

The operations for treating the tailings in the Ohinemuri River have not so far been commercially successful, but hopes are entertained that after further experiments are made better returns will be obtained.

At the Thames the principal interest centres in the Waiotahi Mine, where rich shoots of ore have been discovered. 4,986 tons of quartz was treated, and 2 tons 14 cwt. 1 qr. 12 lb. of picked stone, for a value of £73,884 9s. 7d., or an average return of £14 per ton over the entire production. The sum of £51,300 was paid in dividends. This mine has been one of the most consistent dividend-payers in the colony, and with the prospects in view should continue to give dividends for many years to come.

Encouraged by the success of the Waiotahi Company, the owners of neighbouring properties have directed their attention to prospecting operations, and a new lode has been discovered in the Moanataiari Mine from which payable returns are expected.

The pumping plant at the Queen of Beauty shaft, which was recently purchased by the Government, has done good work during the year in unwatering the deep levels, and it is hoped that a scheme will shortly be submitted for a thorough test of the deeper levels of the field.

The old difficulty of drainage is still an important factor in the comparatively small returns from the Coromandel mines, and it is proposed to constitute a board to control the future drainage operations. Very good returns have been obtained in the past from many of the claims, and, if this question were comprehensively dealt with, this once flourishing goldfield should soon return to its former position as a profitable mining centre.

A number of small claims are at work all over the northern fields, some of them returning very satisfactory results to the shareholders, but there is not sufficient space in this brief Statement to particularise them. The returns, however, are shown in the tables attached to the Mines Report, copies of which have been laid before Parliament.

The quartz reefs of the Reefton portion of the West Coast district still maintain their ore-producing reputation, gold to the value of nearly £200,000 having been obtained during the year. The Progress Mine, at Reefton, crushed 60,000 tons of quartz for a value of £75,408 9s. 4d., recovered by amalgamation; 37,000 tons of sands were treated by cyanide for £10,204 14s. 7d.; and 1,105 tons of slimes and concentrates chlorinated for £11,238 4s. 7d.; or a total value of £96,851 8s. 6d. This company's chlorination process of gold-extraction has proved very successful.

The Wealth of Nations Mine produced £19,848 10s. 5d. from 11,970 tons of ore, and the Golden Fleece Mine returned £28,463 1s. 5d. from 13,985 tons of stone. Both of these mines are owned and worked by the Consolidated Goldfields of New Zealand (Limited).

The Keep-it-Dark Mine still continues on the dividend-paying list, and the future prospects appear to be encouraging. During the year 12,730 tons were crushed, for a value of £9,351 15s. 11d. This mine has paid dividends over a long period, the total to the 31st December, 1905, being £145,666 13s. 4d., or at the rate of £7 5s. 8d. per share, while the called-up capital is only £6,208 6s. 8d., or at the rate of 6s. 2½d. per share.

During the past year prospecting has been actively carried out in the Upper Blackwater district, and some very promising reefs have been found. These developments have had the result of stimulating mining operations generally, and I hope next year to be in a position to give you information of a satisfactory character. The prospectors received a subsidy of £200 from the Department.

During the coming summer work will be actively resumed on the Wilberforce Reefs by a number of men who have taken up claims in this promising locality.

In the Otago Mining District more attention is being given to the possibilities of this branch of mining, but workings are restricted to a small scale at present.