

the two latter places the industry is considerably hampered on account of the Waimumu and Charlton Streams not having been declared sludge-channels.

In two cases, farmers in the vicinity have obtained injunctions against two of the companies, and many others are threatened with proceedings. Under these circumstances it is to be hoped that a settlement of the water difficulty between the miners and farmers will be arrived at as soon as possible.

I regret having to report that most of the claims granted on the Mataura River, near Gore, have been surrendered, and only those acquired by the Central Mataura Company are now held. This company had two dredges at work, but a few months ago one of them sank at its moorings and is a total wreck.

There are now in this district thirty dredges, the capital value being about £120,000. Nearly all are in active work, and give employment to about 250 men.

TAPANUI.

There is nothing new to report in this sub-district, except that the large dredge, the property of the Greenvale Dredging Company, mentioned in the last report as just about to commence operations on the Pomahaka River, did start a few months ago. The claim has proved a failure, and the company goes into liquidation.

The Ardmore dredge (owned privately) is still working away near the Pomahaka River, doing, I understand, fairly well.

WAIKAIA.

I have to report that, as far as hydraulic sluicing is concerned, this sub-district keeps on a very even tenor; but dredging, so far, has been a failure.* For the nine months ending the 31st December last, no less than twenty-seven special-claim licenses were surrendered and the claims given up.

The Argyle Hydraulic Sluicing Company has done very well during the last nine months, having obtained gold to the value of £2,480.

It is estimated on good authority that at least 3,000 oz. of gold (valued at £11,625) has been obtained in the Waikaia and Nokomai districts for the period mentioned.

The Gow's Creek Gold-mining Company has had a bigger undertaking than it anticipated in bringing in the water-race from Gow's Creek. It is 5 ft. wide on the bottom, and for chains in many places had to be cut out of solid rock; in other places very high fluming had to be put up, the total cost being about £4,000. The work has just been completed, and operations in the claim will be commenced next week.

There are about 150 Europeans at work on this field, and about fifty Chinese.

The Mystery Flat Dredging Company's dredge has recently started, and gives promise of turning out a success, having obtained 72 oz. of gold for one week's work. The above dredge is the only one at work in the district.

The total revenue collected at the Warden's office at Waikaia for the nine months ended the 31st December last amounted to £331 6s. 6d.

I have, &c.,

G. CRUICKSHANK, Warden.

The Under-Secretary, Mines Department, Wellington.

Mr. Warden McCARTHY to the UNDER-SECRETARY for MINES, Wellington.

SIR,—

Warden's Office, Riverton, 12th March, 1902.

OREPUKI.

The year 1901 has been rather uneventful so far as mining for gold in Orepuki proper is concerned. The nature of the workings is such that startling events or developments are not looked for, but, upon the whole, results have been satisfactory. The area available is getting quickly less, and, as I pointed out last year, new ground is being looked for.

The beach at Orepuki still supports a number of men, but the Patriotic Elevating Claim has been shut down owing to the difficulty in contending with the tides. A dredge has been at work on the beach, but so far with very indifferent results.

The principal claims are located on Klondike Spur, which has proved very rich. Property-holders in that locality are taking the gold from under their freehold sections, and some of them have had handsome returns.

The population is about the same as last year; but other industries are coming in, which will gradually take the place of mining in years to come.

Residence areas are in brisk demand, and applicants are getting their grants and settling, with every appearance of becoming permanent residents.

ROUND HILL.

From March of last year the water-supply at Round Hill has been phenomenal for sluicing purposes. The quantity of material passed through the elevators has been very great. The Round Hill Mining Company have been fairly successful, working patches of ground in the vicinity of the claims. The Ourawera Company have been very successful during the year. The Smith Gold-mining Company have been adding to their plant by way of pipe-lines, while they have held their own during the year just closed. With increased plant they are expecting and hoping for increased results during the ensuing year.

The number of hands at work is about the usual average. Owing to plenteous water-supply work, of course, has been more constant than usual.

WEST WAIAU.

A party of speculators in West Waiau have lately consolidated their rights and put their races in good working-order. Although their yield has not been very startling, yet with steady

*See remarks on Mystery Flat dredge.