

and there is a prospect of its starting again. No new ground has been opened up. There is a large area of sluicing-ground in this locality, but to bring water on to it would require a large outlay in race-construction.

Ahaura and North Bank of Ahaura River.—Sluicing is carried on to a considerable extent on the north bank of the river. Scarcity of water is here also a considerable drawback, as in most cases it has to be bought. One dredge is working in Ahaura River. The returns are only moderate on account of the incapability of the dredge to treat the deep ground.

Nelson Creek.—The population in this district has increased considerably. Five dredges are now at work in the locality, and all of them get returns which leave a fair margin of profit. The Nelson Creek dredge has proved about the most successful one on the Coast, while the Pactolus Company have been able to build a second dredge out of the profits derived from the first, and has also paid £2,500 in dividends. A large area of ground in this locality is suitable for sluicing should water be available on the high levels.

No Town.—In this locality a decrease in the population is also noticed. Very little sluicing is carried on. One dredge is working and two are in course of construction. The No Town Company's dredge has given consistent returns for over eighteen months past, and has paid £9,000 in dividends since commencing dredging operations. The Bignell's No Town, and No Town No. 2 dredges ought to be ready to commence operations shortly after the beginning of the new year.

Moonlight.—The population in this locality remains about the same. The Shetland Terrace Company has commenced sluicing, and although the supply of water is not sufficient for good work, it will at least give the company some knowledge as to the quality of their ground. If this is proved satisfactory, the company will extend their water-race and tap the main creek above the forks. One dredge is working in Moonlight Creek with very fair returns, and one has closed down.

Blackball.—The number of alluvial miners in this locality has decreased considerably. Not more than eight or nine men are now working at upper Blackball, and a few continue to fossick about Lindgren's Terrace. The population about the Township of Blackball remains about the same, and is composed mostly of the Blackball Coal Company's employees.

GREYMOUTH DISTRICT.

Comparatively speaking there has been very little alluvial mining carried on in this part of my district. In and around Rutherglen, Marsden, Dunganville, and Maori Gully, the population of alluvial miners has been much the same for some years past, and consists largely of Chinese. There are now no large sluicing companies working in any part of the district. The Waiwhero Company went into liquidation during the year; whilst the Nine-mile Company has ceased operations for some months past. Extensive sluicing operations are being carried on in the Barrytown district, with, I understand, very satisfactory results by Mr. Andrew McKay, but last year the scarcity of water, due to the dry season, greatly impeded much progress being made. The dredging companies owning properties in this part of the district are commented upon generally under the heading of "Dredging."

DREDGING.

The appended list of dredging companies which were in active operation during the year ended the 31st December, 1903, shows in a concise form the gross yield of gold from thirty-four dredges in my district, which does not extend south of the Teremakau River, and consequently does not include several West Coast dredges working beyond that limit.

Three companies mentioned in the list—viz., Boatman's Creek, Golden United, and Moonlight, did not commence dredging operations till late in the year, and sufficient time has not elapsed to admit of a fair idea being formed concerning the value of properties being worked by these companies.

The list includes the following dredges which were in active operation in the early part of the year, but ceased work during the year owing to returns proving unpayable: Erickson's Reward, Feddersen's, Fern Flat, Maori King, New Red Jack's, and Shellback Companies. These are all in course of liquidation or reconstruction.

The undermentioned companies which owned working dredges in 1902 have been finally wound up during the year ending 1903. Two or three of these companies were working during the early part of the year under review, but no returns have been furnished showing the gold obtained, and consequently the actual figures must be omitted from the list: Garibaldi, Great Lead, Grey River, Leviathan, Leviathan Freeholds, Maori Gully, Red Jack's, Trafalgar, and Victory Companies.

The nominal capital involved in companies which have been wound up during the year, or are now in course of liquidation, amounts to £128,430 (including debentures). The actual capital paid in cash will amount to about £30,000 less than the total stated, as each of the companies was encumbered with about two thousand paid-up shares on which no cash was paid. This reduced total is also subject to further reduction on account of dividends paid by two of the companies—viz., Grey River, £1,062 10s., and Leviathan, £1,500, which leaves a net deficit of approximately £95,867 10s. The realised assets of the companies in liquidation have usually been exhausted in paying debts incurred whilst working, and in very few instances has there been any refund to shareholders from sale of assets.

Taking the gold-yield shown in the tabulated form—viz., 27,426 oz., and estimating the value at £3 19s. per ounce, the gross value of the gold won by the thirty-four dredges amounts to £108,332 14s., and out of this, £26,758 5s. has been distributed in dividends during the year amongst shareholders in eleven companies, leaving £81,574 9s. to cover working-cost, &c.