

The dredges working that portion of the Kawarau River between the Kawarau Gorge and the Township of Cromwell, not being so much affected by the high river as those in the gorges, have been more constantly employed, and the results of their operations for the past twelve months are on the whole satisfactory. This is especially the case with respect to the Electric and Cromwell Companies, whose dredges have maintained very handsome returns for the greater portion of the year.

The only dredges that have been anything like constantly employed between Cromwell and Clyde are the Junction Electric and the Hartley and Riley. Both of these dredges have done good work, and have given excellent returns. The latter especially has kept to its work in a remarkable manner, even when the river was running very high, and other dredges had been compelled to suspend operations.

Most of the dredging claims taken up in the Upper Clutha have been surrendered, but attention has again lately been directed to this portion of the river, and the results of the dredging by the new companies which are just starting to work, or where dredges are nearing completion, will be looked for with great interest. The exceedingly good returns during the last few months of the Royal Maori dredge, working in the Clutha River above Cromwell, have created fresh confidence in this locality, and afford great encouragement to the Rise and Shine Company, whose fine dredge is now complete and ready to begin operations. This company has a very valuable property in their special claim. Trials made by boring and otherwise have demonstrated the auriferous nature of the claim, and it possesses the great advantage of being so situated as to provide ample dredging-ground at any state of the river. The results of this company's operations are regarded as of great interest to the community at large, for its success will lead to the working of the Clutha River above Cromwell with better and more efficient dredges than have been employed in the past. Two dredges, the Prince Albert and the Upper Clutha, have lately commenced operations on the Upper Clutha near Albertown, but it is too early yet to form an opinion of their prospects.

The pontoons of the Golden Standard Company's dredge, built for their claim at Luggate, were constructed at the head of Lake Wanaka, and after many difficulties were floated down the Clutha River to the claim. Unfortunately, the expenses were so much greater than anticipated that the company was forced into liquidation, and beyond bringing the pontoons to the claim nothing was done.

At Cardrona the only dredges that have been working are the White Star and the Cardrona No. 1. The returns from the former were encouraging, but not sufficiently large to save the company from liquidation. The dredge, however, will not be removed from the claim. Another company is being formed to take over the claim and dredge, and operations will again be resumed, and, I think, with a strong probability of success. The Cardrona No. 1 Company's dredge did not earn sufficient to defray expenses, and the company has been wound up and the dredge sold for removal to Victoria. The Lady Cardrona dredge is being removed to Waikaka. The Tacon's Cardrona dredge has been dismantled and removed to Deep Creek, on the Shotover River. The Rolling Stone Company's dredge has been standing idle during the whole year. Le Franchi's Company has acquired the pontoons of the late Cardrona Valley Company, and is re-erecting same on its own claim. This dredge will be worked by water-power, O'Brien's patent being used for the purpose.

Cardrona as a dredging-field has proved a sore disappointment, but there is reason to believe that if the dredges had been constructed so as to be able to dredge at much greater depths than those at present on the ground the result would have been different.

At the Nevis the Success, Carrick, Nevis, and the two Ngapara dredges have been at work, but have been securing only moderate returns.

Alluvial Mining.

Alluvial mining in this district is growing less each year. At Bannockburn Aitken and party still continue to carry on somewhat extensive operations—sluicing the Pipeclay Terrace—but the returns are gradually but surely diminishing. Carroll and Son, who a few months back purchased the All Nations Water-race, are terrace-slauicing for fair returns. At Quartz Reef Point, on the eastern side of the Clutha River, a few miles from Cromwell, several small claims are still at work. Some of these have been in existence for years, but none of the men engaged are making more than a fair living. The ground is of a gravelly nature—the wash about 12 ft. deep. There is a small group of alluvial mines in the Kawarau Gorge, one or two of which have been worked very profitably by their owners. Robertson Bros. have discovered what is believed to be a new lead close to the foot of the mountain, and at a considerable height above the river. Very little work has yet been done, but the prospecting so far carried on by them seems to indicate that the wash is more than payable.

There are other small parties employed in various parts of the district, but the returns are poor.

Quartz-mining.

The only quartz-mine in this sub-district is the Bendigo Mine, the property of the Cromwell Proprietary Company. This once-famous mine will probably resume operations within a short time. The mine has been let on tribute to Mr. Leo Salmond, who is sanguine of securing the necessary capital to work the undeveloped portions of the mine. I understand that it is the intention to drive a low-level tunnel which will prospect the claim at a greater depth than before attempted. There are strong indications that the reef so profitably worked in the upper levels extends downwards to this point, and if this proves to be so this old mine will enter upon a new era of prosperity. The company has sold the battery-tailings—the accumulation of years—to a syndicate which has been formed for the purpose of extracting the gold therefrom by the cyanide process. This is a new industry in this district, and the venture, there is every reason to believe, will prove a success.