

made with a view of ascertaining whether water can be delivered from the Kanieri Lake at a sufficient elevation to enable the large quantities of gravel in this locality to be worked by means of hydraulic sluicing.

#### *Ross.*

Efforts are still being made to secure capital to erect pumping machinery to drain the gravel drifts in the deep ground in this locality. The terraces are worked, where sufficient water is available, by means of hydraulic sluicing.

#### OTAGO.

The principal goldfields of Otago are at Tuapeka, Clutha Valley, Manuherikia Valley, Mount Ida, and the Lake districts. Gold to the value of £20,954,891 has been obtained from the alluvial workings.

#### *Tuapeka.*

In this locality the Blue Spur Gold-mining Company still continues to profitably work the vast deposits of cemented gravel found on the schist bottom, while at Weatherstone's and Waitahuna sluicing operations are still being carried on.

#### *Clutha Valley.*

The Clutha Valley contains the richest deposit of auriferous drift yet known in New Zealand. The bed of the Clutha River, which has been worked and yielded vast quantities of gold, is still giving excellent returns by means of dredging. The attention of capitalists is being directed to the ancient river-beds now covered to a great depth by a later gravel formation, which, by the introduction of ample water-supplies, can be profitably worked by hydraulic sluicing and dredging.

Attention is also being directed to the Manuherikia district, and numbers of dredging claims are being taken up on the Manuherikia River and its tributaries. The absence of an efficient water-supply has retarded the development of the immense resources of this district.

#### *Lake District.*

This district, which was one of the earliest worked in the Otago Province, and from which the yield of gold has been very large, has also experienced the revival of the interest in mining operations so general throughout the colony.

#### DREDGING.

This method of dealing with the auriferous deposits in river-beds and in deep wet ground has been found to be peculiarly suitable to the requirements of the southern goldfields. On the Cardrona, Shotover, Kawarau, and Clutha Rivers, and in Tuapeka and Waipori districts, dredges are in operation, and a number of claims have been taken up with a view of dredging being commenced. As each of these dredges costs from £3,000 to £6,000, and as it is anticipated that at least seventy dredges will shortly be at work, it will be seen that a very large amount of capital is invested in this branch of the mining industry.

The returns from this source in a marked degree add to the output of gold from Otago.

In addition to the phenomenally rich returns which are stated to be obtained by the Electric Dredge near Cromwell, six dredges have averaged 219 oz. each per month for July and August, or a total return of 2,698 oz. of gold, of the value of £10,500.

#### COAL-MINING.

This industry continues to expand in proportion to local demands. A new feature, and one that promises to be of very great importance in increasing the demand for the bituminous coal of the Westport district, is that a quantity of 10,000 tons has been directly exported from Westport to San Francisco, Valparaiso, and other ports on the west coast of America. The further development of gold-mining will also increase the demand for the supply of coal.

The total output from the mines last year was 792,851 tons, as against 726,654 tons for the former year, showing the increased output last year to be