

has been struck, and is being prospected. This extends to Cement Town, where Kelly's line terminates.

Anderson's line of reef was the next struck, and was the first to be formed into a company, having amalgamated with No. 1, North.

The Prospectors have obtained a grant of a special claim; they have sunk a shaft 120 feet; have driven sixty feet north and south; have proved the reef; are engaged in driving a tunnel 800 feet; have cut two miles of a race, capable of conveying thirty heads of water; are erecting a water wheel at Black Point, and have sent for machinery to Melbourne. The development of this reef was retarded for some time by there being a great deal of litigation in connection with it. Some £9,000 has already been expended, and the indications would lead one to suppose that it is one of the richest claims in the district.

Nos. 1, 2, 3 and 4, South, Invincible Company, Registered, are amalgamated claims now applied for as a lease. They have been working from the commencement; drove a tunnel 600 feet in wrong direction; have now found reef on surface, and are sinking and driving on it; and are making arrangements for machine.

From 5 to 7, South.—Applied for as two leases. Two tunnels have been driven in Nos. 5 and 6; at a distance of 150 feet lead ran out; in No. 7 tunnel 100 feet put in; reef not struck at present.

Several applications for leases broadside on to 5 and 6 on both sides. No work doing in them at present.

Several claims were taken up north and abandoned; the ground is now applied for under some eight lease applications. Anderson's line was discovered in October, 1870.

Shiels' prospecting claim was discovered by Walsh in November, 1870, and from the prospects obtained attention was at once drawn to the Murray Creek reefs. Messrs. Mace and Trennery have gone in heart and soul to develop this reef; they have, with extraordinary difficulty, got steam machinery on the ground; have cut tracks; driven tunnels, and constructed dams and tramways at a cost of some £10,000. The result of the first crushing will very speedily be known, and the richness of the reef vindicated.

Nos. 1 and 2, South, Band of Hope Company, Registered.—These parties have driven two tunnels 300 feet each; prepared a machine site and made arrangements for machinery; have struck the reef and proved the continuation of Shiels' line right through the claim.

No. 3, South.—Golden Crown Company, Registered, have tunnelled, struck a leader, and got indications of reef; are still busily engaged in prospecting the claim. From this a large number of leases applied for, as continuation of line of reef and on both sides.

No. 1, North.—Pat Hunt's claim. Tunnels have been driven at various levels and reef struck in each; they have constructed a tramway to Mace's machine site, who are to crush 600 tons for them in consideration of their having helped them to get machinery on ground; they are now engaged in getting out stone.

Nos. 2 and 3, North.—North British Company, Registered. Ground applied for as a lease; shaft sunk and drives put in; reef not yet struck.

From these, some 20 leases are applied for to left hand branch of Inangahua; no work done at present.

Adam Smith's Line.—The prospector's claim is now known as the Wealth of Nations Company, Registered. Adam Smith was the original discoverer of the cement reef in Murray Creek. They have tunnelled and thoroughly proved the reef; have constructed tunnels and a tramway half a mile in length to machine site on the Inangahua River; they have also cut a race two miles long, and have sent to Melbourne for machinery to be worked by water power.

Nos. 1 and 2 North.—Energetic Company, Registered, have driven a tunnel, and proved the reef; have sunk a shaft and are driving tunnels at lower level; preparing machine site on Murray Creek, and have sent for machinery. They had a trial crushing of ten tons which yielded $4\frac{1}{4}$ ounces to the ton.

Nos. 3 and 4, North.—Applied for under lease, as also broadside claims East and West; ground not yet tested.

No. 1, South.—Enterprise Company, Registered, ground applied for as a lease. Reef has been struck in tunnel; no machinery at present; making arrangements for crushing.

Nos. 2 and 3, South.—Have struck the reef in tunnel; ground applied for as a lease; preparing machine site on Inangahua River.

On the West of this line, several claims occupied under miners' rights—the reef has been struck and leases applied for.

On the East several leases have also been applied for, but no work has been done at present.

Sinamon's Line.—A reef was struck on the surface between Kelly's and Shiels' line; tunnels have been put in and payable quartz struck at a distance of 160 feet; they are now tunneling to prove whether an actual reef or not.

Nos. 1 to 4, North and South.—Applied for as leases; no work done at present.

German Jacks.—This claim, which is near to Shiels' line, is now held under a lease granted to Christopher Mace; the reef has been struck and it is now in process of development. The supposed continuation North and South are applied for as leases.

At Murray Creek a battery was erected in 1870 for crushing cement, it is now used for quartz crushing, and has six head of stampers driven by water power.

Rainy Creek is situated some eight miles south of Murray Creek. It was discovered by Adams as possessing payable reefs in February, 1872, although alluvial claims were being worked there three years since. Five or six claims north and south of the Prospectors' are now in full work, and numerous leases have also been applied for.

Liverpool Davy's is situated about half a mile from the township of Reef-ton, in a south-easterly direction. Several leaders have been discovered but no defined reef yet struck; the ground is applied for on lease.