

No. 16.

Mr. Warden Wood to the UNDER-SECRETARY OF MINES.

SIR,—

Warden's Office, Naseby, 11th May, 1886.

I have the honour to forward the annual report for the portion of the Otago Goldfields District under my supervision. I regret to say that the year just passed has been an exceptionally dull one, consequent on the shortness of water during the summer months, which was caused by the very light fall of snow in the early part of last winter and the unprecedented drought for three months during the summer. The Naseby Subdivision suffered most, in consequence of an unfortunate accident to the Water Trust's race, which broke away, and took several weeks to repair, by which time the best tributary creeks were almost dry; but it is worthy of remark that, although the district suffers in common with other portions of the colony in the general depression locally caused by the low prices of wool, grain, and rabbit-skins, the revenue has increased by nearly a thousand pounds. This does not include the Black's Subdivision, which is returned from Clyde.

Macrae's Subdivision.—In this locality the workings are confined to a few European and Chinese miners, who appear to be making small wages. Fullarton's, which may be considered as belonging to this place, is not being worked so successfully as when the large finds were made many years ago.

Hyde.—At this place there are only a few Chinese and European miners; but I do not hear of any party doing well.

Hamilton's.—The workings here at the end of last winter promised to turn out well, and it was anticipated that there would have been some good washings-up; but, owing to the extraordinarily dry season, none of the large claims washed up.

Kyeburn and Mount Burster.—The workings at the former place are quite up to the standard, after making allowances for the early falling-off in the water-supply. Mount Burster miners have been idle, nearly the whole year for want of water, and there have been no washings-up in the large claims. However, if the frost keeps off, a little lee-way may be made with the present plentiful supply of water.

Serpentine.—This place is very dull. The quartz reefs that were expected to turn out well have proved a great disappointment.

Naseby.—The mining in this subdivision, as I stated before, has suffered considerably by the break in the Water Trust's race; and had the Trust had a good supply of water I believe the extension to Spec Gully would have given remunerative employment to a number of men, as I think it has opened up a considerable area of ground that will pay wages—say, from £1 10s. to £2 per week, after paying for water, with the prospect of doing better. This is not a high rate, but the work is comparatively easy.

Rough Ridge.—The Otago Central had one crushing; but it was rather a disappointment, not doing much more than paying expenses; but everything was put through the mill. Prospecting has been going on, and two more special claims applied for; and I expect next summer the place may provide labour for a number of miners.

Blackstone Hill.—There is no change to report in the mining going on here. The few men at work seem to be getting fair wages.

St. Bathans and Cambrian's.—The miners at this place always appear to be doing well. Vinegar Flat has not realized as was expected after the bringing-in of the well-constructed channel, which was made altogether by private enterprise. The population keeps about the same. The completion of the St. Bathans and Muddy Creek channels will provide fall for a large area of ground, when St. Bathans should again come up to its former status as a rich goldfield.

Black's, or Ophir.—This has only been under my charge for the last six months, and was formerly attached to Clyde. The drainage-channel, which was commenced last year for the purpose of draining the extensive flat there, is now near its completion. During its construction several small leads of gold have been struck, and four or five claims opened out on its course. The holders being very reticent, nothing can be gleaned as to the returns. About a dozen men are occupied independent of those employed on the channel; and, should the pre-emptive right recently purchased by the Government prove, as it is hoped, payable, this number in a very short time will be considerably augmented. The quartz reef discovered by Mr. Green has not made much progress during the year. The owner, having failed to make satisfactory arrangements for floating a company to open it out properly, has elected to work it himself; and, as he is only assisted by one man, some time must elapse before any reliable opinion can be expressed as to its value. The specimens shown by Mr. Green are, however, very rich—in fact, are half gold.

At *Tinker's* mining matters remain much as they were last year, the Blue Duck still retaining its old reputation for richness. There are several other claims in this locality of considerable magnitude, all of which appear to be giving satisfactory returns. There are about a hundred men employed altogether.

Drybread, about a mile to the north of Tinker's, once famed for its rich deposits, has now become almost deserted. About twenty miners still remain, and are apparently satisfied with their returns.

At *German Gully*, on the Ida Valley side of the range from Black's, there are but few