

company. It is to be regretted that they have not met with better success, as when in full working order both at the mine and battery they would give employment to a good number of hands.

Very fair progress has been made with Lyell Creek Extended Company's tunnel: it is now driven a distance of 2,100ft., and a contract has lately been let for a further continuation of 500ft.

Operations on the Manuka Flat Company's ground have been suspended, owing, it is alleged, to the fact that the Government and county subsidies have not been continued as was originally arranged. Since the formation of the company the shareholders have paid in calls the sum of £519 15s. 11d., and have only received £100 from the Government and £100 from the county. Why the subsidies referred to have not been paid has not been explained; but nevertheless the shareholders now refuse to pay any more calls, as they consider the arrangements entered into at the time of formation have been broken; and the ground therefore remains idle.

Not having succeeded in obtaining a reduction of rent, and having failed to pay up their arrears, the United New South Wales Company's lease was cancelled. A portion of their ground has since been reapplied for, but has not been finally dealt with yet.

There has been very little change in alluvial mining in the vicinity of Lyell; but at the Mangles River, on a tributary known as Blue Duck Creek, some very good gold has been obtained lately. It is situated about twelve miles from Murchison. Over 100oz. of gold has already been purchased by one bank alone. The appearance of the gold very much resembles cucumber-seeds, and it is of excellent quality. An idea exists that there is a lead of gold in the terraces adjoining; but up to the present no prospecting has been done. However, as there are now between forty and fifty men on the ground, it should not be very long before something definite is known.

Mining matters in the immediate neighbourhood of Murchison, Central Buller, and Matakitaiki have not changed materially, but still give about the same returns and employment to as many miners as reported for the last two or three years.

The Owen Reefs.

To enable me to report fully upon this district, I have during the last two or three days made a personal inspection of it; and, although the predictions contained in my last report have not been fully realized, still, great progress has been made. Considerable delay has been caused in the prosecution of many works that were ready to be undertaken, owing to the incomplete condition of the road leading to the reefs. The road is now available for traffic, but will require the expenditure of a considerable amount of money to make it thoroughly firm and capable of admitting wheel-traffic for heavy goods, especially machinery necessary for the erection of a battery, except at a very great risk to the contractor undertaking delivery of the same. A site for a township has been laid off about two miles below the reefs, and several large buildings have been erected, many more are being constructed, and others approaching completion. The Criterion Hotel, which has been recently built at a cost of about £2,000, is a two-story building, containing fifteen rooms, and presents a very imposing appearance, and speaks well for the confidence the proprietor, Mr. E. Carroll, has in the future prosperity of the district.

One of the most important works in a reefing district is the erection of a battery for crushing-purposes. With this object in view a company has been formed, consisting of 6,000 shares at £1 each. A contract has been entered into with Messrs. Price Brothers, of the Thames, for the supply of a twenty-head battery, with twenty berdans, and two Pelton wheels to drive same. The heavy portion of the battery is expected in Nelson within the course of a few days, and I am informed a contract has been let for the conveyance of same to the battery-site. In connection with the battery 60,000ft. of timber is required. Some of this is already on the machine-site, and the balance will shortly be delivered, as arrangements have been entered into with the proprietor of a steam saw-mill which is now in full swing. All preparations have been made for the arrival of the machinery, the site is cleared, and the necessary excavations for a solid foundation prepared. A water-race will have to be constructed for a distance of 57 chains, and when completed will give a pressure of 90ft. at the place where the Pelton wheels will be erected. A contract has also been entered into for the construction of the race. It is the intention of the company to crush for the adjacent claims at the rate of 7s. 6d. per ton. As the Wakatu United Company held the first right to the water available, it was arranged that, in consideration of the transfer of their interest to the crushing-company, they should have the first crushing of 1,000 tons.

During the last twelve months a considerable amount of work has been done on the Wakatu Company's ground. The line of aerial tramway from claim to machine-site, a distance of 32 chains, has been cleared. The wire-rope used in tramways of this description has been ordered. No. 2 Level tunnel has been driven 330ft., with cross-cuts of 110ft. and 150ft. respectively. An uprise to connect No. 1 and No. 2 Levels has been constructed a distance of 96ft. Several other works in connection with the mine have also been executed. Sixteen men are at present employed, and I have no doubt but that they will be in a position to deliver the 1,000 tons of stone mentioned when the crushing-battery is erected.

The Bulmer Creek Lease.—Some delay has taken place in the works on this ground, but the company still have two men prospecting, and have a considerable quantity of stone to grass. The total length of tunnels already driven amounts to 900ft. The stone from this lease will also be crushed at the battery mentioned.

The next claim visited was the Murchison. As this is a new venture, extensive prospecting has not yet been done; but a tunnel is being driven, and is now in a distance of 70ft., and very fair results are anticipated.

The Comstock and Golden Crown leases are just being opened up, and it is intended to push the work ahead as rapidly as possible, in order to have a crushing to test the value of the stone showing on the ground.

The Zealandia Lease.—Prospecting on this company's ground is now being vigorously pursued. There are several large outcrops now exposed on different portions of the lease from which very fair