

41. In June new workings were reported as having been discovered on some of the branches of the Serpentine Creek, a western tributary of the Taieri. Later still—namely on the 15th July, an application was made to the Government by Simon Frazer for a prospecting claim on a creek which rises in Powder Hill, on the east bank of the Taieri, and about sixteen miles from Dunedin. The prospect obtained was at the rate of three dwts. to the tin dish, and a comparatively small rush has occurred in consequence. Serpentine.  
Frazer's.

42. This is the last discovery of importance that has been made to the date of my Report; but new ground has been opened continuously on every field, and every week still brings intelligence of some addition to the already extensive area over which gold has been proved to exist in payable quantities.

43. The West Coast of Otago possesses the usual attractions of a *terra incognita* to the intrepid spirits who have embraced gold mining as an avocation. Many and various attempts have been made both by sea and land, to solve the mysteries of that region. In the month of January, a miner, named Caples, undertook a journey for this purpose. Starting alone, without gun or map, he crossed the mountains at the head of the Dart River, cutting steps in the glaciers with a shovel, and descended the western watershed to a river which he named the "Hollyford." Driven back by the want of provisions, which compelled him to feed on "Maori rabbits," (Anglice, rats), Caples made a second attempt, and again succeeded in crossing the ranges near the sources of the Greenstone River. Thence he followed the course of the Hollyford down to its embouchure at Martin's Bay, which he finally reached on March 10th. During this journey, Caples carefully prospected the creeks and river beaches for gold. On one of the larger tributaries of the Hollyford (named by him "Pyke's Creek") he found "two coarse specks of gold in a soft quartz vein, on hard slate bottom, exposed between two boulders." He prosecuted the examination of this locality for two days, but failed to procure another particle; and he records that throughout the remainder of his expedition he could only obtain the "color." Other explorers have not been more successful. It would, however, be premature to declare the western slopes of the Great Dividing Range non-auriferous. Granite (or more probably, gneiss) and greenstone (the jade of commerce) appear to have been the prevalent rocks noticed by Caples; but he also reports the existence of clay-slate and quartz; and it is therefore just possible that our Gold-fields may yet extend to the West Coast. West Coast.  
Caples.

44. Subsequently to Caples' journey a Mr. Alabaster entered the Hollyford from the sea in a small schooner named the "Aquila," in which he succeeded in reaching the head of Lake McKerrow, and discovered another smaller lake at the head of Pyke's Creek, on the beaches of which he reports that he found "traces of gold." Alabaster.

45. Perhaps one of the most peculiar conditions under which gold has been developed in Otago, is presented by the coast workings, near the Township of Hampden on the Moeraki beach. Very fine but rough gold is there found amongst the detritus of the sea shore, intermixed with iron sand, fragments of crystals, and minute gems chiefly garnets and zoicons. Samples, tested by competent metallurgists, have yielded at the rate of from 50 to 100 ounces to the ton of sand. The quantities operated upon have been small, and the results are consequently indecisive but the particles of gold are generally diffused through the sand as to leave no doubt of its remunerative character if subjected to proper scientific treatment. These sands are found along the coast from the mouth of the Big Kauri stream to Vulcan Point, and similar deposits have been discovered beneath the soil in the adjacent creeks and gullies. Gold has also been discovered under similar circumstances on the sea coast near the mouth of the Clutha, with this difference that the fragmentary gems are absent and the gold itself is flatter and more waterworn than at Moeraki. Coast workings.

46. In connection with this branch of my Report, it may not be considered out of place to refer to the existence of other minerals. Iron has been found in almost every possible form and combination, freely interspersed with the sands of sea shore and the rivers, and largely diffused through the rocks. And recently a very extensive lode of pyritous copper ore, yielding by analysis, 24 per cent. of metallic copper, has been discovered in the vicinity of Ben Lomond, between Lake Wakatipu and Moak Creek. We may reasonably anticipate that in the progress of time, and as the interior of the Province is rendered more accessible by the construction of available roads, these hitherto undeveloped resources will contribute to the material prosperity of Otago. Iron and copper.

## II.—PRODUCE.

47. It is satisfactory to be able to report a considerable increase in the produce of the Otago Gold Fields during the year ending 31st July, 1863. The following Tables (for the particulars of which I am indebted to the Chief Gold Receiver) shew the comparative yields, as per Escort, for each month and quarter of the two years that have elapsed since Mr. Gabriel Read's famous discovery revealed the auriferous treasure of the Province:— Increased produc-  
tiveness.