

Lately four mining leases have been granted on Jones's Flat; and if the lessees carry out their proposed mode of working the ground—namely, by water-power machinery—the result will, I believe, prove highly beneficial to the district, as a large number of miners will have to be employed to work the ground.

At Donoghue's, mining operations have improved during the past year, the ground being drained by water-power machinery, which enables the miners to work their claims at a lower level, with very satisfactory results. There are also a number of sluicing claims in this neighbourhood yielding good wages.

At Bowen, I regret to say, things have not turned out so well as was anticipated. The special claim of twenty acres granted to the Kohinoor Gold Mining Company has lately stopped work owing to heavy floods having swamped their ground, which lies close to the bed of the Mikonui River, and also the dams and head-races connected with it being destroyed by the same cause, and by landslips.

The ground commanded by the Greenland Water-race Company on the terraces above the township of Ross, towards Donoghue's, has proved highly remunerative. This company holds a lease of ten acres, and there is also another of same size further south paying good wages. Along the terraces on the upper side of Donoghue's Road there are a number of extended claims, the holders of which are said to be doing well. The ground could not have been worked had it not been for the race in question, brought in at a high altitude. This holds out the best prospect that the Mikonui Water-race, if constructed, would prove highly beneficial, and open up a large area of auriferous country which otherwise must remain unworked.

At Mount Rangitoto, where the silver mines are situated, a large area of country has been taken up under leases; but in consequence of its inaccessible situation, and the road not having been completed, the working of the ground has been delayed, and the only party which is actually carrying on operations is the Mount Rangitoto Silver Mine Company, the original prospectors, who are putting in tunnels and getting out stone in readiness to send to Melbourne as soon as the road is finished.

During the last few weeks three quartz mining leases have been applied for at Donnelly's Creek, near Ross. What the result may be is doubtful, as the same reef was tried some years ago and abandoned as not payable.

The gold forwarded from Ross to Hokitika amounted to 9,551 oz. All further information will be found in the statistical returns already forwarded.

Kanieri District.

In reporting on this district for the past year, I may state it has slightly decreased in population and yield of gold, but this may be attributed to the great attraction of the Kumara Gold Fields, which has drawn away some of the miners, although the number does not exceed seventy out of a total of 475 who were mining in the district during the previous year.

The portions of the district most materially affected are in and around the Town of Kanieri, the sea-beach south of Hokitika River, and the Hau-Hau, from which places most of the miners have left. Other parts of the district, such as Woodstock, Kanieri River, and Blue Spur, have remained much as they were.

The average earnings of the miners are about half an ounce of gold per man per week. The approximate yield of gold for the past year is 10,920 oz.

The gold fields revenue has decreased some £39. That of last year was £548 4s. 6d., against £587 4s. 6d. of previous year.

The principal diggings are Woodstock and Blue Spur. The former, lying along the south bank of the Hokitika River, has for the past ten years maintained a steady, industrious mining population. The number so engaged at present is 110, and the mode of mining is by ground-sluicing and tunnelling. At the Blue Spur there are some good claims: this place is one of the oldest diggings on the coast, having been worked for the past thirteen years.

The Kanieri District is not altogether confined to gold mining for its existence, as the farming industry is a very important one, a large area in the vicinity of the Hokitika and Arahura Rivers being under cultivation, and occupied by a steady, industrious class of farmers, who, being in close proximity to the town of Hokitika, obtain a ready and lucrative market for their produce.

On the whole, I may say that the district is in a fairly prosperous condition, and contains within itself the elements of continuing so for some years to come.

Waimea District.

This district, although in close proximity to the Kumara diggings (in fact, until the latter was, in November last, made into a separate district, formed a portion of the Waimea one), has during the past year held its own, which I believe to be in a great measure owing to the Government race affording a supply of water to miners in those portions of the gold workings through which it passes. And it is to be regretted that branch B, which would command "Tunnel Terrace" from Goldsborough nearly to Stafford Town, has not been constructed, preventing some of the best known auriferous ground from being worked. I understand it could be brought in for about £2,000.

The diggings are much spread about over a large area of country, and all of an alluvial nature, the gold being found in terraces and in innumerable small creeks and gullies, also on the sea-beach. The workings are carried on by ground-sluicing and hydraulic power, and, seeing that it is one of the earliest diggings opened in Westland (in 1864), there can be no better proof of its stability than its continuing to maintain a mining population of 1,500 people; and although at the first breaking out of the Kumara diggings many were attracted there, yet most have now returned to their old claims.

With regard to the quartz reefs at the Taipo, I regret to say, during the past year the holders of mining leases there have done nothing towards developing the reef. I have informed them that, unless they commence operations at once, I shall recommend the ground to be thrown open, so as to give others an opportunity of proving what holds out fair prospects of opening up a description of mining which, if successful, conduces highly to the prosperity of a place.