

Bell Hill Syndicate.—After lying idle for nearly the whole year this claim has now been let on tribute. No returns are yet to hand.

Gow's Creek Sluicing Company.—The driving of the tunnel tail-race has been continued during the year, but actual sluicing has not yet been started.

Healey's Gully.—Three men were employed during portion of the year, but with very poor results.

Montgomery's Terrace.—61,440 loads of wash were treated in the early part of the year for a very small return.

Sullivan's Lead.—This claim was worked by two men for the whole year, and gave a fair profit.

Grey River Sluicing Company kept three men employed for the year, and gave a fair return.

GENERAL REMARKS.

Alluvial-gold mining is very fast becoming a thing of the past throughout the district. The easily worked deposits have, of course, become exhausted, and the well-known diggings which supported thousands of men some thirty or forty years ago are now deserted, except for one or two isolated individuals miners and a few Chinamen. Attempts have been made to work some of the extensive low-grade alluvial deposits by bringing a large volume of water to bear on them and operating on a large scale, but, unfortunately, none of these attempts has been an unqualified success. In some cases the ground has undoubtedly been too poor to be payable; in other cases the water-races, though large compared to those in olden times, have still been not large enough; and in almost all cases the management, legal, and other expenses have swallowed a large amount of the gold obtained, as is shown by the fact that several claims which never paid the companies who owned them have been very profitably worked by tributers. Notwithstanding these failures, there is still a large area of alluvial land which is sufficiently auriferous to be sluiced profitably on a large scale.

DREDGING.

In all, twelve dredges have been in operation during the year—two on the Buller River, one at Capleston, one at Cronadun, and eight on the tributaries of the Grey River. With the exception of one or two, these are all paying interest on the capital invested, the success being due to careful management, powerful machinery, and thorough prospecting of the claims before commencing dredging operations.

A fairly large amount of prospecting is now being done, and probably during the current year new machines will be put into commission.

METALS OTHER THAN GOLD.

As mentioned under the head of "Quartz-mining," the galena-bearing lodes of Wangapeka and Mount Owen are receiving attention from speculators. At Parapara some tunnelling has been done to prove the extent of the iron-ore body, some nine men being employed in this work. Copper and asbestos have been left severely alone for the year.

ACCIDENTS.

Only two accidents were reported, neither being fatal.

Two men, named D. Tennant and A. Neagle, working in the Progress Mine on the 2nd September, drilled on to a charge of gelignite. This exploded, but both men escaped with a few cuts and bruises.

James Cooper, dredge hand, while striking in the smith's shop at the Hessey-Cameron dredge, was injured by a small piece of steel, which, flying from the anvil, severed an artery in his thigh.

GOLD-MINERS' RELIEF FUND.

Sixty-one applications were dealt with under the Gold-miners' Relief Fund for the half-year that it was in operation, and certificates were issued totalling £287 5s. 2d. Most of these were on account of minor accidents, strains, bruises, &c. Three applications for the full sum of £50 were granted to sufferers from pneumoconiosis, and three other claims from the same cause are now being investigated.

I have, &c.,

T. O. BISHOP,

Inspector of Mines.

The INSPECTOR OF MINES, Hokitika, to the UNDER-SECRETARY, Mines Department, Wellington.

SIR,—

Inspector of Mines' Office, Hokitika, 30th March, 1912.

I have the honour to present my report on the mines and oil-prospecting operations in my district during the year ended the 31st December, 1911.

PETROLEUM.

During December, 1910, a survey was made of the Kotuku district by Dr. Wanner, geologist, accompanied by Mr. P. G. Morgan, Director of Geological Surveys. As a result of this survey, a powerful drilling-plant and two Galician drillers were at once sent out to prospect the locality. In order to reach this depth in unknown territory, casing of large diameter had to be used, and the well was started with a diameter of 16 in. Before 600 ft. had been reached the hole had to be reduced to 12 in., on account of the difficult nature of the strata encountered. At a depth of 952 ft. the well was discontinued, the primary rocks being met with, and any further attempt to secure oil would have proved futile.

The shallow oil-wells situated along the banks of Deep Creek still continue to yield small but regular quantities of oil, and in the near future it is probable that the syndicate will turn its attention to this shallow production. At the present time the rig is being dismantled and will shortly be shifted to another site.