

should inquire into the best method of winning the wealth now known to exist in many of our terraces along the coast, and inland as well. The Humphrey's Gully Company has not yet made a move in the direction of extending their race, and thus getting a plentiful supply of water to profitably utilise their grand property. The value of gold obtained during the past year shows £4,005 4s. 10d., as against £2,809 5s. 4d. of the previous year—showing an increase of £1,195 19s. 6d. This improved return has resulted in inquiries from capitalists, which may mean a new departure, to be followed by results that might benefit the long-suffering shareholders.

During the year the Kanieri Lake Water-race changed hands, and the new proprietors have shown commendable energy in piping their water across the Kanieri River, with the intention of opening up ground on the opposite terrace, where they have secured a licensed holding, and also of supplying parties on the right-hand branch with water for hydraulic purposes, where the whole of the water is applied for. There is a large area of good sluicing-ground commanded by this water, and both the company and the miners are likely to reap a fair reward from their several undertakings. About a couple of miles in a line with this terrace, and near where a number of quartz lodes outcrop—where, some years ago, several quartz-leases were applied for—a shaft has bottomed on what appears to be payable gold—2½dwt. to the load—with 5ft. of washdirt. The sinking is about 70ft. There is a large extent of ground, and, should the further driving in the prospectors' claim verify what they report, there is a likelihood that this find may lead to important results. The shaft was sunk under the oversight and by the help of the Rimu Miners' Prospecting Association. At Kanieri, Marks and party are on good gold—from 20s. to 30s. per day per man—having, after considerable expense and loss of time, overcome the difficulties met with in the shape of water. They are now working their claim with a water-balance, the water in the claim being kept down by a powerful jet-pump. Milner and party, further down the flat, are also on good gold; and I hear of other parties taking up claims in the near neighbourhood. Rimu, Back Creek, and Seddon's Terrace have not improved. A number of the claims that promised well when first opened have not, in many cases, realised the owners' expectations. Those having the command of a good water-supply are doing fairly well, but very little new ground is being opened.

ROSS SUB-DISTRICT.

Miners in this locality are earning very small wages, consequently everything is dull, and business-men are complaining of the scarcity of money. The Ross United Company's elevators are still at work, but the returns of late have been so small that, unless an improvement takes place soon, the work will be abandoned; the same applies to the company's claim at Donoughue's. To work the deep levels, where good gold is known to have been left, requires more capital than the company at present possesses, and before this is likely to be forthcoming an entire reconstruction of the company is necessary. Without increased capital nothing can be done at the lower levels; but there is no hope of anything being done in this direction until the company either reconstructs or goes into liquidation. An efficient resumption of work on the lower levels promises large returns to the company, and a large measure of prosperity to Ross. The Mont d'Or Company, notwithstanding an exceptional expenditure on roads, and the payment of balance of purchase-money to the Greenland Company, is still a dividend-paying company, and one of the best in the district. The tailings trouble is likely to be disposed of soon, the Government having given notice of their intention to proclaim the Totara River, from its junction with Donnelly's Creek to the sea, as a tailings-site. The only other matter calling for remark in connection with alluvial mining in this district is the recent opening of payable ground on a terrace on the shores of Lake Ianthe, about twenty miles south of Ross. Allen and party, who hold a licensed holding, have, in prospecting their claim, obtained 98oz. of gold, similar in character to that found in Duffer's Creek, two and a half miles to the north of this place. A number of claims have been marked off in consequence of this discovery; but, being in heavy terrace wash, a large supply of water is required to successfully work the ground. Neither the parties who are on gold, nor the others, are in a position to construct a race of sufficient capacity to supply water to work these terraces. The water must come from Duffer's Creek. The terrace is unbroken between the old and new workings; a connection is clearly traceable, which, if verified, would open a very extensive field. In quartz-mining there is not much being done, the returns from the Donnelly's Creek Reef being 82oz. 7dwt. 18gr. for the year; the stone averages about 1oz. to the ton, but the reef being very thin and irregular the results are not quite satisfactory to the miners. Several prospecting tunnels are being driven in connection with this reef in the hope of striking a heavier body of stone. During the year an attempt was made to further prospect the Cedar Creek reefs by Mr. Perotti, of Greymouth, and a number of the business people of Hokitika and Ross; but, through some misunderstanding about the subsidy promised by the Government, the work came to a standstill. Another effort is now being made to carry on the work. That there are payable reefs in the near neighbourhood is the opinion of those best able to judge. The opening of a payable reef would mean renewed prosperity to Ross, and it is to be hoped the means to prosecute the further search will be forthcoming. The veteran prospector, Zala, is still at work on Mount Fraser, where he is driving and sinking on a 2ft. reef: he says it will pay to work, but, as no battery test has yet been made, it is premature to give an opinion on its value. There is nothing new to report about Rangitoto further than that Mr. Aitken, of the Government School of Mines, Reefton, spent some time in examining and testing stone from the mine, but we are not yet in possession of his report.

OKARITO SUB-DISTRICT.

In this district there are slight indications of a revival in mining, and a small increase in population. A small rush took place at Teal Duck Creek, but the gold, so far, has been found in the creek-bed only. There are only about twelve men left. Nothing was done in testing the terraces through which the creek flows. The best claim on the creek is paying at the rate of £1 per day per man. Payable gold is also reported as having been found to the eastward of the Saltwater