

the results having proved satisfactory four new dredges are being built, one for each of the following companies: The Fairdown Dredging Company, the Garry Owen Company, the Nugent Wood Company, and the Hessey Dredging Company.

I have ascertained, on reliable authority, that about 2,600 oz. of gold has been won in this district for the year.

Two of the hydraulic elevating companies—viz., the Gow's Creek and the Winding Creek Companies—have gone into voluntary liquidation, the former on account, apparently, of the ground not being payable, which was a great pity, after spending about £3,000 in bringing in a fine water-race, and the reason for the latter was on account of the water-supply not being regular.

The total revenue collected for the year at Waikaia amounted to £366.

I have, &c.,

G. CRUICKSHANK, Warden.

The Under-Secretary, Mines Department, Wellington.

Mr. Warden BURGESS to the UNDER-SECRETARY for MINES, Wellington.

SIR,—

Warden's Office, Queenstown, 15th May, 1903.

I have the honour to forward herewith statistical returns for the Dunstan portion of the Otago Mining District, together with report on same:—

QUEENSTOWN AND ARROWTOWN SUB-DISTRICT.

Dredging in this portion of the district has on the whole proved very unsuccessful, though the few dredges which are still at work are getting payable returns.

The Maori Point dredge on the Shotover River has been completed, and has been working through the year with satisfactory results. Encouraged by the success already met with, the company is putting on a new dredge to work the upper part of the claim.

Further down the river the Prince Arthur Company, which started operations during the year, has obtained some good returns, though work has been considerably interfered with by the heavy drift occasioned by the frequent rains which fell during a portion of the year.

On that part of the Kawarau River situated in this sub-district no dredges are now actually at work, but the Gibbstown Company is ready to commence.

The Kawarau Bridge dredge has been lying idle for some time.

At Cardrona the Lone Star and La Franchi's Freehold dredges are getting payable though not large returns. The latter, being worked by water-power (O'Brien's patent), is worked at comparatively small expense.

Alluvial mining is still the most important branch of the industry in this sub-district, and of the various parties engaged the majority are doing well. The most valuable claims are on the Shotover River; and about Skipper's Messrs. Rogers, Stevenson, Johnson, Smith, and Lee are still carrying on profitable operations in their respective claims, which have been yielding remunerative returns for some years. Several new claims are being opened out, Davis Bros., Hamilton and party, and the Muddy Creek Sluicing Company holding the most promising.

At the Shotover Big Beach, the Arthur's Point Sluicing Claim (Tyrrell and party) is still getting good returns.

At Moke Creek the Moonlight Sluicing Company is at work, and the Moonlight No. 2 Company's claim is being worked by tributers.

The operations of a small party working the terraces on the Kawarau River below the Shotover Junction promise to result very satisfactorily to the shareholders.

The only work of any importance on the Arrow River is being carried on by the Arrow Falls Company, which for some years past has been prosecuting works of considerable magnitude in developing this claim. These works have been well designed and systematically carried out, and the claim is now in admirable condition for profitable working. At Macetown, Anderson and party hold a claim which is paying well.

Though almost all the Cardrona dredges had to suspend operations, and have been removed out of the district, the existence of payable gold in that locality is evidenced by the success which is attending the efforts of alluvial miners, and especially of Mr. Little, who has erected a very efficient plant on his own ground, to which he is now adding. So far his operations have been attended with great success.

Attention has latterly been once more directed to the quartz reefs existing in the district. A Reefton party who have been prospecting about the Skipper's reefs have found encouraging prospects, and are contemplating the erection of quartz-crushing machinery. A number of local miners and some Dunedin syndicates have taken up quartz claims in the same locality, and are actively engaged in prospecting.

The Shotover Mining Company has gone to considerable expense in improving their machinery and erecting a cyanide plant, in order to more profitably treat larger quantities of stone than they have previously been able to do.

The Achilles Mine, which has been shut down for the greater part of the year, is, it is understood, under offer to some London capitalists.

The Invincible reef, at the head of Lake Wakatipu, has been taken up again by a Dunedin syndicate.

The Premier Mine at Macetown is still working vigorously. Operations have been maintained all through the year, and the returns have averaged about 150 oz. per month. The flotation of a London company to work other reefs near Macetown at present held by Mr. W. J. Farrell is almost completed.