

Mount Criffel.—Since the middle of October last a large number of miners have been prospecting this locality, with varied results, and, with a few exceptions, nothing beyond the ordinary has been done. Some new ground has been opened on Mid Run, distant some five or six miles from Criffel, and at one time a number of men were working there, also in several other places on the Pisa Range, none of which, however, has turned out of any great importance. All the original claims at Criffel have been in full work, and, from what I can learn, have been turning out handsome yields of gold. Work in this locality will probably be entirely suspended in a few weeks, consequent upon its high altitude.

I am unable to obtain any reliable information as to the yield of gold, but I believe it has not been less than that of last year. The population remains about the same as last year.

Quartz.

The New Cromwell Company, Bendigo, ceased sinking their new shaft, which had reached a depth of 185ft., in October last, as their progress was considered too slow. Since that period the company has been engaged in erecting machinery to work a rock-drill and to lift the stuff from the shaft with greater celerity. The ultimate depth of the shaft is to be 600ft.

At the *Obelisk Range*, White's Reef is the only one at present in work. Since my last report the company has erected machinery and gone to considerable expense in working the mine. They crushed, in March last, some 200 tons of stone, with a result of 70oz. of retorted gold, which was not so good as was anticipated. They are, however, still crushing; and the quality of the stone, I am informed, is much improved.

Macetown.—Work is being carried on vigorously, and some claim-holders have expectations of their claims turning out handsomely.

Upper Skipper's.—The British-American Company have during the year employed two men in their mine, who have driven 111ft. They have crushed 85 tons of quartz, from which was obtained 34oz. of gold, or at the rate of 8dw. to the ton. Sixty tons of stone are now ready for crushing, which is expected to yield about 15dw. to the ton. The Phoenix Company have been steadily working during the past year, and have crushed 4,500 tons of quartz, yielding 6,800oz. of bar gold, or an average of 30dw. to the ton. The number of men employed in and about the mine varies from ninety to a hundred. The crushing was continued throughout the winter by steam-power; but since then the power has been maintained by electricity, transmitted two miles, over a hill 800ft. high, and capable of driving seventy head of stampers, at the rate of seventy blows per minute. Much difficulty and expense has been incurred in bringing this power to a great state of efficiency and perfection, and it will eventually supersede all their steam- and water-power. There is in course of erection a set of air-compressors for the purpose of driving a Tanner pump, a winding-engine, and two rock-drills. This plant is intended to be used for opening ground below the water-level, or adit. During the past year over 1,000ft. of levels, with extensive risings and sinkings, have been effected. The present prospects of the claim are good, and there are indications of extensive improvements taking place almost immediately as the levels advance into the hill.

Head of Lake Wakatipu.—The work prosecuted by the Mount Earnslaw Quartz-mining Company during the year consisted chiefly in trenching across the greater part of their lease, in the hope of discovering a larger and more permanent reef than has been hitherto laid bare. So far, however, their endeavours, in which they have spent nearly £500, have not been successful, and latterly no work has been done in the mine. The Invincible Quartz-mining Company have, for the year ended 31st March last, crushed 2,682 tons of quartz, which yielded 1,239oz. 17dw. 18gr. of retorted gold, or at the rate of about 9½dw. to the ton. This shows a falling-off from the previous year's return, but is accounted for by their having worked out the good stone above their then workings, and not having struck the reef in the machine-site level. Nearly the whole of the last twelve months they had to crush the stone in the upper level, which was very poor. They have now connected the machine-site tunnel with the wing, which was driven about 65ft. on good stone, and they can now open out the reef and work upwards. And they believe that this stone will yield from 15dw. to 1oz. to the ton, and that in this block there is above 4,000 tons of quartz. The company also had a trial-crushing of 10 tons of quartz from their lease at the foot of the hill, which yielded 5oz. 17dw. 12gr. retorted gold, or 11¾dw. to the ton. This reef, however, will be of no use to them until they erect another battery. The company has expended about £1,230 in erecting seven berdans, making a total expenditure on the mine of £3,600. The working-expenses for the year amounted to £4,664; and dividends to the amount of £350 have also been paid. There are twenty-one men employed on this mine.

In conclusion, notwithstanding the bad season the farmers had to contend with, I am of opinion that matters are not so bad as they were thought to be, and most of the settlers will be able to weather it out with the increased prices which prevail for oats, chaff, and potatoes, the principal crops grown throughout the Dunstan and Wakatipu Districts.

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The Under-Secretary of Mines, Wellington.

JOHN S. HICKSON, Warden.