

be only about 150 acres. This part of the district seems to have a steady mining population, estimated at 110 Europeans and about ninety Chinese actually engaged in mining. Some of them are said to be making very good wages, but the interrupted supply of water interferes with their efforts very considerably.

The local bank has purchased 1,360oz. of gold during the year, and at least as much more has been disposed of outside the district. This estimate is said to be well within the yield.

The Argyle water-race has been taken over by a new company, who have expended about £2,000 in bringing in more water, and putting a large quantity of iron pipes on the ground, with a view to work a special claim applied for by the company.

Owing to want of sufficient water, Sew Hoy and party have had to discontinue sluicing on their special claim at Nokomai. They are at present engaged in bringing in another water-race from the Nokomai Saddle and Donkey Flat, which, when completed, will carry twenty-four sluice-heads of water. Although the outlay will be considerable there is every prospect of the work paying handsomely.

Messrs Munro and party have applied for cancellation of their special claim on Dome Creek, and the dredge which they built has been removed out of the district.

The party of miners who took up 1,200ft. of quartz reef at Nokomai do not seem to have done any work on the claim for some time, but it is understood that a fresh party of men are now applying for the claim.

Considerable activity is shown in taking up extended claims on the east side of the Mataura River, and there are at present three different parties cutting and bringing in water-races to what is known as "The Ferry Terrace," near Nokomai, where it is said some men have been making very good wages—from £4 10s. to £6 per week—off the landslip on the east side of the Waikaia River.

There are no men out of employment, and, all things considered, there is a very healthy tone about mining matters in the district.

The estimated number of miners in the Waikaia district is two hundred, of whom about ninety are Chinese.

WAITAHUNA.

The mining population in this locality is stated to be about three hundred and fifty, of whom some fifty are Chinese, so that it would appear that there has been an influx of miners to that part of the district since the date of my last report, though I am rather inclined to the opinion that the previous estimate has been below the real number, especially, as will appear from what follows, that there has been no unusual activity in mining matters during the year.

The Norwegian Hydraulic Sluicing Company at Waitahuna Gully have obtained the best results of any of the parties engaged. Their operations are carried on in the old tailings near the top of the gully, and they are very well satisfied with the returns from their work. About twelve men altogether, including the shareholders, are employed on the claim.

The party known as Callanan and party have not been doing much lately. They are at present engaged in widening their race, with the object of getting a larger water-supply for the purpose of starting hydraulic sluicing in the top part of the gully, amongst the old tailings.

Ferris and party are still sluicing in the cement in the gully, with very good results.

Of the two claims on Waitahuna Flat, there is only one at work now. O'Kane and party have dissolved partnership. Quigley and party are still working on the flat, but owing to the large amount of stripping which has to be done the returns are very poor.

Mr. Perry's dredge, which was working in the river-bed above the township, has been removed down the river, about half a mile or so below the township. They have only just commenced to open out a face, so that at present it is impossible to say whether the ground will prove auriferous or not.

Mr. Arnold Sturn is still prospecting at the old Waitahuna Quartz-reef, in the hope of hitting on the reef again. He is at present sluicing away the side of the hill, where the old reef ran out, and by this means he hopes to strike the lost reef.

On the whole, mining has been very quiet during the year, and there is practically nothing new to report.

Messrs. Nelson and party have worked out a large part of their dredging claim above the bridge at Glenore, and are preparing to deal with the section below the bridge. They have shown great enterprise, and it is to be hoped are obtaining satisfactory results.

WAIPORI.

The movement in mining properties has caused more attention to be directed to the auriferous deposits in the bed of the Waipori River, and already about a dozen applications for special claims for dredging purposes have been made, although, perhaps, the removal of the injunction referred to below may be reckoned a factor in the movement. The river-bed had been marked out for five or six miles years ago, but only two of the claims—those held by the Jutland Flat Company and the Upper Waipori Company respectively—have been thoroughly worked. The injunction obtained by the farmers at Berwick against the former company for polluting the stream of the river was removed some months ago, since when work has proceeded uninterruptedly and with satisfactory results. The Jutland Flat Company employs one dredge and the Upper Waipori Company two.

Three special claims for dredging purposes have been applied for at Post-office Creek.

The Canton Reef, some hundred acres in extent, which was prospected many years ago and abandoned, has been again taken up by several parties, who intend to thoroughly prospect the ground.

Lawson and party have applied for about 70 acres and Mr. Pearsall for 30 acres of this ground, but the applications have not yet been granted.