

pletion of the work, and the advance will be repaid by a percentage of the channel-dues payable by parties using the channel. A contract has been let for timbering the upper portion of the channel, excavating and timbering a chamber at the head of the channel, and enlarging and timbering a shaft, 8 ft. by 3 ft. in the clear, divided into three compartments; one compartment for flush-water, one for lowering material for repairs and maintenance, and one for a ladderway. When this contract is completed, which will be about the 15th June, two or three parties who hold ground near the head of the channel will at once start to construct their private tail-races from the channel to that portion of their claims where they intend to open out and start sluicing operations immediately thereafter. The completion of this main tail-race and private tail-races connected with it, and the starting of sluicing operations in the Waimea Middle Branch Flat will, without doubt, give a great impetus to mining and business in the Waimea district, as it is certain that no better patch of sluicing ground exists in the Kumara or Waimea districts, so far as is at present known, than the ground about to be worked through the Waimea main tail-race.

Race and Dams, Middle Branch.—All difficulties in connection with rights to races and dams in the middle branch of the Waimea Creek have now been overcome, and valid rights for three dams, and the necessary races to connect with the claims on the Middle Branch Flat, have been obtained. The work of construction of one of the dams, and the races leading to and from the same, are now being put in hand, and the whole will be ready for the supply of water at about the same time as the channel will be in a position to start sluicing. The other dam-sites will be made use of should necessity for the same arise, and the races now being put in hand will connect one dam-site with another, and with the head of the Waimea Main Tail-race and the claims working into it.

Kelly's Terrace Drainage Tunnel.—The Kelly's Terrace Drainage-tunnel has now been driven a total distance of 3,600 ft., and of that 1,000 ft. has been driven during the past year from a shaft 2,600 ft. from the mouth of the tunnel. Another shaft will now be necessary before the tunnel can be driven much farther, as the haulage is getting too long and the ventilation is defective. A further distance of 2,400 ft. has yet to be driven before the ground proposed to be drained has been reached, and a shaft for haulage and ventilation will be required for every 1,000 ft. or 1,500 ft. of tunnel. The tunnel, so far as it has been driven, has in no place touched the main bottom, and it is probable that another 1,000 ft. or 1,500 ft. will have to be driven before any main bottom will be reached. The parties in the district, who have worked ground in the vicinity of the tunnel, are of opinion that gold will be struck when the main bottom is reached on the tunnel level, but no gold has yet been struck in the tunnel or shaft of a promising character, although odd colours have been obtained.

Wheel-of-Fortune Claim.—This claim, situated on Piper's Flat, near Stafford, was formerly held and worked by Mr. Batchelor, but it is now held by a strong English company, the headquarters of which is in London. Very little actual mining work has been done on the claim since it was acquired by the company. The extent of the claim held is about 100 acres. The company also holds several race- and dam-rights, but will eventually require to use water from the Government race if the extensive sluicing and elevating works contemplated by the present manager are carried out. Surveys are being made for the purpose of enlarging present and constructing new dams for the conservation of water, extending and enlarging races, and making preparation for the construction of powerful elevating machinery. In the meantime the old elevating machinery is kept at work, and the ground is being thoroughly prospected, with results, that so far as can be judged, are satisfactory to the manager and the company.

Number of Days Water was lost.—The following table shows the number of days on which water was lost, for the year ending 31st March, 1899 :—

Date.	Water running over Dam.	Quantity of Water lost.	Holidays.	No Water for Channel.	Dams empty.
April, 1898	8 days.	11 days.	7 days.	...	...
May, "	5 "	7½ "	...	...	...
June, "	5 "	12 "	...	...	...
July, "	9 "	13 "	...	...	...
August, "	1 "	½ "	...	...	...
Sept., "	3 "	3½ "	...	...	...
Oct., "	8 "	13 "	...	...	...
Nov., "	12 "	11 "	...	...	...
Dec., "	1 "	1 "	7 days.	...	...
Jan., 1899	11 "	35 "	7 "	...	...
Feb., "	...	...	...	...	...
March, "	...	...	...	3 days.	2 days.
Total	63 days.	107½ days.	21 days.	3 days.	2 days.

Branch Race to Callaghan's.—The total sales of water from this race during the year was £191 12s. 6d., and the expenditure for maintenance and repairs was £163 12s. 6d., leaving a credit balance of £28.

The average number of miners supplied with water was ten; and the approximate quantity of gold obtained was 491 oz., having a value of £1,914 18s.