

Mr. Warden BUSH, Thames, to the UNDER-SECRETARY FOR MINES, Wellington.

SIR,—

Warden's Office, Thames, 5th May, 1905.

I have the honour to transmit herewith the usual annual report on mining matters within the Hauraki Mining District for the year ending the 31st December, 1904.

I regret that I am not in a position to report a general revival all over the field. In some parts of it very little mining has been done, simply owing to the results of the operations in hand being so unsuccessful, consequently the return of gold produced in these parts has fallen off very much; but in other portions of the field the returns have so increased that, notwithstanding the shrinkage referred to, the yield on the whole is annually increasing. This is proved by the returns for the first three months of the present year showing an increase of some £70,000 over the same period of last year.

The Kapanga Mine at Coromandel, which may be termed the oldest mine on the Peninsula, no longer exists in its former condition, the machinery connected with it having been removed and sold, and the mine abandoned by its former proprietors. A small portion of the old area is, however, still held by a few persons who took it up after the old company relinquished their holding.

The Waiotahi Mine at the Thames, a small property which has been a dividend-payer for years, has excelled itself this year owing to its good fortune in unearthing some good ore, from which very rich stone has been obtained, thereby materially increasing the returns from this mine. It is to be hoped the ore at present being worked is there in a large quantity, and that the find may lead to others in other parts of the field. The industry here requires some rich discoveries to give it new life.

The recent boring operations have not proved of much help in indicating the location of any new reef-system at the lowest depths to which they were prosecuted.

Various old mining companies have become defunct, and the properties held by them have been acquired by a syndicate of persons represented by Mr. H. H. Adams. These gentlemen have subdivided these properties into smaller holdings, and locally floated companies are being worked by this syndicate to the best of their ability. The properties referred to are the Moanataiari, the May Queen, the Alburnia, the Eclipse, the Mahara Royal, the Saxon, the Golden Belt, and the Tairua Broken Hills. These properties are all being worked by the syndicate already mentioned. It is to be hoped these enterprising gentlemen will presently be successful in unearthing some really good mines.

The dry season has proved very trying to the up-country mining operations. The want of water in the Ohinemuri River has been much felt by all the companies in that locality, and their crushing operations have, in consequence, been retarded to some extent, some of the reduction-works having been compelled to hang up half of their crushing machinery though in a position to supplement their water-power with steam. This has been a great drawback to several of the active-working mines, and should such dry seasons occur frequently, the want of water caused thereby will interfere considerably with the mining industry of this district.

*Waihi.*—Mining activity still continues in this portion of the district, the number of claims having increased from fifty-eight to sixty-eight since my last report, additional areas amounting to 1,200 acres having been applied for during the year. A considerable stir was caused about July last in consequence of the Waihi Extended Company finding a reef in their property and the Grand Junction Company also securing their reef at a lower level and proving it to contain gold of good value. These discoveries have raised the hopes of the community in some measure, and caused them to take greater interest in mining than was being taken previously. These finds naturally have made things look brighter in this locality than they have done for some time past. The Waihi Company are also finding their reefs improving, and becoming more valuable at increasing depths.

The Waihi Consols and the Waihi South Companies have been endeavouring (with the assistance of the Diamond Drilling Company, with whom they entered into contracts to bore) to locate some one or other of the lodes being worked by the Waihi Company, but so far the boring operations have not resulted in any new discoveries being made.

The Waihi Beach Company are sinking with a view to pick up the reef known to exist in their property, and are making steady progress.

The future prospects of Waihi appear to be brighter than ever. The population is steadily increasing as the different mines are employing more labour. In consequence of this, there is a great demand for residence-sites, and those in the township and its near proximity are practically now all taken up.

The Waihi Gold-mining Company have carried on their operations very vigorously during the past year, having employed more men than previously in connection with their works and increased the output of ore with a corresponding increase of bullion. The prospects of this company still continue to improve. As the workings go deeper the reefs appear to get larger and to be of greater value, and as the company are only working on 150 acres of their ground, out of the 850 acres they hold, they should, supposing the balance of their area is as highly auriferous as that at present being worked, have a long period of prosperity before them. They have crushed 29,000 tons more quartz during this year than last; the total number being 259,978 tons, which produced £673,101 worth of gold, as against £650,687 recovered during the previous twelve months. During the year 1,236 men have been employed on this company's mining operations. The total amount of work done in feet is 20,511, which, if placed in a straight line, would reach three miles. This work consists chiefly of driving, crosscutting, winze-sinking, and shaft-sinking. Many additions have been made to the crushing plants, both at Waihi and Waikino. The company's mill at Waikino in particular is becoming most extensive, and presents a busy and thriving appearance.

The Waihi Grand Junction Company have been developing the eastern portion of their property, with very satisfactory results. The work consists of 658 ft. of driving, 567 ft. of sinking, and 1,230 ft. have been removed in rises. During the year the company employed thirty-four wages-men and twenty-two on contract-work, besides a number excavating the site for the proposed battery shortly to be erected. Driving on the No. 2 level was continued to the boundary of the Waihi Extended