

GOLD MINING ACTIVITIES

Introduction

In the late 1860's the West Coast of New Zealand had become the centre of many gold rushes. It seems that no one was immune from the excitement generated from the prospect of finding gold. The newspapers watched and reported activities in all their issues and in many cases fuelled the interest of people who might otherwise have only been mildly interested.

We know that Hamilton Gilmer had been present on the Otago goldfields as was John Hamilton and probably some of the other Gilmer boys. However, since coming to Greymouth in 1865 and with the formation of the Gilmer Brothers partnership with Uncle John and his brothers, they had established successful businesses servicing the gold mining community and its passing trade rather than participating directly in the search for gold.

Despite the obvious success of their various business interests and their rapid expansion, it is quite clear that they all remained interested in the prospect of gold discoveries.

From earliest times at Greymouth the actions of John Hamilton and the Gilmer Brothers partners indicated that they were interested in a strategic positioning at locations where they thought there was a prospect that gold might be discovered. We shall make this case through analysis of the various interests we have identified during the 1870's and also provide three studies of gold mining companies in which we know the Gilmer Brothers partnership was involved.

Henry Gilmer's Land Totara Flat Pre 1872

Henry Gilmer owned 200 acres of land at Totara Flat in 1872. The land would have been obtained and occupied earlier than this because there were very long delays in the administrative processes. Formal grants were not made prior to 1872 although people had been through processes which gave them the right to their properties, the formalities took years to catch up.

While the land was in Henry's name it was not unusual for individual assets of the Gilmer Brothers partnership to be held in different names depending who in fact initiated the transaction. The conclusion we have reached is that the land was a Gilmer Brothers partnership asset in the early years.

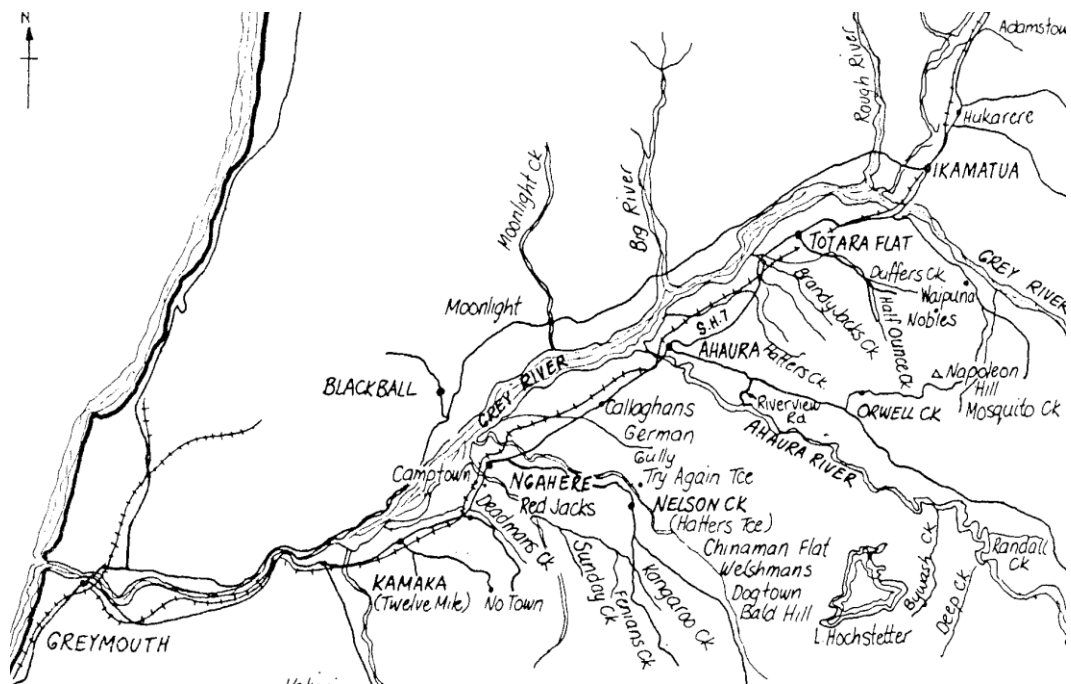
Some of Henry's land remained as a Gilmer Brothers asset at least until 1881. This is the case with 450 acres of freehold land on Pike's Plains which was offered for sale by Gilmer Brothers on 7 April 1881 at the same time as Gilmer's Hotel at Ahaura was offered for lease. The land was not sold at this time.¹

The land that Henry farmed was low lying river flat land on the banks of the Grey River. The Grey was fed by many small creeks and streams from the hills adjacent to the river valley. Gold had been found at most of the locations through which these streams passed. These include Orwell, Nelson, and Moonlight Creeks. The ground had been identified as auriferous

¹ Grey River Argus 7 April 1881

or gold bearing and in later years was the target of large dredging operations. The purpose of holding the land was more for what was beneath rather than for its farming potential. It was only Henry who had farming in mind.

We have no evidence that any member of the partnership actually sought gold on this land and it appears to have been held as an investment and on the possibility that others might find gold. If so they would be well positioned and in the meantime Henry was making productive use of the land.



Ahaura District²

John Hamilton's Agricultural Lease 1873

On 13 September 1873, John Hamilton applied for an Agricultural Lease of 50 Acres situated at North Beach about 2 miles from Cobden paying a deposit of Ten Pounds.

² Looking Back at Ahaura Compiled by Shirley Smith

PROVINCE OF NELSON.
APPLICATION FOR AGRICULTURAL
LEASE.

Cobden, 13th September, 1873.
 To Warden Caleb Whitefoord.
 I hereby apply for a Lease of Land for
 Agricultural Purposes, situate at North
 Beach, two miles from Cobden, and contain-
 ing fifty acres or thereabouts, and I deposit
 herewith the Receiver's receipt for ten
 pounds, in accordance with the Agricultural
 Lease Regulations of the second day of May,
 1873, made under the Gold Fields Act,
 1866.

JOHN HAMILTON.

The above application will be heard before
 me, at Cobden, on MONDAY, the 29th day
 of SEPTEMBER.
 (Signed) CALEB WHITEFOORD,
 Warden.

Grey River Argus 18 September 1873

North Beach was a location where gold had been found and seeking an agricultural lease was a means of obtaining a position. The application demonstrates an interest but conditions applied to such leases.

John was not a farmer and would never have farmed the land so he obviously was interested in the land because of the potential for gold to be found at the location. The Warden as John's next door neighbour would have known John very well. As a consequence we do not believe John's application was successful. We have never found any evidence that John pursued any "hands on" activities in searching for gold.

Sam Gilmer's Fifty Acres at Ahaura 1874³

By 1874 Gilmer Brothers had leased 50 acres of land at Ahaura on the Napoleon Road. The lease was recorded in Sam Gilmer's name. The land was described as "*Messrs. Gilmer Bros. (land) near the cemetery on the Napoleon Road. There is here a fine paddock of oats, the first crop upon the land, which is newly fenced in.*"

It would be hard to imagine Sam or any of the others, apart from Henry who lived only a few miles away, undertaking the farming activity. However, the land was very close to a creek running down to the Grey River and offered prospects should gold be found in the vicinity.

Ahaura Plains (Rees Flat) 1876

Sam Gilmer applied for the lease of 1500 acres Grey District covering *all the unoccupied land on the Ahaura Plains (better known as Rees Flat)*.⁴ This application brought an immediate reaction from the community and a meeting at Reefton was held to protest against the application. The land had always been looked on as a reserve for "*commonage purposes.*"

³ Grey River Argus 26 February 1874

⁴ Colonist 14 December 1876.

The outcome of the meeting was that Richard Reeves was sent to Nelson as a deputation of residents of the Grey Valley *to protest against the application of Gilmer Brothers and other persons for land on Rees's Flat, Ahaura and at Orwell Creek.*⁵

A meeting of the Greymouth Council also discussed the application. The view was put that *the land was not only necessary for commonage but there was good reason to believe that an auriferous lead ran through it.*⁶ This of course was the reason for Gilmer Brothers applying for the lease. The Council decided to send a telegram to the Waste Lands Board in Nelson conveying its protest against the application.

At the meeting at Nelson, Reeves put the position of residents of the Grey Valley but the Board agreed to postpone a decision until its next sitting. The newspaper commented "*there is not much probability that the lease will be granted.*"⁷

The decision of the Board was to refuse the application in view of the objections received.⁸

Three Other Applications for Gold Mining Leases

We have located three locations at which applications for leases were made. However, we have no further information about and whether there was any real gold mining activity undertaken on them. If there was, the work would not have been done by the major participants in the partnership who were very busy running the number of other business interests that they had. This is not to say that they would not have employed other people.

1. Lease Ten Acres of Land at Orwell Creek⁹

**A block of land containing ten acres, more or less
situated at Orwell Creek, Grey Valley, and
applied for by Samuel Gilmer. No. 823.**

OSWALD CURTIS.

This lease was granted on 1 July 1877. Sam still held the lease ten years later.¹⁰

2. Application for Lease Ahaura 8 September 1877

⁵ Grey River Argus 8 January 1877

⁶ Grey River Argus 5 January 1877

⁷ Grey River Argus 22 January 1877

⁸ Grey River Argus 14 March 1877

⁹ Colonist 13 March 1877

¹⁰ The Hotel that Sam Built John Hewstone, Ian Cameron & Peter Sydor

1693 Gilmer Brothers, district Ahaura, 120 acres, situated on the north bank of the Ahaura river, and bounded as follows :
—On the north by sections 128 and 129, on the east by public road, and on the south and west by the Ahaura river.

APPLICATIONS WITHDRAWN:—

No. 2435, J. M'Cormack, 15 acres, district Takaka
No. 1693, Gilmer Bros., 120 acres, district Ahaura
No. 889, T. Bradshaw, 50 acres, District Coal Creek
Nos. 1068 and 1069, Norgate Bros., 600 acres, District Aorere

The Ahaura Application for 120 Acres was withdrawn.¹¹ We have no information about whether the application was granted prior to its withdrawal but given the length of time this is a possibility. Because of the dissolution of the Gilmer Brothers partnership in February 1882 it would have been necessary to transfer the ownership of the lease to one of the individual partners or to withdraw it altogether.

3. Withdrawal of Application for Lease 640 Acres Grey District June 1879¹²

We have no information of when this lease of 640 acres was applied for or whether it was granted. However, it is of interest because its size and location and also because of the timing. By June 1879, the partnership had already left Dawson's Hotel at Reefton and had purchased two hotels in Wellington. The logical conclusion is that the land would have been close to or formed part of Henry Gilmer's farm.

Crown Lands Office,
Nelson, 30th June, 1879.

THE following APPLICATIONS for
LEASES have been WITHDRAWN during
the month of June :—

No.
1813 M. Noonan, Grey, 200 acres.
804 Gilmer and Hamilton, Grey, 640 acres.
1112 H. Taylor, Buller, 50 acres.
1860 H. Taylor, Inangahua, 150 acres.

1080 ALFRED GREENFIELD,
Commissioner.

¹¹ Nelson Evening Mail 2 November 1882

¹² Colonist 3 July 1879

Three Case Studies

We shall now explore three detailed cases in which Gilmer Brothers were involved in gold mining activities. In each case they were involved as investors, shareholders and/or directors and had influence over the activities being undertaken.

Moonlight Creek – Moonlight Quartz Mining Company 1869 to 1871

Moonlight Creek is a small stream which has its mouth quite close to the town of Ahaura. On 13 December 1868, Hamilton Gilmer and James Wylde left Greymouth for Moonlight to examine a reef and collect some stone with the object of sending it to Melbourne to be tested.

The newspaper speculated that there appeared to be every possibility of a company being formed to work one of the reefs at Moonlight which has been unable to be developed because of lack of capital. The editor added that specimens taken from the reef have been shown around town lately *“and are undoubtedly rich”*. The issue was not *“about the richness of the Moonlight reefs of which there was never any doubt; the difficulty in connection with them was the want of a road or even a serviceable track over which to pack machinery.”*¹³

The newspaper followed up on the specimen sent to Melbourne with the report:

“We recently mentioned briefly that the sample of one ton of stone taken at random from one of the claims on the Moonlight reefs and sent to Melbourne to be tested gave the net return of 1 oz. 4 dwts. We have since seen the official letter stating the result, from the Assay Office of the Bank of Australasia, Melbourne.....”

The newspaper went on:

*“We may mention that this gold from its superior quality is worth 4 Pounds 4 Shillings per oz. at the Bank of England. We are assured that the sample was taken at random from a heap of stone lying ready to work on the ground that the thickness of the main reef is from five to six feet and the gold is well distributed throughout the solid stone. The company which was formed privately some time ago to work the reef from which the sample ton was taken, and intend to commence operations almost immediately, and for this purpose the Government surveyor has been up at the creek and laid off the ground.”*¹⁴

The detail provided by the newspaper tends to indicate that the informant was very well known to the editor. It has the appearance of being Hamilton Gilmer who if he was planning to raise capital would like to ensure that people were keen enough on the prospects to contribute. We should also remember that at this time the regulation of corporate activity especially in relation to prospectus' and capital raising were nowhere near as strict as they are today. Understandably, a further 140 years of corporate activity has exposed a wide variety of means used by entrepreneurs' to access other people's money.

On 15 May 1869 The Moonlight Quartz Mining Company was registered with a nominal capital of 1800 Pounds in 180 shares of 10 Pounds each. The Paid Up capital was 80 pounds. Hamilton Gilmer had 15 of the 180 shares. The manager was James Wylde.¹⁵

¹³ Grey River Argus 17 December 1868

¹⁴ Grey river Argus 18 March 1869

¹⁵ Grey River Argus 15 May 1869

The same day the company advertised for tenders to supply 16,000 feet of sawn timber at Moonlight Creek and on 8 June the tenders of Messrs Foster and Lynch at 21s 6d and 31s 6d were accepted. On this day tenders were also sought *“for the forming of a pack track from Moonlight Creek to the machine site a length of 85 chains”*.¹⁶

The company purchased crushing machinery from Melbourne. *“It was landed from the P.S. Lyttelton, in good order. It will be boated and packed to the scene of operations at Moonlight.”* The newspaper could not resist a comment: *“At present the prospects of the company are said to be very bright, if we may judge by the very rich specimens which have recently been brought to town, and shares are consequently at a high premium.”*¹⁷

Tenders were called on 22 July¹⁸ *“for the carriage of 4 tons 7cwt. 2qrs of Machinery from Greymouth to the Company’s ground. Tenders may be for the whole distance or for boating and Packing separately.”*

The work continued at a rapid pace and tenders were called for three further elements of setting up the operations:

- *An engineer to build a water wheel, erect the quartz crushing machinery and to work it when ready*
- *Building of 450 feet of shoots 2 feet wide and 13 inches deep*
- *Getting and delivering at the mouth of tunnels 300 tons of quartz*¹⁹

With all of this activity and its associated cost in such a short time it is no surprise that the company made a final call on its shareholders for 4 Pounds per share payable on 1 October.

At this time the newspaper was still optimistic about the company and its prospects:

*“The upper reef in the Moonlight claim has been driven right through and is found to be six feet of solid quartz with gold distributed all through it. The crushing machinery is being rapidly erected and is expected to be in full work in a few weeks. The last recorded sale of a share in this company was for **96 Pounds**”*.²⁰

With the original shares issued at 10 Pounds this represented a substantial potential paper profit after only 5 months of the shares being issued.

The prevailing enthusiasm was reflected in the market. A number of new Greymouth based companies were registered to work in the Moonlight Creek area. These included:

- 10 August 1869, Mawhera Quartz Mining Company. James Wylde Manager
- 19 August 1869, Sunrise Quartz Mining Company. James Wylde Manager
- 14 October 1869, The Band of Hope Gold Mining Company. William Perkins Legal Manager. (Gilmer Brothers’ partnership was a shareholder in the Band of Hope Gold Mining Company. In this case, later in 1873 they chose to forfeit the 100 shares they held with the sale taking place by public auction on 21 March 1873.²¹)

These companies all had claims at Moonlight Creek and all were active in working them.

¹⁶ Grey River Argus 8 June 1869

¹⁷ Grey River Argus 20 July 1869

¹⁸ Grey River Argus 22 July 1869

¹⁹ Grey River Argus 21 August 1869

²⁰ Grey River Argus 7 October 1869

²¹ Nelson Evening Mail 14 March 1873

On 26 October it was reported that the very difficult task of conveying the machinery to the Moonlight Creek site had been completed, its base had been laid down and it was partially erected. The large water wheel was nearly completed and the first crushing will take place about Christmas. The reporter added *“Some very large specimens have lately been brought to town from the reef by visitors from Christchurch who, for their own satisfaction went up and knocked them out of “the solid” themselves.”*²²

A director's meeting on 9 November 1869 was advised by the Manager that he expected to have a weeks' crushing before Christmas. All the tunnels for opening the reefs had been completed and arrangements had been made for the quartz to be obtained by piece work. A working manager was also to be employed. It was also decided to procure more machinery and it was resolved to call a meeting of shareholders to increase the capital of the company.²³

The proposal to double the capital of the company was agreed to by the shareholders for the purpose of purchasing additional machinery but it was not to be ordered until after the results of the first crushing at the claim were received.²⁴ At the adjourned meeting of Directors on 9 December, it was decided to increase the capital by the issue of 180 shares of 10 Pounds per share to be offered to existing shareholders on a pro rata allotment with 4 Pounds per share to be paid on allotment. It was also agreed that applications in writing for the shares must be lodged on or before 24 December otherwise they will be deemed to have declined. All shares not accepted would be disposed of by the directors for, by public tender, with the highest tender to be accepted.²⁵

Before the due date for payment of the new shares, the company made a call of 2 Pounds per share due for payment on 1 January 1870. Notice was also given of the first Annual General Meeting of the company on 6 January.²⁶ At this meeting Mr. Wylde reported that a small quantity of stone had been crushed from which one and a half ounces of retorted gold was taken and that steady crushing will be commenced next week. Mr. Wylde resigned *“as a thoroughly qualified working manager may shortly be expected from Victoria.”* He also reported that total expenditure to 31 December was 2,234 Pounds leaving a balance of 1365 Pounds.²⁷

On 11 January the paper reported that *“following the last crushing a large quantity of gold was lost and was seen by miners floating down the stream with the amalgam.”* It also mentioned that *“every reef in the Moonlight claim ran into the adjoining claim of the Golden Hill Company.”*²⁸

On 29 March 1870, the company announced a final call of 4 Pounds per share and also an Extraordinary General Meeting on 16 April to consider the present prospects of the company and the desirability of increasing capital.²⁹ The Christchurch shareholders were not happy but agreed to an increase in capital on the understanding it is spent exclusively on labour at the mine and that such capital should not exceed 900 Pounds in 360 shares of 50 Shillings each and in two calls of not more than 25 Shillings each.³⁰

²² Grey River Argus 26 October 1869

²³ Grey River Argus 13 November c1869

²⁴ Grey River Argus 9 December 1869

²⁵ Grey River Argus 11 December 1869

²⁶ Grey River Argus 16 December 1869

²⁷ Grey River Argus 8 January 1870

²⁸ Grey River Argus 11 January 1870

²⁹ Grey River Argus 29 March 1870

³⁰ Grey River Argus 26 April 1870

The paper continued to carry stories of unsatisfactory crushings and a decision by directors to send a quantity of tailings to Melbourne to be thoroughly tested to find if gold was lost in the crushing as supposed, "*A small quantity of tailings was washed yesterday at the Bank of New Zealand the result being a yield of gold supposed to be at the rate of 3 ounces per ton.*"³¹

Between May and November 1870, the newspaper had been strangely quiet about the Moonlight Creek and the activity there. It seems its only interest was where and when there was good news. It had done a very good job of talking up the prospect but now things had soured it had gone to ground.

In November 1870 an Extraordinary General Meeting was announced for 23 November 1870 to receive a report from directors and to take into consideration the desirability of winding up the company.³²

On 14 February the Grey River Argus quoted the Central Government Gazette of 4 February 1871: "*Paid up capital is 3600 Pounds. The company is not in operation and the dividends paid have been "nil."*"

By 3 March 1871, the company was advertising the sale by public auction of all of its mining plant and equipment "*without reserve*". All operations had ceased and the company was being liquidated.

There are questions for us about this venture. The first is whether Hamilton Gilmer's shares were held on behalf of the Gilmer Brothers partnership? Our belief is that they were. There was a history of dealings and the partners did not seem to be at all concerned about them being initiated in the names of particular individuals. Usually these were Hamilton, Sam and John Hamilton. Later it became quite apparent that they were partnership ventures. This in fact was the case for by far the majority of the transactions.

The second question is did Hamilton Gilmer lose the money or some part of it? The initial exposure was 15 shares of 10 Pounds and later the new allocation doubled the outlay to 300 Pounds. We know that at various stages the shares were selling at a high premium and were as high as 96 Pounds. Some of the shares could have been sold to cover the initial outlay and pay for the calls as they were made progressively. As well, any number of shares could have been sold at any point providing there was a buyer. However, the market would not have been as liquid as it is today. Towards the end Hamilton would have had inside knowledge and could have been expected to reduce the holding.

As a foundation shareholder and one of those taking an early lead in starting the company, it seems likely that Hamilton would have pressure on him to retain an interest. However, being commercially driven, it would have been very hard to resist taking some profits. In truth we will never know the complete answer. We do know that Hamilton left for Ireland in early February to marry Elizabeth Hamilton, the woman he had promised to return for after having made sufficient money to support her. It would have been logical for him when preparing for this trip to "clear the decks" rather than leave behind a potential risk. Clearly he was not hurt financially by the Moonlight Quartz Mining Company.

However, the newspaper firmly believed that Moonlight Creek was rich in gold and that this could be extracted profitably. Its editorials provided a good commentary on the nature of the times: "*Hitherto the mania of speculation has simply resulted in imperfect testing and its*

³¹ Grey River Argus 14 May 1870

³² Grey River Argus 5 November 1870

natural consequences pecuniary loss to someone or other and the temporary damnation of quartz mining generally. Take the case of Moonlight reefs: there is no doubt that there are grounds for belief that rich quartz reefs exist in the vicinity of Moonlight Creek, but although thousands of Pounds have been frittered away in experimental mining and other thousands have been sacrificed by too sanguine speculators really nothing has been done in the way of thoroughly testing the ground. The reefs were simply converted in to some sort of shuttlecock for merely gambling purposes. Some persons made money out of the game, others lost, whilst those who were actuated only by the earnest desire to see the reefs properly tested have the mournful satisfaction of suffering a severe sacrifice of interests, which under other auspices, would at any rate have had a fairer chance. The explosion... of the Moonlight Company cannot be regarded in any way as an indication of the real value of the reefs in the district. We should not be at all surprised after the ground has been put into real working hands to find it turn out profitable and valuable.”³³

In the very same editorial the newspaper went on to do what it had previously done with the Moonlight reefs: *“We publish today the return of a trial crushing of a ton of promiscuous stone taken from one of the claims on the Murray Reefs. Its authenticity and genuineness are undoubted..... The crushing was performed under the authority of the Assay Office of the Bank of Australasia at Melbourne and a return is made without a comment of three ounces five pennyweights for the ton The result is more than satisfactory.”* This kind of comment only served to stimulate further speculative activity!

Murray Creek – Murray Creek Gold Mining Company 1870 to 1873

Murray Creek runs through steep rugged bush country and joins the Inangahua River at Black’s Point. It was the location for the first major gold bearing quartz discovery in the Reefton area.

Murray Creek was opened in September 1866 by the three Murray brothers. It was a stirring place for a while with alluvial mining but with the rush to Woodpeckers Bay and shortly afterwards to Charleston the whole of the diggings in the neighbourhood of the Saddle and the Little Grey were deserted for the new mines on the coast.³⁴

In mid 1870 a reef was discovered and very quickly a number of new claims were established. Murray Creek had a peculiar type of gold bearing stone which was a conglomerate of a type never before experienced by the miners and they called it Cement.³⁵ In July Warden Whitefoord travelled the area *“with two gentlemen who are interested in the cement reef.”* Whitefoord *“washed a small dishful of dirt, ...and he obtained a prospect of two and a half pennyweights of gold and about a dozen good specimens of quartz and ironstone with gold thickly embedded in them.”³⁶*

On 11 August 1870, the Murray Creek Gold Mining Company was registered with a Nominal capital of six thousand Pounds in 1200 shares of 5 Pounds each. The Paid Up Capital was

³³ Grey River Argus 16 March 1871

³⁴ Grey River Argus 28 July 1870

³⁵ The Hotel that Sam Built by John Hewstone, Peter Sydor, Ian Cameron

³⁶ Grey River Argus 28 July 1870

410 Pounds. George Moss of Greymouth was the manager and there were thirteen shareholders most of whom were from Greymouth. The directors were Martin Kennedy, Edmond Wickes, a solicitor, Gilbert King, manager of the Bank of New South Wales, John Blackmore a brewer, Morris Levy, a Draper, and Hamilton Gilmer³⁷. The latter owned 40 of the 1200 shares, a relatively small holding with a cost of L13/1/4. George Moss, a sharebroker was the Legal Manager.

Work commenced immediately with the forming of a track from the Inangahua River to the claim. This had cost 100 Pounds and had been completed by the end of the month. This was followed by an agreement for sawing and delivering 10,000 feet of timber for the erection of the water wheel and stamping machinery at 30 Shillings per hundred feet or 150 Pounds. At the same time two carpenters and four miners were employed.

During September the major work was *"in cutting and squaring logs for foundations and framework of the wheel and placing them in position, and other works in connection with foundations, after which the water wheel races and fluming were completed and the wheel tested and found to work smoothly."*³⁸

In September 1870, the company called tenders for the delivery of crushing machinery from Greymouth to the Company's mine site. Less than a week before any work appears to have taken place, the directors made a call of 8 Shillings and 6 pence on 20 September payable on 30 September.³⁹ This call increased the Paid Up Capital by 510 Pounds.

The newspaper reported that the directors had let the tender to deliver the machinery from the ship to the mining claim, to D. Carroll for 45 Pounds per ton. The machinery was expected to weigh *"over 4 tons and consisted six heads of stampers, cast with couplings so that an additional set can be placed whenever required, which is to be hoped is not long, as this battery will likely be used by all the surrounding quartz claims, until they are in a position to erect machinery for themselves."*⁴⁰ The all up cost was to be about 180 Pounds. This did not include the shipping cost from Melbourne on the ship *Aborigine*.

The ship *Aborigine* arrived with it in Greymouth on 1 October. The machinery was landed on 3 October and was to be sent up the river by boat. This is the way the machinery had previously been delivered to Moonlight Creek but Murray Creek was a greater distance and the distance by land was significantly longer and more difficult.

The machinery arrived at the work site in mid November taking about six weeks to travel about 60 miles. It *"was placed in position without delay and started to work on December 9th and was worked with few interruptions after the belt was properly stretched until 16th December, the quantity of cement put through in all that time was 75 tons.* Ten tons were put through to test the machine. The remaining 65 tons yielded 29 ounces of retorted gold which although scarcely up to.... expectations from the quantity of gold seen in breaking it out, would leave a profit on the cost of raising and crushing when the ground is opened up properly. *The mine manager also reported that the machine is capable of putting through a considerably larger quantity than the above with a steadier water supply which can be had by an extra outlay in dams not exceeding at the outside 100 Pounds."*⁴¹

³⁷ Grey River Argus 11 August 1870

³⁸ Grey River Argus 31 December 1870

³⁹ Grey River Argus 15 & 20 September 1870

⁴⁰ Grey River Argus 29 September 1870

⁴¹ Grey River Argus 31 December 1870

Contrary to the Moonlight Creek case the newspaper was complimentary about the Mine Manager at Murray Creek. Referring to the delays in obtaining crushing results it observed:

*"it is as well to remember the fact that mining managers who understand their business never put their best lodes through new crushing machinery and, of course, a manager of Mr. Guillane's experience will not be likely to depart from the almost invariable practice of reserving his best material until he is satisfied his machine is in proper working order."*⁴²

(The manager's name was actually Robert Evans Gulline who indeed was experienced and later was to be the Mine manager of the large and successful Wealth of Nations Gold Mining Company.)

With a lot of spending taking place and mine operations beginning in earnest in December, the company made three further calls each of 5 Shillings due on 1 November, 14 December and 23 January raising a further 900 Pounds. To this point 1410 Pounds had been raised in addition to the initial capital of 410 Pounds. Hamilton Gilmer's stake had cost L60/13/4 not a large investment by his standards.

A meeting of directors was held in the last week of December at which operations were reported. This also referred to the prospect of the company crushing stone from other quartz reefs in the area.

However, the initial results from crushing did not meet expectations and the paper reported that this has had the effect of frightening off small *"capitalists from investing their money in further prospecting the numerous cement deposits in the locality..... The long-continued dry weather also has had a bad effect for, small as the quantity of stone is, that can be put through the machine at present at Murray Creek in a given time, even that means of trying to value of the quartz has been taken away, for the machinery has stopped working for want of sufficient water to drive the wheel."*⁴³ *If the company is to ever hope to make anything out of their speculation they will have to lay out another hundred or two in the construction of reservoirs, a work of no great difficulty."*⁴⁴ This dry spell impacted operations throughout the whole of the Grey Valley.

During March the company was crushing stone from nearby claims. One of these was Newton's from which the company's machine had crushed thirty tons which had yielded nearly two and a half ounces to the ton.⁴⁵

A call of 2 Shillings and 6 Pence was made on 1 April, and in May it was reported that *'the claim is at a standstill; the hands are busy putting up dams at every available place, so that they are fully prepared for the next long drought'*.⁴⁶

Things did not improve for the company and by June 1871 the company had entered into an arrangement with Newton's claim for twelve months' use of their machinery for 30 Shillings per ton. The paper added that *"This (Newtons) will be the first claim on Murray Creek getting returns."*⁴⁷

Once more the newspapers became ominously quiet. There were no newspaper reports about the company for the next 12 months. On 2 May 1872 tenders were called for the

⁴² Grey River Argus 22 December 1870

⁴³ Grey River Argus 19 January 1871

⁴⁴ Grey River Argus 26 January 1871

⁴⁵ Grey River Argus 27 March 1871

⁴⁶ Grey River Argus 9 May 1871

⁴⁷ Grey River Argus 22 June 1871

purchase of the company's property including all rights, title and interest in the 16 and a half acres of land and all the plant and equipment.⁴⁸ An Extraordinary General Meeting of shareholders was called for 20 May to receive the tenders and to consider the advisability of winding up the company. At the meeting it was decided that the tenders were not satisfactory and an extension of time was advertised until 3 June. An adjourned meeting was held on 5 June but the company was not wound up.

On 1 January 1873 the company advertised that all of the property would be sold at auction on 15 January 1873. The sale now also included the sale of water rights. On 3 February a call of two shillings and one penny was made payable on 12 February 1873.⁴⁹ This would have been the amount required to cover all costs in the winding up of the company. The last two calls had brought Hamilton Gilmer's total investment to a fraction under 70 Pounds. Even if all the shares had been held to the end this was not a relatively large outlay.

The first quartz rush at the Inangahua was over. The area was plagued with development problems. It was remote with significant access problems. Road access up the Grey Valley had been slow in development and the country was rugged and inaccessible even when Reefton had been reached. Public funds tended to be directed to Westport. There were also shortages of water to drive batteries during long dry periods in both Summer and Winter. The lack of initial success caused a drop in confidence by investors and there was a long period of waiting for the financial climate to change.⁵⁰

We have noted the surrender of a lease at Murray Creek held by Gilbert King, Sam Gilmer and others⁵¹. We have not identified anything further about the lease and whether it was related to the Murray Creek Gold Mining Company but it certainly confirms the interest of Gilmer Brothers in the area:

⁴⁸ Grey River Argus 20 May 1872

⁴⁹ Grey River Argus 2 February 1872

⁵⁰ The Golden Reefs : An account of the great days of quartz mining at Reefton, Waiuta and the Lyell by Darrell Latham

⁵¹ Colonist 7 December 1876

**NOTICE OF SURRENDER OF GOLD-MINING
LEASE.**

NELSON SOUTH-WEST GOLDFIELDS.

INANGAHUA DISTRICT.

WHEREAS it is provided by the thirty-second Section of "The Goldfields Act, 1866," that any person holding a Lease of auriferous land under the provisions of the said Act, shall be entitled at any time, with the consent of the Governor, to surrender the same, and whereas the holder of the Lease for Goldmining purposes, described in the Schedule hereto, has surrendered the same. It is hereby notified that the Governor has accepted such surrender, and that the ground is now open for occupation to holders of Miners' Rights and Business Licenses.

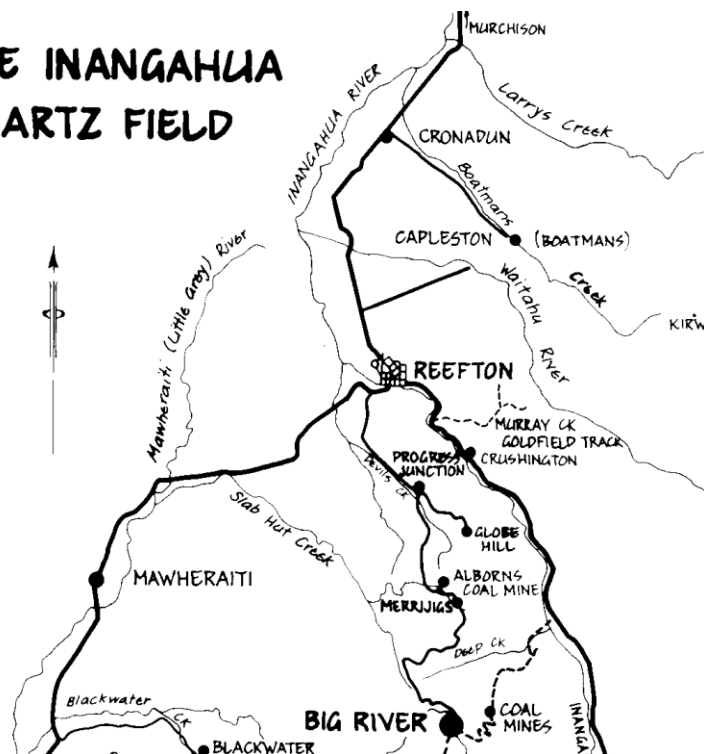
Given under my hand, at Nelson, this 27th day of November, 1876.

OSWALD CURTIS.

SCHEDULE.

Lease No. 129 R, dated 1st July 1874, containing nine acres, two roods, and thirty perches, more or less, situated at Murray Creek, Inangahua, and granted to Gilbert King, Samuel Gilmer, and others.

**THE INANGAHUA
QUARTZ FIELD**



Location of Murray Creek Goldfields⁵²

⁵² Big River Quartz Mine by Les Wright

Inglewood Gold Mining Company 1873 to 1882

By the end 1872 there was some progress being made on the provision of road access up the Grey Valley and Gilmer Brothers with stables established at Greymouth, Cobden, Ahaura and Reefton profited from the sale and hire of saddle horses to miners making their way to the Inangahua. New reefs had been found but through the first half of 1873 there was still depression in the area.

The Inglewood claim was located on Kelly's Line of Reef along with a number of others which included the Westland, Phoenix, North Star, and Victoria. The Westland was important because it was developed at a cost of 8000 Pounds and included steam driven machinery. In September 1872, agreement was reached for Westland to crush ore for Inglewood, Phoenix and North Star. In November Inglewood was building a "tramway" to transport the ore to the Westland crusher.

By May 1873 Westland was crushing large quantities of Inglewood stone but the costs were high at 25 shillings a ton. It was reported that the bailiff of the Warden's Court was in possession of 20 tons of stone at the machine belonging to Inglewood⁵³. The crushed stone was to be sold to settle some of Inglewood's debts.

In June Inglewood together with North Star and Phoenix offered to buy Westland's machinery with the objective of reducing crushing costs to 7/6 per ton. This offer was rejected.⁵⁴

Darrell Latham⁵⁵ wrote that *through the next nine months crushing took place at the Westland battery but results were poor and it was firmly believed that much of the gold was lost through the absence of suitable gold-saving devices. The crushing charge of 25/- a ton was also ruinous, particularly as the bank in Greymouth seized much of the proceeds to cover an overdraft. Work had to be suspended and the whole right, title and interest of the Inglewood were put up for public auction in June. No sale was recorded. The mine lay unworked till the end of the year and then seems to have been operated by a tribute party until Gilmer Brothers of Greymouth took over and a new company was formed in 1874.*

Latham also wrote "*When Richard Reeves auctioned the Westland Crushing Company battery in May 1874 Gilmer Brothers of Greymouth bought a bargain for their Inglewood mine. It went for 1400 Pounds which was little enough considering that 1000 Pounds had been spent in clearing Murray Creek to allow the machinery to be brought in originally.*" Other reports had put the original cost at 5000 Pounds.

We have attempted to verify these accounts and have identified that there are three reports on the purchase of the Westland plant. The first quotes the Reefton Courier as reporting that "*Gilmer Brothers had purchased the entire plant for 1400 Pounds cash. The destination of the machinery is not known but report has it that the purchase is in the interest of the Inglewood Company.*"⁵⁶

⁵³ Grey River Argus 19 May 1873

⁵⁴ Grey River Argus 19 June 1873 & 28 July 1873

⁵⁵ The Golden Reefs By Darrell Latham

⁵⁶ Grey River Argus 23 May 1874

The second report was sourced to an Inangahua Herald report on the Inglewood claim which stated: *"The Westland Company's battery has been purchased by Messrs. Gilmer Bros. expressly for this claim"*⁵⁷.

The third report says that *"The Westland Crushing Company at Inanaghua have sold their plant there privately to the Inglewood Company for 1400 Pounds."*⁵⁸

A later article indicates their involvement:

into the lode, it is not yet intersected. —Mr Richard Reeves submitted the Inglewood Company's property to auction on Saturday. The lot was bought in by Mr Samuel Gilmer for L525. He also quitted 750 scrip in the

Grey River Argus 24 July 1875

These reports strongly support the suggestion that Gilmer Brothers had taken over the Inglewood claim. It is most unlikely they would outlay such a large amount of money on buying the crushing machinery unless this was the case.

Buying the machinery was consistent with the partnership's underlying strategy of servicing the mining industry. The machinery was also critical to the success of a number of adjoining claims at Murray Creek. In addition, the purchase spread the Gilmer Brothers' risks so they were not reliant on returns from the mine and they were able to control their own access to the crushing facility and ensure they had priority over other companies. Newspaper reports indicated that the crushing loads from Inglewood were consistently higher than previously. For the year ending 1874 the tons crushed were 605 compared with 273 the previous year.

Later reports indicated that overtures had been made for the amalgamation of the Phoenix Company with the Victoria and Inglewood companies. They also indicated that this would depend on the *"owners of the battery and the Inglewood Company."*⁵⁹ This did not eventuate largely because they could not agree on the relative values of the respective claims.

In October 1875⁶⁰ it was reported that a newly formed company was working the Inglewood mine. Later that month there was news of the formation of a public company to purchase the crushing plant known as Westland. The plan was to raise 3000 Pounds and double the crushing capacity of the plant to 200 tons per week. This new company would have bought out the Gilmer Brothers interest in the plant and probably provided a profit over their original bargain outlay.

By January the new company was still being formed and *"the shareholders have just completed registration under the Limited Liability Act and are likely to amalgamate with the New North Star."*⁶¹ The previous Inglewood company had ceased operations and the report commented that it had passed from the Mining Statistics list.

The Inglewood Quartz Mining Company Limited was formed and in March announced its third call of 2 Pence a share. An Extraordinary General Meeting was called for 26 April *"To*

⁵⁷ Grey River Argus 25 May 1874

⁵⁸ Colonist 30 May 1874

⁵⁹ Grey River Argus 12 August 1874.

⁶⁰ Grey River Argus 7 October 1875

⁶¹ Grey River Argus 11 January 1876

*consider the advisability of amalgamating with the New North Star Company and wind up the company.*⁶²

This meeting obviously agreed with the proposal and on 19 August 1876 an application was made to register the United Inglewood and North Star Quartz Mining Company as a Limited Company.⁶³ The list of shareholders contained Gilmer Brothers representation with Sam and Hamilton Gilmer each having 750 shares of a total of 16,250 shares. Combined this represented the equal second largest holding and at slightly less than 10% of the total it was large enough to gain representation as a director if they wished.. The list of shareholders was remarkable for the absence of any "Greymouth names" of standing. There were many Reefton and Murray Creek people mainly from the mining industry. The largest shareholder was Louis Davies, Sharebroker, with 2000 shares and Robert Gulline a former Mine Manager had 1500 shares.

The company does not appear to have been successful. Less than 12 months after listing the share price was 1/6 and was still at that level in January 1878. A series of small calls for more capital were made on a more or less monthly basis through 1887, 1878 and into 1879 indicating that the company was struggling financially and relying on the shareholders for working capital. Over the period these calls amounted to about 3/- and while there had been a small increase in the share price in October 1878 it was still quoted at only 2/6,⁶⁴ less than the shareholders had paid in calls.

By December 1879 the mine had been let on tribute for a period of 12 months. By August 1880 the contract was terminated because the tributers were not meeting the contract specifications. A further tribute contract was let but this was also unsuccessful and by February 1882 the company was considering resuming operations⁶⁵.

Reports in 1878 did not show any Gilmer representation at Director level and we believe they left the company at an early stage most likely at the time they sold their interest the Westland Crushing Company. At Inglewood most of their investment was in the machinery and through its operation they had relatively risk free returns. Selling into the new float would have almost certainly guaranteed them a successful exit.

While Gilmer Brothers as a business was interested in gold mining activity, the individuals involved were primarily business men who were focussed on monetary returns. They had a history of moving away from businesses when initial expectations were not being met. While they had continued to be involved despite previous disappointments they would have been alert to the difficulties involved.

The Inglewood Mine continued to operate and the Handbook of New Zealand Mines (1887) provided details of production from opening to 31 March 1886:

	Inglewood	United Inglewood & North Star	Total Murray Creek Mines
Tons Crushed	1005	1591	251,380
Yield of Gold	561 oz	821 oz	164,851oz
Value	L2173/17/6	L3131/7/6	L638,381/19/-
Dividends	Nil	Nil	L201,257/16/-

⁶² Grey River Argus 3 April 1876

⁶³ New Zealand Gazette 1876 p653

⁶⁴ Grey River Argus 8 October 1878

⁶⁵ Inangahua Times 27 February 1882.

These figures show that the two Inglewood companies were below the average of the Murray Creek mines. Four of the 28 companies listed delivered 80% of the Value and 92% of the dividends. The two Inglewood companies were shown as having ceased operations although the Inglewood mine was to resume again later with greater success.