

Several small parties of Europeans and Chinese are working claims on the mining reserve along Tuapeka River, and at Tuapeka West and Evans Flat, making average wages.

There are three dredges at full work in the River Molyneux, below the Beaumont Ferry. They appear to be well satisfied with the results of their labour. Grant and party are working their spoon-dredge about six miles lower down the river.

The works in connection with the sludge-channel at the foot of Gabriel's Gully are being pushed on steadily by the Corporation of the Borough of Lawrence, contracts having been let for the completion of the works in accordance with the original plans.

At Waitahuna there is a population of 1,239 Europeans and 130 Chinese; of which 100 Europeans and 130 Chinese are engaged in mining pursuits. There are five large sluicing-claims being worked, yielding handsome returns. In one of these claims £1,000 was offered for a share and refused. A share in another company changed hands recently for £200. Other sluicing-claims are also being worked with fair results. The Chinese are working on the flats and in the river-bed about the township. They are very reticent about their earnings, and have shown strong objection to Europeans taking up ground near them in that locality.

Small parties of Chinese are scattered about the various gullies between Waitahuna and Manuka Creek, and also at Adams Flat and the Woolshed. At the latter place two parties are working extended claims in the creek with good results, the water being turned off by well-constructed earthworks and wing-dam past their claims.

At Waipori there is a population of 365 Europeans and 56 Chinese. Of these, the Chinese and 94 Europeans are engaged in mining. The yield of gold is estimated at 2,000oz. The Victory quartz lease has been taken up again, and is at present being worked on tribute by six miners, who are making the ground pay expenses. There is a five-head battery on the ground.

Two new gold-mining leases have been recently granted on the Lammerlaw Range, where good prospects have been obtained from the quartz found on the ground. Messrs. Empere and party have applied for a gold-mining lease on the range near Waipori. They are raising quartz from a depth of 16ft. showing good gold, and intend making a trial-crushing at one of the adjoining batteries when they have raised 20 tons of stone. Messrs. Sturm and Ritchie have applied for an ordinary quartz claim on the A.B.C. Reef. They have been working on the ground for some time, and obtained a yield of 18oz. 16dw. from a crushing of 17 tons of quartz. They are trying to form a company with a view to purchase one of the batteries lying idle in that locality to work the claim.

The Deep-lead Prospecting Association have taken up an extended claim of six acres on the Waipori Flat, and have one of Ashbury's patent pumps (capable of lifting 10,000 gallons of water per hour) on the ground. They have begun sinking the shaft, having let a contract some time ago for the supply of the necessary timber to construct the shaft.

In addition to the antimony and copper lodes mentioned in last year's report, several specimens of cinnabar and scheelite have been found near Waipori, but no defined lode. Indications of other minerals, such as manganese and sulphur, have been found in small quantities.

Waikaia Sub-district.

The chief alluvial workings are situated in Welshman's, Moffat's, and Yankee Gullies, close to the Waikaia Township, principally held by Chinese, yielding in most instances fair returns. Water is supplied from the Argyle Water-race, formerly constructed by Europeans, but now held by a Chinese company, who have extended the race at considerable expense to Moffat's Gully, and also from lesser water-races by individuals.

Collie and party have been endeavouring to trace the lead of gold along the Waikaia Flat at the foot of these gullies. They sunk two shafts; but were beaten out with water and the loose state of the ground. A third shaft has been sunk about 25ft.; but they are afraid the water will be too much for them unless they procure machinery for pumping.

In the Upper Waikaia, Whitcombe, and Campbell's Gully there are a few claims being worked, yielding small wages. A quartz reef has been opened out at the head of Campbell's Gully, on the Old Man Range, at a depth of 16ft. from the surface, showing good specimens of gold-bearing quartz. The miners at Campbell's Gully, situate about thirty-eight miles from Waikaia, go to the Warden's Court at Roxburgh, eighteen miles distant, for their registered rights, licenses, and leases.

The miners in Potter's Gully have worked out the shallow ground, and moved to other parts of the district.

The rush to Piano Flat in November last has turned out a failure. Several claims and registered rights were taken up, and the ground well prospected; but payable returns were only obtained for a short time from two or three of the claims, and there are now only half a dozen men working in that locality.

The construction of the road to the Upper Waikaia is being pushed on rapidly, and, when completed, will open up a large extent of auriferous country, and give easy access for parties to thoroughly prospect that portion of the district.

At the Nokomai there has been quite a stir amongst the miners owing to the discovery of a deep lead on the upper flat by Paddon and party, at a depth of 35ft., and on the lower flat by Hunter Brothers, at a depth of 64ft. Five gold-mining leases and one extended claim of six acres have been granted, and applications have been made for two other leases in that locality. Paddon