

The company is building a large reservoir, the want of a sufficient supply of water having been in the past a serious drawback. The Garden Gully Quartz-mining Company, carrying on operations on the Paparoa Ranges, has had a crushing of stone, but the result has been unsatisfactory.

Nelson Creek.—The dredges in this creek continue to give good results. The Nelson Creek Company having worked out the lower portion of its claim has had a new dredge constructed on the upper portion known as the Back Lead, which had previously been thoroughly prospected under the supervision of the dredgemaster. Should this portion prove remunerative the company should have a number of years' work still before it. Unfortunately the rich returns of this company's dredge during previous years were not maintained during the portion of this year in which it was working. Pactolus Gold-dredging Company: This company still continues to give splendid returns, its dividends amounting during the year to more than the dividends of all other dredging companies. Its prospects are still apparently as good as ever, the whole length of the claim having been worked with uniform good results. For the dividends paid during the year attention is directed to Table C. The New Trafalgar Gold-dredging Company, whose claim is next below the Pactolus Company's, has been working regularly with fair results. Jamieson's Reward Gold-dredging Company is working the claim adjoining the Pactolus Company's, and has during the year paid regular dividends, dividing with Blackwater Company the honour of second place as a dividend-payer. Alluvial mining in Nelson Creek has not increased, the Donnellan and party's sluicing claim being the principal, from which a steady return of about 200 oz. per year has been obtained.

No Town and Red Jack's.—A small amount of alluvial mining is done in these creeks, but in the former there are three dredges at work. Bignell's No Town Gold-dredging Company has had a fairly satisfactory year. The dredge has obtained good returns and is cheaply and efficiently worked. No Town No. 2 Gold-dredging Company with two dredges had not all the success anticipated, although it was enabled to return 5s. per share in dividends. No. 2 dredge worked up to the bottom boundary of the No. 1 claim and was then stopped, the returns not justifying further operations at present. No. 1 dredge worked fairly constantly throughout the year and produced many good returns.

Waipuna and Mosquito Creeks.—Very few alluvial miners now remain in this district. Mosquito No. 1 Gold-dredging Company having gone into liquidation, the dredge was sold to a private party of dredgemen who are about starting operations. Mosquito No. 2 Gold-dredging Company, also in liquidation: The dredge was sold to a private party who have been latterly working at a profit.

Duffers and Half-ounce.—About the same number of men are mining in this locality, tunnelling and sluicing. Baybutt and party have opened up a new claim and are said to be obtaining good results.

Callaghan's Creek.—The only work of any importance is that carried on by the Callaghan's Creek dredge. After returning small but regular dividends for some years the upper boundary of the claim has been reached, and during the last two months of the year the dredge was engaged in working back to the lower half of the claim.

Snowy Creek and Upper Grey River.—Owing to the discoveries of quartz reefs between Snowy and Blackwater Creeks (as detailed in the report on the Reefton portion of the district) a considerable number of men have gone out prospecting to the hills between the Snowy Creek and the Grey River.

Ahaura River and Riverview.—Along the north bank of the river there have for years been considerable numbers of miners (mostly Chinese) sluicing with varying success. Owing to the necessary water having to be purchased and the supply being small, operations have been seriously retarded. Recently a party obtained a water-right from Lake Hochstetter to the south bank of the river, a race of some six or seven miles requiring to be constructed. Should the project be carried out it will be of considerable benefit to the whole of the locality. Such a race would also command about 1,000 acres of auriferous ground at the head of Callaghan's Creek.

General.—In common with the other portions of the West Coast the timber industry has of late years assumed comparatively large proportions in this district, the search for timber land being exceptionally keen. Generally the prospects of the district are good and are likely to remain so.

GREYMOUTH DISTRICT.

Alluvial.

The only locality in which sluicing operations are being carried on to any extent is at Barrytown, where Messrs. McKay and White still continue to obtain satisfactory returns from their two claims. In other portions of the district mining operations are carried on as usual by the ordinary individual miner whose number now is gradually diminishing.

Dredging.

Table A, appended hereto, contains particulars of seventeen dredging companies, having during the year 1905 had twenty dredges at work, as against twenty-six companies which during 1904 had twenty-nine dredges at work. Of these, nine companies paid £29,742 17s. 6d. in dividends as against eight which in 1904 paid £13,885 15s. (See Table D.) But this increase is largely due to the splendid returns of the Pactolus Company, which during 1905 declared a greater amount in dividends than all other dredging companies. During the year the following companies have ceased operations: Fern Flat, Buller Junction, Mokoia, Trafalgar, Feddersen, Moonlight, Mosquito, Totara Flat, Stony and Mosquito Leads. The New Trafalgar and the New Feddersen were companies reconstructed from the defunct ones, and, working consistently throughout the year, have both achieved a greater measure of success than the original companies. In the majority of the remaining instances detailed private parties have purchased the assets and work the claims with varying success.