

The Cræsus Mine.—This claim is held by the lessees of the Tyrconnel Mine, who have let it to a party of three, who had two crushings during the year—viz., 69½ tons, which yielded 28oz. of gold, and 45 tons, which yielded 27oz. They have about 100 tons of stone to grass, which they intend to crush shortly. This stone was obtained from a leader 18in. wide, of poor quality, and not expected to yield more than 18dwt. to the ton.

The Alpine No. 2 Mine.—In January last a slip took place in Lyell Creek, exposing a leader about 4in. wide. A licensed holding was applied for of 30 acres, and two men are at work driving on the leader, which is of a broken character, but the future prospects are considered encouraging.

MURCHISON.

The Mammoth Sluicing-claim.—During the early part of the year this claim was worked, but for some months mining operations were suspended. Two men are now at work, and the returns obtained are said to be satisfactory. A considerable sum of money has been expended in constructing a water-race some six miles long, and it is probable that the race will be extended four miles at an early date.

Owen.—Several applications for special claims were lodged during the year; some, after prospecting the ground, have been withdrawn, but there are two applications which have not yet been dealt with.

COLLINGWOOD.

I am pleased to be able to report that there has been a substantial revival of mining in this district during the year, as will be seen by the returns, seventy-five additional miners' rights were issued, and 278 applications were received, being an increase of 170.

The Quartz Ranges have been three times carefully prospected by the best experts procurable, and a lead of gold has been discovered, which is believed to extend a considerable distance, but, owing to the difficult country through which the necessary water will have to be brought, the ground can only be made available by the expenditure of a very large sum of money. A good supply of water can be obtained, either from the Boulder Lake or the Clark River, should the necessary funds be forthcoming. Four special claims have been taken up by local and London men, who, being satisfied with the results of the prospecting above referred to, are now taking steps to raise the necessary capital.

Golden Gully and Appo's Flat.—The same persons above referred to hold two special claims in these localities, which they propose to work by means of water from the Slate River. Exactly similar steps have been taken with regard to these claims as in the case of the Quartz Ranges, and with very similar results.

Should success attend the endeavour to raise the necessary capital to carry out the above mentioned enterprises, which is highly probable, work will be found for a large number of men for a considerable time.

The Parapara Hydraulic Sluicing Company.—This company completed laying their plant, and sluicing has been carried on for a considerable time, but I am unable to say with what degree of success, but, as the work is still progressing it may be concluded that the company is satisfied.

Johnston's United Mining Company.—There are only a few men employed in this mine, and it seems somewhat doubtful whether full operations will be again resumed, as a considerable capital will be required to work the mine with satisfactory results.

KAITUNA DISTRICT.

No alteration of any importance has taken place since my last report; about the same number of men are employed there, and it is reported they are earning good wages.

DREDGING.

The Cock-sparrow Dredge.—This dredge is at work on the Buller River, about three miles below the Lyell. During the year two dividends of 3d. were paid, and had it not been for the time lost through floods and other causes the results would have been very satisfactory, as when able to work, good gold is obtained in payable quantities.

The Buller Dredge.—This dredge is at work on the Buller River, at Fern Flat. 1,350oz. of gold were obtained, and dividends paid amounting to £1,150.

The Matakītaki Dredge.—This dredge is at work on the Matakītaki River, about four miles above Murchison. 680oz. of gold were obtained, but it was not sufficient to pay working-expenses.

Several applications have been lodged for special dredging-claims on the Buller and Matakītaki Rivers, and a right has been recently granted to divert the River Buller at White's Point, subject to certain conditions. If this scheme should be carried out it will, it is believed, require the services of an able engineer and the expenditure of a large sum of money.

The Golden Bay Dredge.—This dredge, I am sorry to have to report, has not proved a success, and the company is, I believe, now in liquidation. The failure, it is believed, is not due to the absence of gold in the river, but because the dredge was unsuitable for the work. A considerable quantity of gold was obtained at the start, when the dredge was working a part of the river comparatively free from large boulders; but on shifting further down the river large boulders were met with, and the buckets were found too small, and the machinery too weak to cope with them, and the company ceased operations.

A large number of dredging-claims were applied for on the Aorere River, but as they were objected to by the settlers on the river-banks as interfering with their riparian rights, and their claims for compensation amounting to over £5,000, the applications had to be refused. I may say they were refused with great regret, as, had the claims been allowed, there is little doubt that several dredges would have been placed on the river, which would, in my opinion, have been