

Prospecting areas for dredging have been applied for on the Arahura River, with a view to putting on powerful dredges if the prospects will warrant such outlay.

Craig's Claim.—Work in this claim was suspended for a considerable time owing to a fatal accident whereby three men were killed, the roof of the drive having fallen in and smothered them. Two parties of tributers are now at work on the same claim, and when a certain amount of dead-work is done, they expect to earn good wages at least; but this claim, in the past, has yielded such phenomenal returns that they may be justified in looking forward to a like return. Halley and others are still working payable ground on the same—or continuation of the same—run, and I am informed by Mr. Halley that a large area of ground under the water will give equally good returns, if the water-difficulty could be overcome.

McIntosh and party are said to be on payable gold on the Old Shanghai lead. The Priestman grab in use on this claim for stripping the overlying sand enables them to work their claim to much better advantage than by the ordinary method of hand-stripping.

During the year an attempt was made to dredge Lake Mahinapua, but after working some months the dredge has been laid up, the returns not warranting a further continuance of the work. I understand another attempt is about to be made with this dredge near the mouth of the creek, where they hope to obtain better returns.

Brighton Terrace and Rimu Flat still afford employment for a number of miners, and, if sluicing-water was available, good wages could be made in this block. The principal workings on the Kanieri are two tunnels, subsidised by Government: Main and party, on Commissioner's Flat, who are now in 1,200 ft., with another 1,000 ft. to drive; the other, Singer and party, higher up, who are in about 800 ft. Those tunnels are driven for the purpose of draining ground on Commissioner's and the upper part of Tucker Flat, where the upper levels have all been worked. It will take at least six months to prove the value of the lower levels, but should it prove payable it would render a considerable area available for the ordinary miner.

ROSS SUB-DISTRICT.

The past year shows no improvement on the previous year. The Mont d'Or hydraulic claim still keeps up its reputation as one of the best mining investments on the coast, four ls. dividends having been paid during the year. The Ross United and Prince of Wales are both worked on tribute, paying small wages. The company being now in liquidation, they disposed of the Prince of Wales property for £1,600, and it is now owned by a private company. The negotiations with the Government *re* the working of Ross Flat have not yet resulted in any definite conclusion being come to. Mr. Napier Bell, C.E., on behalf of the Government, visited Ross in connection with a drainage scheme, and reported thereon, I understand, favourably; and Mr. Perham, Government Engineer, has sent in an exhaustive report on the suitability of an electric plant for doing the work, but I understand his estimate of the cost of the work is largely in excess of that of practical electric engineers in America, where installations are rapidly taking the place of steam-plants for pumping and operating all kinds of mining machinery. The people of the district are naturally impatient at the delays and postponements in connection with this important undertaking, and, now that the Government are in possession of so many reports, they look forward to an early settlement of the question. Quartz-mining, that at one time promised to be an important factor in our returns, has entirely ceased, the whole of the claims on Cedar Creek having been abandoned for a considerable time. However, I am glad to say the dredging industry is taking tangible shape in the district. On the Totara River a special claim for dredging was granted last year, and systematic prospecting was carried on for some months, until the company (a North Island one) was satisfied as to the prospects. They are now having a powerful up-to-date dredge built in Dunedin to work their claim, and during the year we hope to see it at work and getting good returns. Another dredging area has been taken up on the Miconui River and Redman's Creek, including what was known as the Koh-i-noor Claim—a claim, and one of a number equally good, out of which large quantities of gold were taken, but of which only a small portion was worked on account of their inability to contend with the water. The depth is not more than 30 ft., and the place is easily accessible. They have also an important water-right (thirty-heads) that can be used for the generation of electric power. According to the opinion of those best acquainted with the history of this block, this should be a most valuable property, and only requires one of our modern dredges to deal with it. It is now under option to a Dunedin syndicate, and, as the option is short, we look forward to a speedy resumption of work on this once-busy field.

OKARITO AND JACKSON'S BAY SUB-DISTRICTS.

A decided improvement has taken place in this district during the year. The splendid return from one of the beaches of the Callary—above the Gorge—last winter, has resulted in the whole of the beaches on that river being pegged off, and held until the river is again low enough to work. Until last winter no systematic attempt was ever made to deal with the beaches on this river, but the large amount of gold obtained by Friend and party in the few weeks they were able to work has resulted as above. Several parties have been out in the ranges during the summer trying to discover the source of this gold, but so far without success. After passing the terminal face of the Spencer Glacier, little or no gold was found. From the worn appearance of the gold found in the Callary—a branch of the Waiho—it would appear as if it had travelled a long distance, or it may be that towards the head of the Spencer Glacier a belt of auriferous rock lies buried under the ice, out of which all this gold may have come. The grinding and rubbing action of the ice-streams would account for the water-worn appearance of the gold. However, further exploration is necessary in this direction; but this can only be done during the summer and autumn months. The Waiho Hydraulic Sluicing Claim, on the north bank of the Callary and Waiho Rivers is now in working order, the water having been turned on in May last.