

locality of Kuaotunu, has, however, been kept steadily at work, and there are indications that the scope of the company's operations will be extended. At Gumtown a small amount of work is going on, but the developments on this field up to the present are only on a small scale. Work on Great Barrier Island has been very limited.

Quartz-mining is only carried on in a very small way in the Marlborough District, operations being practically confined to the locality of Top Valley.

In the Nelson and West Coast Districts the mines at Taitapu are being developed more fully, with very good results. Sinking has been undertaken at Lyell, and it is hoped that payable ore will be obtained. This is the first attempt that has been made to prove the reef-system below adit-level, and the result will be watched with much interest. The mines in the vicinity of Reefton, which include the Progress Mines and those of the Consolidated Goldfields Company and the Keep-it-Dark Company, continue to yield good returns, and development-work appears to be kept well in advance of the demands of the mills. After spending a large sum in opening up the New Inkerman Mine in a comprehensive manner, the owners are about to commence treatment with fifteen stamps, concentrators, and cyanide plant, in order to test the quality of the ore on a commercial scale before putting down large reduction-works. It is expected that this, together with developments now in progress at reefs on the Paparoa Range, will materially assist in augmenting the yield from quartz-mining on the West Coast.

The value of gold won from quartz-mining in the Southern District shows an increase as compared with the previous year. The Achilles Mine, at Bullendale, and the O.P.Q. Mine, at Waipori, have not been worked during the year, and operations have ceased for the time being at the Cromwell Mine, Bendigo. Quite a number of small properties are being worked in the locality of Nenthorn and Macrae's; and some payable returns have been obtained at Barewood, where properties were taken up by Home syndicates and abandoned without being fairly tested. Increased attention is being devoted to the reef-systems of Otago, especially near Skipper's Point and on the Carrick Range. It is understood that efforts are being made to form a strong company with the object of working several reefs in the neighbourhood of Macetown. Very little work is going on at Preservation Inlet.

HYDRAULIC AND ALLUVIAL MINING.

The work of winning free gold from alluvial deposits is practically confined to the Middle Island, although a little desultory digging is done at Stewart Island. Year by year the shallow and easily worked patches are becoming exhausted, and as the ground gets poorer and the overburden greater it is beyond the means of the individual digger to work claims so circumstanced with success. It is in such cases that hydraulic sluicing, and in many instances hydraulic elevating also, meets the demand, and under these conditions this method of mining is the most efficient and economical that can be adopted. Hydraulic mining has for several years past been conducted on a comprehensive scale, and, although in many cases there is ground which will take several years to work out, there is a probability that in some districts a falling-off is inevitable within the next decade. The water now used for mining purposes on some fields will be very valuable for irrigation in the future. This applies especially to Central Otago, where there are considerable areas of land which, with a plentiful water-supply, could be farmed to advantage.

The class of mining under notice continues to provide employment for a number of men in various parts of the Middle Island, the principal centres of operations being in the localities of Collingwood, Murchison, Westport, Grey Valley, Kumara, Hokitika, Ross, and Okarito on the West Coast; and Lawrence, Roxburgh, Alexandra, Matakanaui, St. Bathans, Naseby, Queenstown, Nokomai, Waikaia, and Orepuki in the south.

The siphons in connection with the Mountain Hut Water-race are now completed; this race will give additional life to the workings at Maerewhenua.