

is by no means bright ; in fact, nearly all the claims have been worked with a very small supply of water all the time, and the gold-returns in a large degree have been affected by this shortage of the necessary water-power.

In the St. Bathans basin extensive works have been carried on during the last year by the United M. and E. Company, and since September by the Scandinavian Water-race Company.

Messrs. Eagle and Gray have a claim adjoining the United M. and E. Company's claim, and they are now engaged deepening their tail-race to the level of the St. Bathans channel, so as to take advantage of the extra fall gained by the deepening of the channel. When the work is completed they will be enabled to ground-sluice 30 ft. off their present workings.

The Scandinavian Company, who last August purchased the Kildare Hill Claim and plant from the Bank of New Zealand, immediately commenced operations thereon. This company has an excellent never-failing water-supply from the Manuherikia River at a pressure of 500 ft. The same company, before purchasing the Kildare Hill Claim, did a large amount of work on their claim at Surface Hill.

The St. Bathans channel is gradually deepening, and has already been of much service to the efficient working of the basin. The aid given by the Government towards this important work is much appreciated by the local residents. The said company is now increasing the carrying-capacity of the upper flushing-race, so as to enable fifty heads of water to be taken in at the head of the channel and thus create a scour and assist the deepening operations.

The Vinegar Hill Company have continued their operations, with the usual success. The company have been elevating to a depth of 104 ft.

Messrs. O'Hara and McCarthy have turned over a lot of heavy stony ground, and the results are said to be satisfactory.

Messrs. Gay and Fordham have continued to work their claim between Vinegar Hill and Cambrian.

At Cambrian, work has been carried on by Messrs. Jones, Rutherford, Dungey, Morgan, and McGaskin, and all seem satisfied with their earnings.

I have, &c.,

J. McENNIS, Warden.

Mr. Warden McCARTHY, Invercargill, to the UNDER-SECRETARY, Mines Department, Wellington.
SIR,—

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WYNDHAM.

Very little mining has been done in this district for the past twelve months ; only some three or four men can be said to be making their living entirely by it.

Recently a few speculators have been prospecting about Lake Brunton, and are said to have obtained good prospects from the black sand on the beach there, and they are now erecting a plant for the purpose of giving it a good trial ; if they are successful it will give mining a fresh start on the beaches at Otara and Waikawa.

ROUND HILL.

The mining operations on this field are still confined entirely to the four sluicing companies—Round Hill, Ourawera, Smith, and Jewett's Gully Gold-mining Companies—their respective yields for the past year being 2,167 oz., 904 oz., 113 oz., and 143 oz. The first-named company is as yet the only one to return a dividend to its shareholders, the total amount of such to the end of the year being £12,415. The Jewett's Gully Company have now completed the bringing-in of the water on to the claim. As at Orepuki, the irregular supply of water is detrimental to the furtherance of the industry on this field, and with the steady removal of the forest from the Longwood Ranges the deficiency tends to increase every year.

OREPUKI.

The number of miners on this field is much the same as in the previous year. The available profitable ground is pretty well exhausted for the alluvial miner : the auriferous ground as yet unworked lies on freehold property.

The claims taken up on Mary Ann Spur towards the end of the year 1905 have all been thrown up by their holders.

The Chun Wah Tong Company, who hold areas on Tuanoa Flat, have erected elevating plant, but it is too early yet to say whether their venture is successful.

On that well-known auriferous patch, the sea-beach, Mouat and party hold 14 acres. The claim is at present under protection to enable a company to be floated and the water and machinery to work the ground in a systematic manner brought on to the site.

PRESERVATION.

There are three claims now in existence here : Bastings's Alluvial Claim at Welcome Bay, Todd's Crown Quartz Claim at Cuttle Cove, and Kingsland and Holloway's Morning Star Quartz Claim at Te Oneroa. The old Morning Star Claim was surrendered during the year, and the area is now included in the present claim of the same name, held by Messrs. J. Kingsland and J. Holloway.

All the leases are at present under protection to allow of the usual preparations to be completed. This, from the inaccessibility of the locality, is necessarily slow ; but it is to be hoped that at last the efforts to open up this field will be successful.