

*Dargaville and Arnold.*—Very little change has taken place in these localities; the population remains about the same, and the yield also. The Wardens' Courts at both have been closed, and all business transacted in Greymouth. At Arnold a small so-called rush took place near Kokiri. It was on new ground, and may turn out better. At present only a few claims are occupied.

*No Town.*—The Warden's Court here is closed also for ordinary sittings, with an understanding that a quarterly sitting for hearing causes will be held if required. A small rush at a place called Smokers' Gully, about four miles up the No Town Creek, occurred about three months ago, and seven or eight claims gave fair results, from £4 to £7 a week, but the last accounts were unfavourable, and I fear the success was temporary.

*Blackball.*—Within the last week it has been reported that some very payable ground has been discovered up Ford's Creek, and I have reason to believe the report well founded. This locality is not so accessible as others, or it would be more thoroughly prospected; and, from specimens of auriferous quartz found in its creeks, I believe that quartz-reefs of a valuable kind will some day be discovered.

*Kumara.*—This district maintains its position, and work is vigorously prosecuted. The subsidiary main tail-race has afforded great relief to the Government tail-race. The tailings in the Teremakau have increased considerably, and the proclamation making it a public sludge-channel is very acceptable to the miners. Kumara is the most prosperous mining centre in the whole district. Some new ground adjoining the Kapitea Creek will soon be occupied; it is only awaiting the completion of a long prospecting- and draining-tunnel, some 3,000ft. in length, to be thoroughly tested. Some years ago several shafts were put down, but the prospectors had to give up owing to the large influx of water, but not before they obtained a fair prospect.

*Goldsborough and Stafford.*—Some special claims have been granted in this locality (which adjoin) to work what is called the Auckland Lead, and which yielded then such rich results. It is believed, also, that the vast accumulation of tailings in the Waimea Creek will pay handsomely if worked by means of the dredgers. The grantees are, it is said, well supported by distant capitalists, and I am of opinion that the next year's report should favourably mention this venture. Once these machines are at work the result should be speedily ascertained; there is no delay in "washing-up." The Stafford District extends far to the eastward towards the Christchurch Road, and in that direction, in the locality known as Kelly's Range, several licensed holdings and one large special claim have been taken up to work the quartz-reefs long known to exist, but hitherto unsuccessfully occupied. The ground is very mountainous, and is 4,500ft. above sea-level. Auriferous quartz is known to exist, but the difficulties, owing to want of roads and capital, have compelled several parties to abandon a venture which would probably turn out a payable one if undertaken by a strong party. It is stated that a number of influential people have promised their support, and that there is a chance now of the development of the reefs. Kelly's Terrace water-race is now in full swing, and employs about twenty men. The Wheel of Fortune Company is also working vigorously, and hopeful of results.

*Hokitika and Kanieri.*—The Court at the latter place has been closed, but as it is only three miles from Hokitika I do not think this step should cause much public inconvenience. The Humphrey's Gully Company, after much litigation, have acquired, by purchase, the Five-acre claim that has always occupied a singular position in the centre of their large lease. The claim in question had, by agreement with the Hokitika Harbour Board, a right to protection until water was available, a fact they never realised, and so remained a standing menace to their big neighbour, who was always in peril of an action for trespass. The owners of the claim, however, determined the question of available water by making application for some from McDonald's Gully. After this they had no further pretext for protection, and just before the delivery of the judgment of the Warden's Court, in a complaint by the company, asking for forfeiture of the claim for non-working, it was announced that the defendants had sold to the company.

*Totara.*—The Ross United is still waiting increase of capital to purchase more powerful machinery to pump their claim. The Mont D'Or continues vigorous work and still pays good dividends. The Mount Greenland is also doing well. The great attraction during the past year has, however, been the reefs on Cedar Creek. The old claim William Tell is the pioneer of this locality. Their original tunnel is in 350ft. and the winze down 70ft. The new low-level tunnel has been constructed for 225ft.; and it is expected to strike the reef in 175ft. more. At present there is no proper battery to test the stone obtained here, nothing but Mr. Petrie's three-stampers. The Swiss Republic licensed holding includes the old company's ground of twenty-nine acres, which has been prospected, and a likely reef has lately been met with, small, as yet, but making. The All Nations, next to the William Tell: this was an old lease exchanged for a licensed holding, at present being prospected. The Larnach licensed holding: In the low-level this company is now in about 800ft., and lately met with very rich stone. This tunnel has been subsidised by the county and by the Government. Two other companies have holdings in this locality, and are busy prospecting. A number of small parties are prospecting for quartz-reefs, scattered over the large tract of country lying between the Reefton County, Bell Hill, Kelly's Creek, down to Cedar Creek; all along this line it is said a continuous stretch of quartz-bearing country exists, and, as there is at present undoubtedly a revival of interest in mining ventures, I trust and believe that this branch of mining will receive more attention, and when discoveries are made they will be energetically prosecuted.

As I have but recently been placed in charge of the southern portion of the district, my report from personal observation must of necessity be a meagre one as to it, and I have had no leisure to visit any places off the line of road. The statistical returns and other information called for in your circular of 20th March has been already forwarded.

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The Under-Secretary, Mines Department, Wellington,

JACKSON KEDDELL, Warden,