

probably be resumed in a short time. The mine is well equipped with crushing and amalgamating appliances, and has also a small cyanide plant for the treatment of tailings. The working-costs when crushing were 19s. 6d. per ton, and driving the prospecting-level cost £1 3s. per foot. If the old blocks of stone worked by the former companies can be picked up at a low level the mine has a very promising future.

*Eureka Quartz-mine.*—This mine is the property of a small Reefton syndicate, and the work is in the hands of Mr. J. Douglas. Two levels have been driven some 70 ft. apart, showing a promising reef from 6 in. to 6 ft. wide, the average value being 7 dwt. per ton. During the year a small crushing plant of two stamps, driven by an oil-engine has been erected, but owing to the small quantity (20 tons per week—full time) which this machine can treat and the high cost of crushing—viz., 15s. per ton—the plant has proved quite unsuitable for the mine, and operations have been carried on at considerable loss. Efforts are being made to reconstruct the company with a view to provide capital to purchase a more suitable crushing plant and to further prospect the mine.

In the Arrow district there is no quartz-mining of any importance at present being carried on. The Indian Glenrock Company, who have been carrying on operations for some years at Macetown and were mentioned in my last report as having temporarily closed down their workings, have now decided to cease operations altogether. They have surrendered their claims, and are disposing of their water-rights and machinery. This is the last of a series of companies that have from time to time taken this property in hand and expended large sums in mining operations. The yield of gold, though at times most encouraging, has never been sufficiently good or lasting to insure the permanency of the undertaking.

A number of small quartz claims, taken up during last year, have been tried and have one after another been surrendered.

There has been no improvement in alluvial mining during the year. The claims mentioned in my last report are still working and are yielding moderate but payable returns.

At Cardrona the Lone Star Dredging Company have been steadily working their claim with satisfactory results. To avoid the large amount expended on coal, the carriage of which from the pit to the claim is very costly, the company have decided to work their dredge by water-power. They have secured water-rights for the purpose from the Cardrona River, and are making preparations to have the necessary alterations made in the machinery. The use of water instead of steam will greatly reduce the working-expenses of the dredge. With the exception of this company's operations very little mining has been carried on in the Cardrona Valley during the past year, and what has been done has not proved profitable to the owners.

A powerful company has been formed to work the ground on the Criffel Face near Cardrona. This company has acquired claims comprising 120 acres of land and has already had a number of men employed. They own a water-race five miles in length, 7 ft. wide, with a depth of 2 ft. This race is capable of carrying thirty heads of water and runs with a fall of 12½ ft. to the mile. The race is cut for its entire length in the soil, no fluming having been required in its construction. There will be about 600 ft. of pressure at the end of the pipe-line. About thirty men have been employed since November. The company will work the claim by means of a large tail-race 100 ft. deep with a width at the top of 300 ft. It is also the intention of the company to erect an electric-lighting plant on the ground. For many years a rich run of gold has been believed to exist in this locality, but the expense of working the ground has been beyond the means of the ordinary miner, and with the exception of a little fossicking now and then no efforts have been made to test the extent of the gold-deposits. It is exceedingly gratifying, therefore, to know that through the operations of an energetic company there is every prospect of the ground being thoroughly tried during the coming year.

#### *Scheelite Claim, Bucklerburn, Lake Wakatipu.*

This claim was until lately held by Mr. John Watson and party, but they have done very little work for some years. Recently Mr. George Reid, of Queenstown, applied to the Warden's Court for forfeiture of the claim, which was granted and the land has been applied for and granted to him. The new proprietor contemplates taking steps at once for the development of the property and is pushing ahead with all speed with the erection of a battery. He intends to fit up a Wilfley ore-concentrator, a machine believed to be highly suitable for the treatment of this ore. The battery will be driven by a large Pelton wheel and the concentrator by a smaller one. As soon as the machinery is complete a quantity of ore now being got out will be at once treated.

#### CROMWELL.

During the year twelve dredging-claims and nine alluvial claims were granted in the Warden's Court, as compared with thirteen dredging and twelve alluvial claims during the previous year. The dredges have worked very steadily in this portion of the district during the past year. The state of the river has permitted most of the dredges to have a longer season than usual.

On the Kawarau River the Electric Company's two dredges have been getting excellent returns, though not equal to those of the previous year. The Junction Electric Company's three dredges have been getting steady payable returns. At Waitiri, on the Kawarau River, the Waitiri Syndicate have worked their dredging-claim (formerly the Meg and Annie) with very great success. Perhaps the most noteworthy event of the year has been the removal of three dredges from below the junction of the Clutha and Kawarau Rivers to the upper part of the Clutha River (above the junction), reducing the number of dredges in the gorge in this subdistrict to two, and increasing the fleet in the Clutha River above to nine. The two remaining in the gorge are the Hartley and Riley, which has been working during the year at a loss, and the Alpine Consols which has been getting payable returns.