Bannockburn.

There are still a good number of miners working claims at Bannockburn by means of the Pipeclay Sludge-channel, but the ground is said to be getting very poor. A new sludge-channel has been constructed higher up the valley of the Kawarau River than the Pipeclay Channel, and some claims are being worked into it with fair results.

Cardrona.

The claims in the Cardrona Valley are still continuing to give fair returns. Last year there were about 2,000oz. of gold obtained, and seventy men employed; but no further new ground has been opened up. Craig and party are tracing the lead higher up the range than where previously worked, and are getting coarse pieces of gold. The diggings on the top of Mount Criffel produced a considerable quantity of gold for the number of men employed, but the ground cannot be worked for more than six months in the year, and the extent of the workings is limited to the available quantity of water brought on to the field. Last season 1,200oz. of gold was obtained from Criffel, and twenty-three men employed in the claims.

Shotover.

In the localities of the Shotover and Arrow Valleys some of the hydraulic-sluicing claims have yielded a fair quantity of gold. The terraces in the valley of the Shotover will all pay to work with a good supply of water, and the drift, being principally of fine character, almost the whole of it can be sent away in the sluice. Amongst the principal gold-producing claims in this locality may be mentioned Aspinal's, Davis and Moody's, Johnston's, and Davis Brothers. In connection with Davis and Moody's claim, an expenditure of about £10,000 was incurred in bringing in a supply of water from Skipper's Creek, and last season was the first that they were able to work the ground, the results of the working being considered highly satisfactory. The same gentlemen have another claim in the bed of the Arrow River, above the falls, on which they have expended about £7,000, and have now about got it in working order. The total quantity of gold obtained in the Wakatipu District—which includes Criffel, Cardrona, Shotover and Nevis—was 19,491oz., representing a value of £78,118.

Orepuki.

The principal place where most of the miners are working in the Orepuki District is at Round Hill, where there have been in the past some very rich claims. There are about 160 Europeans and 250 Chinese employed in this district, and some of the Chinese are said to be making as much as £10 per week a man. About two years ago a company was formed in London to work some ground at Round Hill, and last year they got the plant so far completed that a commencement was made to open it up, and, from the returns obtained, this company considers they have a valuable mining property. The ground in this locality must be very rich, as the quantity of water used to work the ordinary claims is very small. A sluice-head of water here is the quantity that will pass over a bar in the bottom of a box 10in. wide and 1in. in depth, and about four of these heads are used to work a claim. At Orepuki there are a few miners engaged in claims, but in general the ground is getting very poor.

During last year about fifty-four miners were working on Coal Island, and on the mainland, near Preservation Inlet, also in the beds of some of the streams about six miles north of Preservation Inlet. It is said that in some instances at the latter place they are able to get over 1oz. of gold a man per day when the creek is low enough to allow them to work. The quantity of gold obtained from all these localities last year was 6,829oz., representing a value of £27,537.

DREDGING.

I will now, Sir, casually refer to dredging operations in connection with gold-mining. It may be said that dredges have succeeded in lifting the auriferous material from the beds of rivers, ocean beaches, and wet ground according to expectation, but their deficiency was in the gold-saving appliances, in not being able to extract the gold from the material after lifting it. Improvements in these appliances are continually being made, and the time is not far distant when we may look forward to dredges being employed to work comparatively shallow ground more economically than by any other means, especially where there is little fall to be obtained and a large quantity of water to be contended with. It is very seldom that any new appliance is perfected in the first instance—it is only after using it that its defects are found out; and as these dredges have been worked successfully on the Clutha