

the water-race described in the within license and the waters at any time or times running therein and over any Crown lands immediately adjoining thereto.

- (b.) All fish for the time being in, upon, or about the line of the said water-race, or the waters at any time or times running therein.

CONDITIONS.

1. That Her Majesty the Queen, her successors and assigns, may at any time resume the ownership of the aforesaid water-race, as well as the waters authorised to be diverted thereby, upon payment merely of the actual cost of any works of artificial construction to be performed by the grantee, his executors, administrators, or assigns on or in connection with the said water-race, and without any further payment of any kind whatsoever. Such actual cost to be fixed in case of dispute by arbitration pursuant to the provisions of "The Public Works Act, 1894," or any statute amending or repealing such Act for the time being in force.

2. In the event of any such resumption, the licensee, his executors, administrators, and assigns shall be entitled to no compensation whatever in respect of any purely natural advantages of which he or they may get the benefit by reason of the within license.

3. That if the licensee, his executors, administrators, and assigns shall at any time or times hereafter sell, let, or otherwise dispose of all or any of the waters diverted by means of the water-race described in the said license to any person or persons, or body or bodies politic or corporate, other than the licensee, his executors, administrators, and assigns for use by such person or persons, or body or bodies politic or corporate, for all or any of the purposes mentioned in section 104 of "The Mining Act, 1891," the price per Government head per week at which such water shall be sold or otherwise disposed of, and the rental per annum at, and the terms and conditions subject to, which such water and any races to be hereafter constructed by the licensee, his executors, administrators, or assigns to carry the same shall be let or leased, shall be fixed by the Warden or Wardens for the time being exercising jurisdiction in the mining district in which such water-race may be situate; and such Warden or Wardens shall have, further, the power from time to time to review, alter, or vary the said price and rental and the aforesaid terms and conditions either by highering or lowering such price or rental, by varying such terms and conditions, or by making any order of review, alteration, or variance either of general or particular application, and this notwithstanding anything contained or implied in any lease, agreement of letting or selling, or any other contract relating to the said water or water-race which may at any time or times be entered into between the licensee, his executors, administrators, and assigns and any other person or persons whomsoever, or body or bodies politic or corporate whatsoever, and so, nevertheless, that such Warden or Wardens shall not exercise the power of reviewing, altering, and varying in this paragraph contained and reserved, either generally or in reference to any particular price or rental, terms or conditions oftener than once in every three years.

4. In fixing any price or rental or any terms or conditions either originally or by way of review, alteration, or variance the Warden shall be guided by what would be a fair value per week or per annum based on a comparison between the capital invested by the licensee on or in connection with the said water-race and the dams used in connection therewith, and the value of the return or the probable value of any returns from any ground proposed to be worked, having regard also to the hazardous and uncertain nature of the return from capital invested in mining operations.

5. The licensee, his executors, administrators, or assigns will, within twelve months from the date of the within license, or such extended period as the Warden aforesaid may from time to time grant, well and effectually construct the water-race mentioned and described in the within license, so that the same shall be able efficiently and with reasonable safety to divert and carry a hundred Government heads of water.

It is hereby declared that the foregoing reservations and conditions have been made in the public interest, and are necessary and desirable for the public good within the meaning of section 129 of "The Mining Act, 1891."

PRECIOUS STONES.

NORTH ISLAND.

Opals have been obtained in the Tairua district. Mr. McKay, the Government Geologist, who has seen the stones and examined the formation, informs me that the opals are of a valuable kind, but that the method of obtaining them by blasting the rock tends to their destruction by shattering the stones. Mr. McKay also says that opals are present in the rhyolite formation in various places near the Ohinemuri River, and along the east coast, in a northerly direction, towards Tairua.

MIDDLE ISLAND.

In January last a license to prospect for opals was granted over the Mount Peel and Ackland districts, and subsequently the prospectors, being of opinion that their discovery warranted further development, formed the Record Reign Opal-mining Company, but operations have been retarded by the severity of the winter in the locality of the company's mineral lease, and no returns have as yet been published.

A number of other prospecting licenses have also been granted over the same districts.