

Branch Race to Callaghan's and Middle Branch.

The total sales of water from this race during the year amounted to £203 12s. 6d., and the expenditure for maintenance and repairs for the same period was £145 13s. 2d., leaving a credit balance of £57 19s. 4d. on the year's transactions.

The average number of miners supplied with water for sluicing from this race during the year was eight, and the approximate quantity of gold obtained by them was 510 oz., having a value of £1,989.

The sales of water are £21 17s. 6d. more than during the preceding year, and the approximate quantity of gold obtained was 35 oz. more, having a value of £136 10s.

The average number of miners employed was slightly greater than during the preceding year.

The expenditure on maintenance and repairs was £8 1s. 10d. less than during the preceding year.

In Callaghan's very little has been done during the year, and no new ground has been opened up; but there is still a prospect of new developments taking place, as there is a very large area of auriferous ground in the locality on which little or no prospecting has been done.

Parties of miners who have been engaged in prospecting have been supplied with water to test the ground on which they were working, but this was mostly in wet weather and when all paying parties had been fully supplied.

The race to the middle branch of the Waimea Creek (which is a portion of the Callaghan's branch race) has been extended a distance of 34 chains during the year, and no further extension of this race will be required in the future. The 34 chains of race referred to are altogether on private property, and the owners have executed the necessary deeds to occupy the ground required for the race without compensation. A right to construct this race has also been granted by the Warden, and duly registered in the Warden's office at Goldsborough.

The dam in the Middle Branch has been fairly tested by floods, and the by-wash has been enlarged as a safeguard against heavy rains. The embankment of the dam has been raised a little during the year, and the men employed on the race will occupy their spare time in adding to it, till the full height has been attained. All the platforms, from which the screws which regulate the outlet-gates of the dam are worked, have been constructed so as to allow the embankment of the dam to be raised 5 ft. higher than at present, which will give ample storage-room for night-water.

Two claims in the Middle Branch Flat have started to sluice into the Waimea Main Tail-race with water supplied from the dam and races, and two more will start at once, so that a fair revenue may be expected from this source during the current year.

The following tabulated statement shows the receipts and cost of maintenance of the Callaghan's branch race for the year ended the 31st March, 1902, together with the approximate quantity and value of gold obtained by parties using water from the race:—

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.
1901.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		Oz.	£ s. d.
April ..	16 10 0	..	12 0 0	16 10 0	8	41	159 18 0
May ..	16 10 0	33 0 0	10 0 0	..	8	40	156 0 0
June ..	20 0 0	30 15 0	11 5 0	..	8	50	195 0 0
July ..	10 15 0	..	10 0 0	..	8	27	105 6 0
August ..	18 15 0	18 15 0	18 10 0	..	8	47	183 6 0
September ..	..	..	14 0 0	..	..	..	..
October ..	12 0 0	12 0 0	16 0 0	..	8	30	117 0 0
November ..	..	..	10 0 0	..	..	..	..
December ..	21 12 6	21 12 6	10 0 0	..	7	55	214 10 0
1902.							
January ..	29 12 6	11 10 0	13 8 2	18 2 6	8	75	292 10 0
February ..	13 15 0	18 2 6	10 10 0	13 15 0	4	35	136 10 0
March ..	44 2 6	54 10 0	10 0 0	4 7 6	13	110	429 0 0
Totals ..	203 12 6	200 5 0	145 13 2	..	8 (average)	510	1,989 0 0

Waimea Main Tail-race.

The Waimea Main Tail-race has been extended a further distance of 602 ft., out of a total distance of 660 ft. authorised. The full distance will be driven, boxed, and blocked by the end of May, and three more parties will then be enabled to construct their private tail-races to connect with it. The Waimea Main Tail-race has the lowest gradient of any in the district—3 in. to the 12 ft. box—yet it works well, and fully comes up to expectation. It now serves two parties at a time, and when a few slight alterations are made at the point where the private tail-races join the main tail-race it is expected to serve three.

Kelly's Terrace Drainage-tunnel.

This tunnel has been driven during the year a further distance of 557 ft., and its total length is now 5,817 ft. The tunnel at its present termination struck the Hinemoa shaft, and drained the ground where payable gold was supposed to exist, but no payable gold was struck there.

The contractors for driving the tunnel, however, had made an arrangement with the trustees of the drainage-tunnel that they were to continue prospecting in the locality of the head of the tunnel, and should they succeed in striking payable gold they would have the right to mark out and occupy a claim of 7 acres, out of a reserve of 50 acres which the Warden had exempted from occupation for that purpose. All of the contractors did not continue to prospect the ground, but some of them, along with other miners, did a considerable amount of prospecting, and succeeded in obtaining prospects that they consider payable. Since then the party of prospectors have marked out a 7-acre claim, and are sinking a shaft to work their ground. Several other claims have been marked out and applied for.