IV. GOLD-MINING.

The following statement shows the value of the bullion-production, also the dividends declared, number of persons employed, and the number of gold-mines and dredges :—

	Production of Bullion, 1921.* (All Mines.)		Dividends paid, 1921. (By Registered Companies only.)†	Number of Persons ordinarily employed at Productive and Unproductive Mines.	Number of Productive Quartz-mines, Alluvial Mines, and Dredges, 1921.
	Quantity.	Value.			
	Oz.	£	£		
Quartz-mining ..	527,855	433,488	53,791	1,438	23
Dredge mining ..	7,302	36,179	600	136	11
Alluvial mining‡ ..	16,718	77,438	2,337	438	150
Totals, 1921 ..	551,875	547,105	56,728	2,012	184
Totals, 1920 ..	474,650	528,317	105,426	1,903	157

* In addition to the gold produced from the gold-mines, silver was obtained from them, hence the word "bullion" is used in preference to "gold."
† The profits of privately owned dredges and mines are unobtainable, which renders this statement incomplete.
‡ The bullion-production is from 150 alluvial claims, but the dividends are only ascertainable from those few that are the property of registered companies.

The increased production as shown above, although satisfactory, should not be taken as an indication of a revival in the gold-mining industry, such improvement being due chiefly to improved methods and to the encouragement received during 1920 to work low-grade mines owing to the premium paid above the mint value of gold due to the low exchange on the paper pound sterling. The approximate mint value of fine gold is £4 5s. per ounce, but during 1920 the open market price paid in England averaged £5 12s. 6d. per ounce; unfortunately, however, the price declined during 1921 to £5 2s. 11d., until at the time of writing the premium has almost disappeared the result of which will be the closing of the low-grade mines.

(1.) Quartz-mining.

Inspection District.	Statute Tons of Ore treated.		Value of Bullion.		Dividends paid (by Registered Companies only).	
	1921.	1920.	1921.	1920.	1921.	1920.
			£	£	£	£
Northern	214,365	194,316	334,550	325,854	49,591	99,181
West Coast	40,994	37,592	98,422	89,333	4,200	1,800
Southern	252	145	516	681	..	..
Totals	255,611	232,053	433,488	415,868	53,791	100,981

The average value per ton of ore treated during 1921 amounted to £1 13s. 11d. as compared with £1 15s. 10d. during 1920.

At the principal gold-quartz mines considerable depth is being attained with varying results.

At the Waihi Mine development of the No. 13 (1,578½ ft.) level has commenced, but the ore value in that level and at the level above has so far been low. During 1921 146,466 statute tons of ore were milled for a return of £233,331 8s. 4d. Dividends amounting to £49,590 14s. were declared. The total dividends paid by this company now amount to £5,486,828. A geological examination of this and the neighbouring mines has recently been made by Mr. P. G. Morgan, M.A., F.G.S., Director of Geological Survey, and I understand that important and somewhat favourable evidence has been obtained bearing upon the prospects of the lodes at greater depths.

Early in the current year mining and milling were suspended at the Waihi Grand Junction Mine, and operations have since been confined to the development of the Empire lode at No. 9 (440 ft.) level. During 1921 this company milled 65,964 statute tons of ore for a return of £96,398 5s. 9d.

At Muir's Gold-mines, near Te Puke, the new mill to replace that destroyed by fire having been completed, milling was resumed during 1921. Three levels have been driven, the lowest being about 200 ft. below the outcrop of the lode, the average width of which is about 5 ft. Above the upper level worked before the fire the value of ore milled averaged £4 14s. 7d., but from the lower levels the average value of the ore treated has since been £2 3s. 7d. per statute ton. It is proposed to sink a three-compartment shaft from which to prospect and subsequently work the lower levels of the mine.

The deepest development at the Blackwater Mine is at No. 9 (1,364 ft.) level, where the lode in the north drive appears promising. During 1921 34,323 statute tons of ore were treated for a return of £65,776 6s. 8d.

At the New Big River Mine, No. 11 (1,775 ft.) level, No. 2 winze has been sunk to a depth of 107 ft. on ore. During 1921, as the result of treating 3,898 statute tons of ore, bullion to the value of £21,610 was obtained, and dividends amounting to £4,200 were declared.

At Alexander Stream, Big Grey River, the Bull lode, the much-advertised find of Messrs. McVicar and Hurley during 1920, has upon prospecting proved to be disappointing, being but a fragment lacking both length, depth, and value. The opinion expressed by Mr. P. G. Morgan in his report shortly after this discovery has been substantiated by exploratory work by option-holders.