

races will be constructed as the work on the claim proceeds, and will not reach completion for some years. One of these races is 600 yards long with an extreme depth of 250 ft. ; the other is 1,000 yards long and of the same dimensions. The estimated cost of these races is about £6,000. The claim is worked from a water-race carrying ten heads of water.

Mills and party, working at Muddy Creek branches, got over a fair quantity of ground during the latter part of the year, and appear satisfied with their prospects.

Smith brothers are working a claim at Strohle's Flat. They are at present employed in opening up their ground, and when this work is completed they look forward to successful operations for some time to come.

Lee's claim at Monk's Terrace, at the Sandhills, is reported to have done very well during the past year.

Messrs. Rogers and Johnson have done a large amount of work at Jenkins' Terrace. They have a very complete plant in good working-order and are said to have had very satisfactory returns.

At Londonderry Terrace, J. Corbett, Manager of Skipper's Sluicing Company, has had difficult and heavy ground to contend with but by careful management, I am informed, has been able to make it pay.

Davis brothers are doing a large amount of work on their claim on Stony Creek Terrace—sluicing the terrace into the river—and are meeting with a fair amount of success.

Collins and son are still energetically working their claim at Maori Point and are reported to be doing very well. They have a very complete and extensive plant, to which they are constantly adding.

Ward brothers have had good returns from their claim in the Shotover River during the past season.

Thompson and party, who struck a rich patch about two years ago, are still working with success on their claim on the Upper Shotover.

McCormick and party are about to commence operations on a river claim on the Upper Shotover, and intend to build a wing-dam to divert the water of the river so as to work the beaches and the river-bed. Two or three other parties are carrying on works of a similar description in other parts of the river.

Oxenbridge brothers have taken up a special river claim in the bed of the Shotover River, including a portion of the claim lately held by the Arthur's Point Dredging Company. Dredging operations on this ground proved an entire failure, but it is believed that gold in payable quantities still exists in this portion of the river, and it is the intention of the owners to construct a tunnel and an open cutting of 650 ft. in length through the terrace on the western side of the river, for the purpose of diverting the stream and exposing the river-bed. Owing to the rocky nature of the country this undertaking will involve a large amount of labour and probably take eighteen months to accomplish.

Dredging.

There are only two dredging companies in existence in this portion of the district.

The Maori Point dredge has been working in the company's claim at Maori Point on the Upper Shotover. Since spring operations have been very successful and the returns have been good. The dredge is still steadily at work.

The Prince Arthur dredge is not working. Ever since operations were commenced on this claim the unfortunate owners have met with nothing but ill luck. The dredge has been twice sunk in the river, and already two companies have gone into liquidation in their endeavours to work their property. At the end of the year the dredge was still under water, but a new company has since been formed to take over the claim and dredge. The dredge has been raised and another attempt will be made to reach the gold-bearing strata which is confidently believed to exist at the river-bottom.

Quartz-mining.

At Skipper's Creek the Mount Aurum Company (who have acquired the property known as the Achilles Mine at Bullendale) have been steadily carrying on work during the year. Underground the work has been entirely confined to the British-American portion of the property, and has been almost wholly exploratory. The two existing drives on the eastern side of the spur above the Old Man Creek have been reopened and the upper drive has been extended 50 ft., some payable stone being met with. The lower drive (58 ft. below the former) has been driven 370 ft. and a rise put up in the end, which communicates with an existing crosscut on the western side of the hill. At 150 ft. from the mouth of the lower drive a rise has been put up to the upper drive. In this rise payable auriferous stone has also been met with. Surface: To facilitate the transportation of the stone from the mine to the battery (a distance of 3,000 ft.) a self-acting aerial ropeway has been erected, capable of transporting about 40 tons of stone per day of eight hours at a cost of about 6d. per ton. Battery: This has been overhauled and copper plates substituted for the blankets formerly used for recovering the gold. A fresh water-supply has also been laid to the battery, giving a 500 ft. head for driving the machinery.

Shotover Quartz-mine.—This mine is owned and worked by the Shotover Quartz-mining Company, of Dunedin, the object of the present operations being to pick up, at a lower level, the blocks of ore which gave good returns to the local companies years ago. The low-level tunnel 330 ft. below the former workings has now been driven 1,500 ft., and payable blocks of stone have been met with at three points—viz., 300 ft., 700 ft. and 1,380 ft., returns from the latter having been obtained as high as an ounce to the ton. From this level an uprise has been driven 240 ft. and at 200 ft. a level was started, and during the last year driven 230 ft., with the object of making a connection with the old workings. This work has still to be completed, and the funds of the company being exhausted the directors are now engaged upon a scheme of reconstruction which will give £3,000 further available capital. Work will