

A large amount of work has been done during the year on the flat in the middle branch of the Waimea Creek. There are now six claims in full work, and another has completed a tail-race and will open out and start sluicing immediately. The returns from the claims now at work have been exceedingly good, and the work already done has proved beyond doubt that the whole of the flat is highly payable sluicing-ground. The depth of the ground on the flat is from 25 ft. to 30 ft., but as it approaches the hill on the south side of the flat the depth will be greater. The bottom is comparatively soft blue reef, and is very uneven, with high ridges and deep runs. In some places the runs are so deep that the present tail-races hardly bottom them. In most of the deep runs the gold is poor, and the gold-bearing wash is on a false bottom on a higher level, but in some of the deepest runs good gold at a lower level than the tail-races has been proved, and this will have to be lifted by hand-labour into the tail-races, but so far as at present known only a very small proportion of the ground will have to be dealt with in this way.

The sales of water from this race will increase considerably, and there is a fair probability that during the incoming year the sales will be nearly double that of the year just past.

The dam in the middle branch will be raised to its full height during the present year, and the men on the race will be employed in so doing during their spare time. It has been tested by floods, and a good and sufficient bye-wash has been provided which will carry off the surplus water during heavy rains.

The following tabulated statement shows the receipts and cost of maintenance of the Callaghan's and middle branch race for the year ended the 31st March, 1903, 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.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.		Oz.	£ s. d.
1902.							
April	13 0 0	5 5 0	44 6 3	11 2 6	12	33	128 14 0
May	27 7 6	34 10 0	41 12 6	4 0 0	7	67	261 6 0
June	19 0 0	26 0 0	18 0 7	0 10 0	6	48	187 4 0
July	52 17 6	24 16 0	29 16 6	26 5 0	12	130	507 0 0
August	35 2 6	42 0 0	13 0 0	20 5 0	13	87	339 6 0
September ..	50 0 0	59 9 0	24 2 6	10 3 2	15	125	487 10 0
October	41 18 9	12 7 6	31 8 9	38 6 3	15	105	409 10 0
November ..	59 7 9	83 0 0	21 15 0	28 2 6	15	147	573 6 0
December ..	35 4 7	13 1 3	27 0 0	36 17 4	15	88	343 4 0
1903.							
January	35 15 0	22 10 0	27 0 0	50 2 4	15	88	343 4 0
February	38 15 0	58 17 6	41 8 9	29 19 10	19	97	378 6 0
March	84 2 6	85 15 0	32 3 9	28 7 4	18	210	819 0 0
Totals	492 11 1	467 11 3	351 14 7	..	13.5 (average)	1,225	4,777 10 0

Waimea Main Tail-race.

The Waimea Main Tail-race has been extended during the year a further distance of 358 lineal feet, and its total length is now 3,030 lineal feet, exclusive of the extensions on the tailings-site. Six private tail-races are now working into the main tail-race, and another has just been completed and will be working shortly. Eight rights have now been granted by the Warden to connect with the main tail-race, and two more parties intend to apply at once for similar rights. The Waimea Main Tail-race has a gradient of 3 in. to the box (12 ft.), and all the private races should have gradients of 4 in. to the box, but this has not yet been properly regulated, and blockages sometimes occur from this cause, and also from the carelessness of parties sluicing. Everything, however, works well, and the blockages are not more frequent than in other main tail-races.

KUMARA RACE.

The total sales of water from the Kumara Race for the year ended the 31st March, 1903, amounted to £1,528 14s. 4d., and the expenditure for gauging, maintenance, and repairs for the same period was £1,684 16s. 6d., showing a debit balance of £156 2s. 2d. on the transactions for the year.

The average number of miners supplied with water for sluicing from the race was forty, and the approximate quantity of gold obtained by them was 3,056 oz., having a value of £11,918 8s.

The sales of water are £721 17s. 10d. less than during the preceding year, and the approximate quantity of gold obtained was less by 1,448 oz., having a value of £5,647 4s.

The average number of miners using water for sluicing from the race decreased from 46.08 to 40, comparing 1901-2 with 1902-3.

The expenditure on gauging, maintenance, and repairs during the year was less by £21 13s. 4d. than during the preceding year, and the whole of the races, branch races, and siphons have been kept and are now in a thorough state of repair. A rearrangement of the men employed on the races will reduce this expenditure in the future.

The falling-off in the sales of water is largely accounted for by the fact that several of the claims using large quantities of water were not sluicing anything like full time, as the holders were constructing new branch tail-races. Only a few of the claims worked full time, and the reduction in the sales of water will be only temporary, as most of the claims are now sluicing regularly.