

Brothers, both experienced miners, possessing a considerable knowledge of the ground in the locality. It is rumoured that they expect to clear the purchase-money by Christmas.

The Golden Gate Gold-mining Company are said to be doing very well on the Dunstan commonage, but as only two men are working no large returns are being got.

Anderson and party, and John Lindsay—the only other holders of water here—are reported to be making fair wages, as also are half a dozen others, who, not being the holders of water, are confined in their operations to little more than fossicking. Conroy's, Butcher's, and Blackman's Gullies still maintain a fair number of Europeans, but the chief workers in these localities are Chinese, and now and again some very good finds are heard of.

A company has just been formed to work some deep ground at Butcher's Point by elevating, and a plant is being placed on the ground to conduct the water from the west to the east side of the river. During the last twenty years several efforts have been made to work this ground, but its depth and wetness have invariably proved insurmountable obstacles. Some months will elapse before the present company will be ready to start sluicing.

DREDGING.

There are four steam dredges and one current-wheel dredge in active operation upon the Clutha, between the two townships; and one steam and one current-wheeler are almost completed, which will probably be at work in a few weeks. This branch of mining seems to be attracting more attention every year, and there is little doubt that this industry is yet in its infancy. There are miles of river, both in the Clutha and Manuherikia, yet to be tried, in addition to a large extent of low-lying flats and beaches in the vicinity known to be auriferous and suitable in every respect for dredging purposes. This system of mining has a considerable advantage over that of hydraulic sluicing, inasmuch as that when a claim has proved unprofitable the plant is easily, and with a trifling expense, floated to another, and little, if any, depreciation in value takes place; on the other hand, with similar results the sluicing plant, in ninety cases out of a hundred, depreciates in value at least 50 per cent.

Mr. Louis Gard's steam and current-wheel dredges are still working in the same places as when I reported last, and both have yielded steady weekly returns throughout the year, aggregating 1,250oz. Mr. Gard employs nine men continuously on the dredges, besides those connected with the lifting and delivering of the coal or lignite, of which he uses 25 tons per week.

Messrs. Leijon and party, with a small steam dredge, are working in the river opposite Poverty Beach, and are doing remarkably well, with apparently some years' work before them.

Hyde and party, known as the Clyde Dredge, after spending some months in prospecting, have settled down immediately above Mr. Gard's current-wheel claim, and are getting excellent returns. It is feared that their tailings, at no distant date, will interfere with continuous working during the time the river is low, and when this takes place it is intended to remove to another portion of their claim.

Spencer and party, with their steam dredge, are working opposite Sandy Point, on the beach originally occupied by the Dunedin Dredging Company, from which they have averaged for some time a little over 20oz. a week. Their tailings, however, are beginning to be troublesome to them, and it is probable that as the river assumes its winter level they will have to shift to where the current is stronger.

A Dunedin company or party are just about completing the construction of a steam dredge at Clyde, known as the Enterprise, which was originally placed on the Kawarau River, at Horseshoe Bend. Mr. Joseph Sparrow, of Dunedin, is the contractor, and Mr. Cutten, of the same place, is supervising engineer. The company's special claim is in the Clutha, just below Spencer and party, and it is expected that dredging will be commenced within the next fortnight.

Simmonds and party have completed their current-wheeler, and have floated down to their claim, about a mile below the Alexandra Bridge. This portion of the river was prospected by the pneumatic dredge last year, and found to be too poor for this slow method of lifting the wash, but sufficiently good if operated upon by the buckets.

The following table shows the number of men employed actually dredging, the quantity of coal consumed, and the amount of gold obtained during the year ended the 31st March last, by the five dredges now at work :—

Men employed actually dredging.	Coal consumed.	Gold obtained.
30	3,350 tons	2,878oz.

In addition to the number of men employed actually dredging, three teams are engaged carting coals to the respective dredges, averaging a distance of four miles, and at a cost of 12s. per ton to the consumer.

BALD HILL FLAT.

Mining operations in this locality have been vigorously carried on during the past year, and gradually but surely all the claimholders on the Flat are following the example of the Bald Hill Company and Hesson and party in substituting hydraulic plants for the slow and primitive ground-sluice. The whole of Bald Hill Flat seems to be of equal value in its gold-bearing qualities, and, although a great deal of it is freehold, the most of it will be worked, since it is discovered that fall is not an absolute necessity.

The Bald Hill Flat Company during the year removed their plant from Butler's freehold to the claim at the foot of Obelisk Creek known originally as Webb's, and, after making suitable alterations and additions, cutting branch- and tail-races, &c., Mr. Donnelly, the energetic manager, got about eight weeks' sluicing with one elevator, getting away slightly over half an acre of ground for a return of 163oz., making altogether for the year 420oz. The company has expended a large amount of capital since its formation, but from present prospects it should not take long to get it all back.