

Blackball.—There have been no new finds in this locality during the twelve months past. At Upper Blackball there are several parties of miners engaged, who make satisfactory returns. The ground in this locality is more than ordinarily difficult to work, in consequence of the wash being impregnated with large boulders. There are still a few parties of miners about Lingren's Terrace. At Ford's Creek the ground has paid about £2 weekly.

Granville.—The miners in this locality have been doing fairly well during the twelve months past. A small terrace has been opened at the head of Barry's Gully, and given very good returns to those fortunate enough to secure claims. There have also been some finds of new ground of limited extent during the year. The Duffer's Creek Gold-mining Company has been actively prosecuting operations during the last six months. This company, after payment of all working-expenses, shows a clear profit of £317 19s. 9d., with very greatly improved prospects in future.

Orwell Creek.—There has been a new find of gold in this district at the head of the Cariboo Creek. The ground is a large terrace. One tunnel has been driven, and will pay about £3 a man weekly. There is another tunnel being driven, and, should the owners get the same prospects as the former, probably others will commence driving. It is just possible that the find may prove to be a continuation of the Old Mosquito lead, in which case it may continue for miles.

Nelson Creek.—There has been no new find here during the past twelve months. A large number of miners find work at Nelson Creek. In this district some special claims are being worked—notably, Law and party, Donnellan and party, and Larkin and party. All the above claims are remunerative.

No Town.—A considerable number of miners find a way of living in this district. They are mostly engaged sluicing and working along the edges of gold-workings, which, sooner or later, must become exhausted, and unless something new breaks out the place will go down. There is a large stretch of terraces from Red Jack's Creek to Sunday and Kangaroo Creeks that offer every inducement for prospecting.

Bell Hill.—Mining has hitherto been carried on in this locality for a period of twenty-five years past by the ordinary method of sluicing and tunnelling. There is, however, something better in store by the introduction of capital, a special claim of 50 acres having been granted to Dr. McBean Stewart, of Christchurch, the capital proposed to be invested by Dr. Stewart being £3,000 in the construction of a water-race to his special claim, situate at Devil's Hole. The ground has been partly worked by tunnelling at different levels into a perpendicular face of an extensive terrace. It has for a number of years past been a favourite place for miners could they only have obtained the necessary water. However, this was an enterprise beyond the means of a party of miners, consequently the matter has remained in abeyance until the present time. The proposed water-race will be through solid country. The cutting will be mostly through hard sandstone.

I have, &c.,

The Under-Secretary, Mines Department, Wellington.

H. A. STRATFORD, Warden.

No. 10.

Mr. Warden MACFARLANE to the UNDER-SECRETARY of MINES, Wellington.

SIR,—

Warden's Office, Hokitika, 1st May, 1894.

I have the honour to forward herewith the mining statistics for the year ended 31st March, 1894, together with the annual report on mining matters in the districts under my charge.

HOKITIKA.

During the past year, notwithstanding the laudable efforts made by the miners' prospecting associations and others, no discoveries have been made in this district warranting special mention. The amount of gold won by the miners of Westland for the year ended 31st March, 1894, was, approximately, 34,878oz., as against 36,597oz. for the previous year, a difference of 1,719oz. against the year just ended. This shortage is no doubt partly due to the circumstance that a large number of the men engaged during the past year in the timber trade, procuring sleepers, &c., for export, were withdrawn from mining, and partly due to the falling-off in some of our large claims, where inability to deal with the same quantity of stuff as was dealt with the previous year tells in diminished gold returns and smaller dividends. The population remains about the same, and our most reasonable hope of improvement lies in the opening-up of new fields by the initiation by the Government of a liberal and comprehensive water-supply policy for the goldfields, to enable the miners to deal successfully with known auriferous deposits. The gold-producing capabilities of the great gravel terraces that form the coast-line of Westland are well shown in the following returns from one claim, known as "Craig's claim," situated within the Borough of Hokitika. This claim was prospected by Callaway and party in 1890. They found payable gold, and on the strength of their discovery a Christchurch company undertook to open up and work the ground. After driving a tunnel and crossing the runs of gold (for there are several in the claim) they finally abandoned it, and after considerable trouble a party of working miners undertook to work the ground on a 33-per-cent. tribute. This party—eight men and two boys—having worked out one run of gold, ceased working, having worked altogether some sixteen months. In April, 1893, the claim was again taken by eight men on a 20-per-cent. tribute, and who are now at work. The total amount of gold won by the two parties was 2,622oz., of the value of £10,227 8s. 3d. Their last week's washing gave 50oz., and next week promises even better. The adjoining claims are also on highly payable gold. The further development of similar runs of gold in our seaward terraces is, in the first place, a question of intelligent prospecting, and, in the second, the question of dealing economically with the immense quantities of overlying drifts that require removal before the gold can be reached. The prospector having demonstrated their value, it might be well that the Government