

considerable period, but, as a set-off to this, it may be remarked that the large amount of moisture absorbed by the soil had the effect of furnishing an increased supply of water, which has lasted throughout the season, and largely contributed to lessen the effect of the enforced idleness, and forms a contrast to the dry season of the previous year.

No actually new finds have been reported to me during the year, but renewed attention has apparently been directed to several localities which have been comparatively dormant for some years, and I anticipate the results will justify the energy bestowed.

The general activity in the mining now going on in other districts of New Zealand is also in some measure apparent in this district, and several inquiries for suitable properties have been made by intending speculators.

TUAPEKA.

Eleven special claims and five licensed holdings were applied for during the year, being an increase of several on previous years, and evidences a desire on the part of miners to engage in mining operations on a larger scale than has hitherto been the rule. A company styled the Beaumont Local Co-operative Gold-mining Company (Limited) [L. Dalziel] is expected to be in full operation about the beginning of spring. The company has taken up a special claim, and has been up to the present constructing a high-level race, the last sections of which are now being constructed. A contract has been let for cutting timber for sluicing-boxes, and one for steel pipes and other hydraulic plant.

A licensed holding of 8 acres was granted to John Edie and John Kirkpatrick at Crookston. The claim is situated near the ground which they have been working for years by means of hydraulic sluicing, from which it may be inferred they are satisfied with the auriferous nature of the locality.

A special claim was granted to Charles Bennet at the Beaumont of some 53 acres, but so far the holder has not done more than prepare the ground for systematic working.

The Local Industry Company, which is working in Gabriel's Gully, by means of an elevator plant, and using the water leased from the Phoenix Company at Weatherstone's, have been pushing ahead steadily, and obtained fair returns.

Kitto and party are using their new race to advantage, with the result that better yields have accrued than was the case in the past.

Mills and party, having got their elevator plant into thorough working-order, have, it is said, managed to secure a fair remuneration for their outlay.

At Tuapeka Flat (Weatherstones), Donlan, Smythe, and party have been working steadily with an elevating plant, and the results are stated to be very satisfactory.

McLelland and party, who have hitherto been working on tribute, have taken up ground on their own account, but are said to be only paying expenses.

BLUE SPUR.

The Gabriel's Gully Consolidated Gold-mining Company (Limited).—The history of the mine, which might almost be called famous, dates far back into the whole story of gold-mining in New Zealand—at any rate, into that of gold-mining in the South Island. The original rush to the Tuapeka district was to Gabriel's Gully, and the escort returns of the earlier days show that a very large quantity of gold was taken from this place. Later on new-comers could not find room in the gully, which is of comparatively narrow width. It dawned upon some of those who had worked out their claims in the gully, which in those early days was crowded with a very large number of men (the size of claims allowed being very limited, and the claims soon worked out), to try the neighbouring spur, known as the Blue Spur. This spur is composed solely of cement, although the top dirt contained gold.

After the first rush, which consisted of several thousands of miners, was over, a number started to explore the neighbouring spurs, and notably the Blue Spur. The work at the Spur was different in character to that in the neighbouring gully, and of a much more difficult character. Those who started at this work, although at first having to undergo considerable hardships, achieved a great amount of success.

As is well known, the whole of the Blue Spur claims were eventually purchased by the Blue Spur and Gabriel's Gully Consolidated Gold-mining Company. This company, although it had to encounter many difficulties, it is pleasant to hear, are beginning to see daylight before them. The mine is now in good working-order with a plentiful supply of water, excepting, perhaps, in very frosty seasons. The winter, however, set in early, the first heavy fall of snow occurring in the month of May; and although frosts were not so severe as during the previous year they were very persistent, retarding sluicing operations seriously during the months of June and July, and doing serious injury to the heads of the races.

Spring rain and a wet summer furnished 482 hours' sluicing-water in excess of the previous year, and the surplus accounts in a great measure for the increased output of the mine, which averaged 366½oz. of gold per month, as against 315¼oz. for the previous year, or 50oz. per month in excess. The mine is in good working-order, and there is no reason to doubt but that the output of gold will be considerable for a number of years. This is mainly owing to the skilful management and careful working of the mine by the manager, Mr. Jackson. The returns furnished by the company show that they have succeeded in winning 4,390oz. of gold during the year, and have put 350,202 tons of cement through the elevator. They have succeeded in paying off all their indebtedness to the bank, and will probably very shortly declare a substantial dividend.

WAIKAIA.

It will be seen from the returns of revenue collected during the year that there has been a fair amount of mining at Waikaia, although the total of ground worked during that period is stated to