

Cromwell and Bannockburn.—In the Cromwell division alluvial mining has been carried on during the past year with satisfactory results, showing no appreciable diminution in the yield. At Bannockburn a number of claims are stopped for the completion of large preliminary works—main tail-races. At Pipeclay and Smith's Gullies a number of claims, especially in the neighbourhood of the former place, come regularly for protection, and all are convinced of the future success when the tail-race is up to their boundaries. These expectants are all experienced miners, and I make no doubt their anticipations are well founded.

Quartz.—During the latter part of the year additional and, I am led to believe, important discoveries have been made under this head in the Carrick Range. A lease has been applied for, and is about to be issued, and other claims taken up; and I believe at an early period we may hope for satisfactory information from them. The discovery is entirely new, and I hope next year to be able to report a substantial addition to the yield under this head in consequence. At Bendigo the Cromwell reef is progressing; the differences between the company and their workmen, which resulted in a strike, have ceased some time, and steady work resumed. Considerable attention has lately been given to the apparently lodes of antimony on the Carrick Range, and, indeed, discoveries of this mineral have been very general over the mountainous portions of the Dunstan and Wakitipu Districts during the year. The prospectors here have commenced the work of testing the value of the ore in earnest, and are now erecting smelting works; and it is said as soon as these are completed they will be in the position to employ some seventy men, and if they are as successful as the present appearances warrant the company to anticipate, it would be hard to over estimate the impetus which would be given to that class of mining.

I may also allude briefly to discoveries recently made of most promising samples of cinnabar at the Upper Nevis; the samples submitted for test have, under careful and skilful analysis, given the high return of 84 per cent. of quicksilver. A considerable portion of ground has been taken up, in this case as in that of the antimony discovery, under the prospecting license for "metals and minerals other than gold," under the appendix of the Mines Act. These regulations being so liberal and easy to acquire appear to work very well to encourage prospectors, and I make no doubt that many minerals, for which in Europe there will always be a large demand, that may be at present unknown even by name to the ordinary miner at present, and of which it is probable these mountains abound, will be unearthed and brought to a profitable use. Scheelite, or tungstate of lime, a marketable ore, has been found in quantities at Lake Wakitipu. It is said to be in demand for manufacturing purposes in England, but until lately it would have been cast aside as useless.

WAKATIPU.

In this portion of the district mining affairs have made but little progress, but on the other hand I do not consider there has been any falling off. No new discoveries have been made worthy of note. Public attention was directed some months since to a valuable, as it was hoped, discovery of a copper lode, and some steps were taken to float a company in Australia, but though undoubtedly the lode exists, it was found the expense of placing it in the market in a proper state would be too great; it therefore remains to be no doubt occupied in the future when the cost of smelting will be lessened. The same prospectors, a Dunedin firm, have given an impetus to search for other metals and minerals than gold, which has long been desirable. It is a well-received opinion that, besides the precious metal, this portion of the colony abounds in mineral deposits, the appearance of which are unknown to the ordinary miner, even if he has heard of them by name. Some few are curious enough to examine and inquire into the nature of any strange lode or deposit they may come across when looking for indications of gold, but generally I think they are passed by.

The quartz discovery at the head of Lake Wakatipu will, I hope, be deserving of some remark in the next year's report; the shareholders are sanguine; at present the claim appears to be a mass of auriferous quartz, which will keep the crushing-plant employed for some time, but they have not yet discovered the reef from which this stone has been upheaved or separated.

At Skipper's the reefs are being worked still under able management, and the sluicing claims continue to yield very fair returns. All the miners here are old inhabitants, and there have been no discoveries to attract new comers.

Quartz mining in the Arrow Division of this part of the district is confined to the vicinity of Mace Town, where it has been carried on with varied success for the last five or six years. On account of the great elevation above sea-level at which these quartz lodes occur, they cannot be worked continuously, the winter interrupting crushing operations for at least five months in every year; this circumstance taken into consideration, together with the want of a dray-road from Arrow to Macetown, accounts in a great degree for the slow development of these reefs. As an instance of success during the season now closing the Maryborough and Ladye Fayre Companies may be cited; 300 tons of quartz from the former company averaged about 4 oz. per ton, and the latter obtained an average of nearly 2 oz. to the ton. Several newly-discovered reefs were reported (amongst the public) lately, but it would be premature to offer any opinion as to their value or extent. A large number of mining leases have been taken up, of which proportionately very few are being worked; proceedings for cancellation have been taken in three instances, and no doubt as the neighbouring lodes are developed with success other similar applications will follow; as a matter of fact a party of men or a company will be tacitly allowed to hold ground without any work whatever, if it be not ascertained to be of value; they wait for their neighbours to prospect; should their lodes prove auriferous and lead to the assumption that the "shepherded" ground is of value, the public will step in and enforce the working conditions or the forfeit.

Alluvial mining in this division has dwindled down to a very small affair, considering that a few years ago the Arrow ranked as one of the chief alluvial-mining centres of Otago. However, to judge from the amount of applications for mining privileges dealt with by me at every sitting of the Warden's Court at Arrowtown, it would appear that the miners here attach some degree of importance to their holdings, or they would not go to the trouble and expense to which these applications subject them.