

ALLUVIAL MINING.

The past year has been particularly favourable for alluvial mining, a plentiful rainfall providing ample water for sluicing operations throughout the Middle Island, with the highly satisfactory result that there has been an increased production of gold to the value of £101,009 from the alluvial mines and dredges of the West Coast, Otago, and Southland. This branch of the mining industry gives promise of increased returns in the future. Important development-works of considerable magnitude have been in progress on the West Coast, the Ross Gold-fields (Limited) having erected an extensive hydro-electric power installation and pumping machinery for unwatering the deep alluvial levels at Ross. The works are now approaching completion, and it is confidently anticipated by those most familiar with the rich gravels of the Ross Flat that this once famous auriferous locality will again become one of our important gold-producing centres.

At Waikaia, in Southland, extensive operations in water-race construction have been vigorously prosecuted by the Muddy Terrace Sluicing Company during the year. Their water-race, which is about sixteen miles in length and which has a large carrying-capacity, is now almost completed, and high expectations of remunerative results from its operations are entertained. This race commands a considerable extent of well-known and promising auriferous terraces offering great facilities for sluicing operations.

Considerable activity continues in connection with alluvial dredge mining; and the past year's work has added £373,818 to our mineral-production, being an average yield of £3,039 per working dredge, and showing a decrease of £239 on the amount obtained per dredge during the previous year. At the end of 1908 there were 123 dredges at work in the Dominion. Five dredges have ceased work during the year. The dredging branch of the mining industry is still in a flourishing condition, and in some localities an improvement is expected to take place owing to more powerful machinery and longer bucket-ladders being installed to permit of dredging at much greater depths than has hitherto been attempted.

QUARTZ-MINING.

Auriferous-quartz mining may now be considered the most important and permanent branch of the gold-mining industry. On the more recently discovered goldfields at Karangahake, Waihi, Big River, and Blackwater operations on an extensive scale are being carried on; but, on the older fields of Thames and Coromandel, mining is not in such a satisfactory position.

During my visit to Auckland and Thames, early in March last, the negotiations commenced by my predecessor with the representatives of the mining companies concerned for driving a deep-level tunnel across the Thames Goldfield were resumed, on the basis of the Government granting some financial assistance to the undertaking. A working-basis having been arrived at, the Inspecting Engineer of Mines was sent to Thames to arrange the details, and subsequently these were satisfactorily settled. The necessary legal documents are now being prepared, and I expect that active operations in connection with the prosecution of this most important prospecting venture will be commenced in the immediate future. The results from this somewhat costly undertaking are being confidently looked forward to by those interested and by the people of the district as the only possible method of restoring the Thames to its former prominent position as a gold-producing centre.

At the Waihi Company's mine the most extensive and active mining operations in the Dominion are being carried on with very satisfactory results. This property still retains its reputation as one of the world's greatest and most profitable gold-mines.

The Talisman Consolidated Mine has also had a record yield during the year, notwithstanding a temporary suspension of work caused by an influx of water from adjoining workings, which has since been dealt with by the installation of more powerful pumping machinery.

On the West Coast satisfactory mining operations have been carried on, particularly in the Reefton district. From the New Big River Mine, one of the