

The Upper Waikaia and Whitecombe continue much the same as last year. Collie and party have opened up a good claim at the junction of Gow Creek and Waikaia River on ground which had been formerly worked and abandoned. Mr. Mitchell tried the ground about Garvey Creek with boring-rods in two or three places, but could not find any trace of gold.

At Nokomai the licensed holdings granted in the upper and lower Gorge have all been surrendered and cancelled, except that of the Premier Company, who are not satisfied with the result of the operations of the other companies, although it is well known that they incurred heavy expenses in working shafts and erecting powerful machinery for pumping and working the ground before surrendering. The country lying about half-way between the Nokomai and Athol, known as Paddy's Alley, has recently come to the front. Six or seven parties, who have command of water, are on good gold. Several other parties also hold good claims, but cannot obtain sufficient water to wash. A party of miners have secured the right of an old water-race, brought in a distance of sixteen miles from Digger's Creek, on the high ranges, in the early days of the goldfields, and intend to reconstruct the race and convey the water to Paddy's Alley. It will be a very heavy undertaking, requiring a quantity of fluming and rock-cutting round the perpendicular ledges of rock and across steep gullies.

WAIKAWA.

During the year a slight activity has been shown in mining matters at Waikawa, and several miners' rights have recently been issued for that part of the district from the Warden's office at Waikaia.

I visited Waikawa in January last and found five or six parties sluicing on the Waikawa Beach, water being obtained from the adjoining creeks, and stored in two large dams near the beach. Butler and O'Brien hold extended claims in Haldane Bay, and O'Brien is constructing a race some three or four miles in length from the head of Cook's Creek, capable of carrying four to six heads of water, to work the ground.

At Waipapapa Point, outside the limits of the goldfields, I found the same parties at work who were there last year. These hold their ground and water-rights from the Commissioner of Crown Lands, Dunedin.

The Proclamation issued on the 22nd March, 1888, cancelling the Waikawa Goldfield, and extending the Otago Mining District from the Bluff to Catlin's River for a width of 10 chains above high-water mark, will come into force on the 17th instant, and will bring all parties on the sea-beaches within the provisions of the Mining Act to the extent of the 10 chains in width; but, outside that limit, difficulties are certain to arise in respect of water-races and other mining privileges necessary for the working of the beach claims. There is a sawmill at work at the mouth of the Waikawa River, from whence the timber is shipped to Dunedin and other parts. There is also a fine quarry of superior building-stone at the upper end of the Waikawa Harbour, owned by a firm in Dunedin, who have men employed raising stone and shipping it in large blocks to Dunedin for building-purposes.

At Charlton, about four miles south of Gore, there are twenty men at work mining on the River Reserve; they have a good supply of water for sluicing, and appear to be well satisfied with the results obtained, and entertain hopes that the field will continue for some years, but they are very anxious that the private lands adjoining should be acquired and brought under the provisions of the Mining Act. There are a few men working at the Waimumu Creek, making fair wages; but they state the back-water is very troublesome, and renders the ground almost unworkable in small areas.

Since Mr. Park's success with the Wellman dredge on the beach near Hokitika was published, several applications have been made to the Commissioner of Crown Lands, in accordance with the regulation gazetted under "The Mining Act, 1886," for the granting of prospecting licenses and prospectors' mining leases outside mining districts, for large areas on the sea-beaches between the Bluff and the Molyneux River.

The Natives at Wiltshire Bay, Port Molyneux, have granted a large area on their reserves to Messrs. Wilson, Stewart, and party, who purpose erecting one of Wellman's dredges to work their claim, where good gold is known to exist.

GENERAL.

Sittings of the Resident Magistrate's Courts have been held weekly at Lawrence, fortnightly at Milton and Gore, monthly at Balclutha, Tapanui, Waikaia; and alternate months at Kaitangata and Clinton. The Warden's Courts have been held fortnightly at Lawrence, and monthly at Waikaia and Tapanui.

As the south coast between the Bluff and Catlin's River will become part of the Otago Mining District on the 17th April, 1888, and a great portion of the new district being attached to the Warden's office at Waikaia, about eighty miles distant from the principal workings at Waikawa and Waipapapa Point, I consider it advisable that a Warden's Court should be established at Gore or Wyndham, in conjunction with the Magistrate's Court for that portion of the district.

The yield of gold is estimated as follows: Tuapeka, 14,540oz.; Tapanui, 360oz.; Waikaia, 2,730oz.; Waikawa and out districts, 220oz.: total, 17,850oz.

The attached return shows the number of miners' rights, licenses, registrations, &c., issued during the year; the number of cases disposed of, and revenue collected, at the several Courts; and also the estimated population of the district.

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The Under-Secretary, Mines Department, Wellington.

W. H. REVELL, Warden.