

near future will be the forerunner of a large increase of population in such a healthy pleasant locality. It may not be out of place at this juncture to describe the workings. They consist of three distinct formations, the most important and extensive of which is the greensand, which extends many miles towards Oamaru, and nearly as far as Georgetown, and is also found north of the Waitaki River. On account of the greensand workings being on the side of steep spurs, and there being no gold in the top stuff, only comparatively a narrow strip of ground can be profitably worked, the gold being confined almost entirely to the bottom, rising 5ft. The second formation is the most remunerative. Some miners have made as much as 3oz. a week for months together while working this formation. Being of necessity of a much lower elevation more pressure can be brought to bear on the dirt, and as there is a little gold all through it, the results are more favourable. The working is more interesting also, on account of the fossil remains found therein. *Inter alia*, a great many moa bones, some of immense size, while thousand of pieces of moa egg-shells lie freely distributed through the dirt. The formation is composed entirely of the scouring from and denudation of this marine deposit. In the greensand millions of fishes' teeth are seen, from the size of cats' teeth to 3in. in length, the most remarkable feature being their perfect state of preservation, the enamel being quite sound and polished. The third formation is found on the west side of the Maerewhenua, and is composed of river-wash lying immediately on the top of the greensand deposit, in some places worked in conjunction with, and others without, the greensand when it is too low to work.

The marine formations on both sides of the river are identical in their nature, with the exception of one particular, that while on the Livingstone side there is no gold in the top stuff, on the west side it is found from the surface downwards. For this reason, and the ground being more extensive, the west side of the Maerewhenua is the most valuable part of the field. If a large water-supply were brought on to it at a good elevation, a much larger population would be maintained by remunerative employment. The non-auriferous land suitable for occupation licenses is scarce, and I have been obliged to limit the grants to about 25 acres for each licensee. Notwithstanding the uncertain tenure, this system of settlement was popular until the residential qualification was introduced, which, I believe, will reduce the number of applicants, as few men will incur the expenditure of erecting homesteads on land that can be taken from them without compensation at three months' notice.

SUMMARY OF BUSINESS AND REVENUE.

Maerewhenua.—Complaints heard, 8; applications heard, 100; objection cases, 20; occupation licenses applied for, 8; occupation licenses granted, 1; occupation licenses refused, 2; occupation licenses otherwise dealt with, 5; miners' rights issued, 83; race licenses issued at 5s., 4; race licenses issued at 2s. 6d., 44; general registrations, 120; total revenue, £90.

I have, &c.,

H. A. STRATFORD, Warden.

The Under-Secretary, Mines Department, Wellington.

No. 13.

Mr. Warden WOOD to the UNDER-SECRETARY of MINES, Wellington.

SIR,—

Warden's Office, Lawrence, 3rd May, 1892.

I have the honour to forward the annual report for the mining districts of Tuapeka, Tapanui, and Waikaia, which have been under my charge temporarily owing to the illness of Mr. Warden Revell. The statistical returns have already been forwarded.

Although the number of mining applications received has not been so great as in the previous year, yet there is no reason to suppose that the yield of gold in the aggregate has fallen off.

The Bluespur and Gabriel's Gully Consolidated Company are steadily at work at their special claim at Bluespur. This company's holding comprises the various properties formerly held by the Bluespur claimholders under gold-mining leases, and the special claim of the Tailings Company in Gabriel's Gully. All these are now amalgamated, and held as one claim of 66 acres. They have now about forty-five men employed, all of whom are at work in the Blue-spur cement, that in the tailings having been temporarily abandoned. Crushing machinery has been erected, but is not at present being used. The mine is now lit by electricity. It is estimated that the company have during the year turned over 230,000 tons of tailings, and 105,000 tons of cement, from which the yield of gold is 3,187oz.

A new company, called the Local Industry Company, was formed a short time ago for the purpose of working by hydraulic-sluicing, a portion of the tailings in Gabriel's Gully south of the special claim of the Bluespur Company. The shareholders in this company are all local residents who, having faith in the tailings, have taken up a claim of 8 acres. The capital of the company is £1,500, in shares of £1 each. They have erected pipes and machinery at a cost of about £1,200.

In Munro's Gully Kitto and party have been working their claim with fair success for the last twenty years or more by ground-sluicing. As they were nearing the head of Munro's Gully they found the water-pressure from their races was insufficient. They therefore altered the mode of working to hydraulic-sluicing. They have arranged with Mr. J. Howard Jackson, manager of the Bluespur Company, for a supply of surplus water from the Bluespur, and have erected about 44 chains of piping to connect with the water-supply. They are now putting through a large body of stuff with, it is understood, satisfactory results.

With a view to testing further the deep ground at Weatherston, Messrs. Fulton and others arranged to form a small party to sink on the flat on the ground formerly held by the Weatherston Gold-mining Company. This company carried on work for a number of years, and obtained a considerable quantity of gold from the cement underlying the flat. A sum of £100 was subscribed, and a number of men agreed to sink a shaft at a nominal rate of pay, but having an interest in the company equal to that of the subscribers. The work of sinking was carried on until a depth of