

The yield obtained by the Clutha dredges above Cromwell has borne out the high opinion formed of the auriferous nature of the river, and the fact of three dredges abandoning the gorge below Cromwell in its favour shows the confidence felt in the upper portion of the river as a profitable dredging-field. The Rise and Shine Company and the Rising Sun Company have worked continuously—the former with two dredges—and both have paid dividends. The Punt Company have worked vigorously since they got their dredge on their claim, and should soon be ranked among the dividend-paying companies.

On the Fraser river the Loch Lomond dredge has been working fairly steadily, but the returns have not been large.

At Nevis all the dredges, with the exception of the Ngapara III, have had a good year.

The principal alluvial mining in the district is carried on at Nevis. The season has been a short one owing to the want of water, but the claims have done very well, especially at Upper Nevis, and during the year some large new areas have been taken up.

The only quartz-mining has been at Bendigo, the famous old mine being let to two tributers who have got fair returns; but the water-supply has been inadequate for crushing purposes. At the Carrick Range a new battery was erected upon an old claim, but upon trial it was found that the ore was too poor to pay.

The prospects generally for the coming year appear to be good, and with regard to the Upper Nevis decidedly bright. The Crewe No. 2 dredge having struck good gold has resulted in all available ground in that locality being pegged out, and much profitable work is looked for in the near future.

#### CLYDE AND ALEXANDRA.

At and near Clyde dredging has been declining for some time, until at present it has almost ceased to be carried on. Since my last report the Wee McGregor (late Old Dunstan) and the Unity dredges have ceased operations, while the New Monte Christo and the Matau are only working intermittently.

The Matau Company during the year, however, succeeded in paying dividends amounting to £350, but it does not seem probable that the present year's operations will prove as profitable to the company.

The Dunstan Lead (a powerful dredge) is working on the company's claim half-way between Clyde and Alexandra. Operations are extending into the east bank of the Clutha River, but are somewhat impeded by the quantity of silt which has to be contended with. In the earlier part of the year good returns were obtained and dividends paid amounting to £1,718, but the present operations are just paying expenses.

The dredges in and about Sandy Point are all paying handsomely, and with the exception of two or three will continue to do so for several years.

The Golden Beach Claim, which for many years has been worked by various companies with disappointing results, has now become the property of Mr. Lane, of Dunedin. The new owner has substituted water-power for steam, and as the machinery is now working very satisfactorily a more favourable year is confidently expected.

The Molyneux Hydraulic and the Alexandra Lead are not meeting with the success which was hoped for, but the Alexandra Eureka and the Clyde dredges have had a profitable year.

The dredges working in the gorge below Alexandra have had a very unfavourable season, the high state of the river having proved a great hindrance to continuous operations. There are now only four working when opportunity offers, and these in the aggregate worked fifty-five weeks, obtaining during that time 2,937 oz. of gold, or an average of 53 oz. per working-week for the four dredges. Out of this the shareholders of the Manuherikia and the Fourteen-mile Beach received £2,340 in dividends.

The prospect of obtaining water under pressure for motive power on dredges on the Manuherikia has led to the marking-out of fresh ground in this locality, and three or four new claims have been applied for. The result of previous operations has shown that the difference between profit and loss in dredging in this valley has been the cost of fuel, and in the event of Messrs. Allens' and the Alexandra Bonanza races becoming available for this purpose there is reason to believe that this locality will yet prove a profitable area for dredging.

The Manorburn Syndicate, relying upon obtaining water from the Bonanza Race, have not commenced the construction of their own race granted to them from one of the tributaries of the Manorburn. They have, however, thoroughly prospected their claims—of which they hold three—and seem quite satisfied with the auriferous nature of the country and of the probability of remunerative work with an adequate water-supply. It will be some time yet before they will be in a position to commence mining on a scale of any magnitude.

The claim taken up and worked by Mr. Rivers on the terrace overlooking the Manuherikia beyond Tucker's Flat has not proved a success. A great deal of work was done, and an immense quantity of the hillside sluiced away, but the return of gold was small and not sufficient to remunerate the enterprising owner for his labour. Mr. Rivers has marked out and has had granted to him a fresh claim on the same run of country, but in a gully a short distance to the eastward. He has secured the necessary tail-races and will extend the line of pipes carrying the water from his race to the new claim. He is of opinion that this ground will prove more auriferous than the last.

A claim has been taken up on Tucker's Flat for the purpose of working the cement which there underlies the gold-bearing wash. This cement is known to contain gold, but is not amenable to ordinary treatment as it is extremely hard. A small plant for crushing and treating this cement is being procured and is expected to be shortly in operation.