

Mr. Warden HEAPS to the UNDER-SECRETARY for MINES, Wellington.

SIR,—

Warden's Office, Nelson, 27th May, 1903.

I regret that through delay, in the first place in being furnished with returns, and subsequently owing to extreme pressure of manifold official duties, I have not been able to sooner comply with the request contained in your circular of the 29th January last for a general report on the mining industry in my district for the year 1902.

While the past year has been unsatisfactory in many ways from a mining point of view, some of our largest and at one time most hopeful enterprises having proved disappointing, there has, however, been compensating developments, as I think I shall be able to show.

DREDGING.

Four or five dredges have been completed and got to work on their respective areas, but the results so far have been most disappointing, and dredging has received a severe check, so severe that only great perseverance and the occurrence of some encouraging development can stimulate it into activity.

HYDRAULIC SLUICING.

I regret to have to report that one of our most enterprising and largest companies engaged in sluicing has had to suspend work after spending many thousands of pounds and finding employment for a large number of men. Its valuable water-rights and other privileges, together with the plant, have been sold for a comparatively small sum. On the other hand, two other large companies have met with such an amount of success as has induced them to continue their operations with vigour.

QUARTZ-MINING.

This class of mining has been confined to the Taitapu Estates, where most encouraging results have been obtained at the two mines at work.

ALLUVIAL MINING.

Comparatively little of this class of mining has been carried on during the year.

PROSPECTING.

To judge by the number of applications for prospecting licenses—namely, 13—prospecting is being actively pursued in the Collingwood part of the district, and I hear of finds of coal and plumbago, but of no marked finds of gold.

COAL.

The management of the Puponga Mine has changed hands, and the new management appears to be laying itself out for working the mine on a large, vigorous, and businesslike scale. The coal is already in the market in small quantities, and is much appreciated, and as soon as the new and greatly improved wharf and tramway are completed considerable shipments will at once be made. I am informed that this now enterprising company have obtained an option over the adjoining leases, the property of the Cape Coal Company, with a view to purchasing them and working the two areas as one concern. Over fifty men are employed in or about the mine.

In addition to the discovery of coal on the Taitapu Estate mentioned later on, coal of good quality, judging from the samples I have seen and the reports of experts, has been discovered in a new locality on Crown land at West Wanganui, and, as it is near to deep water and easy of access and shipment, the discoverers are sanguine of having it in the market at an early date. They are now applying for a lease of 500 acres.

Discoveries have also been made at Wangapeka and Belgrove, and I hear that a prospecting company has been formed to further prospect these localities and the Waimeas.

IRON.

At length there appears to be every prospect of the well-known and much discussed iron-deposits at the Parapara being worked by a strong and competent company. I am informed that a specially selected expert is on his way out to advise the management as to starting operations. It is not too much to expect that the current year will see the commencement of a great iron industry in this district.

Following the practice of previous years, I report more in detail what has been done in the various localities of my district, commencing with—

COLLINGWOOD.

During the year thirteen prospecting licenses, five special, three extended, and two ordinary claims have been taken up.

There are five dredges in this locality. Three only have done work, and these three cannot be said to have been fortunate so far. Accidents have happened to machinery or plant, and a quantity of barren ground has been met with. There are indications that much patience and discrimination as well as capital will be needed if the dredging industry here is to become the success which old and experienced miners have pronounced it should be.

The Kaituna dredge was kept at work pretty constantly at first, and I am informed the returns have more than paid working-expenses. The yield of gold for the period the dredge was working was 190 oz. 18 dwt.

The returns from the dredge at Parapara have been disappointing, and the directors have decided to close down, pending the decision of the shareholders. Since the end of the year I hear the dredge has sunk.