that was driven between the 200 ft. level and the Gallant level, a reef from 6 ft. to 10 ft. wide was followed north for a good distance, but values were too poor for working, though it is possible a payable chute of gold may be cut in it if persevered with. A winze was then started on a block of stone almost near the surface known as Martin's reef. This lies to the west of the Gallant line of reef, and was formerly worked to a small extent by the old proprietors, two small crushings from it producing values equal to 7 dwt. and 12 dwt. per ton respectively, by the ordinary battery process only. This winze was sunk for 74 ft., when work had to be stopped owing to a large influx of water. The reef was from 1½ ft. to 2 ft. wide throughout, and was improving in appearance and quality as sinking proceeded, the last work done in the bottom producing good-grade stone. A trial-crushing of 25 tons of stone was put through for the payable yield of 7 oz. 16 dwt. of gold, valued at £30 5s. 10d., in addition to which the tailings showed an assay value of 5 dwt. 5 gr. per ton. The company intend removing the winding-plant and engine from the old Drake main shaft to this winze, with a view of sinking same and testing the reef further.

Dredging Claims.

A 1 Gold-dredging Company (Limited).—Mr. Rollit, of Christchurch, supplies the following report: "In December, 1901, the A 1 dredge was working up the claim with poor results, and the bottom rising, so that after working until March in that direction with no better results attained, the dredge was turned and worked to the bottom of the claim, where much better gold was found. The dredge will not be kept working on the bottom of the claim. The pontoons, which were built of red pine, have only been in work two and a half years, and are found to be in a bad state of decay, so much so that the directors are endeavouring to procure new pontoons of hard wood. This means an expenditure of at least £1,500, so there seems no prospect of the company paying a dividend this year unless the gold greatly improves. Most of she shares are held in Christchurch. The company has paid five dividends of 1s. each since it started operations, and has paid off a debt of £1,000, which was incurred before the dredge started work."

Reeves Proprietary Gold-dredging Company (Limited).—Mr. H. A. Bruce, of Christchurch, reports as follows: "It is to be regretted that the results of 1903 have not been so successful as in the preceding year, principally owing to time being lost in making additions to the old dredge; at the end of 1902 a quantity of gear was purchased from the Totara dredge, and this has been placed on the old dredge. Three months were occupied in making these alterations and strengthening the pontoons to carry the extra weight, the change of gear rendering the machine much stronger and more serviceable for the amount of work it has to perform, and the result is shown in the increase in the returns since the alterations. The amount of gold won for the past year was 651 oz. 10 dwt. 12 gr., value, £2,542 15s. 4d., against 974 oz. 16 dwt. 18 gr., value, £3,891 19s. 11d. for the previous year. During the year, the directors purchased the Merrimac dredge, an up-to-date machine, which is now in course of erection at the lower end of the claim. This dredge is practically new, and originally costing between £7,000 and £8,000, was purchased as it stood on the Kawarau River for the sum of £900, and to meet the cost of elevators, dismantling, removal to the claim, and re-erection, debentures were issued for the sum of £2,500, all being taken up by the shareholders in the company. The sum so raised, with the money in hand, augmented by the earnings of the present dredge, will, it is estimated, erect and equip the new dredge, and it is expected to commence operations about the beginning of February. It is anticipated that to complete the existing contracts for erection of the new dredge and start work, will require about £650 more, but ordinary returns from the present dredge during the next few months will, it is hoped, enable the company to meet contingent liabilities."

Greymouth Lagoons Gold-dredging Company (Limited).—Mr. G. S. Cray, of Greymouth, supplies the following report: "The dredge has been working during the year on the right-hand branch of Red Jack's Creek (Blackwater). Efficient work has been hampered through the ladder breaking, involving a stoppage of nine weeks, and heavy cost for repairs; stoppage of work also occurring through the failure of water-supply during the frosty weather last winter—six weeks being lost on this account. The ground where the dredge has been working has been patchy, returns varying from 10 oz. to 50 oz. per week, but owing to the time lost, the average has barely covered working-cost. At present the dredge is engaged working its way back to the locality where work was started, nearer Blackwater River. It will take four or five months' work to reach the ancient bed of the river, and it is believed that returns will then be satisfactory, and this opinion is based on the returns now being obtained by the Blackwater River Company's dredge, which is working an adjoining claim."

Alluvial Mining.

A very small amount of work in this branch of the industry is now being carried on.

At Blackwater about fifty Chinese are employed sluicing shallow ground, while about thirty European miners are engaged in driving and blocking out in the terraces. No new ground has been opened up.

At Boatman's (Capleston) a number of men are still at work sluicing and driving.

A few miners are to be found at Antonio's, Snowy, and Soldiers Creek, but the main industry of the district is quartz-mining.

A small cement-crushing battery is being worked at Lankeys, with very fair results.