

NENTHORN.

During the past year quartz-mining has been at a standstill in this locality, mostly owing to the dredging boom, and not because, in my opinion, that there is no gold in the reefs. I believe, after the dredging boom is over, Nenthorn will have mining again in operation. The old Cræsus battery is still on the ground. There are only three miners on this field, working what is called "the sinking" between the old township and the settlement; and I hear they are doing fairly well.

GENERAL.

The amount of gold purchased by the banks in the district during the year has been 13,242 oz. 8 dwt. 13 gr., of the value of £50,978 14s. 10d.

The revenue has kept up fairly well during the year, and Courts have been held at the various centres regularly.

In conclusion, I may observe that, in consequence of the unusual rainfall during past year, the farmers as well as the miners have cause to be well satisfied; in the case of the farmers the high prices for stock of all descriptions that have obtained necessarily increases their prosperity. The usual statistical returns are forwarded herewith.

The Under-Secretary, Mines Department, Wellington.

I have, &c.,

J. McENNIS, Warden.

Mr. Warden BURGESS to the UNDER-SECRETARY for MINES, Wellington

SIR,—

Warden's Office, Queenstown, May, 1901.

I have the honour to forward herewith annual report on the Wakatipu-Dunstan portion of the Otago Mining District for the year ending 31st March, 1901, together with statistical returns for the same period.

Mining in this district still continues to excite much interest not only on account of the large amount of capital invested in the dredging industry, but by reason of the importance which gold-dredging has assumed as a factor in the wealth-production of the colony, as evidenced by the large quantity of gold derived from this source during the past twelve months. The results have been such as to fully justify the belief that gold-mining by means of dredges has already taken its place as one of the important industries of the colony. As the machinery and appliances in use are improved from time to time, and adapted to meet the difficulties and hindrances that present themselves under new conditions and varying circumstances (a process of development which is constantly in progress), still greater success may confidently be expected. During the intense phase of the revived interest in the dredging industry a short time ago many worthless or, at any rate, doubtful claims were taken up and floated on the market. Most of the companies formed to work these claims have, as might have been anticipated, gone into liquidation, and the titles have been surrendered. The unfortunate shareholder who was reckless enough to invest his capital in these undertakings has received nothing in return for his money. In addition to this, most of the companies successfully floated have had necessarily to call up their capital before actual mining operations commenced, and as a consequence the eagerness on the part of the public to invest in mining ventures has greatly declined of late. The stability of the industry is, however, in no way affected. The number of dredges now at work, and the profitable nature of their undertakings, places the permanency and importance of this class of mining beyond question; while the number of dredges now nearing completion, intended to work ground of known richness, will in a short time greatly augment the quantity of gold now won by this industry.

During the last three months the yield of gold has fallen short of the average. The Clutha and Kawarau Rivers have been unusually high, and operations on many of the dredges have been wholly or partially suspended in consequence. This is a contingency to which deep-river dredges are necessarily subject from time to time, but the present season has been more than ordinarily trying.

The amendment to the Mining Act, passed last session, allowing increased length of river in narrow river-beds, has been taken advantage of by several companies holding claims in the gorges, and amalgamation of titles has been effected, thus affording inducement for the expenditure of capital which the smaller claims did not justify. This alteration in the law will, I am satisfied, operate beneficially to the district.

QUEENSTOWN AND ARROW SUB-DISTRICTS.

There is not so much progress to be recorded here as in other portions of the district. After much delay, and in the face of many obstacles, the Dart dredge, which has been built upon the Dart River, at the head of Lake Wakatipu, has lately started work, but owing to stoppages occasioned by the height of the river, and by alterations found necessary in the machinery, sufficient results have not yet been obtained upon which to base an opinion as to its probable success. The shareholders are, however, sanguine as to its future. There are nine dredges in course of construction on the upper half of the Kawarau River, and four are just completed and will shortly be at work—viz., the Merrimac, Galvanic, Metallic, and Eclipse.

During the ensuing year it is confidentially anticipated that most of the dredges now building will be in operation, adding materially to the returns of gold from this district. The Arrow Junction dredge has started to work on its claim at the junction of the Kawarau and Arrow Rivers, but so far the quantity of gold won has only been moderate. The Arthur's Point dredge, in the Shotover River, is also completed, and has quite recently commenced operations, but, as it has not yet reached the portion of the river-bed which it is intended to work, it is premature to speak of the result of the operations so far. The Moke Creek dredge, a few miles further up the river, is being proceeded with, but is not yet near completion.