

Several new ground-slucices have been opened up of late; but the preliminary expenses are very heavy, and require a large outlay of capital to carry on the work. In cases where security is required an absolute transfer of the property has to be registered, the lien clause having been expunged from the regulations under "The Mines Act, 1877." The late depression has brought about a more healthy state of things, and this district holds out fair prospects to a large population willing to work for average wages.

The population of the district is estimated as follows—namely, Borough of Kumara, 1,265; Dillman's, 240; Blake's Lead, 115; Dunedin Flat, Shamrock and Shallow Leads, 520; Zigzag Lead, 176; Larrikins' Lead, 520: total, 2,836.

The statistical returns show that there are sixty-eight head-races, of an average length of 68 miles, with a similar number of heads of water; also, fifty-four tail-races, and twenty-four dams and reservoirs, estimated at £2,225, which, with the mining plant, estimated at £3,500, make the total approximate value of the mining property in the district £5,725.

In conclusion, I have to state that, having only lately assumed charge of the district, I am indebted to Mr. Birch, the Receiver of Gold Revenue, for the information herein contained.

I have, &c.,

W. H. REVELL,

Warden.

The Under Secretary for Gold Fields, Wellington.

OTAGO GOLD FIELDS.

No. 12.

Mr. Warden ROBINSON to the UNDER SECRETARY for GOLD FIELDS.

SIR,—

Warden's Office, Naseby, 31st March, 1879.

I have the honor to report for the past year as follows:—

1. The seasons have not on the whole been the most favourable for mining. Long-continued dry weather has caused scarcity of water for sluicing, and an unusually long continuance of frost during the winter put an absolute stop to almost every description of mining industry for a longer period than has been known for years in this part of the country. Still, sluicing has during all favourable weather been vigorously pushed on, and the general results have probably not been much below the average.

2. The water brought in by the Mount Ida Water-race has been largely availed of by those miners whose claims were so situated as to be commanded by the race. Most of these have been in comparatively low ground, and the water has been supplied by the flushing race, the main race never having been completed so as to supply water for working the higher deposits. Even this supply has, however, been intermittent, and the Government race has not been independent of the vicissitudes of the seasons. But it is satisfactory to note that the supply in the Government race held out against both frost and drought much longer than that of the smaller private races; and had the works been completed according to the original designs the full supply could have been kept up almost without interruption.

3. In alluvial mining the only new discovery to note is the opening up of a large flat known as Shepherd's Hut Flat, near Cambrian's (Welshman's Gully). This flat lies at the foot of Vinegar Hill, which was opened last year, and which has already yielded very large returns to the fortunate claim-holders. Nothing beyond prospecting has yet been done at Shepherd's Hut Flat, but the prospects obtained are very encouraging, and competent miners seem to be of the opinion that a gold field equal if not superior to Welshman's Gully is there. Claims have been extensively marked out, and leases applied for. Most of the applicants are old Welshman's Gully miners, who understand the work, and whose water-races command the ground. It is therefore not unreasonable to expect that the ground will be thoroughly developed, and that it will for many years give profitable employment to a number of industrious men, who, by the exhaustion of their old ground, would otherwise have been compelled to leave the district. In the neighbourhood of Naseby some good sluicing ground has been opened, with fall into Coalpit Gully. This ground has to be got at by opening long-tunnelled tail-races, and it is worked by the water from the Government race. Its extent is limited.

4. In quartz-mining there has been some excitement about the reefs at Serpentine. A company, known as the Serpentine Company, was formed last year to work a very promising reef at a place known as German Jack's, in the Serpentine District. In that mountainous region work of most kinds can only be carried on in comparatively warm weather, but despite this drawback the company pushed on their work and succeeded in getting a very handy set of machinery erected. They also opened out their reef to some extent. The good prospects they at first obtained did not, however, continue, and the intrusion of a large mass of mullock in the reef greatly baffled their efforts. It is understood that the results so far obtained have been very disappointing to those who had sanguine hopes of fortune. But it would be premature in the present state of affairs to pass an opinion as to the value of the reef. Other miners have discovered other reefs, and taken prospecting claims at the head of Scandinavian Gully and Golden Gully, Serpentine, and have been able to show very encouraging prospects, but no crushings have been made as yet.

5. In former reports I have from time to time commented on the demand for land for settlement in this part of the country, and have felt it my duty to point out that the colony was losing by allowing would-be settlers to take to other lands the money earned on these gold fields. During the past year there has been a singular instance of the eagerness with which anything like good land is taken up. A block of land at the Waihemo was thrown open for occupation partly on deferred payment and partly on agricultural leases. For all the best sections there were many rival applicants, and the result of an auction between them was to run some sections up to almost fabulous prices—£10, £12, and, in two special instances, as much as £15 and £17 per acre. A block at Moonlight Flat, near Macrae's, was also the subject of some pretty keen competition, although the prices realized were nothing like