

yield of gold from this locality, has temporarily suspended operations. An up-to-date crushing plant has been erected, and early in the year a start was made with it, and a small quantity of ore crushed. The suction-gas plant, however, proved inefficient, and mining and milling operations are suspended pending alterations in the plant and machinery.

The promise of a successful year for the Coromandel district, to which at the beginning circumstances seemed to point, has only been partially fulfilled. There has been a decided increase in the yield of gold, the returns for 1910 being £26,033, as against £6,916 for the previous year; but on the whole there has not been such a revival in mining in the district as might have been expected. The present outlook is nevertheless by no means discouraging. Several claims in the district have been from time to time obtaining specimen stone, some of exceptional richness; but the lodes are small, and the quartz necessarily limited in quantity. In Bremner's Freehold and the Mount Welcome Claims small quantities of very rich quartz have been obtained, but in the aggregate the returns for the year have not been large. As showing the extreme richness of the specimen stone obtained from Bremner's Claim, I may mention that only 1 ton of ore was crushed during the year, but it yielded gold worth £2,238 8s. 4d.

The Old Hauraki Company's claim for a short period attracted much attention. Very rich stone was obtained, and gold worth £13,057 was won from the mine. The returns fell off, but it is expected that the development-work which the company have now in hand will result in the opening-up of further gold-bearing blocks. In the Hauraki Reefs Claim, adjoining, the company are driving from the Old Hauraki Company's workings at the 400 ft. level, with the object of intersecting at a low level the rich run of gold which was worked near the surface.

The Kapanga Company, which own the oldest mine in the Hauraki Mining District, are still persevering with the task of unwatering the shaft. The water is being rapidly reduced, and in a short time work in the lower levels of the mine will be resumed after many years' cessation. Gold is known to exist in the lowest workings, and when once the water difficulty has been overcome, there is no reason to doubt that this mine will again take its place among the successful mines of the district.

An English company have taken over Mr. Langford's foreshore dredging claim, in the Coromandel Harbour. A dredge has been procured in the South Island, and is being removed to Coromandel, and it is expected that in a short time dredging operations will begin. Tests made by boring in different parts of the claim have revealed the existence of gold in what is believed to be payable quantities.

There are several mines at work at Kuaotunu, but, with the exception of the Mountain King and the Handsworth, none of them is yielding payable returns. A little over eight thousand pounds' worth of gold was obtained from this district during the last twelve months.

Mining at Te Aroha and Waiorongomai has not produced anything of importance during the year. The syndicate which was formed for the purpose of prospecting, by means of a low-level tunnel, the country at the back of the township in the Te Aroha Mountain, from which, near the surface, rich specimens were produced in the early days of the goldfield, has suspended operations, not having met with any success. At Waiorongomai the only companies at work are the Hardy's Mines (Limited) and the Bendigo Company. The former are doing merely prospecting-work, and the latter are opening out their mine and taking out quartz in readiness for treatment at the ten-head stamper battery which is nearing completion. Tests made of samples of the ore have given very satisfactory results, and the shareholders look forward with confidence to a profitable undertaking.

There is only one mine at work at present on the Great Barrier Island—viz., the Barrier Reefs. A prospecting-drive is being driven from the battery level in a northerly direction, but so far nothing payable has been discovered.

The Ngatiawa Company did a very considerable amount of driving on their property, but not meeting with success, they have discontinued operations.

MERCURY.

The Ascot Cinnabar Company, at Mackaytown, Ohinemuri, are not at present at work. The new plant has not altogether proved satisfactory in the treatment of the ore, and alterations and additions are in contemplation. During the year 1,500 lb. of mercury was obtained, and the result of the operations so far shows that with adequate and efficient plant shareholders may look forward to the establishment of a profitable industry.

COAL.

Last year two coal-mining licenses were granted by the Warden, one at Ohinemuri and one at Whangamata. Both of these, after a systematic prospecting by the owners, have been given up. No seam of any commercial value was discovered in either case.

Notwithstanding the encouraging nature of the developments in a few of the principal mines of the district, I am sorry to say that, taking the goldfield as a whole, it cannot be said that the outlook is as favourable as it was at the time of writing my last report. The fall on the market of the value of Waihi shares, consequent upon the disappointing result of operations in the lowest level of the mine, and the contemplated reductions in the future output, has caused a depreciation in all other mining stock, and public interest of an active kind in mining in the district has, during the latter portion of the year, seriously declined. A number of small local companies which have been carrying on unremunerative prospecting operations upon capital raised by calls on the shareholders find it difficult, and in many cases impossible, to collect any further calls, the shareholders preferring to forfeit their shares rather than to continue contributing. These companies have, in consequence, to seek protection from the Warden or abandon their holdings. The depression in the mining market is, I believe, only temporary, but in the meantime it is seriously affecting the prosecution of