

About 600 tons of stone is crushed a month, which was averaging at the time of my visit about 2dwt. of gold per ton. The thickness of the lode varies from 2ft. to 6ft. in places, but the average thickness may be taken at about 3ft. It is interspersed with blocks of sandstone, and the quartz, which is of a friable nature, is easily crushed. Another party has recently taken up ground in this locality, and, after carrying on prospecting operations for some time on a lode, they have lately cut very good gold-bearing stone, but none of it has yet been crushed. There is really very little prospecting of any description yet done in this district. A number of mineral leases granted by the Land Board of Nelson have been held by different parties for many years and no work done on any of them.

Red Hill Company.—The only work this company has been engaged in is sluicing in the gully running up to the saddle of the Richmond Hill, employing two men and the manager. No work of any description has been done in the quartz-workings, and it is to be feared that the present company will never do much towards prospecting the mine.

WEST COAST.

Waimangaroa and Mokihinui.

There has been a good deal of prospecting done on some of the quartz lodes in these localities. The Beaconsfield Company, at Waimangaroa, has sunk a shaft to a depth of 100ft. on the opposite side of the river to the old workings. A level has been constructed from the bottom of the shaft, and the lode or leader driven on for 166ft. This varied in thickness, until near the end of the level where it was only a few inches, but widened out to about 14in. at the far end. The reef is well defined, having good foot and hanging walls, but there is very little gold in the stone. An uprise was constructed to a height of 54ft., where the lode is from 1ft. to 2ft. 6in. thick, carrying a little gold. In driving towards the bottom of the winze in the old workings from the uprise shaft very good gold-bearing stone was cut, but on continuing the drive beyond the winze the stone began to pinch out. The company intends to continue the lower level for some distance further, as both the lode and the country look more promising than any they have passed through. During last year they have expended about £2,515 on prospecting and on plant. The only other quartz claim is that held by the Great Republic Company, who have during the last year extended their low adit-level 215ft. without cutting any lode.

Red Queen Company.—This company's mine is situated on the western side of the Mokihinui River, about thirteen miles up from its mouth. The mine was successfully worked for about two years on the upper level, but the work was suspended, and the whole of the mines at Mokihinui were attempted to be floated into a large company on the London market, but failed. No work was done in this mine for about three years, until lately a contract was let for the extension of the No. 2 level. The lode is said to be about 6in. in thickness, carrying a fair amount of gold; four wages-men are employed in effecting repairs previous to commencing mining operations again. The country rock here is of a very hard nature, which make a small lode like this very expensive to work.

South Pacific Company.—This company is engaged in prospecting the ground, which is situated at Mokihinui. The tunnel has been extended for a distance of 187ft., but the work could not be continued, on account of foul air, there being no appliances to force a current of air into the face. The tunnel or adit-level is now in for a distance of 415ft., and tenders are being called for extending it another 100ft. and for erecting ventilating appliances. The country looks promising for a gold-bearing lode to be found, but no regular reef has yet been met with.

Lyell.

This used to be a busy place several years ago, but there are very few mines now being worked, the principal one is the Alpine Quartz-mine. A low level has been constructed for a distance of 2,400ft. and the reef opened out, having an average width of about 5ft. The manager estimates that it will take about six years to work out the lode above the present level. During the year ending the 30th April last 5,708 tons of stone was crushed, which yielded 2,442oz. 10dwt. of gold, representing a value of £9,485 7s. 5d. The expenditure during this period being £9,038 1s. 8d., a large portion of it being incurred in opening up the mine; £1,600 was paid in dividends. The money paid in calls in the early part of the year to open out this level allowed the dividend to be paid. It is now contemplated that regular dividends of 6d. per share a month will be paid in future.

United Italy Company.—This company's mine is at present worked by four tributers. As far as can be ascertained, 49 tons of stone was crushed during the year, yielding 190oz. of gold, being about 3oz. 19dwt. per ton. This stone is from a leader from 2in. to 4in. thick. These tributers have great hopes of being able to make fair wages for a considerable time.

Tyrconnel Company.—There are only two men working on this company's ground. They are working from a winze down about 52ft. below the No. 5 level on a leader about 1½in. in thickness, which gives high returns of gold. No quartz has been crushed during the year.

Reefton.

There has been considerable improvement in mining in this district during the past year, and, although some of the steady gold-producing mines, such as the Keep It Dark and others, have not been so successfully worked as in former years, there is still a reasonable prospect of their coming to the front again. The claims in the Merrijigs district have been attracting considerable attention during the past year, and some of them are likely to turn out good investments for the shareholders. The gold returns show a marked increase upon those of the year previous, while the amount paid in calls is much less, and the dividends paid considerably increased. The number of tons of quartz crushed last year was, approximately, 39,342, which yielded 23,347oz. of gold, representing a value of £91,998 8s. 10d., as against 32,394 tons for the previous year, which yielded 17,780oz. of gold, representing a value of £69,676 12s. 1d., thus showing an increase in the yield of gold last year of 5,567oz., representing a monetary value of £22,322. The yield of gold from alluvial claims last year was 4,629oz., representing a value of £17,594 0s. 3d., as against