

The ground in this district is similar to that at Tinker's, Vinegar Hill, St. Bathans, and Mount Burster, being what is known as the old quartz drift-wash. The only exception from this is some ground that has been worked on the eastern side of Pringle's Gully, which is more of a river deposit. The only portion yet worked is the shallow ground, as there is not sufficient water to work the deep ground, and more especially as the top stuff, which is cemented sand, contains little gold, and is not only hard to break down, but requires a good pressure on a hydraulic nozzle to break it up.

The chief gold-bearing stratum underlies a band of greensand, which is apparently a marine deposit, as it is full of shark's teeth and marine shells, and underneath the gold-bearing stratum is the old quartz wash-drift cemented together, which also contains a little gold; but the scarcity of water does not admit of any but the best of the ground being worked. From what I could learn from the miners working on this field some of the claims will give as much as half an ounce of gold per man a day if they can get one and a half sluice-heads of water. This, however, may be taken for what it is worth, as some parties dispose of water at 20s. to 30s. a sluice-head per week, and if the ground were really very rich it would pay the proprietors of those water-races better to work ground themselves on a systematic principle rather than sell water at so low a rate.

The ground on the western side of the Maerewhenua River is said to be the most extensive and also the richest, and the miners are extremely desirous of constructing a head-race from the Otekaike Creek, above its junction with Dansie's Creek. This, however, would not only be an expensive race to construct, but also a difficult one to maintain, as the side of the range, where a ditch would have to be constructed, is, in many places, a steep rock sideling, and in others old slips that have come from the ranges.

The great drawback to the development of this field for mining is that the most of the land is alienated from the Crown, and the proprietors hold riparian rights. No doubt if a large supply of water was brought on to this field the tailings would not only cover the flat land, but also, in course of time, fill up the bed of the Maerewhenua River to such an extent that it would damage the low-lying land along its banks. From the amount of gold duty the Waitaka County receives the annual yield of gold from this field must be about 1,121oz. The most of the miners have a few cattle and small plots of land, on which they work when there is no water available.

TUAPEKA DISTRICT.

Blue Spur and Gabriel's Gully Consolidated Company.—This is a new company formed recently in London, and has purchased all the mining properties at the Blue Spur, together with all machinery, plant, tools, buildings, water-races, and dams that formerly belonged to the Fidelity, North of Ireland, Morrison's, Perseverance, Great Extended, Otago and Nelson Cement-crushing Companies; also the Gabriel's Gully Sluicing Company, and two water-race companies.

During the last ten years the value of gold obtained by these companies is said to have amounted to £570,000, and during this period they are said to have paid £187,000 in dividends. The area of ground now held by the new company is fifty-four acres of cement workings on the Blue Spur, and twenty-six acres in the bed of Gabriel's Gully, making a total of eighty acres. In treating of the value of gold that has been actually obtained in alluvial workings it must be borne in mind that this is no criterion as to future yields, and especially in the cement workings, which were opened in 1862, and have been worked ever since by different methods. The best of the ground is all taken out, and it is only by an improved method of treating the cement that the portion which is now left can be made to give fair returns after deducting working-expenses.

The ground in the bed of Gabriel's Gully is perhaps the most valuable portion of the company's property, although it is principally tailings which have accumulated from the different claims since this gully was first opened. In the early days the ground was rich, and the same care was not then bestowed on saving the gold as now. This is the ground where the new company intend to concentrate all their operations at first before they commence to erect machinery for dealing with the cement. Being now the owners of all the water-rights and supplies that command the Blue Spur and Gabriel's Gully, they intend to open out the bed of the gully so that they can have either four or five hydraulic elevating nozzles at work, and thereby utilise the whole of their water-supply in working the low ground in the gully in the first instance, in order that when they commence to work the cement the tailings can be deposited on worked-out ground.

The new company took possession of their property on the 10th April last, and since then have commenced to put the water-races in proper repair; also the underground tail-race down the bed of Gabriel's Gully, which has collapsed at the upper end. No definite plan is yet laid down for working the cement, as it will take several years to work out the ground in the bed of the gully. It is estimated that the total quantity of water available in all the company's head-races is sixty-two sluice-heads. Mr. J. C. Brown, M.H.R. is chairman of directors for New Zealand, and Mr. H. C. Clayton has been appointed manager.

Other Claims.—A good many small parties of Europeans and Chinese are still engaged in the old workings all over the district, which continue to make, on the average, small wages.

WAIPORI DISTRICT.

There are about forty miners in this district working in quartz and two hundred and fifty in alluvial mining, ninety of the latter being Chinese. The old O.P.Q. Quartz claim is again taken up, and between 700 and 800 tons crushed from it, the parcels yielding from 3dwt. to 14dwt. per ton. The total quantity of quartz crushed in this district during the last year is about 1,000 tons, and the amount of gold from this is about 350oz., or an average of 7dwt. per ton.

A prospecting area of 1,500 acres has been granted on Waipori Flat, and arrangements are made to sink three shafts with iron cylinders by the pneumatic process.

The antimony reef is again taken up, and prospecting operations are being carried on. Recently several tons of the ore have been forwarded to London to be tested, with the view of forming a large company to work it. The lode has been traced for a distance of 1,500ft. from the old workings.