

At the Sherry, Mr. Gardiner is still working with his hydraulic plant on private property, and it is reported that he is getting fair results.

On the Baton and Rolling Rivers only two or three men are working.

Work on the railway extension to Tadmor and roadwork generally has induced several old hands to leave their claims for the more certain results of weekly wages, showing that alluvial mining in this locality is only followed when steady employment is not to be had.

In addition to the usual returns from each centre, I append a comparative return showing the quantity and value of gold exported from this Port of Nelson during the calendar years 1901 and 1902. It will be understood, however, that this return does not necessarily represent the whole of the gold won in the district, as no doubt some finds its way out of the district in other ways than through the Nelson banks.

TOTAL QUANTITY AND VALUE OF GOLD EXPORTED FROM PORT OF NELSON DURING CALENDAR YEARS 1901 AND 1902.

1901.					Quantity.	Value.
Quarter.					Oz. dwt. gr.	£
2nd March	...	...	...	...	3,787 9 14	14,084
2nd June	...	...	...	...	556 7 0	2,225
2nd September	...	...	...	...	1,136 18 0	4,548
2nd December	...	...	...	...	1,941 12 0	8,052
Totals	...	...	...	...	7,422 6 14	£28,909
1902.					Quantity.	Value.
2nd March	...	...	...	...	822 6 0	3,288
2nd June	...	...	...	...	2,470 8 0	9,858
2nd September	...	...	...	...	2,801 7 6	11,041
2nd December	...	...	...	...	619 3 0	2,447
Totals	...	...	...	...	6,713 4 6	£26,634

Decrease in 1902, 709 oz. 2 dwt. 8 gr.; value, £2,275.

I have, &c.,

WILSON HEAPS, Warden.

The Under-Secretary, Mines Department, Wellington.

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

SIR,—

Warden's Office, Greymouth, 12th May, 1903.

I have the honour to forward herewith statistical returns for the year ended 31st December, 1902, together with detailed reports on the several subdivisions of the mining district under my charge.

REEFTON-INANGAHUA DISTRICT.

Keep-it-Dark Quartz-mining Company (Limited).—The following report was submitted to the shareholders at the annual meeting held on 27th December last:—Mine department: Stopping out quartz from Nos. 2 and 3 levels has been carried on, and, with the exception of a block of rather low-grade quartz in the west end of No. 3, these two levels, so far as is at present known, are practically worked out. Early in the year the best and thickest part of the reef, which was being stoped in No. 3 level, pinched down to very small dimensions. This break in the largest part of the reef, which was quite unexpected and impossible to foresee, has very much reduced the average yield per ton of the year's crushing, and at the same time increased the cost of production, the shareholders in consequence not receiving anything like a fair profit on the year's work. But according to present appearances the reef opened up in No. 4 level will make good for any deficiencies in No. 3 level, the stone so far being altogether of a better quality than anything which has been worked in Nos. 2 and 3 levels, and up to the present time the No. 4 level has been driven on the reef 150 ft., the reef being from 4 ft. to 18 ft. thick, the face of the level being now under the winze sunk from No. 3 level. A rise has been put up 40 ft. and connected with bottom of winze, and completed a few days. The level will now be further extended on the reef. 11,405 tons of quartz has been raised from the mine and sent to the battery, the total cost being £6,925 5s. This amount includes all development-work, driving crosscuts and levels, sinking winzes and putting up rises, all prospecting-drives, and keeping old levels in repair, also upkeep of winding-engine and renewal of wire ropes, and everything which has been done in the mine (except the sinking of the main shaft and construction of two chambers), the cost per ton being 12s. 1½d. The contract for sinking main shaft 250 ft., which was commenced about two months before the last annual meeting, has been completed. The contract was extended to sink 300 ft., and two chambers had also to be constructed—one at No. 4 and one at No. 5 level. The crosscut from No 4 chamber intersected the reef at 295 ft. from shaft, and the crosscut from No. 5 chamber, which is now being driven by contract, is already in 120 ft.; and it is expected that the lode will be met with about 325 ft. from the mainshaft. The total cost of sinking main shaft 300 ft. and cutting two chambers was £1,857 4s. 6d., being £5 17s. per foot for the shaft and £51 each for the chambers. Battery department: 11,405 tons of quartz has been crushed for the year, yielding 2,392 oz. of melted gold, valued at £9,607 0s. 2d., the yield being 4dwt. 4½gr. per ton. The expenses for the year, including the upkeep of the head-race and tail-race, all alterations and renewals of