further distance of 70 ft., making the total distance of the drive 600 ft. In consequence of gold not being found the extension of this drive was stopped for a time. The owners then commenced driving on the reef penetrated in the main crosscut, which is now in a distance of 250 ft. The country passed through is very hard, and no gold being found makes it very discouraging to the shareholders, who went in with good hopes, believing there would be no difficulty in finding payable blocks of ore. Two men are now employed.

The following mines have been worked with one and two men, but nothing of any importance discovered: Hauraki No. 2, South Kapanga, Vaughan, Prospero, Rangitara, Exact, Whangapaoa, Oweru, and others.

#### GREAT BARRIER ISLAND.

*The Barrier Reef.*—The only work carried on in this property during the year was confined to treating the tailings at the battery. 3,119 tons were put through for 10,646 oz. 18 dwt. of bullion, valued at £2,380 18s. 3d. Two men employed.

*Sunbeam Gold and Silver Mine.*—This mine comprises an area of 99 acres and is situated at Blind Bay, Great Barrier Island. The development-work carried out during the year was the extending of the No. 1 level a distance of 437 ft., and for the whole of that distance good payable ore has been unearthed. Battery-site: A battery-site has been purchased on freehold property, the necessary amount of excavation done, and the building erected. A five-stamp mill, three Frue vanners, twelve vats, towers, sumps, and all necessary gear have been purchased, also engine and boiler, and will be erected as soon as possible.

#### ACCIDENTS.

During the year three fatal accidents happened in this district, as against eight in the preceding year.

Date.	Name.	Name of Mine.	Cause.
June 21 ..	Arthur E. L. Matnias ..	Waihi Gold-mining Company	Crushed by collapse of cribbing in pass.
October 7 ..	Jans C. N. Dahl ..	Waihi Gold-mining Company	Killed by fall of mullock in stope.
December 10	James Mann .. ..	Moanataiari .. ..	Killed by a fall of rock from hanging-wall of reef in stope.

I have, &c.,

JAMES COUTTS,

Inspector of Mines.

The Under-Secretary, Mines Department, Wellington.