

In my last statement I referred to gold-bearing stone being found in a bore put down from the bottom of the Kapanga Company's shaft at Coromandel, and it is very gratifying to find that on sinking the shaft to a depth of 930ft., to test the value of the discovery at this depth (the greatest yet reached in New Zealand), a quartz vein was discovered containing payable gold. This discovery must rank among the most important and encouraging features of the mining operations of the year. It imparts confidence in the permanency of our reefs and their valuable contents in the deeper levels, and promises a fresh lease of life to those goldfields where much of the shallower ground has become exhausted. It is also anticipated that during the coming year the testing of the deeper levels at Reefton will be undertaken with the aid of foreign capital. The prospects there are most hopeful and encouraging.

The improved appliances introduced in dredging and hydraulic sluicing machinery have made it possible to work with profit alluvial ground and drifts that a few years ago were too low-grade to handle remuneratively. Extensive areas of gold-bearing drifts still exist in Otago and the west coast of the Middle Island, and when water is available to work these drifts a large number of miners will receive profitable employment. The deep leads of the West Coast are now engaging the attention of capitalists, and with systematic working and careful management promise to develop into paying concerns.

In a country so favoured with numerous never-failing streams of water, I am confident that electricity as a motive-power is destined to play an important part in the advancement of the mining industry, in working dredges, rock-drills, pumping machinery, and crushing-batteries at places where water is not available, and the ore too low-grade to pay heavy charges for transport and treatment.

MINERAL PRODUCTION.

The quantity of gold, silver, coal, and other minerals, including kauri-gum, produced for the year ending the 31st December last will be found in Table I., annexed. The total production of gold and silver was 378,515oz., representing a value of £1,172,843, compared with a value of £894,536 for the preceding year. This shows an increase over the value of last year of £278,307.

Of other minerals, including coal, 748,866 tons were produced, representing a value of £833,134, as against 728,594 tons, of a value of £802,706, for the previous year. The production of kauri-gum was 7,425 tons, valued at £418,766, as compared with 8,338 tons, valued at £404,567, for 1894.

The quantities and values of the chief mineral productions for the year ending 31st December last were as follow:—

Product.	Quantity.	Value. £
Gold	293,491 oz.	1,162,164
Silver	85,024 "	10,679
Antimony-ore	54 tons	1,486
Manganese-ore	210 "	525
Mixed minerals	62 "	880
Colonial coal exported, including that used by Home steamers	85,987 "	83,342
Coke exported	288 "	715
Colonial coal consumed in New Zealand	654,840 "	327,420
Kauri-gum	7,425 "	418,766
Total value of production for 1895		2,005,977
" " 1894		1,697,242
Total increase		<u>£308,735</u>

The total value of the gold, silver, coal, and other minerals, including kauri-gum, exported up to the end of 1895 was £64,775,629.

GOLD-MINING.

The steady returns from the leading mines have directed attention to the mineral resources of the colony, and a demand has set in for New Zealand mines as an investment for foreign capital. As a natural result, large areas of