

obtained which would far eclipse many of the averages now secured with modern machinery used in the dividend-paying mines both in this colony and elsewhere; indeed, there is little doubt in my mind, judging from the information given me, that in numbers of our previously-worked quartz mines more of the gold was lost during the process of crushing than was actually saved. Principally to this fact, I think, may be attributed the want of permanent success that has hitherto marked the quartz-mining undertakings in this locality. I sincerely hope that, in the proposed new developments in this direction, greater care may be exercised in the adoption of reliable and economical plant.

There appears to be every probability that during the present year many of our quartz lodes will be well tried, and with the advantage of more capital, and the consequent application of the more modern appliances.

NASEBY.

In this locality I have little or no alteration to notice for the past year. In Main Gully there are about the same number of claims occupied, probably about twenty-five, which give employment to upwards of forty men. Three of the parties are elevating, and are, I believe, obtaining fair remuneration. Guffie and party have quite recently started operations on their new claim of 60 acres, and the result of the first run is most encouraging, proving both the value and efficacy of the elevating system, as well as the strong probability of a lengthened period of payable time being occupied in the immediate future at this place. At Enterprise and Coalpit Gullies there are some twenty claims now being carried on by about thirty men, the majority of whom are doing fairly well, although the supply of water is sometimes deficient and the stripping in some of the claims as much as 50ft. At Mulholland's and Home Gullies there appear to be something over twenty men employed, including some Chinese miners, the latter being principally on Creighton's freehold, for the privilege of working which they pay, I am informed, the very handsome figure of £20 per acre, showing that the ground must be very good to allow of such a royalty being paid in addition to the charges for water. At Spec Gully some thirty men are now working, the majority of whom have their own water-races, and are being fairly recompensed for their labour. Some of the Chinese miners are being attracted towards the head of this gully, and the small terraces and spurs in that direction, and if they can get water I have little doubt that the ground will prove payable.

I estimate that in the vicinity of Naseby, including the gullies I have named, there are from ninety to a hundred claims in active operation, in which fully one hundred and fifty men are employed, a number which would be increased manifold if water were obtainable in a steady supply and at a reasonable figure. I have again to express disappointment that so very little attention has been paid to the subject of prospecting during the past year, and the matter of the conservation of water has been equally at a standstill. I have frequently alluded to both of these topics as being of vital importance to the future welfare of the district, and I sincerely hope the time is not far distant when both will receive earnest attention from those whose interests are most at stake, and who would be advantaged, I am sure, by directing their energies in the direction I have indicated.

KYEBURN.

Kyeburn and neighbourhood has not altered in any material way since my last report. All the available water is being utilised. Some of the miners at Upper Kyeburn have been adding considerably to their plant in the way of piping to facilitate operations. A Mr. Williamson, I am informed, has executed a praiseworthy amount of prospecting, and has found what is thought will prove payable ground about half a mile above the other workings. He has secured a claim, erected dam, &c., and will give the ground a fair trial. Blanchard's party have gone to considerable expense in putting a disused race into complete order. Porter's party have added many hundreds of feet of piping of large capacity, and use the water on two claims when sufficient. The Messrs. Brown, on Kyeburn Peninsula, have their plant now in good working-order, and are elevating some deep ground, with, I believe, fair returns. A. Zecke, I believe, has a very good claim on the river. If he had the necessary pressure and fall for elevating it would give grand results.

The dredging boom has extended even to this place. Two dredging-claims have been taken up. A good many years ago there were some hundreds of Chinamen working about the place, with their usual primitive methods, just scratching the surface; so with a modern dredge capable of getting the lower strata under treatment the results should be favourable. A few more claims have been taken up on some of the ground lying between Kyeburn and Spec Gully; but nothing at all of any importance is going on.

HAMILTON'S, SOWBURN, ETC.

Mining has been carried on in about the same quiet way has hitherto. The returns have not been particularly good, but the miners are persevering, and looking forward with hopes of striking richer ground. For instance, the Perseverance party have now been prospecting for nearly three years, without getting any return commensurate with their labour and capital expended. It is stated they have struck payable seams in their tunnel recently, and they richly deserve a satisfactory yield in the future. Pretty well all of the old residents remain on the field, some doing very well. One instance is reported of four men obtaining 50oz. in a month, and continued almost equally well remunerated for some time after. Griffiths and party are also said to have been fairly successful. Messrs. Hambly are still getting very good returns near Pateorou, and have plenty of ground to operate on for many years to come. Some claims have been taken up near Pateorou, on the Taiari River, for dredging. The machinery, however, is not yet on the ground, and I think it will be some time before it will be at work.

NENTHORN.

No change is observable in this locality; there are still a few miners working in a quiet persistent way at some of the claims bearing well-remembered names—viz., the Surprise, employ-