

MERRIJIGS.

Golden Lead.—The work done in the mine during the year has been between No. 2 level and the surface, further south than the old workings. One crushing of 42 tons has been sent to the battery for a return of 39oz. of gold. It is impossible to prospect this ground by winzes owing to the great quantity of water met with, and very little good prospecting can be done until the low-level tunnel, which is now in 658ft., has been driven another 650ft., and will then drain the mine.

Cumberland.—The operations for the past year have been almost wholly confined to prospecting work in the bottom level. The stone between the intermediate and incline levels has been taken out. The bottom level has been extended south a distance of 300ft., and a large quantity of low-grade quartz been met with. Cross-cutting a length of 80ft. has also been done to the west. At the present time a winze is being sunk from the bottom level. During the year, 523 tons of stone have been crushed, the yield being 572oz. of gold, valued at £2,341 14s. 2d. The total output of the mine is 12,795 tons of stone; yield, 11,167oz. of gold; value, £45,757 17s. 3d.; and dividends to the extent of £13,800 have been given.

BIG RIVER.

Big River.—During the year the company have crushed 3,736 tons of quartz, for a yield of 4,026oz. of gold, valued at £16,292 0s. 8d., and paid £10,800 to the shareholders in dividends. The sum of £1,000 deposited for the option of purchasing the property was also divided amongst the shareholders. The shaft has not been sunk since last report, as there was enough stone opened up to keep the battery employed. In the mine they are now sinking a winze from No. 5 or lowest level, and is now down about 50ft. on a large body of stone of good quality, which looks well for the future of the mine. Another winze is being sunk on a block of stone from Nos. 4 to 5 levels. The stone is of good quality, and will average 4ft. in width. They are now driving from No. 5 level to intersect this block, and if they succeed in striking it they will have 120ft. of backs. The total output from the mine is 12,797 tons of quartz; yield, 18,228oz. of gold; value, £69,874 16s. 9d.; out of which dividends to the amount of £38,700 have been paid.

Lord Edward.—This claim adjoins the Big River, and are working from the same shaft. They have two men employed driving a prospecting-tunnel at the No. 2 level of the Big River, 420ft. below the surface, to try and find the continuance of that company's reefs.

GENERAL.

I do not expect the output of the district will be quite so large for the current year as the past, as there will be very little stone crushed from the Progress, Globe, and Wealth of Nations Claims, as it is the intention of the Consolidated Company, the present owners of these mines, for the next six or eight months to fully prospect and develop them. They will afterwards erect very large and central reduction-works. It will always be the endeavour of the company to so open up their mines as to keep them far in advance of their batteries, thus enabling them to take and crush large quantities of stone, by which means they will be able to make low-grade ore, of which there are vast quantities in these mines, pay. I believe any new companies that may be floated by the Consolidated Company will be provided with ample working capital. When this is done, and the companies are managed upon economical and business principles, and a reasonable proportion of gold saved from stone crushed, I feel sure that there are large quantities of stone which will be made to pay that would not otherwise do so. This must necessarily have a good effect on the district, and be the means of giving steady employment to a large number of men. Hitherto companies in this district carrying out works of any magnitude have been considerably hampered by the slow and expensive way of obtaining funds by making calls.

This is the first occasion in the history of this district in which English capital has been invested in it, and I hope, therefore, it will be profitably employed, and so be of great benefit to the district and colony.

I have to thank managers of companies and others for such information willingly supplied.

The Under-Secretary for Mines, Wellington.

I have, &c.,

H. A. STRATFORD, Warden.

No. 7.

Mr. Warden STRATFORD to the UNDER-SECRETARY for MINES, Wellington.

SIR,—

Warden's Office, Greymouth, May, 1896.

I have the honour to forward herewith the statistical returns, and to report upon the district under my charge, for the year ended the 31st March, 1896; the returns and report relating to the Inangahua division will be forwarded separately.

Waimea Valley.—With reference to the different gullies surrounding Stafford and Goldsborough, there is little fresh to report. They still continue to be worked by a small number of miners in each, the number in most instances being limited to what the supply of water will employ.

The ground is generally poor, the best having been long since worked. The results, so far as gold is concerned, have been better than last year. This is owing to the wet year we have had, and the consequent greatly increased supply of water. As for the new fields opened, I am sorry to say that there are none to report. The main tail-race or drainage-tunnel from the middle branch of the Waimea Creek to the right-hand branch is now being constructed, and considerable progress has been made during the year. The total length of the tail-race, when completed, will be 32 chains, of which about 17 chains have been driven; and within six months it will probably be completed. I may say that some considerable time was lost owing to the party which commenced the tunnel giving it up about five months since, necessitating fresh arrangements being made. The reason for abandonment was, I am informed, the great difficulty of the country met with, the reef being so