

was driven eastwards; and at the Waiotahi Mine 538 ft. was driven towards the Victoria Mine westward, passing under the Waiotahi shaft, from which the proposed diversion of the main crosscut begins. That shaft is now being deepened to connect with the 1,000 ft. level. It is to be regretted that the results of this deep-level exploration have been so far very disappointing, for, although several small quartz veins have been passed through, nothing of a payable character has yet been discovered, notwithstanding that from the upper levels of the claims traversed bullion to the value of about £7,000,000 was obtained.

At the Waitangi Mine the beach level having been driven a total length of 3,763 ft. was discontinued. A lode formation about 60 ft. in width was intersected 2,891 ft. from the entrance, but the ore-shoot proved near the surface failed to live down to the beach level. Operations are now confined to the upper workings.

The New Sylvia Mine proved during the year the most productive in the district. As a result of treating 10,459 tons of ore, bullion to the value of £15,044 was obtained, a considerable increase above the return for the previous year. Development has proved a new lode of promising appearance at the 200 ft. level. The No. 5 (450 ft.) level was extended to 1,986 ft. towards the New Sylvia reef.

At *Coromandel* mining operations failed to disclose anything of importance, although several small companies continue to operate in that district.

#### *West Coast Inspection District.*

It is reported by the Inspector of Mines, Mr. T. O. Bishop, A.O.S.M., that the most important mining development in his district during the year has been that carried out at the gold-scheelite mine situated in the Wakamarina Valley, the property of the Dominion Consolidated Company, where the lode has developed satisfactorily, and maintains fair average value in gold and scheelite. A 25-stamp mill, equipped with jigs and concentrators, has been installed, and during four months' operations at the latter part of the year 3,500 tons of ore were treated, for gold-value £1,839, equivalent to 10s. 6d. per ton, and scheelite-value £3,259, averaging 18s. 7½d. per ton. This is one of the very few instances where the year's operations at a new mine have been satisfactory.

At Mokihiui, near Westport, the Swastika, a prospecting company, has been formed to further develop the Red Queen Mine, which was worked many years ago, when the reef was found to carry gold, but was small, and the greywacke country proved very hard. The new company is now developing the lode at a point about 100 ft. lower down the hill, where an outcrop of quartz of considerable width has been proved by assays, taken by the Inspector of Mines from across the face of the drive, to average in value 5s. 2½d. per ton; but this was, of course, a too limited test to definitely prove the lode.

At the New Big River Mine, as the result of treating 7,666 tons, bullion was obtained to the value of £36,657, and dividends amounting to £15,600 were distributed, this being the only quartz-mine on the West Coast which paid a dividend during 1912. The whole of the ore milled was obtained from stopes above the No. 10 level (1,575 ft.). The most important development during the year has been the successful sinking of a winze 50 ft. below No. 10 level, for the whole of which depth the lode was proved to carry good ore. A new hoisting plant of increased capacity has been installed at the mine, also air-compressors for rock-drills and winches.

Owing to labour disputes, the Progress Mines, together with the Wealth-of-Nations and Blackwater Mines, were idle for about eight months of the year, and during the few months worked the principal operations carried out at the former mine consisted in the search for the lost lode at No. 11 level (1,420 ft.), of which there are reasonable prospects of success.

Upon the *Blackwater Goldfield* (discovered during 1905), the Blackwater Mine—drawings of which accompany this report—was restricted to only four months' work during 1912, owing to the labour troubles previously referred to, which caused a cessation in the regular payment of dividends. At this mine the lode keeps a direct course to a remarkable extent for the whole length of 3,000 ft. developed. The ore also maintains its value with the attainment of depth, and development is well in advance of milling requirements.

During the year several parties of miners have been engaged developing their claims elsewhere on this goldfield, but, with the exception of the operations at the Millerton (gold) Mine at Snowy Creek, the results have been unimportant. At the Millerton property a quartz lode, varying considerably in width and value, has been driven upon for 280 ft., but as the "backs" proved do not exceed 100 ft. the prospects of the mine are uncertain.

#### *Southern Inspection District.*

In *Otago* and *Southland* quartz-mining was unremunerative. None of the twenty-two mines paid a dividend during 1912. Bullion to the value of £8,065 was obtained, and 138 men were employed upon this hitherto unprofitable work.

#### (2.) DREDGE MINING.

Owing to the exhaustion of ground suitable for dredge mining, the increasing popularity of the hydraulic sluicing and elevating method of working placer ground, and the fact that during the dredging boom of a decade past a number of dredges were placed on untested ground, dredge mining