3 C.—2.

with a view to its being further deepened. It is most desirable, in the interests of the industry and of the district, that the existence or otherwise of payable reefs below what is regarded as an unproductive belt should be definitely proved. With the object of ascertaining the potentialities of the hitherto unproved ground below the foreshore and estuary, the Victoria Gold-mining Company are now engaged in boring operations, and, in view of the importance of this work, assistance is being given to the company by the Government by the loan of its diamond-boring plant, and a subsidy of £1,000, at the rate of 10s. for every pound sterling expended by the company in these pioneer explorations.

Operations at some mines at and near Coromandel have been suspended; but development-works are in progress at the Hauraki Freeholds Mine, the Royal Oak of Hauraki, and the Kauri Freehold Gold Estates Company's Mines at Opitonui. An amalgamation of the Mariposa and Kapai-Vermont Mines at Kuaotunu has been effected and operations resumed. The reefs at Gumtown (Mercury Bay), which were discovered a couple of years ago, look promising, and the mine on Great Barrier Island has now reached the productive stage.

In Marlborough quartz-mining on a small scale has been commenced at Top Valley Creek, and the indications met with there appear such as to offer

inducement for further prospecting in the mountain range.

On the West Coast, the district adjacent to Reefton may be looked upon as likely to be a steady producer of gold from quartz-mining operations for some Much capital and labour have been expended in developing years to come. several properties in a systematic manner and in the erection of modern battery

and cyanide extraction plants to deal with the ore.

Quartz-mining in the Southern District has not shown any tendency to advance. In two instances—viz., the O.P.Q. Mines at Waipori and the Shotover Mine near Skipper's Point—active developments have been conspicuous; but, generally speaking, quartz-mining appears to be at present declining in this part of the colony. After the expenditure of large sums of money during the last few years, operations have unfortunately been suspended at the Achilles Mine, Bullendale, and it is also to be regretted that no active steps have been taken to develop the mine of the Cromwell Proprietary (Limited) at deeper levels than have hitherto been worked. No doubt the attractions of the dredging industry as a field for speculation have militated against much attention being paid to reefing during the past few years; but it is only reasonable to suppose that, if the reefs in parts of this goldfield were to be developed on comprehensive and scientific lines, similar results to those obtained in the Reefton District might be attained.

ALLUVIAL AND HYDRAULIC MINING.

This branch of mining work has not been developed to any appreciable extent of late owing to the attention which has been devoted to dredging. It is quite safe to say that in several instances hydraulic mining has been neglected in favour of dredging, and this, too, at places where the former method is better suited to local conditions.

In the Marlborough portion of the West Coast Inspection District there are no claims worked on an extensive scale, the largest being those of the King Solomon Mine at Mahakipawa (where an alluvial gutter is worked by underground mining) and the Gorge and Yukon claims at Wakamarina.

The locality of Golden Bay affords employment to quite a number of alluvial miners, the principal undertakings being those of the Parapara Hydraulic Sluicing Company and the Collingwood Goldfields (Limited). development-works of the latter company (costing some £15,000) have extended over a period of about four years, active sluicing operations being commenced in It is understood that hydraulic mining is about to be adopted November last. at the Bubu River, near Takaka.

In the district around Westport a considerable number of persons are employed in the working of alluvial deposits, but beyond the resumption of operations by a local syndicate at the claim formerly held by the General Exploration Company at Fairdown, and the practical completion of the preliminary