

from Moonlight Creek. This will, however, enable the company to commence sluicing at Stewart's Terrace. The race, having been constructed along a steep side of a spur of the Paparoa Ranges and a considerable portion having to be tunnelled, has proved a very costly one, averaging about £15 per chain.

With regard to Blackball, the same general report as to population and claims as that of Moonlight will apply. About the same number of men are at work on Lingrew's Terrace, Lower Blackball, while Upper Blackball is much the same as last year. The large race at Montgomery Terrace has now been completed and sluicing commenced. The cost of bringing in this race, owing to the roughness of the ground traversed, has been much greater than was anticipated.

At No Town the population is slowly decreasing, and very few claims have been taken up during the year. However, the Atlas Gold-mining Company purpose constructing a water-race from Lake Hochstetter to the terrace above No Town, and should this be accomplished there should be a considerable increase in mining and a general revival in the district, as the difficulty up to the present has been the shortage of water to work the terraces. The No Town Creek dredge has proved a great success, and should lead to the construction of dredges for Bignell's No Town Gold-dredging Company and No. 2 Gold-dredging Company.

At Nelson Creek the population remains about the same, and the six dredges in the vicinity are all working with fair results. There are several parties carrying on sluicing operations, but the only new feature in this respect is the working of No. 3 Creek by water-balance by Donnellan and Sons.

At Ahaura also the population remains stationary. Active sluicing operations continue along the north bank of the Ahaura River, and fair results are obtained. The want of a constant supply of water is seriously felt. Orwell Creek is the only source of supply, and after three or four days the supply falls off, and one by one the sluicing parties have to close down until the next fall of rain. There is one dredge working on the river, and the work done goes to prove the river a good field for dredging with anything like a powerful dredge.

The same report as to population will also apply to Orwell Creek. The ordinary miners still continue sluicing when water is available, and a few are still engaged tunnelling on Napoleon Hill. There were two dredges on this creek, Erickson's Reward and Orwell Creek. The former is still working and getting payable returns, but the latter, which was built as an experiment to work 70 ft. or 80 ft. in depth, did not prove a success, and has closed down.

At Totara Flat, Half-ounce, Noble's, and Waipuna things are much the same as last year. The dredges at work then are, however, closed down. The Grey River Consolidated has been sold, but there is every likelihood of the Totara Flat starting again. The Great Lead-Kapai dredge at Waipuna is still lying idle. On Mosquito Creek the one dredge working is getting rich returns, and it is expected that the No. 2 will soon be completed and starting work. Another dredge nearing completion is the Sullivan's Lead, on a tributary of Duffer's Creek. The Golden United Gold-dredging Company have purchased a dredge in Otago, which is to be shifted and re-erected on Duffer's Creek itself, and is expected to get rich returns.

At Blackwater the prospects are very bright. The population is much the same, but the two dredges on the creek are getting payable returns. The ground at Snowy River is being systematically prospected, and gives promise of a fair return.

With regard to quartz-mining on the Paparoa Ranges, the outlook is very promising. The Garden Gully Company have struck a reef, from which payable gold has been obtained, and they are now pushing on the development of their property. Should this prove the reef continuous and payable it should cause a large area of land to be prospected and worked. The Taffy Gold-mining Company let their property on tribute to Falconer and party, so that little information can be obtained. The party have, however, been continuously at work, and are apparently satisfied, as they have taken out licenses over the adjoining areas. The Cræsus Company have also kept men at work on their holding, and have driven a low-level tunnel of about 1,000 ft. This is reported to have been successful, as the reef was struck, but has not up to the present been tested. It is, however, clean and solid, and gives every promise of turning out well. The very thorough working of these three claims should be the means of clearly proving whether payable ore can be got on these ranges. Should it prove successful in establishing this fact a large and important field would probably be opened up.

#### GREYMOUTH DISTRICT.

The companies which were engaged in dredging operations on the Grey River, near Brunnerton, have both gone into liquidation. The Grey River Company's dredge, which cost upwards of £7,000, has been sold by auction for £675, and the purchasers are arranging to alter the dredge and set it to work on Jones's Flat, which adjoins the company's river claim, and is immediately alongside the place where the company's dredge obtained about two thousand pounds' worth of gold in a few weeks some two years back. There is a possibility that this gold was part of a lead which is supposed to run through the flat, and the new owners of the dredge regard their enterprise as a reasonable mining venture, which will only incur a moderate outlay, and may possibly yield large profits on the small capital involved.

The Grey River Extended Company's dredge, which was working west of Brunnerton, was acquired by a private syndicate for £750, and the new owners are continuing to work the ground which proved unprofitable to the company, but which may possibly pay well enough on the small capital of the syndicate.

On the New River the Cornwall Company's dredge is working with sufficient profit to cover working-cost and leave a small margin; but both Marsden No. 1 and the New River Companies have gone into liquidation, and a proposal is now about to be accepted under which the New River