

I deem it not out of place here to say that the agriculturalists have harvested most bounteous crops, and at almost every homestead may be seen substantial proofs of the good season in the shape of goodly stacks of grain; and I am informed that as a rule the root-crops have been very good. Very large areas of land have been opened during the year for selection under the various systems of the Land Act, all of which has, practically, been taken up with avidity. Still larger tracts of land have been or are now being surveyed, and it is believed that when definitely opened for selection there will be found plenty of applicants for the sections. The numerous applications made during the year under the occupation-license system, many of which I have been compelled reluctantly to refuse, warrants the conclusion that among the miners and present holders of small areas there are still a large number of persons who are most anxious to obtain land on which to settle permanently.

The collapse of Nenthorn, to which I alluded in my last annual report, has, as I predicted, had an unmistakably depressing influence on the district so far as mining is concerned; but I have every hope that the feeling of insecurity in mining ventures will wear off as more legitimate undertakings are carried out than was so frequently and unfortunately the case at Nenthorn.

NASEBY AND KYEBURN.

Nothing calling for special comment has taken place during the year; no new discoveries have been reported, and but little alteration has taken place in the general workings or population. The greatly improved supply of water has, I am glad to say, been most beneficially felt by almost all of the miners, who are still diligently taking advantage of the continued supply, and there is every reason to believe that the results will be fairly remunerative. The claims at Mount Burster, I understand, have again given most satisfactory returns. The question of assisting the supply of water for the district by means of the proposed dam at Eweburn has not been so prominent during the past year, no doubt owing to the natural supply having fortunately been so much better; but the question is undoubtedly one of much gravity to the future prosperity of the district, and it is hoped that the acquisition of the Surprise Water-race by the Government may be looked upon as an earnest of assistance being given in the near future towards the satisfactory completion of this important matter.

HAMILTON'S AND SOWBURN.

I have no change of any importance to report from these localities. My remarks with regard to the better supply of water are applicable, and some fairly good washings have already been made. The population of both of these places has not altered materially during the year.

MACRAE'S, HYDE, HIGHLAY, AND NENTHORN.

In alluvial mining the only item calling for special remark is the find which was made in the vicinity of Deep Dell Station, on the high ground overlooking the old workings on what used to be known as Horse Flat. A considerable amount of prospecting has been done, and several of the claims have given very satisfactory results, more particularly Hay and party and Gately and party, who are reported to have obtained very handsome yields. The sinking is described as varying from 15ft. to 60ft., and the washdirt up to 3ft. in thickness. The run of gold appears to be very patchy. Prospects are said to have been obtained as high as 6dwt. to 8dwt. to the dish. A good deal of water has to be contended with, and from appearances the ground available is very limited. On the old flat at Macraes some half a dozen parties have been making small wages, until the heavy rains in February increased the water to such an extent that renders it most difficult to make the ground pay.

In quartz-mining the Bonanza Company has done a good deal of work during the year, but not to the same extent as in previous years, the returns from the stone operated upon still showing a small margin of profit after paying all expenses. About fourteen men have been kept employed. A grinding- and amalgamating-pan has been erected. The future prospects are looked upon as satisfactory, but a much larger plant is greatly wanted.

Mount Highlay.—Owing to the scarcity of water for most part of the year, but a small amount of stone was crushed, and the yield from that, I regret to say, hardly covered expenses, the result being looked upon as so disheartening that the company has been placed in liquidation, and the property has passed into the hands of a private party, who secured it at the apparently small cost of £400—the cost to the original shareholders is said to have been some £6,000. The yield from the stone is undoubtedly small, requiring both the strictest economy in the management and the best machinery.

Golden Point.—During the year about 400 tons of stone have been treated, with fair results when using steam-power; but the proprietors, Messrs. Donaldson, not being satisfied with the engine, which is an old one requiring much coal, have relinquished the use of it, and for the last six months they have been constructing a water-race and erecting a Pelton wheel. This is a considerable undertaking. The ground through which the race will run is rocky and unfavourable for the construction, necessitating a good deal of fluming and iron piping. The pressure at the battery will be 120ft., and the cost will be about £500. The work is expected to be finished in a few weeks. Messrs. Kitchener and Donaldson during the year forwarded a trial shipment of 6½ tons of sheelite to London. The result showed a small profit. It is quite possible that further shipments may follow.

NENTHORN.

At *Nenthorn* mining has not, I regret to say, improved in any way since my last annual report. The place is now comparatively abandoned, there being, so far as I am aware, only three claims now being worked—namely, the *Croesus*, the *Eureka*, and the *Surprise*. The first named has been worked by a small private company, with fair results up to the present time; but I am not in a position to hazard an opinion as to the probabilities of the future of the mine. The