

been continuously employed since the resumption, and many of them are receiving handsome returns for their outlay.

*Lyell Sub-district.*

A marked improvement is noticeable in reefing matters at Lyell since my last report.

The principal mine, the United Alpine Company's, having completed Level No. 6, crushing operations have been proceeding steadily for the last eight or nine months, during which time £17,000 have been distributed amongst the shareholders in regular monthly dividends.

The Tyrconnell Company (a leader-claim) had a crushing of 46½ tons of stone, which yielded 685oz. of retorted gold, and enabled the company to pay a dividend of 1s. 6d. per share.

A crushing of 66 tons of quartz from the Maruia lease yielded 193½oz. of gold, a result which is believed to be highly payable.

The Lyell Creek Extended Company's tunnel has been driven 1,470ft. The country is very hard, and a considerable distance remains to be driven before the Alpine reef can be intercepted. I consider this a most important work, and one which deserves the most favourable consideration of the Government, and I trust the company will receive substantial assistance by way of subsidy to enable them to complete a very expensive undertaking, which may lead to great results, beneficial not only to the district, but also to the colony at large.

A portion of the United Italy lease is let on tribute, and the remainder is being worked by the company.

The New South Wales Company have suspended operations, owing to the refusal of the Government to reduce their rent, and it is doubtful whether they will proceed with the undertaking.

Very little is being done on other quartz leases, of which a considerable number is held. A company has been formed and registered for the purpose of prospecting for alluvial deposits underneath an extensive tract of country near Lyell known as Manuka Flat. Fair progress has been made, and a tunnel has been driven about 400ft.; but the company's operations have been somewhat retarded owing to the promised subsidy from the Government not having been received. The undertaking is a very praiseworthy one, and, if successful, will be of immense benefit to the district, and afford employment to a large number of miners.

I have recently visited the Owen reefs, and from what I saw and heard I believe a large reefing district will soon be developed in that locality. My time was rather short, but when there I made a hurried inspection of several of the leases—viz., the Bulmer Creek Extended, Una, Wakatu, Golden Crown, and Enterprise. On the first two mentioned, a considerable amount of work has been done, the Bulmer Creek Company having various tunnels and cross-cuts, amounting in the aggregate to something like 650ft. There is a well-defined reef about 4ft. 6in. thick, which is believed by the prospectors, Messrs. Bulmer and Ellery, to be payable. I was shown a prospect which I consider very satisfactory. This company has about 80 tons of stone ready for crushing. From each of the other leases mentioned some quartz was obtained, and crushed with some very good results.

The Una and Wakatu Companies have also done a considerable amount of prospecting, and have upwards of 140 tons of stone waiting for the erection of machinery to test its qualities. The prospector and one of the principal shareholders in this lease (and, in fact, in all of them with the exception of the Bulmer Creek), Mr. Matthew Byrne, estimates the yield of gold at 10dwt. per ton; but from the prospects tried in my presence I should expect it to far exceed this amount.

On the Golden Crown and Enterprise leases very little prospecting has been done, but the reef crops out in many places, and gold was obtained from every point tested.

There are altogether thirteen leases applied for near and adjoining the ones named; but, as I understand Mr. Wright, the Government surveyor, is going to report fully on the matter, I refrain from saying anything regarding the leases. I had no opportunity of inspecting, but I must give it as my unbiassed opinion that a large and payable goldfield will ere long be opened up in this locality; and I hope the prospectors, Messrs. Byrne and Bulmer, will be handsomely repaid for all the hardships they have undergone and the indefatigable energy displayed by them in endeavouring to open up a goldfield in such an inaccessible country as the head-waters of the Owen River. Some time must elapse before machinery can be put on the ground, as a road about ten miles in length has first to be constructed. I believe the survey is now completed; and it is to be hoped the work will be put in hand at once, and pushed forward as rapidly as possible. I was informed by the manager of the Una Company he expected to have the machinery on the ground and the battery in working order by February next; but I can scarcely think it possible for them to do so in that time, but I hope when the next annual report is compiled to be able to state that the Owen District is flourishing, and a battery in full work. On my return I visited Murchison and held the ordinary Court; but in this neighbourhood, and the upper Buller generally, no change has taken place during the past year, and I am afraid the majority of the miners have to be contented with small wages.

*Goldfields Tracks, &c.*—A good deal has been done during the year by Government and the Buller County to give access to the back-country. In most cases, however, the work done has been only an instalment of what is required to open up the country between Lyell,