

can it use more than thirty stamps, instead of the full complement of sixty. The directors of the company consider the situation critical, and do not in any way desire to minimise the gravity of the position. The work directed to be undertaken was immediately put in hand, and is being prosecuted as rapidly as possible, and the discoveries already made are most encouraging; the ore met with is of good value, the quantity of it has, however, yet to be ascertained. At this stage it is difficult to make any prediction as to what will be the result of the work now in progress, but so far as it has proceeded it is very promising. The manner in which the ore-values in both the upper and lower levels of this mine simultaneously fell off in value is another instance of the disappointments of mining. In country such as that worked by this company, where faults and dislocations in the reef system are so common, there would be nothing surprising to find values making again after the barren zone had been passed through. This temporary misfortune which has overtaken the mining operations of this company has, of course, had the effect of reducing the number of employees, a little over a hundred men only being employed at present; but should the present explorations turn out as anticipated, and circumstances warrant it, the number will soon reach that formerly engaged on this property. I hope ere making my next annual report this mine will not only have regained its former prosperous position but will have surpassed it.

The Talisman Consolidated Company (Limited): This company carries on operations at Karangahake, and have acquired the whole of the property of the Woodstock Company (also at Karangahake), it being intended to work the two properties together. During the year No. 8 level was driven to a point 1,010 ft. south of the shaft. The ore-sheet in the Bonanza section was intersected early in the year by this level, and considerable development-work has since been done on the same, with favourable results. On No. 10 level main drive, the drive has been extended to a point 701 ft. south of the shaft. This level has also intersected the Bonanza ore-shoot, showing a larger reef, with payable values. The west crosscut from No. 10 level (toward the Talisman Extended ground) is now in 638 ft. without cutting anything of value. On No. 11 level, the north drive has been pushed forward 145 ft. from the shaft, and has reached the boundary of the ore-shoot worked in the upper levels. The south drive, which is 289 ft. from the shaft, has reached the boundary of the ore-shoot, and is being continued until it gets into the Bonanza Section. The shaft is now down 183 ft. below river-level, having been sunk and timbered from No. 10 level, a distance of 350 ft., during the year. It is intended to continue driving No. 8 level until it reaches the Dobb Section. No. 10 level will be advanced until it touches the south boundary of the Bonanza ore-shoot. In the shaft a station has been cut for No. 12 level 178 ft. below river-level, and driving north and south from same will shortly be in progress. As soon as the drives on No. 12 level are fairly away from the shaft, sinking will be resumed. The general outlook for the current year's work is much more favourable than it was a year ago. During the year 1904 the mill crushed 44,888 tons of ore, yielding bullion valued at £84,826 10s. 6d.

The Comstock United: This property is in the same condition as it was this time last year. The owner is still hopeful of unearthing something payable, which he says is there. Only about two men have been employed at work on this property during the year.

The Shotover Special Claim: This claim has again been taken up by Messrs. Miller and Dilamore, who have been prospecting the ground with some success.

The Gorge, Caledonia, and the Caledonia Extended Special Claims at Owharoa are at present under protection.

The Rising Sun: The owners of this property have manfully stuck to this ground for several years without so far receiving any profit and with periods of protection carrying their mining operations on from point to point, hoping for ultimate success later on. A considerable amount of money has been spent on this claim—no less a sum than £3,222 7s. 6d. A fairly good quantity of underground work has been carried out since the ground was taken up. The property has always been held by local people, who will, it is to be hoped, shortly meet with some reward for their enterprise and pluck.

Waitekauri.—The Waitekauri Gold-mining Company (Limited).—Golden Cross Section: Boring operations have been carried on from No. 7 level, the borehole was continued from the No. 2 crosscut for a distance of 810 ft. The country penetrated was similar to that existing in No. 7 level, as proved by the crosscuts. The hole had to be cased, and, from the unsettled nature of the ground, cemented, in several places. Veins of calcite were met with, but no indications of the existence of any body of ore, such as was found in Nos. 5 and 7 levels. At 800 ft. a harder rock was met with, somewhat brittle. This hole failed to locate any continuation of the reef system. Two other holes failed to disclose anything tangible, and it was decided to remove the boring machinery to the surface and continue prospecting from there. The first hole was prosecuted to 1,100 ft. without any ore-body being met with. It may be necessary to abandon this hole and put down another from the surface. Other operations have been carried on on various sections of this property, but without any good results. On the old Waitekauri Section prospecting-work has been carried on. As a result, a block was opened up above the Queen level, which produced 1,652 tons of ore, which gave bullion valued at £4,612. Prospecting is being carried out above the South Level. There is a rumour afloat that this company intends discontinuing operations on these properties. An average of nineteen men have been employed during the year.

The New Zealand Jubilee Gold-mining Company (Limited): The area held by this company is 161 acres. During the past twelve months these properties have been under protection, though an average of ten men have been employed during the last six months in development-work. An endeavour is now being made to raise further capital in London for the purpose of sinking below the present low level, with a view to test the mine at a greater depth.

The Huanui Claim: This is now held by a syndicate. Two men are employed in opening up and testing the reef at No. 2 level, from which encouraging prospects were obtained. The reef is, however,