

close to the old Tipperary Mine. Stone taken out of one of these claims yielded at the rate of 2 oz. to the ton. Work has been continued in the claim, but the results of recent crushings have not been made public. It is understood, however, that the returns are payable. The reef is from 2 ft. 6 in. to 3 ft. wide.

There is very little alluvial mining now carried on in the district; the rich auriferous terraces, ranging from 100 ft. to 600 ft. above the river, have been worked out. There are three sluicing claims at work in the upper Arrow River—one working by hydraulic sluicing. All are doing well. Lower down the river, near its junction with the Billy Creek, is the Arrow Falls Claim, mentioned in previous reports. An enormous amount of work has been done on this claim from first to last, and operations are being energetically carried on, an average of eight men being employed. The returns are payable. This claim is a difficult one to work during the winter months, operations being much impeded by frost. A little lower down the river a private company is profitably working a river-sluicing claim with a large tail-race. About a mile below Arrowtown, on the Arrow River, a claim is being worked by Feehy, Hayes, and party. They have been at great expense in procuring suitable hydraulic plant to work the river-bed. They own a water-race some miles in length, giving a pressure of 190 ft. through iron pipes. It is their intention to work the bed of the Arrow River, taking it on a face. So far operations have paid. Stephenson and party are working a sluicing claim at Bracken's, using no less than four heads of water. The claim is situated about 1,000 ft. above the Arrow River. During the last summer, as much as £60 per man was made by four men for two weeks' work. In New Chum Gully, a small party is at work sluicing, but not doing very well. At Cardrona the Lone Star Dredging Company have been steadily working in the bed of the Cardrona River for very fair returns. The Lafranchi Company have not been carrying on operations for some time, the result of past work being very unsuccessful. Adjoining the Lone Star Claim is the Sunbeam Company's claim, recently taken up by a small but energetic party. They have struck fair gold, and are hopeful of success. They own seven miles of water-races. Little and party's hydraulic sluicing claim, a little lower down the Cardrona Valley, has been worked steadily, and payable returns obtained.

CROMWELL.

During the year just ended there has been no falling-off in mining in this subdistrict. Compared with last year the returns have been better, and though a number of claims have been surrendered during the period, there is no doubt that several of these would have paid if sufficient capital had originally been provided to work them.

The most prominent features of mining during the past year has been the success of the upper Clutha dredges. A great advantage possessed by these dredges is their ability to work all the year round. They thus afford constant employment to the men engaged upon them. The continuous nature of their operations must be taken into consideration when comparing the gold won by these dredges with returns from dredges on the Clutha River below Cromwell and the Kawarau River, the majority of which have to close down when the river rises. In the previous year three dredges were working on the Upper Clutha; this year there have been six, all within a radius of four miles. Two of the companies working these dredges will probably soon be paying dividends, and the other dredges are all giving satisfactory returns. It is confidently expected that this part of the river will eventually prove the scene of operations of a numerous dredging fleet. The ground is most suitable for dredging, the gold existing in numerous layers through 40 ft. of gravel.

On the Kawarau River the Electric No. 1 and No. 2 dredges have been getting remarkable returns, the No. 2 having obtained in one week 1,265 oz., and some time afterwards the No. 1 got 1,273 oz., also for a week's work. The latter is a record return for the whole district. These dredges should do equally well during the coming year. The Junction Electric Company has another dredge working on their claim, and it is considered much better results will be obtained this season than during the last.

On the Clutha, below Cromwell Bridge, four dredges have been getting steady returns, but have latterly closed down owing to the river rising.

At the Luggate, mining is quiet, there being little change from last year. There is one dredge working on the river (owned by a private company), and getting payable returns. There are a few alluvial mines at work, but the return of gold is small. I understand a large sluicing claim will be shortly taken up here.

At Nevis mining continues to be prosperously carried on. The dredges have been kept steadily at work. The cheapness of coal enables steam-driven dredges to be worked here with less expense than elsewhere. There are several sluicing claims at work, all doing well.

Quartz-mining has been very inactive. The hopes held out a year or two ago of a renewed interest in this class of mining have, unfortunately, not been realised. At that time several quartz claims had been taken up in different parts of the district, and it was anticipated that the prospecting carried on would result in the discovery of payable quartz reefs, as there is every reason to believe in their existence in this district. One by one, however, these claims were, after more or less work had been expended on them, given up as unprofitable, and now quartz-mining is carried on in a desultory manner by one or two parties only. There are two claims at work in the Carrick Ranges, but their operations have not been very successful. The owners of one of these claims are now putting up a more powerful battery, being of opinion that there is sufficient gold to pay if the ore were subjected to more efficient treatment. At Bendigo a party of tributers were for a time engaged in working the old Bendigo Mine, but discontinued through want of success. During the past few years several attempts have been made by different parties to reopen this once famous mine, but in each case operations were discontinued because it was found that the capital at command was insufficient to open out the mine on a comprehensive plan so as to enable the lower levels of the mine to be worked. The property has lately changed hands,