

A small party is working in a scheelite-mine a few miles above Glenorchy, but their operations have not yet assumed any magnitude.

The iron-lode at Moke Creek continues to attract some attention, though very little is known regarding it, and comparatively nothing has yet been done on it.

CROMWELL SUB-DISTRICT.

Operations in this sub-district have been on the whole profitably carried on during the past twelve months. There are no changes of importance to notice.

Dredging is gradually assuming the condition which it is likely to maintain for several years to come. The merely speculative and unprofitable claims are being surrendered, leaving only such holdings as may be considered to fairly justify continued work and development. As against the number of claims which have been given up, seventeen new claims have been granted during the year. As the experience gained during past years has shown what localities are likely to prove payable, most of these claims should be worked with profit. That portion of the Upper Clutha lying between Lowburn and Cromwell is being thoroughly prospected.

The Rise and Shine dredge has been completed since my last report, and has commenced operations. The result of her work has been most gratifying as establishing the payable nature of this portion of the river.

Several large dredges are now in course of construction for work in this locality. Of these, the Rising Sun dredge will, when completed, be one of the largest dredges in Otago, and will, it is confidently expected, prove quite capable of working the deep wash known to exist on this claim.

A number of dredges on the Kawarau River, principally below the Kawarau Gorge, and two or three at the Nevis, continue to return good dividends to the shareholders.

Thirty-eight alluvial claims were granted in 1902, comprising areas ranging from 1 to 19 acres. Of these, twelve are situated in the Lowburn, Mount Pisa, and Luggate districts, four at Nevis, fourteen at Gee's Flat, Kawarau Gorge, seven in Bannockburn and the Carrick Range, and one at Bendigo. Out of this number a few have already been surrendered as not payable, but the remainder are being steadily and profitably worked.

At Gee's Flat, where there is not an adequate supply of water, the method of working mainly pursued is driving and sinking, while at Luggate, Bannockburn, Carrick Range, and Nevis most of the gold is obtained by sluicing.

At the Nevis two claims are being successfully worked by means of hydraulic sluicing. Owing to the very favourable results of operations in this locality there seems every reason to expect a considerable expansion of the industry in this quarter during the coming year.

A revival of interest is in this, as in the Queenstown Sub-district, taking place in quartz-mining. On the Carrick Range near Bannockburn mining has quite recently been resumed on ground formerly worked but now abandoned for some years. It is believed that the application of the cyanide process to the treatment of the ore will again render the working of quartz claims in this district payable. Up to the present, however, no experiments have yet been made.

On the Mount Pisa Range several quartz claims have been granted, and steps are being taken to properly test this ground.

At Bendigo a party of miners who have erected a small battery (which is driven by an oil-engine) are engaged in opening up a reef of fairly rich but somewhat patchy stone.

The Bendigo Mine, which some years ago yielded such splendid returns, has been reworked to some extent during the past year, but the necessary capital not being available for thoroughly opening out the mine and driving the low-level tunnel, now regarded as the only effective method of working the mine, operations have been suspended and are not likely to be resumed. A cyanide plant was erected for the purpose of treating the large quantity of battery-tailings accumulated during many years past. The work was at first attended with very promising results, but the yield of gold on the whole proved a disappointment, and work has been discontinued.

CLYDE AND ALEXANDRA.

Dredging still retains its paramount position throughout this portion of the mining district, and although the river and banks between Clyde and Alexandra have been subjected to many years of successful operations there seems to be no diminution in the yearly returns.

Mining by way of sluicing, however, shows a decided falling-off. With few exceptions the parties who for many years utilised the water from the Fraser River, on the banks of the Clutha, have retired from the industry.

The Alexandra Bonanza Company has succeeded in bringing in the water from the Manorburn, and has commenced sluicing operations on the Galloway Flat. A few fairly payable returns have been obtained, but it is doubtful whether the ground is good enough to remunerate a company of such a large capital as has been invested in this undertaking.

Several attempts have been made to prospect new ground, especially on the Galloway Terraces. A rush to this ground took place twelve months ago, and about twenty or thirty small claims were pegged off, but after being worked for a few months these claims were thrown up. The ground proved to be "patchy," and as the supply of water was limited it could not be worked profitably.