

Gibbstown.—There is little to report about in this locality. Three coal-mining leases have been granted, two of them being in full working order, and producing coal of a good quality. One or two parties are getting payable gold in a creek running into the Nevis. A grant of a special claim of ninety-three acres was made to a company, whose intention it is to divert the Kawaru River through a tunnel near the Victoria Bridge, about half a mile long and 22ft. square, thus laying bare about four miles of the river-bed. The undertaking is still in embryo.

Cardrona.—A small rush has taken place to a piece of land at the back of the township. Several parties are on good gold. There are about seventy men on the ground, but until water, which is very scarce, is brought in, nothing definite will be known. One party is carting the wash-dirt to the creek, and obtaining from 15dw. to 1oz. per man per day. If this run proves to be well defined there is room for several hundred men.

QUARTZ.

White's Reef, at the Obelisk Range, is still looking well, and shows more indications of permanency than when I reported last year. About twenty men and boys are employed upon this mine during the working season, and a five-head stamper battery is engaged reducing the stone. During the year ended the 31st March, 1888, about 820 tons of stone were put through, with a result of 829oz. 17dw. of retorted gold, worth £3 17s. 10d. per oz. Out of this the company has effected several necessary improvements, paid two dividends amounting to £625, and carried a considerable amount forward as a reserve fund. There are two other claims working here, one of which is now engaged taking out stone to be crushed at White's Reef battery. Three previous crushings from this mine have averaged over 3oz. to the ton. The Obelisk Range seems to be a large network of quartz-reefs, and, to quote the words of one old miner there, "A rabbit cannot burrow without disclosing payable stone."

The New Cromwell Company, Bendigo.—This company has changed hands since my last report, having been purchased by a London syndicate. The new proprietary has been formed with a capital of £100,000, to purchase the whole of the special grants held by the New Cromwell Company, which includes most of the known lodes at Bendigo. They have initiated very extensive works, and, the utmost confidence is felt and expressed by those who know the ground in the ultimate success of these operations.

The Invincible Quartz-mining Company, head of Lake Wakatipu, is the only company at work in this part of the district. The mine had been profitably worked up to August last, when their late manager, Mr. A. Morrisby, reported that he found, after careful prospecting, that the gold-bearing quartz had run out, and advised the shareholders to wind up the company. The shareholders disagreeing with this decided to let the mine on tribute, which has since been done, the tributers taking over the mine in February last. In March they reported that they were on payable gold.

The Phoenix Company, through unforeseen difficulties, are now only working a portion of their stampers, and, consequently, with less than half their complement of men.

The Phoenix Extended Company are still driving for the reef, hoping to strike it shortly.

The Maori Point Company have let their mine on tribute. Up to date nothing payable has been struck.

The Gallant Tipperary Company have had a good season with payable results, and with every prospect of a continuance of the same.

Macetown.—Of all the numerous gold-mining companies that were called into existence on the discovery of payable quartz at Macetown, two only are now working, and of those two, one is about to be closed; the other, the Premier, has had a successful season. What is wanted here is more capital, with a proper scientific and careful expenditure of that capital. If the money spent in floating bogus companies, and squandered in prosecuting works of no earthly value, had been judiciously expended in properly prospecting and working the mine, my report of to-day, with regard to Macetown, would have been a much more cheerful one. The Sunrise Company has just now struck a good payable reef, the first crushing running more than an ounce to the ton. It is to be hoped that this may cause a reaction, and that, with careful and scientific management, Macetown may take its proper place as one of the best reefing districts in the colony.

The last three months of the year ended 31st March have been exceptionably wet and stormy throughout the whole of my district; and whilst this has materially assisted sluicing operation it has seriously interfered with the dredges upon the river. During the spring the outlook for the farmers was very promising, but the stormy weather which prevailed during the harvesting period must have reduced the yields to the average of previous years.

The number of mining applications dealt with during the year were: Clyde, Alexandra, and Roxburgh, 450; Cromwell, 410; Queenstown, 266; Arrowtown, 215: total, 1,341.

I have, &c.,

The Under-Secretary, Mines Department, Wellington.

JOHN S. HICKSON, Warden.

No. 15.

Mr. Warden WOOD to the UNDER-SECRETARY of MINES.

SIR,—

Warden's Office, Naseby, 2nd May, 1888.

I have the honour to forward statistical returns for the year ending the 31st March last for that portion of the Otago Mining District under my supervision. Mining operations remain much in the same position as last year, though there are indications of a revival in some parts.

Naseby.—Sluicing in this subdivision has been carried on longer this year than previously, in consequence of the wet weather during the late spring and summer months. The only fresh sluicing company started and floated is the Garibaldi Sluicing Company, situated on the east