

At Coal Creek Flat there are three parties ground-slucing, and getting excellent returns for their labour. Mention has been made of one party making from £20 to £30 a man per week for some considerable time.

The Island Block Gold-mining Company, conducted by Mr. C. C. Rawlins, managing director, has had some sensational returns during the year—as much as 200oz. a week at times. The area of ground to be operated upon is practically unlimited, and should the prospects continue the same the shareholders in England will shortly meet with a happy surprise in finding the company placed upon the dividend-paying list. Mr. Rawlins employs twenty-five men continuously.

The Island Block Extended Gold Company, under the management of Mr. Weir, are still on payable gold. The 990oz. obtained last year did not admit of a dividend being declared; but the company has, I believe, nearly cleared its liabilities, and the time should not be far distant when the long-suffering shareholders may hope for a return of some of their invested capital. The company employs twelve men.

There are three or four other parties engaged along the banks of the river in this locality doing fairly well, but as water is scarce they are only able to work in a small way.

The Rise and Shine Company, at the Pomahaka, have not as yet succeeded in winning any of the precious metal; they are, however, still persevering and hopeful. The company's capital has long since been exhausted, and the expenses are now borne by a few of the most sanguine directors.

WAIKAIA AND POTTER'S.

About thirty or forty men are engaged in the gullies and river here, half of whom are Chinese. No large finds are reported, but most of them seem able to pay their way, and present a fairly prosperous appearance.

DREDGING.

There are eleven steam dredges at present working on the river, between Coal Creek and the Island Block, and one nearly completed, which will be ready to start in a few weeks. Those in operation are more or less paying, employ a great number of men, and consume a large quantity of coal.

The Dunedin Gold-dredging Company, unfortunately, cannot keep steadily at work, or their returns would be very large. The lead of gold follows a deep gut across the river, which can only be bottomed when the river is low. Some time ago the company went to considerable expense in lengthening the ladder, but it is yet insufficient to cope with the difficulty; a great deal of lost time, therefore, is the consequence. They have, however, made a start again, and probably will be able to continue work until the spring rain sets in. During the year 1,602oz. were obtained, out of which the shareholders received £2,610 in dividends. The company has another small steam dredge at work in the adjoining claim, which just about pays its way.

The Roxburgh Steam Dredge during the last few months has not been as successful as during the early part of the year, which can be accounted for by the large amount of running-drift during the summer level of the river, chiefly caused by the workings of the Roxburgh Amalgamated Company about a mile above. The best lead of gold in the claim too is very deep, and can only be bottomed during the winter months. Taking the whole year's operations together, however, the company has a profitable claim, and one which will take years to exhaust. 567oz. were got during the year, out of which the directors paid £750 in dividends.

The Edina Company adjoins the above claim, upon which they have got a steam dredge, known as the Talisman, and which was originally placed upon the Shotover, at Tucker Beach, and from there removed and erected at Gow's Creek, at the Waikaia. They have only just commenced work, but from the first week's yield it is almost certain that the dredge has at last found a profitable occupation for itself, and the state of her present shareholders is better than that of her first.

Dewar and party are working with a small steam dredge just below the preceding claim, and are burdened with rather more than their fair share of dredging difficulties. Being at the mouth of a gorge, the bottom is rough and stony, which renders progress slow, and the expenses of wear-and-tear correspondingly high. It is a small party, however, and, as the shareholders themselves do the work, probably the 200oz. obtained left a surplus about equal to wages.

The Ettrick Gold-dredging Company is dredging in the Clutha, near the mouth of the Bengerburn Creek, from which place the dredge has been barely shifted since it was built. Now and again excellent prospects are obtained, but, unfortunately for the company, the ground has been dredged before, and the quality of the blocks left is consequently discounted by the old ground. During the last few months the returns have improved, and future prospects are more encouraging. The 545oz. obtained during the year did not enable the directors to declare a dividend, but a substantial profit was made, which went to pay off existing liabilities.

The Miller's Creek Dredging Company during the early part of last year was engaged in prospecting, and it was not until about three months ago that payable ground was struck. Fair returns are now being got, and the manager, Mr. George Bennet, is very hopeful of a continuance. Eleven men are continuously employed, and during the past few months 300oz. were obtained, which, together with a call of £600 from the shareholders, about paid expenses.

The Golden Treasure Company has just completed a steam dredge, with all the latest improvements in machinery, and intend working the river adjoining the preceding claim. It has not, however, commenced operations yet.

Brazil and party, Bennet and party, and Pringle and party are working profitably in adjoining claims with dredges lately converted from current-wheelers to steam-power.

The Golden Run Company has had a very successful year's dredging in its claim at the head of the Island Block. The gold has been traced from the river into the bank, and is supposed to extend into the Island Block Company's claim. The company, having a water-right, are now