

In a few claims miners are now tunnelling, and, as the land is "good standing ground," this method pursued by miners of experience and caution is in many cases remunerative, and saves time and labour and the necessity for using so much water in the removal of hundreds of tons of stuff, leaving faces of 30 ft. to 50 ft., and the consequent dealing with an enormous bulk of tailings. Of course, in a district destitute of suitable timber this mode of mining is fraught with danger, and the wash cannot be followed to any great distance into the hills; but in such seasons as the past I have no doubt the return of gold could be materially increased, and the quantity of water required to wash the dirt excavated would be very small compared to that necessary for sluicing.

I beg to forward herewith the usual annual statistical returns.

The Under-Secretary, Mines Department, Wellington.

I have, &c.,

JACKSON KEDDELL, Warden.

## No. 10.

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

SIR,—

Warden's Office, Lawrence, 10th May, 1897.

I have the honour to submit herewith the annual statistics of the mining industry in the Tuapeka district for the year ending the 31st March, 1897, and the following report of the various centres, for your information:—

The renewed activity I reported on last year in several localities has been kept going for the whole year, particularly at Waipori and Waikaia. At each of these centres numerous applications for special claims, water-races, &c., have been lodged.

### WAITAHUNA.

A good many special claims have been applied for in this sub-district during the year, but otherwise, on the whole, mining has been quiet, and there is very little new to report.

The Waitahuna dredge continues to give satisfactory returns. It was formerly owned by Mr. J. R. Perry, of Dunedin, but sold during the year to Messrs. C. Kreft and party, who are meeting with fair success, and the returns are said to average from 10 oz. to 12 oz. per week.

*Waitahuna Flat.*—The only mining carried on here now is by a few Chinese.

*Waitahuna Gully.*—The Norwegian claim, now Thomson and party, employ about twelve men. They are sluicing the old tailings in the gully, and the claim is said to be paying fairly well.

Ferris and party are still working in the cement with fair results.

Callanan and party, formed into the Sailors' Gully Gold-mining Company (Limited) during the year, have gone to considerable expense in enlarging the water-races, constructing a large dam, and laying new pipe-line, and will soon be ready to start sluicing operations on a large scale in the old tailings at the head of the gully.

Hagan and party and Quilter and party are still working in the old tailings, but owing to the dry season most of the mining claims in this locality have been considerably retarded during the summer for want of water.

### WAIPORI.

The mining enterprise has been particularly active in this sub-district during the last twelve months. A great many properties have changed hands, some of them at very handsome prices.

The New Zealand Minerals Company have purchased several special claims and large water-races, the O.P.Q. and Canton reefing claims and a right to take eighty heads of water from the Chrystal Falls in the Waipori River being among the principal purchases. With the Chrystal Falls water-right it is the intention of the company to generate electrical power for the purpose of working the two reefing claims mentioned above, and any power over and above that required by the company will probably be disposed of to the adjoining claimholders.

*The Bakery Flat Sluicing Company.*—This company has been formed during the year, having taken over a large special claim formerly the property of Mr. J. T. Johnson. Considerable expense has been gone to for pipes and plant, and the claim is nearly in working-order.

Messrs. Eaton and party, known as the Golden Key Sluicing Claim, Mitchell's Flat, have been working steadily throughout the year. They have constructed a new water-race from Reidy's Creek over four miles in length, and the party seem well satisfied with the results of the claim. McNeil and party's new dredge, constructed during the year, is working on the Waipori Flat, and is said to be giving satisfactory results.

Mr. Charles Todd has taken up three special claims at the old Bella Reef, and, as considerable outlay will be necessary to develop the mine, he hopes to float a company on the English market.

### WEATHERSTONE'S AND BLUE SPUR.

Messrs. Smyth, Donlan, and Adams, who hold a special claim for sluicing on Weatherstone's Flat, have both increased and improved their plant during the last twelve months, and the claim is still yielding good returns.

Mr. James W. Robertson has taken up a special claim adjoining that of Messrs. Smyth and party, and is putting a dredge on to work the ground.

At the head of the gully Mr. James R. Gascoigne has taken up a special claim, part of the ground being what is known as the "Old Cement Claim," and he proposes to bring in a water-race from Waipori, over twenty miles long, to work the ground.

The Blue Spur and Gabriel's Gully Consolidated Gold Company (Limited) have been working continuously during the year (except for a slight break during the summer), the net value of gold taken out being over £14,000, which compares favourably with previous years' returns.

Messrs. Kitto and party, Mills and party, and the Fidelity Company have all been working pretty steadily during the year, with fair results.