

The Phoenix Mine has recently been purchased by the Achilles Company, but no extensive operations have yet been commenced. The Premier Mine yielded a fair quantity of gold last year, owing to its operations having been extended.

The Tipperary Mine, at Macetown, is now the property of an English company; but, so far, no payable returns have been obtained. The Cromwell Mine, at New Bendigo, is also the property of an English company, who have expended a considerable amount of money in prospecting the lode to a greater depth, and in sinking a new shaft, but, so far, without finding any stone of a payable character. Some very rich stone was obtained from this mine in the early days, and it is expected that another rich gold-bearing ledge will be found at a deeper level.

At the Old Man Range, and also at Barewood, some of the mines have been worked at a considerable profit, but at neither of these places are extensive operations carried on. A few parties are still working some of the Nenthorn lodes, and getting a fair quantity of gold.

The total quantity of gold obtained last year from quartz-mining in Otago was 5,573½oz., representing a value of about £22,015.

Very little more is known this year respecting the Wilson River reefs than there was last year. The Golden Site Company, the owners of the prospectors' claim, have opened out on both sides of Wilson's River, and a portion of the lode on the north side is said to be very rich. A crushing-battery has recently been erected, and the results of crushing the first 130 tons of lode stuff was 204oz. retorted gold. It is stated, however, that during the eight days occupied in crushing, six days was spent in putting mullock through the battery.

CONCLUDING REMARKS ON QUARTZ-MINING.

In concluding my remarks on quartz-mining, I may be allowed to point out that the system hitherto adopted in working the mines is neither advantageous to the shareholder nor to the colony. Every mining company should have a fund to draw on to carry on prospecting operations when the day of adversity comes. Instead of paying away every shilling of the profits in dividends, a certain percentage should be placed to a reserve fund, which should be allowed to accumulate until required to open up fresh workings. This is exemplified in the case of the Welcome and Keep It Dark Companies, at Reefton; and also in some of the companies at the Thames, who have paid away large sums in dividends without retaining any reserve fund; and applications are now being made to the Government to come to the assistance of these companies to help in the development of their properties. Had a reserve fund been created, and left to accumulate, many of the shareholders would not have been so eager to dispose of their shares, so as to get clear of calls. The effect of having a reserve fund would be that the shares would be better held, and money would be available for prospecting and opening out the mines afresh without having to make calls.

ALLUVIAL MINING.

I now come to alluvial mining, which is confined to the Middle Island and Stewart Island, but at the latter place there is scarcely any one working. About 62½ per cent. of the gold produced last year came from the auriferous gravel drifts of the West Coast and Otago. Very little alluvial mining is carried on, however, in the strict sense of the term, the principal workings being hydraulic sluicing and dredging. The ground, as it becomes poorer, requires to be worked on different methods to that adopted in former years, when only a pick, shovel, and tin dish were required to enable the miner to earn his livelihood. Water must now be made to do the work instead of manual labour. By having a good supply of water, and plenty of dump for tailings, a grain and a half of gold to the cubic yard of material can now be made remunerative, and when the material can all be sent away without having to handle any boulders even less than that can be made to pay.

Seeing, therefore, that water is so necessary an adjunct to working the auriferous gravel drifts, more attention should be given to its conservation. Every site for a dam or reservoir should be set aside for this purpose. At the present time the whole of the streams that can be diverted are utilised by miners for a certain portion of the day; but sufficient provision is not made for storing up the night-water, and also the flood-water. If this were attended to, both the West Coast and Otago fields would afford profitable employment to a far larger mining population than at present.

The number of miners employed in alluvial mining is almost entirely limited to the quantity of water available. Very little of the ground contains sufficient gold to pay for driving the best portions of it out, and water is the only factor that can be used to make such ground remunerative.