

been supplied for opening out with, as opening out new claims is a difficult and expensive work. Each claim had to open out separately, and the cost to each party would not be less than £175.

As the workings at No. 5 channel are extended to the south-west the water-supply for Pearn's Brewery will be prejudicially affected. The brewery is an extensive one, but the owner is willing to place no obstacle in the way of working if a pipe 1½ in. in diameter is laid on from the No. 5 pipe-line. The cost would be about £35.

Kumara Deep Level.

With the exception of the expenditure of about £15 for repairs and timbering a small portion of the Deep Level Drainage-tunnel, no work has been done by the Deep Level Company during the year.

As the old shaft was in bad condition and beyond repair, the Mines Department in May last authorised a further expenditure of £450 for sinking a new shaft, excavating and timbering a suitable chamber, and driving a further distance of 300 ft. Of the above amount the department was to pay two-thirds, and the company one-third. The work was to be publicly tendered for under approved specifications, and the company was to show that it was in a position to pay its share of the cost. This offer has not been taken advantage of by the company.

The tunnel has been driven a total distance of about 1,600 ft., and it drains a large portion of the field to the main bottom. The facilities afforded by this tunnel for prospecting the deep levels of Kumara have not been taken advantage of to anything like the extent that should have been the case. With the exception of the tunnel itself and one or two rises, in some of which encouraging prospects were obtained, the ground in the vicinity of the tunnel is still unprospected.

Much more prospecting has been done in the Kumara deep levels by private parties working from the face of the terrace fronting the Teremakau River. The levels on which these parties are working are about 130 ft. lower than the bottoms hitherto worked in Kumara, and about 25 ft. higher than the Deep-level Tunnel. Two of the parties have been assisted in driving their tunnels by small subsidies from the department, but the greater portion of the work has been done without subsidy. One of the parties is now making fair wages, and the work now being carried on will in all probability lead to further developments as the tunnels are driven further into the terrace.

Wainihinihi Water-race.

In the construction of this race unforeseen difficulties were met with in carrying the race round the high rock siding between the Little Wainihinihi and the head. The tunnels turned out very hard, and in many places the rock, although hard, was very much broken and required heavy timbering. The total length of the tunnels was 19¼ chains, or 1,273 ft. They are now all through, but boxing will probably be required where the rock was broken to make them carry water efficiently. The ditching round the rock siding, about 11 chains in length, had to be timbered and covered, as the ground would not stand without, and a large portion of it will require to be boxed, as it will not carry water unless this is done. The cost of the work turned out much greater than anticipated, and this was largely due to the difficulty of getting men accustomed to and experienced in rock-work. The miners of Kumara have had little or no experience in this kind of work.

The following statement will show the revenue and expenditure on the whole of the works of the Waimea-Kumara Race for the year ending the 31st March last:—

Month.	Sales of Water.	Cash received for Sales of Water.	Expenditure.	Outstanding Moneys at the End of each Month.	Number of Men employed.	Approximate Quantity of Gold obtained.	Value of Gold obtained.
1899.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		Oz.	£ s. d.
April ..	303 12 2	403 8 10	191 19 8	314 16 11	118	613	2,390 14 0
May ..	416 15 9	389 17 0	211 19 4	336 10 3	121	829	3,233 2 0
June ..	315 10 7	289 4 6	215 10 1	358 4 3	113	632	2,464 16 0
July ..	336 13 0	345 6 8	197 13 5	352 16 1	120	687	2,679 6 0
August ..	258 9 8	203 15 0	189 0 10	400 0 3	110	544	2,121 12 0
September ..	256 17 11	360 3 9	220 19 9	292 0 7	117	575	2,242 10 0
October ..	276 6 5	218 19 9	230 6 6	355 5 8	95	573	2,234 14 0
November ..	205 12 0	315 15 9	266 4 4	267 3 8	116	448	1,747 4 0
December ..	239 2 0	124 19 6	334 17 8	358 13 4	118	487	1,899 6 0
1900.							
January ..	165 16 9	220 17 6	339 15 5	307 8 8	114	353	1,376 14 0
February ..	234 11 8	200 10 0	259 5 10	336 6 5	122	476	1,856 8 0
March ..	312 1 4	125 5 0	244 14 4	528 0 8	141	631	2,460 18 0
Totals ..	3,321 9 3	3,198 3 3	2,902 7 2	..	117.08 (average)	6,848	26,707 4 0

Kelly's Terrace Drainage-tunnel.

The total length driven of this tunnel is now 4,768 ft., leaving a further distance of 1,232 ft. still to be driven before the ground proposed to be drained has been reached. A shaft (No. 2) 10 ft. by 3½ ft., and 94 ft. in depth, was sunk, as the bad air rendered it impossible to continue driving from No. 1 shaft, and the distance the stuff had to be trucked (1,100 ft.) was getting too great. The total length driven during the year was 1,168 ft. The main bottom (blue reef) was touched about a chain from the present face, and it is gradually rising, and is now about 2 ft. in the reef. It was anticipated that gold in payable quantities would be got when the main bottom was reached, but such is not the case. Only colours have been got, and there is nothing yet to indicate the occurrence of payable gold in the country already passed through. The contractors