

At the Lyell an auriferous lode has been cut in the low-level tunnel constructed by the Lyell Creek Extended Company, at deeper levels than hitherto worked, which promises to give fair returns for a time. In the Grey district, at Langdon's, a lode has been discovered from which exceedingly rich ore has been obtained, but sufficient work has not yet been done to ascertain the extent of this shoot of gold-bearing stone. These recent discoveries have given more confidence to men to invest money in opening out the mines on a more extensive scale than heretofore, and to carry on prospecting operations at deeper levels.

During last year there were 41,947 tons of quartz crushed on the West Coast, which yielded 190,315oz. gold, representing a value of £75,301, while about 414 men were employed in connection with the mines.

OTAGO.

Although there has been a large quantity of alluvial gold found in Otago, this part of the colony has never been to any extent a quartz-reefing district. The richest lode yet opened up is that in the Cromwell Company's mine, at New Bendigo, from which it is stated about £400,000 has been paid in dividends. Notwithstanding this rich find, very little work has been done in this mine for many years past, with the exception of taking out some of the blocks of stone left in the early days—stone at that time considered of too low grade to pay for working.

The quartz-workings at Skipper's and Macetown are the oldest in Otago, but the mines there have not yielded a very large quantity of gold—indeed, it is questionable if ever the mines in these localities have yielded in the aggregate as much gold as the Cromwell Mine at New Bendigo. Comparatively little gold is obtained from any quartz-workings in other parts of the Otago District.

Great expectations were at one time formed of the gold-bearing qualities of the quartz reefs in the vicinity of Wilson's River, near Preservation Inlet, but these expectations have not yet been realised to any extent. The Golden Site Mine, in which very rich stone was obtained near the north side of Wilson's River, has not been proved to run for any great length. This district is, however, very little prospected, and several fresh discoveries have been made during the past year, which tend to show that both in the alluvial drifts and in the quartz lodes gold will be found remunerative for working when the country is properly opened up.

During the last year 13,390 tons of quartz and tailings were crushed and treated, which yielded 5,713½oz. of gold, representing a value of £22,283, as against a value of £22,015 for the former year, and there were about 355 men employed in connection with the quartz-workings.

SUMMARY OF THE QUARTZ-WORKINGS.

Taking the whole of the quartz-workings in the colony, it will be found that there were 171,433 tons of quartz crushed and tailings treated last year, which yielded 181,442½oz. gold and bullion, representing a value of £358,250, while 2,191 men were employed in connection with quartz-workings.

ALLUVIAL MINING.

The alluvial gold-workings still continue to supply about 60 per cent. of the gold obtained in the colony. This class of mining is entirely confined to the Middle Island, as only a small quantity, about 67oz., came last year from Stewart Island. The immense areas of ground covered with auriferous gravels, both on the West Coast and Otago, show that the largest percentage of the gold produced will be derived from the alluvial workings for many years to come. The extent to which these workings can be carried on is only limited by the quantity of water that can be obtained to command the ground. It is only in a few localities where the wash-drift is sufficiently rich to pay for mining in the strict sense of the term—that is, by working from shafts and adit-levels. The