

ing, in order to work this portion of Tinker's, that the pastoral lessees of Matahanui Station may be induced to surrender their pre-emptive right of ninety acres, which has been granted across Thomson's Creek, by the offer of a larger area of ground elsewhere on the run, so as to enable the miners to have an outlet for their tailings from this deep ground. Unfortunately, the creek itself cannot be used as a channel, for there are other Crown-granted lands lower down; but, failing such assistance as requested—i.e., some site for the deposit of their tailings without the risk of infringing on private rights, and so risking litigation—the workings at Tinker's will be very much narrowed, and it will be shortly impossible to work them at all in the direction now being followed. The pre-emptive right has been occupied hitherto as a homestead, but the new lessees have moved from this to another more convenient part of their property, the buildings are old, and the pre-emptive right of no great value for any other purposes. The Mountain Race Company, which yielded such handsome dividends last year, are still working their ground by lifting their wash-dirt through the elevator system as at Lawrence, though on a smaller scale. The water-race from Drybread, which will bring additional power to work the Tinker's claims, is not yet finished. There are hereabout one hundred acres untouched: this land must all be worked by means of the proposed new channel and the use of the site of the homestead pre-emptive right referred to. Some years ago the miners here were in conflict with the pastoral tenant owing to injury done this land by tailings, and on that occasion compensation was paid by the Government (Provincial) in the case of Glassford *versus* Reid, in the Supreme Court, to the amount of £500 or so.

At Clyde and Alexandra nothing is noticeable beyond the fact that the dredges have been on good deposits, and one working between Clyde and Alexandra Townships has of late turned out handsome dividends. This machine, manufactured by Messrs. McQueen, of Dunedin, has in its construction the benefit of former experiments, and is at a favourable depth of water in the river, able to put through a very great quantity of stuff in the twenty-four hours; the mechanical arrangements are very perfect, and it is worked at as little cost of labour as possible. The prospects for the coming season up to the present are very good: the Molyneux is unusually low for this time of year, and if we have seasonable frosty weather, and the snow is kept on the large tract of mountainous country which is drained into the lakes, and are in turn drained by the Kawarau and Clutha, I look for very substantial returns from these machines during the coming winter. This dredge in particular has a large patch of auriferous deposit to work on; but the Molyneux is supposed, with reason, to be one whose current is not confined to its surface, but runs from top to bottom with great force, and each fresh affects its bed, and this patch might after a slight fresh be covered with deep shingle or boulders. The returns now average 50oz. a week, and obtained at a cost of about £50.

Alluvial mining has been at a standstill, or if any change has taken place it is of a retrograde order.

In the Cromwell Sub-District the same remarks apply; the inquiry for claims and privileges has been about the average. At Bannockburn the prospects are the same, but the pipeclay sludge-channel has not yet reached the country in the deeper ground where the claims lie that are protected, awaiting the assistance it will afford. This undertaking was subsidized to a small extent by Government. The work is a very heavy and expensive one, and when completed will open up a large extent of land known and proved to be highly auriferous. The other channel, which was also subsidized, and in a greater degree, in Smith's Gully, has collapsed. Of Long Gully, on the Hawea, nothing is heard now; but one claim remains occupied, the survivor of the rush of 1880. In the Shotover and Arrow Districts alluvial mining is still pursued, with little change in numbers of miners or results. No discoveries have been reported, or any notable circumstance, during the year.

QUARTZ.

There has been a marked improvement in the prospects of the whole district in this class of gold-mining. At the Obelisk Range—nearest Clyde and Alexandra offices—there have been for some time one or two claims working on reefs, i.e., sluicing the loose gold which was found in their casings, &c.; and upwards of a year since a gold-mining lease was applied for by a miner named White: but his faith in a payable reef was not generally shared by the public until the spring of last year, when inquiries were made and many persons visited the locality, and the lease was acquired by a company which bears the prospector's name, and the shares were subscribed for readily. Since then seventeen gold-mining leases have been applied for, sixteen of which have been granted. The country at this part of the range, I have no hesitation in stating, contains a large proportion of auriferous quartz, which can be easily and economically worked when the Waikaia Bush, no great distance off, is available for the supply of the necessary timber. The road from this bush to Clyde and Teviot, which has been the subject of various reports, and has been under the consideration of the Government for some time, will pass through this country. The site of the present workings at White's reef, and indeed the whole of the leases, has been, at some remote period of time, thrown down from the higher part of the range, and on the surface (though auriferous quartz exists in great quantities, and excellent prospects of loose gold can be found in every dish that is worked from the reef) the quartz is detached and broken, and no defined reef had been found when I visited the spot. Some time must elapse before this locality is thoroughly tested. There is no battery of any kind at hand, or nearer than ten miles, at Conroy's Gully. Some half-ton has been tried from one of the newly-taken-up reefs, and yielded at the rate of nearly 10oz. to the ton. But these experiments made at a distance are very misleading: miners cannot help sending only picked stuff, when the expense of carriage is considered; whereas with a battery close at hand they are more likely to crush from the reef as it comes, and ascertain a more impartial average. Labour is expensive, timber is essential, and has to be brought now from Tupanui. The precise position of the reef in the pioneer claim is to my mind by no means ascertained, but the presence of the free gold which it is believed has been shed from these reefs during the process of upheaval