

As the workings are being extended in this locality, the quartz-drift formation is likely to be found remunerative wherever a good supply of water can be obtained to command the ground at a sufficient elevation to admit of hydraulic elevators being used.

A short distance from St. Bathans are Scandinavian Hill and Muddy Creek, where rich finds of gold have been obtained in the past, and payable results are likely to continue for the future.

VINEGAR HILL and WELSHMAN'S.

Again at Vinegar Hill rich auriferous gravel drifts were found near the surface, and the gold was traced from these into deep ground, which seems from its formation to have been an ancient fresh-water lake. This is indicated by the large number of the vertebrae of small fish found in the beds of green silt sand-mud, which is now hardened to such an extent that it is difficult to disintegrate even with water under a high pressure. Mr. Ewing, who has been working a claim in this locality for many years, has recently got out of the green-sand formation and come on a deposit of quartz drift, which, judging from the prospects obtained, is likely to prove a valuable discovery. At Vinegar Hill and Welshman's there are several claims giving good returns.

TINKERS'.

This has been for many years the richest alluvial diggings in the colony. There is a comparatively small population, but the average yield of gold for the number of men employed for the last ten years has been considerably more than on any other goldfield in New Zealand. Last year, however, notwithstanding that there was a plentiful supply of water during the whole of the season, the quantity of gold obtained was not so great as formerly. The estimated yield last year was about 2,200oz., representing a value of £8,800, and about forty men were employed on the field.

TUAPEKA.

This is the oldest field in Otago. It was discovered in 1861. The news of the discovery of gold in this locality reaching Australia was the means of inducing thousands of people to flock to our shores to try their luck at mining, while others came to follow commercial and other pursuits. The only indications remaining to mark the places where the crowded population was then residing, in Gabriel's, Weatherstone's, Munro's, and Waitahuna Gullies, are large deposits of tailings and old workings. Very few persons are now working in these gullies, but strange to say that after the ground in Gabriel's Gully has been turned over time after time there is still a company getting very good returns from washing the old tailings on the hydraulic elevating principle.

At the head of Gabriel's the famous "Blue Spur," from which a very large quantity of gold has been obtained, is now being worked in a face by an English company, who are blasting the brecciated material, breaking it up with picks and hammers, then lifting it with hydraulic elevators and sluicing it away. The results of this company's operations last year have been very satisfactory.

The auriferous brecciated material follows a fault-line across the country, and is found at Weatherstone's and Waitahuna. Probably other portions of it may pay for working on a similar principle to that adopted at the Blue Spur.

Included in the Tuapeka district is a portion of the Clutha Valley, and also the Waipori and Waitahuna goldfields. The results of the alluvial workings in this district last year were 26,070oz. gold, representing a value of £105,233; while 763 men were employed in the mines.

CLUTHA VALLEY.

There is a large area of auriferous drift-gravel in this valley, and also in the bed of the Clutha River. Several mining companies are carrying on hydraulic sluicing and elevating operations in this locality, amongst which may be mentioned the Island Block and Island Block Extended Companies. The results of the workings last year have given very satisfactory returns. The former Island Block Company, which is formed almost entirely of English capital, has entered into an agreement with Mr. Joseph Clark to work his freehold on his receiving a certain royalty. This company obtained last year about 2,000oz. of gold as a result of its operations. There are also three large hydraulic sluicing companies near Roxburgh—namely, the Hercules, the Hercules Extended, and the Roxburgh Amalgamated. The last-named company was fairly successful last year, and paid one dividend to the shareholders.

Every tributary of the Clutha, from the Lindis to the Pomahaka, has in the past carried