

The Great Republic Company at Stoney Creek have completed the erection of a battery of ten stampers, driven by a Pelton water-wheel, and have also connected their Special Claim and machine-site by an aerial tramway, 120 chains in length, passing over exceedingly rough country. This company has reduced 1,065 tons of quartz since the completion of the plant, obtaining therefrom a yield of 1,433oz. of retorted gold. The average number of men employed by the company is about twenty.

The only other lease at Stoney Creek upon which mining operations are being actively prosecuted is the Smile of Fortune Company's. Surface-prospecting and a tunnel 174ft. in length are the principal works executed by this company during the past year.

At Mokihinui the Red Queen Company has been crushing intermittently, the quantity of stone reduced since April, 1885, being 1,005 tons, giving a return of over 1,430oz. of retorted gold. The excessive hardness of the rock in which the reef is imbedded adds enormously to the cost of raising the quartz, and thus militates greatly against the success of the company. The upper level has been extended nearly 200ft. during the year. The number of men employed in this mine varies from twenty to thirty.

The Southern Light Company holds two leases at Mokihinui, upon which extensive prospecting operations have been conducted for some time past. The reef running through the Red Queen Company's ground has been found in the Southern Light leases, and, owing to the softer nature of the surrounding rock, it is more easily worked than in the Red Queen leases.

The South Pacific Company have been prospecting steadily during the past year, and have struck the underlie of the Red Queen Reef, after driving 210ft. through very hard, wet country.

The Nile Company holds a lease of about sixteen acres at Rough and Tumble Creek, in the Mokihinui District. This line of reef has been but recently discovered, and is entirely distinct from what is generally known as the Mokihinui reefs, being several miles distant from them. Four men have been employed in prospecting for some time past, and the shareholders are so satisfied with results that they are taking steps to secure the erection of crushing-plant upon their lease.

There are several other companies holding gold-mining leases at the Mokihinui reefs and at Rough and Tumble Creek; but very little work has been done by any of them since the date of my last report. There is no doubt a low-level tunnel would be a great benefit to the Mokihinui District, not only as a means of testing the lower levels, but also because it would offer superior facilities for working known quartz-reefs which cannot now be worked owing to the impossibility of bringing the machinery and quartz together.

A company has been recently formed for the purpose of working the gold-bearing alluvium in the large swampy waste known as the Fairdown. In former years these flats were occasionally worked by small parties, and fair returns were sometimes obtained; but, having no systematic method of working, and not sufficient means to procure the necessary pumping-gear, they were compelled to desist owing to the accumulation of water. The company have applied for a special claim of a hundred acres, and have also secured an important water-right. By a system of hydraulic pressure the company propose to elevate wash-dirt, *débris*, &c., sufficiently high to enable them to dispense with deep tail-races and other expensive modes of disposing of tailings and drainage-water. Should this venture prove successful, there is no doubt that a considerable area of untried ground in the same locality would be taken up and worked successfully. I therefore think that this company is entitled to the favourable consideration of the Government, more particularly with regard to their application for a special claim at a low rental.

The Westport Harbour Board have recently completed a railway from the Buller River to Cape Foulwind, and stone is now being brought down for the construction of the western wall. The Mokihinui Coal Company have constructed about a mile and a half of railway to connect their mine with staiths which they have erected at the Mokihinui River, the navigation of which has been improved by the removal of the inner bar. Great improvements have been effected in the Town of Westport since the inauguration of the local harbour works. Building has been actively progressing, new streets have been formed, sections are being cleared, and gas-works are being erected by the borough authorities.

Charleston Sub-district.

Nothing of special importance has transpired during the past year, and mining matters remain much as they were when I last reported. There has been a slight decrease of population, but the yield of gold still continues to afford remunerative wages to the men employed.

The Argyle Water-race has been extended about a mile, and tenders are now being called for the construction of the remaining half-mile required to complete the race to the end of the Back Lead. When this has been done a considerable area of auriferous ground will be made available for sluicing operations.

Croninville.

The legal difficulty which has so greatly retarded progress in this locality has now been removed by the resumption of riparian lands, for which a sum of £500 was paid as compensation. Holders of claims who were previously under injunction restraining them from working have