

Alluvial Mining.

The past season has been an unusually good one for alluvial mining, the frequent rains having supplied abundance of water. The majority of these claims are situated on the Upper Shotover, and I am able to record for most of them a very successful year.

The claims of Aspinall and Stevenson, Davis and party, R. Johnson, and the Londonderry Company have been yielding very profitable returns throughout this period; while the claims of Ward and Smith, Smith and Son, Schusted and party, and others have all done well. Davis and party have a second claim, which they are about to develop in a very systematic manner, and are now bringing in a water-race at a cost of £1,500. At the Sandhills Lee and party have been to a large expense in preparatory work. The returns so far have not been large, but during the ensuing year I expect to hear of a good yield of gold from this claim.

On the Lower Shotover Tyrrell and party have been continuously working with their hydraulic-elevating plant, and have had some very good returns.

On the whole the present condition of alluvial mining in the Shotover is generally prosperous.

On the Arrow River the King Edward Company has taken over the late Arrow Flat Company's claim, situated in the bed of the Arrow River, close to Arrowtown. This is the tenth company that has in the course of many years essayed to work this ground. The company possesses a hydraulic plant, and has about six miles of water-race, carrying fourteen heads of water, boxed and piped one-half of the distance, and giving a pressure of 500 ft. at the claim. Rich gold is known to exist at a considerable depth, and large sums of money have been spent in endeavouring to "bottom," but with indifferent success. The present company, with very inadequate plant and much broken time, can obtain, when able to work, from 25 oz. to 36 oz. each washing-up. The gold is very fine.

The Big Beach Hydraulic Sluicing Company's claim is situated three miles up Arrow River from the township. The ground at this part of the river, when worked by miners in the early days, was exceedingly rich. The present company has been fairly successful, and has every prospect of remunerative work for years to come. The last washing-up for four weeks was 36 oz., the two previous ones 25 oz. and 27 oz. The company has two dams or reservoirs, by means of which they are able to work continuously.

The Arrow Falls Company, after years of patience and hard work, are about to reap the fruits of their labour. They have recently met with some good returns, and there is every reason to expect their continuance for many years. The claim is worked in shifts of eight hours, about ten men being employed.

Above this claim on the hillside is the once famous Bracken's Gully. Here two parties of miners are holding most of the water for sluicing at an altitude of 2,000 ft. above the Arrow River. These parties have been working for the past thirty years. The present method of working is by pipes with a heavy pressure, enabling them to turn over large areas of ground. Washing up once a year. The returns are very good.

Quartz-mining.

The only quartz-mines at work in the district are the Shotover Company's mine on the Upper Shotover and the Indian Glenrock Company's mine at Macetown, on the Arrow River. The Achilles Mine at Bullendale, on Skipper's Creek, has been shut down for several months, the returns from the mine not being sufficient to defray expenses. The funds at the disposal of the company have become exhausted, and they are endeavouring to raise sufficient additional capital to enable them to resume operations.

The Shotover Company has been at work during the whole year, employing from seven to nine men. The low-level tunnel is in a distance of 1,400 ft., and the reef now in hand promises well. The company contemplates shortly building a larger and more complete battery. It is also their intention to apply cyanide to the extraction of the gold, and a small experimental plant is now in course of construction to test the value of the ore when treated by this process.

The Indian Glenrock Company has been regularly carrying on operations throughout the year, but there is no change of any importance to report. The returns from the mine suffice, with economical management, to cover all expenses, but the net profits are very small.

*CROMWELL.**Dredging.*

In the Kawarau River below the Victoria Bridge, and above the gorge, the only dredge which has been successfully at work is the Meg and Annie, the returns from which, with the exception of a short time during which it was working at the lower end of the claim, have been invariably good. Arrangements have been made for the removal of the Upper Magnetic dredge to the Annie Queen Claim (next above the Meg and Annie), where there is every reason to believe it will be more profitably employed than on its own claim. In the vicinity, but some distance lower down the river, the Gentle Annie dredge is nearing completion. The Grand Junction pontoons are finished and launched, and in condition to receive the machinery, a greater part of which is lying on the ground. The operations of the Upper Magnetic dredges have proved quite unsuccessful.

The unusually high river prevailing during the greater part of last year has seriously interfered with the working of the gorge dredges, and operations have been almost entirely suspended. It is extremely unfortunate that the condition of the river has prevented these claims from being worked, as most of the dredges have been completed during the past twelve months, and high expectations were entertained of their success. The loss occasioned by this enforced idleness has been most serious to the companies concerned, and, though the majority have so far managed to tide over this trying period, more than one has been driven into liquidation. The probabilities are in favour of there being a low river during the coming autumn and winter, and unless public opinion is altogether at fault these gorge claims will give a good account of themselves during the ensuing year.