

Month.	Sales of Water.	Amount of Cash received for Sales of Water.	Expenditure.	Amount of Outstanding Moneys at the End of each Month.	Number of Men employed	Approximate Amount of Gold obtained.	Value of Gold.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.		Oz.	£ s. d.
1885.							
April	946 2 7	2,103 15 3	599 5 9	2,157 8 7	344	1,021	3,880 15 0
May	1,178 10 6	417 4 6	625 13 1	2,637 12 6	356	1,293	4,913 8 0
June	1,278 19 8	1,423 4 11	596 15 11	2,774 17 6	356	1,350	5,130 0 0
July	1,060 14 3	1,238 3 4	766 5 0	2,596 19 3	350	1,552	5,897 0 0
August	1,061 9 8	1,271 19 7	852 1 6	2,386 10 4	350	1,440	5,472 0 0
September	1,340 15 9	1,359 12 9	761 11 3	2,069 11 9	348	1,373	5,217 8 0
October	1,374 1 3	1,396 12 6	797 3 11	2,345 2 3	349	1,692	6,429 12 0
November	1,372 3 0	431 19 4	909 14 4	3,285 4 11	340	1,495	5,681 0 0
December	962 13 5	3,128 13 4	785 18 3	1,119 5 0	336	1,599	6,076 4 0
1886.							
January	891 8 10	1 7 0	736 13 0	2,009 6 10	326	1,410	5,358 0 0
February	995 12 5	528 7 4	613 2 4	2,476 13 0	322	1,441	5,475 16 0
March.. ..	1,336 19 11	1,197 7 4	758 6 2	2,623 5 7	336	1,710	6,498 0 0
Totals.. ..	13,799 11 3	14,498 7 2	8,802 10 6	..	4,113	17,376	66,029 3 0

Remarks.—Average earnings of miners, after deducting cash received for water, £2 18s. per week. Profit on Waimea-Kumara Water-race and Sludge-channel, £5,695 16s. 8d.

From this it will be seen that the sales of water and channel fees during the year have amounted to £13,799 11s. 3d., while that of the previous year was £13,586 10s. The actual cash received was £14,498 7s. 2d., against £12,708 12s. 6d. of the previous year; thus showing an increase of sales of water and channel fees of £213 1s. 3d., and of actual cash received £1,789 14s. 8d. The expenditure on maintenance for past year has been £8,802 10s. 6d., while that of the previous year was £9,169 18s. 1d.; thus showing a decrease in the expenditure of £367 7s. 7d. The average number of miners employed working mining-claims by means of this work has been 343; and the approximate amount of gold obtained by them 17,376oz., representing a value of £66,029 3s. The total cost of construction being £173,176 10s. 7d., and the profits on the working of the race £5,695 16s. 8d., which gives direct interest at the rate of nearly 3½ per cent. on the cost of construction.

Nelson Creek Water-race, Nelson.—The auriferous terraces that this race commands are getting rapidly worked out. Several miners are turning their attention to the low flats adjoining the bed of Nelson Creek, and some have been successful in finding wash-drift of a payable character; but, as there is no fall to admit of ground-sluicing, some are proposing to work it on the same principle as the Gabriel Gully Sluicing Company at Tuapeka—namely, by lifting the whole of the ground by hydraulic pressure, and running it through sluice-boxes fixed on trestles on the surface, in order to acquire fall. The place where the gold has been found on this flat is well suited to work on this principle, as water can easily be obtained from the Nelson Creek, which is within twenty chains of the workings, and at an elevation of over 400ft., which will give sufficient head to work the ground on a wholesale principle. The great drawback to the working of the flat is that it is covered in places to a great depth with tailings from the terrace-workings; but if the gold is in the ground this will be overcome, although the expense of working will now be considerably greater than it would have been had it been worked in the first instance. The race is in fair repair, and if gold is found on the flat there will be no difficulty in keeping the bridges and flumes in repair for several years by replacing the decayed portions, which can mostly be done by the ordinary maintenance-men. The manager, Mr. Gow, has lately made a survey of an extension of this race from Wilson's Creek, which is within six miles of the head of the race, to River View. This extension would command the terraces on Irishman's, Black-sand, German Gully, and Sullivan Creeks, and the western side of the Ahaura River, where there is apparently a far larger area of auriferous drift than on the Nelson Creek side of the range. Several miners have been working in this locality for years, and have made good wages with the supply of water that is available; but whether there is sufficient payable auriferous ground to justify the extension of the Nelson Creek Water-race is a question that should in a measure be proved by prospecting the ground before the construction is undertaken. If this extension was undertaken the bridges and flumes on the present line of race between the Head works and Wilson's Creek would have to be replaced. This would not require to be done at once, but only from time to time, as the decayed portions had to be renewed. The survey is not sufficiently advanced to enable me to form an exact estimate of the cost; but, from the data supplied me by the manager, the extension will cost, including replacing the bridges and flumes, about £20,000. A survey is also being made from Lake Hochstetter to River View, and, from the appearance of the country, and distance that a race would have to be constructed, which is under seven miles, I am of opinion that a new race would be more cheaply constructed and of a more permanent character than the portions of the present race that would have to be utilized. The water could be brought on the ground at about 60ft. higher elevation without necessitating any high or long wooden flumes, which are the perishable portions of all water-races. As soon as this survey and plans are completed a correct estimate can be formed of the cost of both routes. The following table shows the result of the working of the race during last year:—