

At the Nevis dredging is still carried on with great vigour, and some of the dredges have paid handsomely. Working in this district is impossible during the winter owing to the frost, and the dredges are in consequence closed down generally from May to August.

ALLUVIAL MINING.

Alluvial mining is still carried on in many portions of the district, mostly by small parties of men working claims of limited area; and, though none of these claims yield large quantities of gold, they afford a means of livelihood to their owners. The principal alluvial mining is carried on in the Shotover River, near Queenstown; at Bannockburn, near Cromwell; and at Roxburgh. The alluvial ground on the Shotover River has been worked now for over forty-five years, and the yield of gold from this locality still supports a number of miners and their families. Much enterprise and perseverance is displayed by these men in the prosecution of their work, and they richly deserve any success they meet with. The only other alluvial mining near Queenstown is carried on at the Seven-mile Creek, near the shore of Lake Wakatipu, and by Messrs. Reid Bros. at the Twelve-mile Creek. Small parties of miners are at work near Lowburn, a short distance from Cromwell, and on the terraces on the opposite side of the river. Attention has lately been directed to the auriferous lands near Luggate, about thirty miles from Cromwell, and also to a place known as Fatboys, on the Criffel Range, near Lake Wanaka, where many years ago very rich gold was found. Work has only recently been begun in these places, and it is too soon yet to form an opinion as to the future success of the undertakings. At Cardrona the Criffel Lead Company are proceeding with the working of their large alluvial claim on the side of the mountain. They have a good supply of water and a complete plant, and employ a large number of men. So far, however, the result of their operations has proved disappointing. On the opposite side of the Cardrona River, at Branch Creek, a large area has lately been taken up as a hydraulic-slucing claim. Water-races have been constructed, and piping laid down to carry the water to the claim, and in a short time operations will be started. At Arrow the only alluvial mining worthy of mention has been done by the Arrow River Hydraulic Mining Company on the claim lately the property of the Arrow Falls Company. Work has been vigorously pushed on, and some remarkably good returns have been obtained.

The claims taken up some time ago at the foot of the Galloway Range—not far from Alexandra—in the expectation of the owners being able to obtain water to work their claims from the Government (Bonanza) race, have been able to do scarcely any work, owing to the shortness of water. The last two seasons have been exceptionally dry, and water throughout the whole district has fallen much below the average quantity.

QUARTZ-MINING.

I am sorry I cannot record any great advance in quartz-mining in the district, though I am pleased to say some attention has been paid during the past year to the quartz lodes on the Old Man Range and on the Carrick Ranges. Quartz-mines have been worked on both these ranges from time to time for many years, and, particularly on the Carrick Range, claims were profitably worked. For a long while, however, interest in quartz-mining has declined, largely on account of public attention being so strongly directed to the success of dredge-mining. There are at present indications that attention is being again turned to the quartz reefs of the district, and I hope next year to be able to report some discovery of importance in this direction. There is also a probability that some of the quartz lodes at Bendigo—once famous for their large yields of gold—will be reworked. Near Queenstown the Achilles Mine, at Bullendale, on the Shotover River, owned by the Mount Aurum Company, has for the present ceased operations. At Macetown, however, near the Arrow River, several small claims have been taken up by parties of working miners. I am glad, as a matter of interest to the whole district, to be able to say that the old Tipperary Mine, now owned by Mr. Farrell, is once more, after a long interval of idleness, at work. A company has recently been formed in London to acquire the property, and the necessary capital has been subscribed for developing the mine. So far energetic work is being carried on by a limited number of men; but when the mine is opened out, and more men can be employed, development will proceed more rapidly, and no doubt during the coming year the stamper mill, long unused, will once more be fully employed crushing the ore from this mine.

SCHHEELITE.

During the past year considerable attention has been directed to the deposits of scheelite on the ranges at the head of Lake Wakatipu. A number of prospecting licenses and a few mineral licenses have been granted, the object of the owners being to prospect for and test the supposed scheelite lodes of the locality. The success of the operations carried on by Messrs. Reid and party on their mineral license has aroused interest in this mineral.

During the past year this party, the proprietors of the pioneer scheelite-mine at Wakatipu, have carried on very profitable work. The ore, after it comes from the mine, is crushed and concentrated at their crushing-mill, and the concentrates obtained are shipped to England or Germany—principally to the latter country. A ready sale is always obtainable, and during last year prices rose as high as £180 per ton of the concentrated ore, but have now declined to £70 or £80. It takes about 25 tons of the ore from the lode to produce 1 ton of the concentrates shipped to Europe. There is no reason to fear any decrease in the output of the mine during the coming year, and everything points to a very prosperous future for the owners of this property.