

“ Dealing with the new section first—viz., from Mount Brown to the Arahura River—a large amount of work has been done. To give a detailed description of this would be useless, as the country is well known only to those who have been working in the vicinity. Suffice it to say that about 10,580 ft. of tunnels have been driven, a large portion of which has been timbered, and about 152 chains of ditching completed. Besides this, the most of the creek-crossings (with the exception of Jack's, which is now in hand) are finished. In some cases they have been tunnelled round; in others the race is built through the bed of the creek, the latter being carried over the race. This, of course, needs a very careful preparation of the creek-bed, but when once constructed properly we anticipate it to be very permanent. Brentnell's Creek is a good example of this class of work. All the tunnels are finished with the exception of No. 16, which has given a great amount of trouble on account of the bad ground encountered. There still remains 270 ft. to drive.

“ The intake of the race, consisting of 6 chains of ditching, was practically complete, with the exception of the timber-work, which should have been in position by the end of April, but a tremendous flood during the middle of that month filled up the whole of the intake, demolishing the race in places. This is now being repaired, together with the other damaged sections.

“ During the year the race up to Mount Brown was thoroughly overhauled and put into good shape, with the exception of the flume round Granity Bluff, which was only patched. The capacity of the dam has been increased considerably by raising the by-wash 2 ft. The race from Milltown down to the claim is in good order. Long tunnel has been timbered throughout where necessary, and is in a better state than it has been for many years. The old pipe-line in McDonald's Gully has been taken up, relaid, and many slip-joint pipes flanged ready to use where required.

“ In Humphrey's Gully a considerable amount of sluicing has been done, and a limited amount in McDonald's Gully, the two together yielding 325 oz. 10 dwt. 22 gr. of gold, valued at £1,269 11s. 7d., the value of the ground in Humphrey's Gully being about 8 gr. per yard. The gold in Humphrey's Gully is of a particularly fine nature, and difficulty has been experienced in saving it, and for this purpose a big spread of tables is now being put up. The face is equipped with electric light, so that work can proceed by night as well as day, light being supplied by incandescent 100-candle-power lamps. These are now being replaced by arc lamps, with the incandescent as auxiliary. A water-hoist (friction), driven by a geared Pelton, is used to remove logs, stumps, &c., so that when the present water-supply is brought in, work should proceed in a methodical uninterrupted manner.

“ The average number of men employed monthly on the claim and race construction is sixty, and the amount paid in wages during the year £8,192 1s. 6d., whilst stores and machinery amount to £2,077 10s. 8d.”

#### STAFFORD AND GOLDSBOROUGH SUB-DISTRICTS.

This sub-district has been largely drawn upon with the object of dredging, but, as this method of mining is still in its initial stage, and the ground cannot be worked to advantage unless by combined capital and labour, the ordinary working-miner has not been much affected.

A more plentiful supply of water recently brought in by the Government to Callaghan's and the Upper Waimea enables hydraulic mining to be carried on to much better advantage than heretofore. In connection with the Waimea Main Drainage-tunnel that has now reached some of the lower claims, the additional supply of water enables them to make good use of this long-delayed work. I understand it is answering the purpose as far as it has gone, but a further extension is urgently required, so that the claims higher up may be able to participate in the privileges conferred.

From Callaghan's the returns are satisfactory, and the population remains about the same.

In and around Stafford mining matters are very quiet. The Wheel of Fortune Sluicing Claim, from which much was expected, has not come up to expectations. This claim and other mining privileges was sold to an English company some two years ago, and since then the company have completed the construction of Fox Creek Water-race extension, a distance of three miles and a quarter from the company's Flowery Creek Water-race. This race is 3 ft. wide at bottom, and is capable of carrying ten Government heads of water; in fairly dry weather it runs from five to six heads for the twenty-four hours, which, with the Flowery Creek Race, gives the company twenty heads per eight hours for six days in the week. Since the race has been finished sluicing has been almost continuous, and a great quantity of dirt has been shifted. Two nozzles have been at work alternately. About 10 chains of the face has been tried, with unsatisfactory results. Including expenditure on race-extension, the company has expended during the year £2,196 0s. 6d. Gold has been won to the amount of £729, showing a serious deficit. It is hoped that the incoming year will show a much better result. The process of working is by sluicing into a well or slump, and elevating the washdirt by elevators running seventy buckets, and driven by an overshot water-wheel.

Another important work known as Kelly's Terrace Tunnel is drawing near completion; this is a drainage-tunnel about a mile long, and is being driven, under Government subsidy, to drain a flat known as Gillam's Gully. About a month or six weeks ago the contractor touched a blue wash containing a little gold, but not payable. Since then they have been driving, sometimes touching bottom, at other times the wash dips, the bottom being a series of low ridges running about north-east. A second party (private) have opened out into the drainage-tunnel, and had driven 60 ft. when they touched wash, showing a promising prospect from top of wash. Should the tunnel prospects improve as they approach the original prospecting-shaft in Gillam's Gully, there will be a considerable area of new ground opened for the individual miner.

#### KUMARA SUB-DISTRICT.

This sub-district, although no phenomenally rich returns can be reported, still maintains its character as a steady wage-producer. Kumara proper having such a grand water-supply, the