

tion and timbering of a shaft and chamber at the head of the channel. When this is done two or three parties of men who hold ground near the head of the channel will at once connect their private tail-races with the chamber and start sluicing operations.

"Steps are also being taken to supply water for sluicing purposes to the claims about to be opened up in the Middle Branch Flat, and the necessary races and dams will be constructed about the same time as the main tail-race will be completed. The completion of the main tail-race—with the necessary races and dams—and the starting of sluicing operations in the Middle Branch Flat, will, without doubt, give an impetus to mining and business in the Waimea district, as it is almost certain that no better patch of sluicing-ground exists in the Kumara or Waimea mining districts than the ground about to be worked through the Waimea.

"The Kelly's Terrace drainage-tunnel has been driven during the year about 1,000 ft., and the total distance driven at the end of March last was 3,600 lineal feet. About 2,400 ft. has yet to be driven before the ground proposed to be drained will be reached. The main bottom has not yet been touched in driving, and it is anticipated that another 1,500 ft. will have to be driven before the main bottom is struck. No gold has been struck so far, and it is not expected that anything like a payable wash will be met with until the main bottom rises above the level of the drainage-tunnel.

"The ordinary workings in the Waimea and Stafford districts continue to yield much about the same as during former years, and a considerable population still continues to earn a livelihood in the various gullies scattered over the districts. The Wheel of Fortune Claim has been taken over by a strong company, the headquarters of which is in London, and active preparations are being made to elevate and sluice on a large scale. The company holds about one hundred acres of ground, and several race- and dam-rights are also held. These are now being surveyed, and some of the dams are being enlarged. As soon as the necessary data are obtained, the manager, Mr. Bertram, will elaborate a scheme for working the company's property on an extensive scale. In the mean time the old machinery is kept at work—more for the purpose of prospecting than with a view to systematically work the ground.

"*Kumara.*—The water-supply on this field is now all that could be desired, and the miners have no reason to complain on that score. There is, however, little doubt that the best patches on the field have been worked out, and that the ground now being worked, and that will be worked in the future, will require all the skill and inventive genius of the miners, and the best appliances, together with an abundant water-supply, to make mining a success financially. These remarks apply more particularly to the claims working the layer of wash, resting on false bottom, that covers the greater portion of the Kumara field. There is, however, still a fair chance of payable gold being found in the deeper levels of the field. In fact, several of the claims driving into the terrace fronting the Teremakau Valley, at levels fully a hundred feet lower than the levels hitherto worked on the field, have met with extensive layers of gold-bearing wash that promise to give remunerative returns to a large number of miners for many years to come. It is a pity that more prospecting has not been done on the deep levels of the field. The Government has liberally aided prospecting at the deep levels by granting subsidies to construct a drainage-tunnel to drain the deep levels. This tunnel is now driven a total distance of about 1,600 ft., and drains the field almost throughout the full length of the tunnel to the main bottom, so that the overlying washes may be prospected by rising. With the exception of the prospecting done in driving the tunnel, the ground has been very little prospected. A few rises were put up, and in some of them fair prospects were obtained, but the facilities afforded by the tunnel have not been taken advantage of to anything like the extent that should have been.

"The No. 5 Channel is now complete, and a shaft has been sunk at the head for conveying water for flushing purposes into the channel. A race has also been constructed for bringing water from the Kapitea Hill race to the shaft at the head of the channel. The parties intending to open into the channel have now every facility for constructing their branch races. A contract has also been let for the supply of pipes, 26 in. in diameter, for the delivery of water under pressure from the Kapitea Hill race to the several claims that will sluice into the channel. It is anticipated that all the arrangements for the supply of water will be completed as soon as the branch races are driven, and that sluicing operations will be in full swing some time in July."

Mining operations in the Greenstone district have slightly improved during the year, due in part to the increased water-supply furnished by the Erin-go-bragh Water-race Company. This company is now applying for a special claim on a terrace commanded by their race. Ordinary workings in the creek and Cape Terrace are somewhat restricted on account of the scarcity of water. The Greenstone Water-race Company talk of extending their head-race to work ground lower down, work in this claim having all but ceased on account of want of fall for tailings. Mr. Harris, who holds extensive water-rights in connection with special claims near the Blackwater, is endeavouring to form a company to construct the race and work his concessions, but up to date has not yet completed arrangements. Either of the above water-supplies could be utilised for the production of electric power, supplying power to the several dredging companies that are now in course of formation on the Greenstone and the Teremakau. On the Upper Greenstone an attempt was made to float a company to work what is known as the Galtee More Claim, a claim that has produced a large quantity of coarse gold from a strip of ground on the face and top of the high terrace, but as there was some doubt as to the extent of the auriferous wash, the project fell through. Extended and careful prospecting will easily prove whether the gold is confined to the front of the terrace or otherwise. I understand that the owners of the claim are still on payable gold. A number of dredging areas have been taken up in the creek and the Teremakau River, but only one of them has been prospected, viz., the Bun Tuck, in the Greenstone Creek. I am informed that very encouraging prospects were obtained, and a company is now being formed to work this ground.