

of the company. The extension of No. 3 Sludge-channel was completed by the Government, in accordance with the request of the various miners interested. The prospecting operations carried out by the Department on the south side of the Teremakau River were not successful, but those on the north side proved most encouraging. Several new claims were marked out at Cape Terrace, Westbrook, and Hayes Terrace, and, together with the older claims, yielded satisfactory returns. Mr. Frank Reed, the Inspecting Engineer of Mines, paid a visit to this locality to report upon the local agitation for a supply of water by the Government, and the result of his visit is anxiously awaited by the old-time miners, who predict that if such were available for sluicing operations on the north side of this river the ancient glories of Kumara would be revived.

*Dredging.*—Two dredges were worked in the Greenstone Creek. One has been giving fair returns with regularity; the other, the New Greenstone, which was purchased by a local syndicate on the liquidation of the company previously owning it, struck payable gold at the end of the year, and more than once yielded over 40 oz. of gold for the week's work.

*General.*—Eighty-one applications were dealt with in the Warden's Court, and 162 miners' rights issued. The total revenue collected in cash and stamps reached the rather surprising sum of £1,176.

#### STAFFORD AND GOLDSBOROUGH SUBDISTRICTS.

*Sluicing.*—The area of new ground applied for about equalled that absolutely surrendered. Most of the claims worked steadily, and the returns were about the same as for the previous year. Messrs. Pimpernell and party applied to the Mines Department for a subsidy towards the construction of a branch water-race from the Government race at Tunnel Terrace to their claim at German Gully. A favourable answer was returned, and this year will see the water on the ground. Several fresh claims will then doubtless be taken up and worked if the supply of water should be sufficient.

*Dredging.*—The only dredge at work in this district was that owned by the Stafford Gold-dredging Company. The returns were not made public, but I understand the result of the year's operations was satisfactory.

*General.*—Ninety-two applications were dealt with by the Warden, being an increase of twenty-three on the previous year.

#### ROSS SUBDISTRICT.

*Sluicing.*—The Mont d'Or Company declared regular dividends, and the returns from this apparently inexhaustible claim even exceeded those of the previous year. A company which proposed to use electrical power for pumping and drainage purposes, and to transmit the same from Lake Kanieri, was formed to work the Ross Flat with the assistance of a Government subsidy. Preliminary operations were commenced, and much is expected during the present year from it, as those connected with the company have given every proof of their intention to go through with the undertaking with all possible despatch. Several alluvial claims were taken up, and several prospecting licenses for the maximum area were granted. A few miners were employed sluicing on their own account when water was available, but their number was very small and their work of a spasmodic nature.

*Dredging.*—One dredge worked in this district, and the returns from it were, I believe, satisfactory to those interested.

*Quartz-mining.*—Osmers and party operated a claim in Donnelly's Creek late in the year, and the first crushing yielded about 2 oz. to the ton. A syndicate of Wellington investors took up an old claim at Cedar Creek, and the results of a trial crushing were said to be very good. It was intended, I believe, to float a company to acquire the syndicate's rights, but up to the end of the year that had not been done.

#### OKARITO SUBDISTRICT.

There is nothing to report concerning this district. As stated in my last, sawmilling and flax-milling have practically superseded mining for gold in this locality.

#### HOKITIKA SUBDISTRICT.

*Sluicing.*—The gold returns were about the same as for the year 1906. A few claims were taken up at Governor's Terrace, Rimu, in anticipation of the construction of a drainage tunnel which would enable them to be worked. The Government subsidised this tunnel, and a good deal of work was done in connection with it. In my next report I hope to be able to acquaint you with its completion, and with a marked increase in the gold-production from this locality in consequence. An association of local residents, mostly prominent business men, acting under the advice of a mining engineer of large experience, formulated a plan to convey water after pumping same from the Hokitika River by means of electrical power generated from the Toaroha Falls, to a large area of ground on the south side of the said river.

*Dredging.*—A dredge owned by a private individual worked continuously during the year at Woodstock. I have no means of ascertaining what gold was obtained.

*Quartz-mining.*—The Wilberforce Reefs remained *in statu quo*. Very little, if any, prospecting was done, and the attempt to float a company to work the Wilson's Reward Claim was unsuccessful.

I have, &c.,

R. ACHESON, Warden,