

In Otago, the principal gold-dredging field in Australasia, many of the claims on the River Molyneux and upon the Waipori and Waikaka fields are gradually becoming worked out; but upon the upper Clutha and elsewhere considerable areas remain to be worked.

The era of the dredge of small dimensions and low power is past, but there yet remains several years of prosperity for those large dredges of greater power capable of working increased quantities of low-grade gravel.

In Otago and Southland eight dredges are now operated by hydraulic power, and two by electricity. The most consistently remunerative dredging-field is still that at Waikaia, and some excellent returns have been obtained from the Waikaia, Koputai, Mystery Flat, and Masterton dredges. The first-named established a record for land dredging in New Zealand, during one week in April, 1908, by securing 248 oz. of gold. The Hartley and Riley dredge, in the Clutha Gorge, in less than three weeks during the same year obtained from a small patch 450 oz. of gold.

On the West Coast no new dredges have been built during the year, but those at work have done very well, especially the Pactolus and No Town Creek dredges.

The diminution of the dredging returns during 1908 may to a certain extent be attributed to the flooded state of the rivers during the autumn and early winter, when, owing to the height of the water, the dredges were precluded from working in the river-gorges for a considerable period.

The following is a statement comparing the production of, dividends paid by, and number of men employed upon all the gold-dredges in Victoria and New South Wales, with those in New Zealand the property of registered companies during 1908:—

	Number of Dredges.	Value of Bullion.		Dividends.		Men employed.	
		Total.	Per Dredge.	Total.	Per Dredge.	Total.	Per Dredge.
Victoria (all dredges) ...	47	£ 220,632*	£ 4,694	£ 59,249	£ 1,260	641	13·6
New South Wales (all dredges) ...	26	155,770	5,980	†	†	†	†
New Zealand (dredges the property of registered companies only)	41	353,104	8,612	75,050	1,830	369	9

* Estimated at £4 per ounce.

† Not known.

(3.) ALLUVIAL MINING.

The past season has been particularly favourable for this branch of gold-mining, for the same reason that it has been unfavourable to gold-dredging—viz., a plentiful supply of water. A very heavy snowfall took place over the whole of Central Otago at the beginning of July, and a plentiful rainfall on the West Coast, providing ample water for sluicing, with the result that there has to be recorded an increase of £101,009 in the value of the production of the alluvial gold mined during 1908.

On the West Coast no new claims have commenced operations during the year, but the Ross Goldfield (Limited) have their electrical pumping installation and main shaft well under way, and should during the current year unwater the old Ross United workings, which have remained submerged since the inundation during 1887. Mr. William Wylie, who at that time had control of the mine, has been appointed certificated manager of the new company, and the development of this rich goldfield is awaited with great interest.

The following alluvial claims still contribute to the West Coast gold-production: viz., the Mont d'Or, Parapara Hydraulic Sluicing Company, Walker Maruia; and the Buller, Addison's, and Charleston old diggings are still productive.

In Southland operations at the well-known Bluespur and Gabriel's Gully Mine on the deep-level cement have proved quite satisfactory. During the year 223,460 cubic yards of cement had been treated for a return of £4,175, at a cost of £3,684, being at the rate of 3·95d. per cubic yard mined and treated. At Island Block a payable run of wash about 90 ft. in depth has been proved by the Keystone placer drill on the Golden Run Claim. At Round Hill sluicing and elevating operations are being carried out as hitherto. Near Waikaia work of a pioneer character and of considerable magnitude is being carried out by the Muddy Terrace Sluicing Company (Limited), formed for the purpose of sluicing and elevating the auriferous wash found distributed over the Muddy Terraces and the flats included in the company's claims. A water-race from Dome Creek to the claims, 16½ miles in length, having a carrying-capacity of about 45 heads of water (45 cub. ft. per second) has been constructed. Portions of the ground have formerly been profitably worked by ground-sluicing up to the highest level accessible from an old race situated at a considerably lower level and with a very much smaller water-supply than the newly constructed race. This company, which is capitalised at £20,000, has been assisted by a Government loan under Part X of "The Mining Act, 1908."

At Naseby, in Central Otago, where mining has been on the wane for several years, a considerable amount of local interest has been taken in the possibilities of the existence of deep leads, and the Mount Ida Deep Lead Company (Limited) has been formed for the purpose of testing the deep ground by means of a Keystone placer drill loaned from and subsidised by the Government. This drill has been specially imported from America, and is of a type that has given satisfaction in cases where other drills have failed to pierce beds of gravel.