

Alluvial and hydraulic mining continues to be actively carried on in the Southern Mining District, and is very fully noticed in the reports of Mr. E. R. Green, Inspector of Mines, and the Wardens of the several Court districts of Otago and Southland.

There is nothing of fresh moment to record as regards the localities of Maerewhenua and Livingstone. The water-supply conveyed in the Mountain Hut Race (which was completed some two or three years ago by the installation of the necessary siphons at the Government expense) has enabled some thirty or more miners to prosecute their labours. In my last report mention was made as to the necessity which is likely to exist in the near future for the endowed lands at Maerewhenua being thrown open for mining purposes; and, so far as present appearances go, this course will be necessary if the mining industry of the locality is to continue for any length of time and the full benefit derived from the expense incurred by Government in providing the siphons for the water-race already referred to.

In the localities of Manuka Creek, Waitahuna, Wetherstone's, and Waipori, alluvial mining has been conducted during the year much on the usual lines, and provided employment for about 130 persons (including Chinese), but exclusive of men employed on dredges. At Waipori the construction of a large dam has been undertaken by Messrs. Knight Bros. for the conservation of water for mining purposes in the locality generally; and in connection with Bakery Flat Claim, it is intended to attempt to bottom the deep lead which runs through the claim and continues for several miles. In the early days of mining at Waipori, the deep lead was attempted to be worked from shafts, but the drainage-water was beyond the pumping-power installed. Given a good supply of water under sufficient pressure, there should not be any great difficulty in dealing with the drainage; but should the "head" of water be insufficient for the purpose and it is proved that the auriferous value of the ground is such as will justify a little additional expenditure, there is no doubt that the difficulty can be overcome in a practical manner.

At Gabriel's Gully, Lawrence, the Blue Spur and Gabriel's Gully Consolidated Gold-mining Company (Limited) continue operations on a very high face of cement-wash on their customary lines. During last year the value of gold recovered showed a slight advance as compared with the results of the previous year in proportion to the cubic measurement of ground broken out, the average value being 7·435d. per cubic yard. The cement broken and sluiced was 222,329·7 cubic yards, estimated at 333,500 tons, the gold obtained being 1,721·89 oz., having a value of £6,836 5s. 5d. Mr. J. Howard Jackson, C.E., the general manager, has supplied an interesting account of the year's work, which is included in the report of Mr. Green, Inspector of Mines.

Three parties continue their operations at Munro's Gully on the opposite side of Blue Spur from the Consolidated Company's claim.

A water-race has been constructed to convey water from Gabriel's Gully to sluice the terraces above Tuapeka Flat, and a further proposition is to construct a race from the Little Beaumont River for the same purpose. The ground is known to be payably auriferous, but want of water has hitherto precluded the working of these terraces other than by hand-labour. Further down the Tuapeka River the Tamaiti Gold-mining Company have been engaged in the construction of a weir for the purpose of obtaining a sufficient head of water to work a turbine. From this turbine power will be transmitted to a high-lift centrifugal pump capable of raising five Government heads of water to a race 150 ft. higher (vertically) than the river at the low side of the weir. The water will then be conveyed by the race to the sluicing claim and utilised for hydraulic sluicing. A similar method of operations is also contemplated by another party having a claim near Tuapeka Mouth.

At Beaumont, the operations of the Champion Company have not been successful. The plant, claim, races, and water-rights have been sold to a party known as the Plunket Gold-mining Company. There is a good water-right, and a considerable pressure is available.

The Island Block Claim has been steadily worked throughout the year with satisfactory results, and a similar condition of affairs is reported as regards the operations of the Tallaburn Hydraulic Sluicing Company. Two or three other small claims are worked in the district by parties of working shareholders.

At Roxburgh, the Roxburgh Amalgamated Mining and Sluicing Company (Limited) have conducted the year's work with profitable results, a considerable extent of good auriferous wash having been met with in the claim. The overburden is thick, but not of a heavy nature; and in working, this is stripped off by sluicing in advance of the sluicing of the washdirt, which latter is also elevated by hydraulic elevators. This company own the largest claim in the neighbourhood. Other claims in the locality are those of the Ladysmith Gold-mining Company (Limited), Coulter and party (Commissioner's Flat), McPherson Bros. (Pleasant Valley), Manuel Bros. (Coal Creek Flat), and Weatherall Bros. In the aggregate forty-one persons are employed at the claims mentioned.

Three claims have been at work at Bald Hill Flat; but as that held by Messrs. Ewing and Dowdall has been worked out, the only hydraulic claims now at work are those of Messrs. Carroll and Lynch and the Last Chance Company, from which good returns are reported to have been obtained.

In the vicinity of Alexandra, hydraulic mining has been conducted by Mr. Gartley, at Springvale; Mr. James Rivers, at Richmond Hill; the Alexandra Bonanza Company, at Galloway Flat; and the Golden Bend Gold-mining Company. Prospecting has also been carried on by the Manorburn Syndicate. In the early part of the year I made a preliminary inspection of and furnished a report on the Alexandra Bonanza Company's races, &c., and the ground which can be commanded by extensions of the race in the direction of Alexandra on the one hand and as far as Ophir on the other. Other reports were also obtained, and, early in the present year, the company's property, including mining claim, races, dams, plant, &c., was purchased by the Government for the sum of £13,000. Branch races from near Low's Saddle can be constructed, and will command large areas of auriferous ground which are at present lying unworked owing to the scarcity of water for sluicing purposes. There is little doubt that the demand for water from the Bonanza race for mining and irrigation will in a short