able investments. The flood on the 8th February last damaged one of the races to such an extent that the company owning it have agreed to go into liquidation rather than do the necessary repairs. The quantity of water used in working the claims on this field varies from one and a half to two sluice-heads. With this limited quantity very little material can be sent away. There is no doubt the time will come when some of the present claims will be abandoned and the water will be used in larger quantities by fewer individuals, and then poorer ground will be made to pay for working.

Tuapeka.

The yield of gold from this district last year amounted to 15,872oz. more than for the previous one; the yield last year being 39,557oz., representing a value of £118,706, while for the previous one—1890-91—the yield was only 13,685oz., valued at £56,280. This large increase is due in a measure to the gold being held by the banks during the quarter ending the 31st March, 1891, when no gold from this district was entered for duty for exportation; but as this would only account for about 5,000oz. of gold, the balance of 10,872oz. must at least be taken as the natural increase for the year. The yield of gold from this district includes the quantity produced from Waitahuna and Waipori Goldfields, and also from a portion of the Clutha Valley.

The old workings in the flats below Lawrence, Gabriel's, and Weatherstone is nearly abandoned; a few Chinese still find employment, but they are getting less year after year. A prospecting syndicate was formed to test the deep ground at Weatherstone, near the place where the Weatherstone Gold-mining Company worked the cement successfully for many years. A few years ago a prospecting association sunk a shaft a little distance ahead of the Weatherstone Company's workings, and bottomed on a high reef. From the bottom of this shaft, a drive was constructed for some distance on an incline following the dip of the reef; but the bottom of the dip was never reached. The present prospecting syndicate consists of ten contributing shareholders who paid £10 each, and six working shareholders who received £1 per week each for ten weeks, and after that date contributed the same amount as the other shareholders. They sunk a shaft in the deep ground to a depth of 200ft., and after constructing several drives from the shaft they had to suspend operations for want of funds; but they intend to resume operations again.

At Waipori a good number of miners are employed in hydraulic-sluicing, dredging, and in extended claims, the most of which are making fair wages. There is a large area of auriferous drifts in this locality, some of which are very rich, as in the case of the ground formerly belonging to O'Brien and party, who worked a claim for many years before it was purchased by the present holders, and always got well paid for their labours. This ground is now included in the mining property of the Amalgamated Deep Lead Gold-mining Company, which was formed in the end of 1890, with a nominal capital of £12,000 in an equal number of shares, of which 6,150 shares were allotted to the vendors of this company's property, who also received in addition £3,350 in cash—thus absorbing £9,500 of the nominal capital, leaving only £2,500 for plant and developing the ground. The following is an extract from the report on this company's works and the price paid for the property, in the *Otago Witness* of the 10th of March last. In referring to the price paid to the vendors—£9,500—it states:—

"They were to receive in addition £3,350 in cash, a price which certainly should have more than satisfied their most extravagant expectations. It may be said with truth that all or nearly all the mining properties which have been used as the basis for forming companies in this colony have been greatly over-valued by the original owners, and this circumstance has had not a little to do with the general depression which has for some time existed in the share-market. Concerns which could pay good dividends are made unproductive through undue inflation of capital. The gold-deposit which gave birth to the company was discovered and partially worked about twenty-five years ago. The run of gold was first worked in shallow ground, and yielded fairly good results. The ground gradually deepened, and assumed the appearance of a gutter or deep lead similar to those familiar to old Ballarat miners. The property acquired by the company is 135 acres in extent, and at the time of the purchase consisted of several different claims, the principal of which, so far as its known auriferous character is concerned, being an extended claim of two acres belonging to Messrs. O'Brien. The company also acquired water-rights, supposed to be capable of supplying thirteen heads of water under sufficient pressure to elevate all the gravel in the company's claim. The usual difficulties incident to new enterprises have been met with in carrying out the preliminary works. The water-supply turned out less reliable than was expected, and accidents of various kinds have from time to time occurred to impede and delay the work. Mr. Charles Hilgendorf has managed the works, and, notwithstanding the many causes of delay and disappointment which have arisen, it may be confidently said that he has discharged his duties with skill and ability. The directors also deserve praise for the energy and pluck they have shown in overcoming difficulties and carrying on the work in spite of all discouragement. One difficulty which arose would have proved fatal to the success of nine out of ten companies. Capital ran short, as might have been expected from the fact that far too great a proportion of it was paid for the price of the company's property, and from the circumstance that 450 of the subscribing shares were never allotted. This difficulty was at first met by means of a loan of 5s. per share from the shareholders themselves. In this way £1,960 10s. was raised. In addition to this the directors negotiated a loan of £3,000, to be repaid in three years' time. The difficulty arising through the deficiency in the water-supply was even more serious than the want of funds. Money could be obtained, but water at a sufficient elevation was not to be had if it did not exist. So serious has this deficiency been, that not much more than half the work has been done which could have been accomplished with the full quantity. To remedy this the company is at present engaged in constructing a reservoir, which, at the cost of about £200, will be capable of storing a very large quantity of water, sufficient, in fact, to supplement the deficiency during the driest time of the year, so as to make it effective for five weeks at least, even should there be no rain during that length of time. This work is now on the eve of completion, and it is fully