

BLACKSTONE HILL.

There is no alteration to note of any magnitude in this locality; there are about the same number of miners employed, making small wages. Mr. R. Johnston is putting in a prospecting cut into the quartz drift near Hill's Creek, but, on account of immense quantities of pipeclay to contend with, progress is slow, and it will take another year to reach the ground where he expects to obtain the payable gold. Dillon and party are constructing a water-race from the river, with a view to working ground between the Manuherikia and Hawkdun.

The Blackstone Hill Gold-mining Company has continued the construction of their water-race with great energy during the past year. They have now completed about ten miles of the race. The work has been most carefully executed under the supervision of the company's manager, Mr. W. Wall, who has employed for a considerable part of the year as many as fifteen men. A tail-race is now in course of construction in Flume Gully, and is in payable ground. It is said that the claim held by the company has been very thoroughly prospected, and the indications are most promising for exceptionally good returns when the claim is fully opened up. At present their race is bringing in ten to twelve heads of water, and this quantity will be increased shortly to sixteen or seventeen heads. This will enable the company to carry out really large operations, and if the energy hitherto displayed is continued in the future the success aimed at should be fairly assured, judging from the prospects which it is said they have obtained. As to the ultimate object of the company—to take the water as far as Ophir—the cost would be found to be quite beyond the grasp of the present shareholders, and it is somewhat problematical if the ground there is sufficiently rich to warrant the outlay which would have to be incurred; but there are known belts of auriferous ground, which will be well within the scope of the company's capabilities, much nearer to their present terminus.

ST. BATHAN'S.

The water-supply in this locality has also been particularly favourable during the year, and work has been vigorously carried on by all. Mr. John Ewing's Kildare Hill claim has been worked with the same energy and skill as heretofore, but I regret to say that several adverse events have occurred, in the shape of slips of earth and breakage of plant, retarding operations somewhat. Notwithstanding this, close on 1,000oz. of gold have been obtained. Three elevators are now being used in this claim, lifting, in all, to a height of 110ft. The wash is apparently as good as ever, and is dipping at an angle of 45°. The operations carried out in this claim are of great magnitude, and bear high testimony to the ability and ingenuity shown by Mr. Ewing.

The United M. and E. Company are also obtaining fair returns from their claims at Blue Gully and Surface Hill. From the former the yield has reached 350oz., and 100oz. from the latter, but that only represents the result of half the year's work; the balance will not be obtained until later on.

The Scandinavian Company secured some 350oz., but much of the ground operated upon was for stripping purposes, and elevating will have to be resorted to.

St. Bathans Water-race Company are pushing on well with their tail-race to work some new ground situated to the north-west of the old workings. The returns for the past year have not been particularly good, but better things may be looked for when they get into the place alluded to.

The St. Bathans Channel Company have had a partial wash-up, and obtained 300oz.

At Vinegar Hill Mr. Ewing obtained 400oz. from his workings there since last winter, half of that quantity being secured from some new ground to the south of, and quite distinct from, the runs of gold worked by Mr. Ewing at this place for the last thirteen years. This new ground is a quartz drift similar to that operated upon at St. Bathans. The ground is both deep and wet. It is worked on the elevating principle, and to permit of putting through large quantities of stuff with economy and expedition Mr. Ewing has laid down new main pipes of 22in., so that he will have the advantage of the full head of 300ft., using as many nozzles as required, the quantity of water used being from seven to fourteen heads. The gold obtained in this new ground is pretty fine, and has the peculiarity of being coated with a blue oxide, which imparts to it a singularly steely appearance, which would be very apt to deceive a non-expert. After passing through the elevator this coating is to a great extent removed, but even then the gold has not the ordinary bright cleanly look, although it does not appear to affect its value. There are eleven men employed at this claim.

Hughes and Morgan's claim has turned out well this year. They are reported to have about 400oz. from a very limited piece of ground in seven months, the work of four men. The claim looks as promising still for good returns in the future. Watson and Thomas and party have had as good a return as for previous year, securing about 250oz. Coulson, Excell, and some others continue to make, at any rate, good wages.

CAMBRIAN'S.

Operations continue to be carried on in this place with commendable vigour, and the water has been in good supply. Mr. Ewing has now got his extensive elevating plant nearly ready and in position to commence operations on the ground alluded to in my last report. He has a main line of 22in. pipes—1,000ft.—and some 1,500ft. branch pipes 15in. to 11in. He has available a large stream of water, but the pressure is not great, being only about 117ft. The ground will have to be elevated 10ft. He proposes introducing the electric light to enable him to work continuously. The outlook of the undertaking appears satisfactory. In the neighbourhood of Station Hill, Davis and party, also several parties of Chinese miners, are working steadily, and, it is said, are doing very fairly well. There are also about the usual number of both European and Chinese miners working in gullies and old ground about the locality, with what results I can hardly say.