

Further driving has been carried on for the purpose of more fully proving the resources of the area. It is to be hoped that a continuation of the reef-system which has made Waihi so famous may be discovered in this claim. Should a result of this kind be attained, the information so gained would be of material assistance in locating the probable extension of the Waihi Goldfield.

Operations of a prospecting character have been conducted during the year on some of the other mining claims in the neighbourhood of Waihi, but so far no discovery of any importance has been reported in connection therewith.

In the latter part of the year a start was made by the Waihi Syndicate (Limited), in conjunction with the Waihi Grand Junction Gold Company (Limited), to sink a shaft for drainage and exploration to a depth of 900 ft., or thereabouts. This venture, if carried out as completely as proposed, may probably be of considerable service in further proving the resources of this portion of the goldfield.

At Waihi Beach, the Waihi Beach United Mine has been the scene of active operations. A shaft has been sunk to a depth of 356 ft. without much inflow of water, a crosscut driven, and a reef met with at 150 ft. from the shaft. No definite information as to the width and extent of reef or value per ton of quartz is as yet to hand.

Mining operations at Karangahake are carried on by the New Zealand Crown Mines (Limited) and the Talisman Consolidated Company (Limited), the latter company's mine having been the principal producer for the year. The output of the Talisman Mine was 44,725 tons of quartz, which gave a return of £129,088 8s. 10d., or equal to an average of £2 17s. 8·4d. per ton. The sum of £30,000 was paid in dividends for the year, this being the first distribution of profits which shareholders have received. The increased value of the ore per ton is worthy of note: the average value of the ore mined during 1904 was only £1 17s. 9·5d. per ton, whilst that won and treated during 1905 is 19s. 10·9d. per ton in excess of that of the previous year. A considerable amount of development-work was carried out during the past year; this places a large body of stone available for stoping out, and it appears to be the policy of the management to keep the mine opened up well in advance of present requirements. The prospects for the future are reported to be of an encouraging character. At the Crown Mine work has been carried on under difficulties, but the ore mined shows a slightly better average value than that won during the previous year. 17,541 tons of quartz yielded a bullion-value of £36,516 8s., this being an average of £2 1s. 7·6d. per ton (as against the average value for 1904 of £1 19s. 8·75d.) or an increase of 1s. 10·85d. per ton in comparison with the year preceding. The two companies named provided employment for an average of 359 men during the year.

The Komata Reefs Mine (Komata Reefs *via* Paeroa) produced 16,820 tons of ore during the year, having a bullion-value of £42,432 10s. 7d., or an average value of £2 10s. 5·4d. per ton. This gives an average value of 9s. 2·9d. per ton in excess of the values obtained for 1904, and is practically the same as that obtained in 1903. Dividends to the amount of £13,333 6s. 8d. were paid. The plant at the battery has been augmented by the addition of a tube mill, filter-press, and another steam-boiler. The introduction of machine drills in the mine-workings is likely to be carried out in the near future. This will necessitate the erection of an air-compressing plant. To all appearances continued prosperity may be anticipated for some time to come. The company gave employment to 140 men during the year.

In my last report mining at Waitekaui was described as being practically at a standstill. It is a matter for regret that nothing substantially better can yet be reported. A little desultory mining-work was done at various claims in the locality during the year, but the general results cannot be said to be particularly encouraging.

The attempt—referred to in my last report—to treat the accumulations of tailings in the Ohinemuri River for the extraction of bullion has not so far been commercially successful, but hopes are entertained that the venture may yet be made remunerative.

Mining at Waiorongomai, near Te Aroha, is represented by Hardy's Mines (Limited), a company which took over the mine and battery formerly worked by Mr. Hardy. The average number of persons employed during the year was twenty, and bullion to the value of £6,343 16s. 9d. was obtained from 1,727 tons of ore, or an average of £3 13s. 5·6d. per ton. Notwithstanding the value per ton obtained, which is considerably higher than that of the mines at other places already mentioned, the general results are reported as not being profitable when spread over the whole of the company's operations.

Tairua - Broken Hills Mine has materially decreased its output, only 2,151 tons of quartz being returned for the year. This gave a bullion-extraction valued at £4,669 3s. 9d., or an average of £2 2s. 0·5d. per ton. Apart from the smaller quantity of ore raised, the returns show a decreased value of 13s. 6·75d. per ton as compared with those of the previous year. The mining operations are now conducted from a shaft sunk inside the mine from the adit level, which materially adds to the cost of working as compared with the conditions which obtained when all mining-work was level-free. The recent discovery of a new reef, which is reported of good value, will probably prove of material benefit to this property in the future. On an average fifty men were employed throughout the year in connection with the mine and battery.

In my last report mention was made of a body of stone at the Coronation Mine, adjoining the Tairua - Broken Hills Mine, from which some fair dish prospects had been obtained. For the purpose of testing this commercially a small battery was erected, but the value of bullion obtained was only equal to about 10s. 6d. per ton of stone. The company therefore decided to prospect for better ore in the vicinity.

The Auckland (Mananua) Mine has been taken over by a company, who obtained 879 tons of quartz which gave a value of £4,387 14s., equal to an average of £4 19s. 10d. per ton. The results have naturally given the company an incentive to prove the deeper levels.