

The Waimea Hydraulic Sluicing Company is another company that has come into existence during the year. This company has laid pipes from the Government water-race above Goldsbrough to their claim at the back of the township. They are washing away the terrace by sluicing, and the flat by hydraulic lift, or blow-up. It is too soon to judge of the success or otherwise of their venture; but the returns are encouraging. They are using from twelve to fifteen heads of water.

The Waimea Middle Branch Flat is showing more activity than has been apparent for a number of years. Besides the mining that has been carried on heretofore, other parties have opened out into the main drainage-channel. The Government race having been extended to this ground, a good deal of gold may be looked for from this locality during the current year.

I am indebted to Mr. J. Park, solicitor for the Wheel of Fortune Company (Limited), for the following particulars: The claim consists of some 98 acres, situated at Piper's Flat and Ballarat Hill. It is a British company, registered under the English Companies Act. The company has spent some £5,000 in opening up, and has satisfied itself that the ground is sufficiently auriferous to warrant it putting on adequate machinery to work the claim. A large dam at Lake Mudgee has been bought, and this has now been enlarged to a great extent, and will, when completed, be one of the largest dams in Westland. From this dam it is proposed to draw thirty heads of water per day to work two elevators on the claim. For this purpose six miles of water-race is being enlarged to 6 ft., and a new tail-race tunnel is to be driven to carry the water away from the paddock. It is expected that the new elevators will be at work by the end of April, as the buckets and machinery are shipped from London, and should arrive here during March.

Kelly's Terrace Tunnel.—The following is the report sent to me by Mr. A. H. Richards, Assistant Inspector of Mines, on the above-mentioned work: The total length of this tunnel from starting-point at Flowery Creek to Hinemoa shaft is 5,817 ft. The present prospectors have driven 252 ft. beyond the shaft in various directions. At present they are in a nice body of washdirt worth from 18 gr. to 1 dwt. per load—not payable. Further encouragement should be given to this party. All their work is very creditably done and carefully timbered, so as not to cause any difficulty or damage to the main tunnel. The party consists of six men. I saw them each this day. They have great hope of picking up something good if they persevere, which they are determined to do, for another two months or more. I may add that this is one of a number of drainage-tunnels subsidised by the Government. A large amount has been expended on the work, and so far with very meagre results. The present prospectors are not receiving any subsidy, but they have the prior right to peg off an acre per man within the 50 acres reserved.

KUMARA SUB-DISTRICT.

This district carries a fair number of miners. The sluicing claims about Dillmanstown are in some instances giving fair returns, but a number of them, as they work back, find the ground getting poorer. In the neighbourhood of the No. 3 channel some good ground has been opened, and a number of new claims pegged off. This is said to be a new run of gold in the back terrace; but to enable the men to work an extension of the No. 3 channel is absolutely necessary, and I understand the necessary steps are being taken to obtain a subsidy from the Government.

The workings on both banks of the Greenstone Creek have benefited by the wet season. The large races projected have not yet passed the promoters' stage.

The dredges at work on the Greenstone Creek are the Greenstone Junction, the Three-mile, and the Greenstone Creek, and the Greenstone Gold is now in course of construction. The Junction has had a fairly successful run since the repairs were completed, and the company is now out of debt, having paid off over £2,000. This dredge has been hindered by tailings and buried timber, an overburden of some 20 ft. to 25 ft. having to be disposed of before reaching the pay-dirt. The prospects of the company are exceedingly good, and it ought soon to rank in the dividend list. The upper dredge has been fairly successful, being out of debt, but no dividends so far.

The Greenstone Creek, or what is known as the "Bun Tuck," has had much to contend with, and has not yet reached the paying stage.

The plant built for the Teremakau Gold-dredging Company is still lying where it was built, and I see by the paper the company have gone into liquidation.

ROSS SUB-DISTRICT.

With the exception of the dredging departures, mining matters are much the same as last year. The Mont d'Or still continues to pay dividends to the fortunate shareholders. The primitive appliances used by this company for saving the gold should be superseded or supplemented by up-to-date tables, whereby the fine gold now being run into the tailings-heap could be saved, and put into the pockets of the shareholders. Both washdirt and gold are very similar to that found at Humphrey's Gully, and I have no doubt the same saving—viz., 27 per cent.—would be effected if suitable tables were added to the present plant.

The Ross United Company is in liquidation, and the whole of the property is to be sold in April. Some six or eight men are still working some of the old ground on tribute, making small wages. Several attempts have been made by the old company to put this property on the market; but even with the promise of a £15,000 subsidy from the Government they failed in their efforts. The terms were not acceptable to the investing capitalist, the loading of some 30,000 paid-up shares to the shareholders in the old company being considered too heavy. This, with labour troubles, where about three hundred men would be employed, has proved a fatal bar to the flotation of any company. The sale will remove the heavy burden, and the buyers will then have a free hand to develop this most valuable property. The reopening of this mine and the early completion of the Ross and Hokitika Railway means a very large increase of population and wealth to Ross, and consequent prosperity to Westland.