

Two years' rental,	£200 ;	output, 3rd and 4th years,	25,000 tons.
Five	£500 ;	" next 6 years,	50,000 "
Seven	£750 ;	" " 11 "	75,000 "
Seven	£1,000 ;	" remaining years,	100,000 "
Residue of term, £2,000.			

The royalty is 6d. per ton for the first twenty-one years, and thereafter 1s. per ton. The dead-rent in this case has been paid, but the output clauses have been suspended for the years 1890 and 1891.

116. Lease of Section 5, Block I., Cobden, 685 acres, in favour of A. MacDougall and others, representing the Cobden Railway and Coal Company, for sixty-five years from the 1st January, 1890. The dead-rent and output hereunder is :—

First year, rental,	£34 5s. ;	output, nil.	
Second	£68 10s. ;	" 2nd year,	5,000 tons.
Third to twentieth year, rental,	£171 5s. ;	" 3rd and 4th years,	10,000 "
Residue, rental,	£342 10s. ;	" residue,	20,000 "

The royalty is, for the first twenty years, 6d. per ton, and thereafter 1s. per ton. In this case the rent and output clauses have been suspended for the years 1890 and 1891.

STILLWATER CREEK COAL COMPANY.

117. Lease of Section 734, Blocks X. and XI., Arnold Survey District, containing 640 acres, in favour of Joseph Taylor and another on behalf of the Stillwater Creek Company, for twenty-one years from the 1st January, 1889. The rent and output hereunder are as follow :—

First three years' rental,	£20 ;	output, 1st year, nil.	
Next four	£100 ;	" 2nd to 6th year,	4,000 tons.
" seven	£200 ;	" next seven years,	8,000 "
" "	£250 ;	" last	10,000 "

The royalty provided is 6d. per ton during the whole term. The coal in this lease is at present being actively prospected with a view to its being opened out at an early date. The workings are situated east of the Brunner Bridge and on the south side of the Grey, and will easily connect with the Stillwater section of the railway.

BLACK-BALL COAL COMPANY.

118. Lease in favour of Messrs. Wilson, Hill, and Bishop, for the Blackball Coal Company (Limited), of Section 1, Block II., Mawheranui, comprising 640 acres, for twenty-one years from 1st January, 1886 ; the rent and output being as follows :—

First two years' rental,	£16 ;	output, third year,	5,000 tons.
Next three years' "	£64 ;	" next four years,	10,000 "
Remaining term, "	£160 ;	" remaining term,	20,000 "

The royalty hereunder is 6d. per ton throughout the term of the lease.

Lease of Section 2, Block II., Mawheranui, comprising 640 acres, to same parties, on same terms and conditions.

Lease of Section 3, Block II., Mawheranui, comprising 634 acres, to same parties, and on same terms and conditions.

These three leases were originally held by Messrs. Kilgour, Schofield, and Halcrow, but were transferred in 1886 to the Blackball Coal Company. The output clauses were suspended for two years from 1st January, 1888, on the company showing that they were using efforts to raise the necessary capital to work the mines, and that they were negotiating for the construction of the railway by the Midland Railway Company, which has the right under their contract to take over these leases.

ARRANGEMENTS FOR OPENING NEW MINES.

119. That in connection with the latter subject it is in evidence (Smith's evidence) that the Point Elizabeth Company, with the view of forming an