

during the year was £406 4s. less than during the preceding year, and all the dams, races, branch races, tunnels, and siphons have been maintained and are now in a thorough state of repair.

There has been no sluicing in the No. 3 channel during the year. The No. 3 channel deviation has been driven, fully timbered, boxed, and blocked for a distance of 1,727 ft. At 1,711 ft., the No. 2 shaft, 55 ft. in depth, has been sunk, timbered, and centred. A chamber has also been excavated and timbered, which connects the shaft with the deviation. The sinking of this shaft was found necessary for ventilating purposes.

The two original parties are still sluicing into the No. 4 channel. As far as I can learn, the results for the year have been satisfactory, but the ground is by no means rich, and it is only by using large quantities of water and sluicing on a big scale that payable results can be obtained. As there are only two parties sluicing into this channel, the channel dues are very heavy, and, in addition to this, each party has a long tail-race to maintain. Both parties have still a considerable area of ground to work, which, at the present price of water, ought to pay fair wages.

There are only two parties at present sluicing into the No. 5 channel, and one of them was engaged driving a tail-race and doing other dead-work for the first eight months of the year. Each of the parties have a large area of ground yet to work that under ordinary circumstances should pay good wages, but, like the parties sluicing into the No. 4 channel, they are greatly handicapped by the costly maintenance of the long length of channel and their own private tail-races.

During the first ten months of the year water was supplied in small quantities to one private race, but the ground is now worked out.

The supply of water throughout the year has been more than sufficient for all requirements.

The following table shows the number of days in each month on which water was running over the dams, and the total quantity of water lost during the year, also the number of holidays on which no water was used for sluicing:—

Month.				Water running over Dam.	Quantity of Water lost.	Holidays.	No Water for Channel.	Dams empty.
				Days.	Days.	Days.	Days.	Days.
1905.								
April	..	..	..	5	5½	6	..	..
May	..	..	..	8	23½	..	..	..
June	..	..	..	6	19	..	..	..
July	..	..	..	11	29½	..	..	..
August	..	..	..	7	18½	..	..	..
September	..	..	..	9	11½	..	..	..
October	..	..	..	5	15½	..	..	..
November	..	..	..	15	25	..	..	..
December	..	..	..	14	24	6	..	..
1906.								
January	..	..	..	4	13	7	..	..
February	..	..	..	1	0½	..	..	..
March	..	..	..	2	4½	..	..	..
Totals	..	..	..	87	190	19	..	..

The usual quantity of flushing-water authorised by the Department was supplied to each of the main tail-races—viz., No. 4 channel, ten sluice-heads; No. 5 channel, twenty sluice-heads.

Authorised free water was supplied to Thorn and party to the value of £15 15s. for opening out a new claim.

Water was supplied for fire-brigade purposes to the Borough of Kumara, and for washing-up purposes to all the claims using water from the race free of charge.

Prospecting.

Prospecting operations were started by the Mines Department in the flat between Kumara and the railway-line on the 19th February, but up to the present the results have not been very satisfactory. There are, however, other large areas of ground to be prospected in the vicinity of the Kumara Goldfield, particularly at the head of Larrikin's, in the Kapitea Valley, and on the north side of the Tere-makau River, in the neighbourhood of Payne's Gully. Should payable gold be found in either of these localities, the prosperity of the Kumara field would be assured for many years to come.

Kumara Deep-level Tunnel.

No work has been done in the Kumara Deep-level Tunnel during the year, and considerable repairs will be necessary before any further prospecting can be done. The drainage-tunnel is driven in a good central position, and at the lowest level at present obtainable from the front of the terrace. Its termination is practically only under the edge of the old workings, and if payable gold is found it can be extended to drain the whole of the Kumara Goldfield, where such rich returns were found in the past on the upper level.