

with indications of a widening reef and payable stone. Antonio Zala, who for the last five years has been proving a reef, has at last satisfied himself that it will pay, and he is now erecting a small battery to crush the stone already taken out, and, if the results are as he anticipates, the regular working of the mine will be proceeded with. The owners of the William Tell, at Cedar Creek, are again at work prospecting for the reef: results unknown. In connection with this district, I would be doing it an injustice did I not call attention to certain facts that have come under my notice in my journeyings to and fro. The Great South Road that is being constructed by the Government passes over the western slopes of Mounts Bonar and Hercules. In the gravel-pits on Mount Hercules I noticed that the drifts looked gold-bearing. These auriferous drifts cover a large area on the western slopes of Mount Hercules, and extend in a series of broken terraces some eight or nine miles, terminating at Saltwater Lagoon and the sea-beach. They are entirely unprospected. The same applies to the great body of drifts lying to the westward of Mount Bonar, and extending down to the Waitahi beaches. In this block we have more positive data to go upon. Gold has been obtained at Duffer's Creek, between certain fixed points, both above and below, and a payable claim is now being opened out on a terrace on the northern shore of Lake Ianthe. The gold is coarse, and similar to that obtained at Duffer's. Between Duffer's and the lake, a distance of over two miles, and extending down to the sea, lies an immense body of drift, practically unprospected between the points indicated.

OKARITO.

Mining matters in this district are unchanged—population and gold returns about the same as last year. Beach-dredging is developing very slowly, the Saltwater Welman dredge being again idle. The Try Again, at Gillespie's, after twelve months' experimenting and prospecting, is now in first-class working-order, having been converted into a bucket-dredge capable of dealing with 60 cubic yards of sand per hour. They are now on gold, and from returns received it is anticipated this claim will soon be paying dividends. In any case, it will solve the question of beach-dredging. Dicken's small Ball dredge, at the Five-mile, has also been converted into a bucket-dredge, and is, I hear, on payable gold. The Five-mile Gold-mining Company, with a capital of £70,000, has not yet commenced operations, but such are imminent, as the agents inform me that the company has been floated in London, and that their manager is now on his way out to the colony. This company's operations will be watched with considerable interest, as their prospectus indicates a somewhat new departure in mining.

JACKSON'S BAY.

This district, being at the extreme south-west of the provincial district, has received less attention from prospectors, than it would have done had it been nearer the centres of population and easier of access. In view of the probable increased demand for timber for paving purposes, I cannot close this report without calling attention to the extensive forest of black birch (*Fagus fusca*) timber in the valley of the Arawata. The quality of the timber is first class, many of the trees running up to 80ft. without a branch, and some of them of immense diameter. Water-power is available at various points along the ten or twelve miles of valley covered by this forest. From Jackson's Bay to the first of the forest will be about twelve miles; there would be no difficulty in constructing a tramway or light railway, as the country is nearly all clear and level. I point this out as being a most valuable asset, that will, at no distant day, help materially in the settlement of the district.

The export of gold from Westland proper for the year ended 31st March, 1895, as per Customs returns, was 29,624oz., valued at £3 18s. per oz., equal £115,534, as against 32,851oz., valued at £128,109, for the previous year, showing a shortage of 3,227oz. That this is due to exceptional causes the following extract from the meteorological returns for the years ending 31st March, 1894 and 1895, will show: 1894, 102.97in.; 1895, 90.50in., was the rainfall for the two periods. In the months of September, October, February, and March, 1894 and 1895, the average rainfall was 3.31in., whilst the average for the remaining eight months was 9.88in. The relation of gold production on the West Coast to the rainfall is as cause to effect, as is plainly shown by the above returns, hence the wisdom of conserving and making use of the immense water-supplies that are at present running to waste all over the country.

I have, &c.,

The Under-Secretary of Mines, Wellington.

D. MACFARLANE, Warden.

No. 12.

Mr. Warden KEDDELL, to the UNDER-SECRETARY of MINES, Wellington.

SIR,—

Oamaru, 14th June, 1895.

I have the honour to forward herewith the statistical information respecting the Maerewhenua sub-district of the Otago Goldfields Mining District under my charge.

Gold-mining in this portion of the district has somewhat languished during the past year, owing to the insufficient water-supply consequent on the slight rainfall compared with the two preceding seasons; also a law-suit which, during its continuance (something like four months), of which the right of ownership to an important water-race, known as the "Mosquito," was the subject, delayed the work of a number of miners. The weather on the whole was exceedingly dry—one party had no water for ten months; but when water has been available the miners appeared well satisfied with their results. One party has brought in a new race, called the "Golden Hill," but so far it has not been a great success.

The Hon. the Minister of Mines visited the field, and expressed himself favourably impressed with the work done constructing the Mountain Hut Water-race. This race is still proceeding, anticipating some Government assistance, of which they have been, I understand, assured. Many