

ALLUVIAL MINING.

This branch of mining remained much the same as during last year. There was a slight falling-off in the output and value of gold recovered, but it was only slight, being 2,643 oz. 15 dwt. 13 gr., valued at £9,996 15s., as against 2,799 oz. 2 dwt. 15 gr. valued at £10,908 7s. 6d. There was also a small falling-off in the number of men employed—from 152 to 142.

Mahakipawa.—The Mahakipawa Goldfields, Ltd. completed the erection of its poppet-head and winding plant, and a start was made to sink the shaft. After going down 31 ft. the heavy water in the ground beat the plant owing partly to the unsuitability of the air-compressing plant to work the pump, partly to the pumps themselves not having sufficient capacity to meet the demand on them, and partly to the shaft not being large enough to work the pumps in to the best advantage, and it became necessary to alter the scheme of working. The shaft was increased from the surface to about double its future size, the pumps were completely overhauled, and steam was employed to drive them in place of compressed air. These alterations brought about some better measure of success, as they enabled the shaft to be carried down to its increased size to 43 ft., and timbered and cemented to 38 ft. At 43 ft. it was found that, in spite of every effort, the pumps, while holding the water, could not gain on it, and a cessation of work was once more made compulsory. It is to be regretted that the company have experienced so much difficulty in carrying on its operations, as little doubt is entertained as to the success of the work once the gutter is reached, and it is equally regrettable that the inflow of water should have proved so serious at this stage, as it is believed that another 6 ft. or 7 ft. of sinking would have got past the trouble. At 50 ft. down the Keystone-drill holes that were previously put down to test the ground showed that a stratum of clay occurred below which there was no water, so if this could have been reached the sinking of the rest of the shaft would apparently have offered no difficulty. As things turned out there was nothing to do but cease work until more powerful pumping plant was installed, and the company is now endeavouring to secure suitable plant.

Howard Diggings.—The returns to hand show that twelve men were employed, recovering 127 oz. 18 dwt. gold, valued at £495 8s. 10d.

Murchison (including *Lyell*, *Matakitaki*, and *Newton Flat*).—Thirteen men were employed, winning 203 oz. 1 dwt. 2 gr., valued at £791 4s. 10d.

Grey Valley (including *Ahaura*, *Nelson Creek*, *Blackball*, *Totara Flat*, *Moonlight*, *Stillwater*, &c.).—Some thirteen men were employed in these fields, winning 109 oz. 15 dwt. 8 gr., valued at £405 6s. 11d.

Barrytown and Twelve-Mile.—Three men were employed, winning 140 oz. 4 dwt. 3 gr., valued at £555 16s. 1d., all of which came from beach leads.

Greymouth (including *Rutherglen*, *Cobden*, and *Dunganville*).—Three men were employed, winning 74 oz. 10 dwt. 12 gr. gold, valued at £294 7s.

Collingwood (including *Rockville*, *Slate River*, and *Parapara*).—On these fields eight men were employed, winning 191 oz. 5 dwt. 14 gr., valued at £688 11s. 8d.

Kumara (including *Stafford*, *Greenstone*, and *Callaghans*).—In these localities twenty men were employed, winning 1,044 oz. 12 dwt. 12 gr., valued at £3,850 11s. 4d. The principal producers were the Hohonu Sluicing Co. at Greenstone, with 451 oz. 15 dwt. 8 gr., valued at £1,773 0s. 9d., and Stubbs and Steel, at Maori Point, with 336 oz. 7 dwt., valued at £1,100 19s. 1d.

Reefton (including *Capleston*, *Soldiers*, *Merrijigs*, and *Blackwater*).—Five men were employed, winning 53 oz. 15 dwt. 9 gr., valued at £199 11s. 2d.

Hokitika (including *Rimu*, *Seddon's Terrace*, *Arahura*, and *Blue Spur*).—On these fields twenty-three men were employed, winning 361 oz. 5 dwt. 12 gr. gold, valued at £1,412 6s. 10d.

Ross (including *Waitaha*).—Gold to the extent of 53 oz. 8 dwt. 23 gr., valued at £209 10s. 4d. was recovered, three men being employed.

Okarito (including *Waiho*, *Gillespie's Beach*, and *Bruce Bay*).—On these fields ten men were employed, winning 122 oz. 14 dwt. 9 gr. gold, valued at £482 16s. 8d., all from sea-beaches.

Westport (including *Charleston*, *Waimangaroa*, *Fairdown*, and *Bradshaws*).—Six men were employed, winning 130 oz. 0 dwt. 16 gr. gold, valued at £519 7s. 10d.

MINERALS OTHER THAN GOLD.

Petroleum.—The only work carried out by way of prospecting for mineral-oil or gas was that carried out by the Murchison Oil Co. at the Mangies River, about seven miles from Murchison Township, where a well is being drilled. Drilling operations were started in March, and to the end of the year the bore had been carried down to 1,763 ft. through alternating beds of mudstone and sandstone. Casing was in to 1,518 ft., being 10 in. diameter to 385 ft., 8 in. to 731 ft., and 6 in. the remainder of the distance. A little gas came up when drilling was between the 1,010 ft. and 1,020 ft. marks, and at 1,172 ft. there was a very light showing of oil. From this depth to 1,400 ft. all the material brought up by the pumps had a slight smell of petroleum, but the well manager considered whatever oil there was came from about the 1,172 ft. mark, seeping down from there outside the casing. The show of oil was very slight indeed, not sufficient being present at any time to collect a sample. The drilling was carried out without any great difficulty, the only trouble that occurred being that with the well at about 1,300 ft. the casing slipped from the grips, necessitating the cutting out of the lowest section of the piping. Water was successfully cut off at 381 ft. and at 751 ft., after which the well was quite dry. Three men were employed.

Iron.—The Onakaka Iron and Steel Co. carried out a considerable production of pig iron during the year, but from various causes operations were not continuous, work having to cease for a time in the winter. During the period worked some 7,994 tons of crude ore were mined and treated for a production of 3,997 tons of pig iron, valued at £19,585 6s. Economies effected at the plant enabled the cost of production to be still further materially reduced, and at the price at which the company is now able to put its product on the market there seems no reason why, provided local ironfounders give a reasonable measure of support to the company, the works should not now continue in much more regular operation than has been possible in the past. In the plant an average of forty-one men have been employed, with an additional twenty-three in the quarries.

GENERAL REMARKS.

Mining.—In the alluvial branch of the industry a further slight falling-off was noted, but this was not serious, and in the quartz-mining branch the position at the end of the year was not so healthy as might have been expected. The total production of gold from the latter was 23,980 oz. 12 dwt. 4 gr., valued at £93,061 11s. 7d., as against 27,586 oz. 11 dwt. 11 gr., valued at £111,210 0s. 9d., for the previous year. The amount of quartz crushed fell also from 52,254 tons to 47,375 tons, while the number of men employed fell from 294 to 270. This falling-off was accounted for by various causes, amongst which were the lower grade of stone mined from No. 10 level of the Blackwater Mine, the loss of six months' mining-time at the Wealth of Nations Mine owing to the collapse of the upper portion of the main shaft, and the depletion of ore-reserves in the New Big River Mine. It is quite possible that the coming year will show an improvement in the position. The development of the Blackwater Mine towards and in the North Blackwater ground should bring about an improvement in values, and much better developments are hoped for at the Alexander Reefs. The only dividend paid for the year was by the Blackwater Mines, Ltd., which disbursed £6,249 16s.

Quarries.—Throughout the district, including the Canterbury, there was a further increase in the number of men employed in or about the various quarries, the returns showing that 263 men were engaged, as against 248 last year. The value of the output increased from £48,773 to £51,120.