

was £6,025. Of this amount £669 was for the construction of No. 7 or a lower level, and £957 for electric and air-compressing machinery. Deducting the cost of the new level and the value of the new machinery—namely, £1,626—it leaves the expenditure on mining operations at £4,399, which still shows that the stone from No. 6 Level can be worked at a small profit. The lower adit-level is now constructed for about 1,100ft., but it is expected to take yet about twelve months before it will strike the reef. A great delay has been occasioned in constructing this level, owing to the contract for the erection of the electrical machinery not being completed within the contract time; and even when it was erected the machinery would not drive the compressor, owing either to faulty construction, or the mechanician who had the superintendence of its erection not having sufficient knowledge to erect it properly, which has not only proved a great loss to this company, but has had a bad effect on the introduction of electric machinery being employed in connection with mining.

Tyrconnel Company.—This company was formed in 1882, with a nominal capital of £24,000, of which £12,000 is declared paid up, and about £2,000 paid in calls. The mine is let on tribute to a party of six men, who are working on a small leader or vein near the surface.

Lyell Creek Extended Company.—This company was formed in 1881, with a nominal capital of £24,000, of which £12,000 is declared paid up, and £6,663 paid in calls, which has been expended in constructing a low adit-level. This company are constructing a low adit-level to cut the Alpine reef. They are now in over 2,100ft., but some distance will yet have to be driven before the reef is cut.

The other companies at Lyell are merely prospecting, and some of them in the New Creek locality may be said to have ceased operations, as no work has been done for a considerable time.

WESTPORT DISTRICT.

Great Republic Company.—This company has been working for several years at Waimangaroa. There is no solid compact body of stone, but mere loose rubble blocks. Some of the lode stuff contains a fair percentage of gold, but no lode having a permanent appearance has yet been met with. However, this company have managed to pay £3,800 in dividends.

Mokihinui Company.—The whole of the quartz companies at the Mokihinui reefs have suspended operations, and the proprietors are trying to float a large company in London to work all the mines. The only company in this district that ever paid dividends was the Red Queen. This company paid £5,284 in calls, and declared dividends to the extent of £2,400. Taking the whole of the companies in this locality the total expenditure amounts to £10,823.

This is a district in which the reefs occur in segregated veins following the bedding or foliation of the strata, and in some of them the surrounding country rock is very hard, so that there is a great probability of the lodes pinching entirely out. It is a district where the indications are not favourable for the existence of permanent lodes.

Fairdown Gold-mining Company.—This company has taken up as a special claim containing fifty-three acres of ground on the Pakihi, at the foot of the Mount Rochfort Range, about seven miles from Westport, and is working it on the principle of what is known as Perry's hydraulic-sluicing process. The water is lifted out of the Fairdown and Wareatea Creeks, and conveyed down the range for 20 chains in wrought-iron pipes, the total head of water being 260ft. The first 17 chains of pipes are 15in., and the last 3 chains 10in. in diameter, made of 12 B.W.G. iron, single rivetted, in lengths of 17ft. 3in., each having a cast-iron flange on one end and a telescopic joint on the other. The latter joints are stepped into each other and held tightly together with two screw-bolts, which go through lugs of wrought iron rivetted to the pipe. The elevating-pipe is 15in. in diameter, and the total distance the material is lifted is about 36ft.

The ground is composed of beach-wash and black-sand leads, containing fine gold. It is evident that the ocean covered the whole of the Pakihi at one time, and that the waves have formed a beach at the foot of the mountain-range, which is now about two miles inland. This lead was partially worked about seventeen years ago, and some very rich patches of gold were got; but the ground became too deep and wet to work in the ordinary manner, the fall being too little to admit of a tail-race being constructed to sluice it. The company have done but little work yet, and the boxes which they have for washing are not suitable for saving the character of gold found in beach leads. The washing-boxes are 3ft. wide paved in the bottom, and set on an inclination or grade of 3ft. 6½in. to 100ft.; but the large body of water and material that is lifted into these boxes does not allow the fine scaly gold to settle in the bottom, but carries it away with the stream. However, I was informed that there was sufficient gold saved to show that the ground was payable for working. At the time of my visit there was not sufficient water in the creeks to carry on sluicing operations; but the company intended to commence working as soon as water was available.

The nozzle of the hydraulic-pipe which is used to sluice the material into the well is of new construction. There are three vanes or feathers projecting inside the taper pipe at equal distances round the circumference; each of these vanes project for about 1½in. inside, and are about ⅝in. in thickness. The brass mouthpiece is then screwed on, so that these vanes are not observed unless the nozzle is carefully examined. The improvement claimed for these vanes is that the water is delivered through the nozzle in a solid form. If this is accomplished it will be a valuable improvement, especially where there is cemented ground to be broken up, as the water striking the face and cemented material in a solid body will do considerably more work than when the water is broken, as is generally the case, destroying the effective force of the water.

Beach-workings.—There are several parties of miners at work on the beaches between Westport and Ngakawau, who are making fair wages. Near the mouth of the Waimangaroa River Messrs. Kincaid and McQueen, of Dunedin, and party have taken up ground and intend to work it by means of a dredge. They thoroughly prospected the ground by a series of bore-holes and were well satisfied with the prospects obtained. During the last year a rush took place near the mouth