

that this portion of the country has evidently been subjected to, encourages the owners of these new claims to prospect, and I trust they will not be daunted by little reverses, feeling satisfied that the indications justify a thorough search, and point to success. Unfortunately just now the capitalists of Otago do not incline to mining investments, and quartz-mining cannot be undertaken without capital. I believe that a great deal of the first work in this neighbourhood will be by sluicing, and a large water-race is in course of construction bringing water from the Gorge Creek, some six miles. By this means the surface of the reefs will be exposed, and some assistance given towards finding their course. There is a large portion of this land which will yield good returns for sluicing without reference to quartz, and the only drawback is the narrow outlet through which the *débris* and tailings must pass in the fair way, of which a special claim was granted some eight years ago, and this has been occupied by two men ever since, who have worked it as they pleased, and have been satisfied with small and sure returns. The leases I have referred to are mostly above the ordinary snow-line in winter, and I do not expect any vigorous work will be done until next spring. The ground has been taken up and shares subscribed for the greater part by local people, and their belief in the future is the result of observation, and is not due to any illegitimate influence.

Macetown.—I regret I cannot write very hopefully of the reefs here, nor report satisfactorily of the year's transactions. Work is still being carried on in the principal mines; in others calls are pressed for, and a general depression prevails amongst stockholders. The Macetown Road has not yet been of any use to this portion of the district, but I understand it is now nearly completed, and then cheaper material may, by decreasing expenses, stimulate the proprietors of the mines to more vigorous work.

Upper Skippers.—The Phoenix leased property has been considerably increased: four additional leases have been added. Work has been continued the whole year, but chiefly of a preparatory nature, and the manager expects before long to have one hundred men employed on the ground, and has good reason for believing that the returns from the mine will soon yield dividends—an improvement on being merely paying expenses, as at present. It is stated that this property is under offer to English capitalists, and this will be determined on the report of their representative, who is expected shortly to visit and inspect. The mine has contributed very little gold to this year's total. The Cornish and Nugget and the Mount Aurum are combining under the style of "The Gallant Tipperary," and together will be a valuable property; they are both well represented in the gold return. Head of the Lake Wakatipu.—"The Invincible": This claim has fulfilled the opinion I expressed in my last year's report, and has, by dint of steady work and expenditure of much money, sufficiently prospected and developed the property to put beyond a doubt the fact of its being a successful undertaking. They (the company) have crushed from first to last, *i.e.*, from December, 1882, when their ten head of stamps first started, about 5,000 tons, and for this have obtained 2,045oz. retorted gold. The stuff was put through just as it came, for there are no specimens, and the gold is not visible in the stone. I do not think their crushings hitherto are a fair criterion. They have now a reef about 12ft. wide, and no doubt their crushings in future will be confined to it. The gold obtained will nearly recoup the company their expenditure: their battery and water-races, and the making of roads, &c., and wages amount to about £8,000. A very great deal of work has been done, and their energetic efforts and the result have encouraged others to enter on similar ventures. Some of the adjoining land has been taken up, and a number of miners propose prospecting the neighbourhood. The country is new, and has been very little explored of late years for gold, and in the early days of the field little attention was given to quartz. I believe next year's report will have more and satisfactory news to give of the reefs on the Rees, at the head of Lake Wakatipu. I have not been able to ascertain the amount of gold obtained, as some of the banks decline to give it. The quartz returns are as follow: Wakatipu Division: Arrow and Queenstown, 4,623oz.; Dunstan (Cromwell), 850oz.; and the average given me as nearly (with the exception of the Invincible, which is a little less) one ounce to the ton of quartz. The Cromwell Company's mine, which some time since gave such a splendid return, has not done much this year, and the shareholders appear to be somewhat discouraged, but I am informed by those who should know that their prospects are fair.

I have, &c.,

JACKSON KEDDELL,

Warden.

The Under-Secretary for Gold Fields, Wellington.

No. 13.

Mr. Warden HICKSON to the UNDER-SECRETARY for GOLD FIELDS.

SIR,—

Warden's Office, Naseby, 21st April, 1884.

I have the honour to forward herewith the annual report and statistics for the Mount Ida Gold Field. There is nothing of importance to mention, the district generally having made no perceptible progress. There has been no fresh discovery. The year has been an exceptionally good one for the miners: the winter was fairly good, and very little interruption to mining operations occurred through frost. Water has been plentiful, the season having been unusually wet, and on the 24th February there was a heavy fall of snow, a most unusual occurrence at that season.

At Naseby mining matters remain as they were last year, except that the Mount Ida Deep-lead Association has collapsed, and the timber in their shaft sold.

At Kyeburn and the Buster (or Clarke's) the gold-miners have done well, and the coal mines, of which there are three in full working order, are taking out large quantities of lignite of a very good quality.

At Hyde and Macrae's the miners have been doing better than in the previous year, and at Strath-Taieri a gold-mining lease has been applied for, the value of which is at present unknown.

At Hamilton and Lowburn work is carried on very steadily, and in some cases very profitably.

The Serpentine is at a standstill, very little being done to develop the quartz reefs there, sufficient capital not being available.