

A very complete foundry has been erected at the Victoria Mill, Waikino, so that the company can now make their own ordinary castings—a saving in point of time, at all events, when urgent repairs or renewals are necessary. This additional convenience to the mechanical department, which previously comprised good smith's and machine shops, sawmill, &c., will doubtless prove a valuable adjunct.

The company employed an average of 1,236 persons during the year in connection with the several branches of work at the mine and mills.

Encouraged by the success which has attended the operations of the Waihi Gold-mining Company (Limited), other companies in the locality have displayed marked activity during the year. This was especially so at the Waihi Grand Junction Mine, the management of which has conducted development-works, resulting in a fairly large body of quartz being met with. A comparatively new forty-stamp battery and cyanide plant (used a short time at the Kauri Freehold Gold Estates Company's property at Opitonui) have been purchased and removed to Waihi for erection near the mine.

In view of the production of ore at an early date, the machinery in and about the mine has been overhauled and the plant and buildings added to. I hope that next year it will be my pleasure to report the Grand Junction Mine having entered the list of productive concerns.

A considerable amount of prospecting-work was carried out in the Waihi Extended Mine. This, so far, appears to show that the quartz reached is practically the cap of the reef, and that sinking to a greater depth will have to be undertaken to get a good body of ore. Present indications appear favourable in this direction; and, should subsequent operations verify the supposition, the Waihi Extended Mine may be looked to as one of the productive properties of the future.

A small quantity of ore has been treated from the workings of the Waihi Gladstone Mine, but the results, so far, are not remunerative. Further developments may possibly prove something better.

At Waihi Beach, a new mine belonging to the Waihi Beach Gold-mining Company is being opened up, shaft-sinking, &c., having been in progress during the year.

Boring operations, having for their object the location of the reef system believed to extend beyond the boundaries of those properties in which it has already been definitely proved, have been carried on during the year on the claims of the Waihi Consolidated Gold-mining Company (Limited) and the Waihi Consols Gold-mining Company (Limited), and it is possible that other mining companies may adopt a similar course. Operations of this class, if successful in their object, will do much to extend the mining industry of the locality and the general prosperity of the district.

Some prospecting has been done during the year on claims to which protection has been granted to give time to raise the necessary capital for their development.

Mining at Karangahake is represented by two companies—viz., the New Zealand Crown Mines Company (Limited) and the Talisman Consolidated Company (Limited). Since my last report the Woodstock Mine and property have been taken over by the Talisman Consolidated Company. Operations at the Crown Mines have not been so successful during the year as was the case for some years previously, a result attributed to the decreased value of the ore worked—viz., an average of £1 19s. 8½d. per ton, as against £2 12s. 0½d. for the previous year, and also to the conditions met with in the lower levels. The ore-bodies have not been found so good or continuous as was expected in the shaft workings, the reef system being, to a certain extent, disturbed by faults. It is understood that a scheme for the further development of the property will be carried out, and hopes are entertained that the mines will shortly be in a position to maintain their former *prestige*. At the Talisman Mine operations have been very steady throughout the year, and a considerable amount of development-work carried out, resulting in the opening-up of considerable areas of quartz. The acquisition of the Woodstock Mine is of considerable benefit in the working-arrangements of the Talisman Mine, providing, as it does, an outlet at a lower level and increased facilities for ventilation. Generally speaking, the outlook for the present year is regarded as good, the operations of last year showing that the Talisman reef maintains its size and value as it goes down. The average value obtained from the ore treated during the year was £1 17s. 9½d. per ton.

Some two or three claims are held in this locality, upon which little has been done during the year beyond what comes within the definition of prospecting, and three others are under protection.

Mining at Waitekauri may be said to be practically at a standstill. Extensive boring operations were conducted by the Waitekauri Gold-mining Company (Limited) at their Golden Cross Mine in addition to other prospecting-works on their property, but the results obtained are far from encouraging. An exception must, however, be made in favour of the work done in the Old Waitekauri section, where stone has been obtained to the value of £4,612 18s. 1d., giving an average value of £2 15s. 11½d. per ton. Work has been carried on at other claims in the neighbourhood, but there is no discovery of material value to report at present. It appears probable that some efforts may be made during the present year to ascertain the existence or otherwise of payable ore (at greater depth than that commanded by the adit-levels) at one of the properties in this locality.

At the Komata Reefs Mine operations have been steadily carried on, the output of ore being returned at 15,800 tons, value £32,559 17s. 3d., equal to an average of £2 1s. 2½d. per ton, or 9s. per ton lower than the average of the previous year. The sum of £6,666 13s. 4d. was paid in dividends. The battery plant has been added to, a small tube mill being adopted for grinding the coarser sands. The plant, though not large, is very complete, and answers its purpose very well.

On the Ohinemuri River there are accumulations of tailings which are considered to carry sufficient gold and silver to warrant treatment for the extraction of bullion. A plant for this purpose has been erected near Waihi, and it is understood that the initial difficulties—such as are usually experienced in new undertakings of a somewhat experimental character—have been successfully overcome. This being so, we may look forward to the recovery of precious metals which would otherwise be lost, and the establishment of a payable, if somewhat limited, industry.

In my last report mention was made of the probability of Mr. Hardy's mines and battery at Wai-orongomai, near Te Aroha, being taken over by a company. This has since been done, and the new