

whole of the gold that has been obtained in the Nelson District—which includes Collingwood, Anatoki, West Wanganui, Tadinor, Sherry, and Wangapeka—since 1856 has only been 223,612oz., representing a value of £888,564, which is only a little over what was taken out of the Caledonian claim at the Thames in about two years.

There is a large extent of country between Collingwood and Karamea where scarcely any prospecting has been done; but this is not to be wondered at, seeing that there are no roads or tracks in the locality. Good coal-seams are known to exist south of West Wanganui Inlet, and small samples of gold have been from time to time got here and there; but the difficulty of access has prevented the ground from being thoroughly prospected.

There are several companies holding mining leases in the Collingwood District, but none of them are doing much. Lately an English company has been floated, with a capital of £150,000, to work the Red Hill. This hill has been worked on and near the surface for many years, and very rich leaders of auriferous quartz have been traced down for 30ft. below the surface. A low-level tunnel has been constructed for a distance of 600ft. with subsidy from the Government, but no quartz has been struck in this tunnel. The reefs or quartz veins that have been worked are about 4in. in thickness. It is estimated by the company's mining engineer, according to the prospectus of the company, that the yield of gold from the surface down to the low-level tunnel, which is about 300ft. below the surface-level, will be 229,425oz., representing a value of £883,286, or more gold than has been taken from the whole of the Nelson goldfields since 1857.

The following is an extract from Mr. Russel's report on the subject, dated October, 1885, as quoted in the prospectus of the company in the *Mining Journal* of 6th November, 1886:—

“Before estimating the outlay on works, however, I will proceed with this report in respect to the capabilities of the mine for yielding gold-bearing quartz, taking for my basis the area of ground proved, but which, in my opinion, is not 5 per cent. of the total likely to be worked: Length of reef proved, 600ft.; depth, 90ft.; average thickness of quartz, 6in.; number of reefs, five. 600ft. by 90ft. by 6in. by 5 = 5,000 cubic yards; or equal to 9,500 tons of quartz, at 6 $\frac{3}{10}$ oz. of gold per ton, at the value of £3 17s. per ounce = £252,367 10s. The tunnel, which is now being pressed on with, will cut these reefs 230ft. lower than the present workings, from which I estimate that 33,250 tons of gold-bearing quartz will be mined, which will yield 229,425oz. of gold, or in value £883,286.”

Mr. Russel reports “that the mine is well situated for economical working, there being adequate water-power and an abundant supply of mining and other timber.” He estimates the cost of permanent works sufficient to carry on mining operations economically and on a large scale at £20,000. He considers that the value of the return to be expected from the mine has almost been placed beyond the region of speculation, and states that, with his experience of the gold-mines of New Zealand, he knows of no other having such good prospects as the Red Hill.

To analyse this report, the gold-bearing quartz that has been proved represents a value of £252,367 10s., which he represents as not 5 per cent. of what will be worked. To take this basis and the yield to remain the same, the value of the gold in the mine would represent £5,047,350, or six times the value of the gold that has been taken out of all the goldfields in the Nelson District since they were first opened in 1857.

It is to be hoped that this company's expectations may be realized, for if so, it will certainly greatly encourage capital to be expended in developing the mineral wealth of the colony. On the other hand, if results do not come up to expectations, as has been seen in some cases, capital is for a time withheld from mining enterprises which afterwards were proved to give handsome returns.

Johnston's United Company.—This company hold a mineral lease of ninety-seven acres of ground, and are working an auriferous-quartz lode on the range near the saddle of Bedstead, Kelly's, and One Speck Gullies. In the early days gold was found in mullocky schist on the saddle between Kelly's and One Speck Gullies, but this has been worked out. The gold is now found in a rotten, decomposed quartz vein, resembling to a great extent the quartz that was obtained from the Golden Crown claim at Terawhiti. This quartz lode runs in a somewhat alternately vertical and horizontal position: in some places the reef is found at a high inclination, and at other places it is nearly flat. The best gold is obtained near the place where the reef commences to take a horizontal position; but at the present time very little rich quartz is found. The company is only just managing to clear their expenses. The reef is about 2ft. 6in. in width. I had not an opportunity of seeing the whole of their workings, as they were partially locked up at the time of my visit, which was during the Christmas holidays. The company have a battery of ten heads of stamps, which they keep employed. This company was formed in 1881, with a capital of £20,000, in 20,000 shares, of which £18,332 is subscribed, and £7,375 19s. actually paid up: £1,668 has been given to shareholders in paid-up scrip. During the time the company have been carrying on operations they have paid no dividends; neither do their prospects look bright, as 10,720 shares have been forfeited.

There appears to be an auriferous-drift wash on the ranges here, and all the way up to the Quartz Ranges. From what I could learn there is a little gold all through the ground, but there is no water that can easily be brought on to work it. The only source from which this could be obtained is from the Boulder Lake, on Lead Hill, or from the Clarke River, which is one of the tributaries of the Aorere River: either of these supplies would cost a considerable amount to bring on to the ground. From what I could learn, and from the appearance of the country in the vicinity of the Quartz Ranges, there is a great depth of auriferous cemented gravel-drift that would be likely to pay for working if a good supply of water could be got; but whether this could be got I am not in a position to say. However, it is a likely-looking portion of the district for hydraulic sluicing operations if a large supply of water was available.

In Rocky River, which is a tributary of the Slaty River, some very rough gold has been got, such as 10oz. and 15oz. pieces, and a few people are still working in this locality. Gold has been more or less obtained in every gully and creek between the Clarke River and the ocean-beach on the