

obtained 260oz. for seven weeks' work last spring, and 100oz. for the next two months' work, working with a very poor stream. Work in the deep ground was stopped altogether during most of the summer, and carried on with a very insufficient stream until nearly the end of May. When the frost stopped work, in the beginning of July, the paddock was just ready to wash up; 250oz. were expected, the result of about eight weeks' steady work. The above is all the gold got from the new ground during the year, and shows it to be very good, could work be prosecuted continuously. A large stream of water is required. The elevator is now lifting 50ft., and a new one is being put in to lift 60ft. Ten men employed.

Morgan and Hughes.—This party had a very successful season, despite the dry weather. They washed up 400oz., and left over 100oz. under a slip that came in as they were washing down. Their ground looks well for many seasons of profitable work.

Hughes and Owen.—This party have taken the place of that formerly reported upon as Watson, Thomas, and party, of Vinegar Flat. Their returns have been poor—only good wages—about £3 per week. This ground gave excellent returns for many years, and there is still some very good left. Coulson and Excell, working by shafts and drives in a portion of Hughes and Morgan's claim purchased from them, are making very good wages, and have a lot of work before them. Morgan and Thomas, sluicing on Vinegar Flat, are only making wages.

Cambrian's.

Mr. Ewing's new venture here has turned out fairly well. The ground was considered very poor, and most of the old miners prophesied failure. For the first six months' work 230oz. were obtained. This gave a profit over working-expenses of £400. The other six months' washing is not completed, but from present appearances will be equally as good. The capital invested is £2,000. None of the other European or Chinese miners in the locality are doing much. They compose about twenty persons, and have made from very small to ordinary wages—few the latter.

Tinker's (Matakanui).

The construction of a dam in the creek that gives the chief supply of water for this place has again been mooted, consequent upon the visit of the Hon. the Minister of Mines and the member for the district in April last. It has been calculated that as much water goes to waste at various times during the year as, if stored, would double the quantity available for mining. It is unlikely, though, that anything will be done so long as so many parties are interested in such varying degrees in the water of the creek. It would be extremely difficult to settle the ratio of contributions to cost, and the distribution of the stored water.

The Undaunted Company obtained 800oz., which, although not so much as usual, is considered an excellent return, when the nature of the ground and the dryness of the season are taken into account. The ground that made the returns of this company and the Mountain Water-race Company so phenomenally good for many years was a flat terrace between Morrison's Creek and Smoker's Creek—a small stream about a mile and a half south of Thompson's Creek. This terrace skirted the foot of the mountain. The runs of gold began shallow next the foot of the mountain, and ran in a north-easterly direction, inclining towards Thompson's Creek—deepening as they went. All, at certain points, dipped off suddenly into deep ground. As they did so they got poorer, and the general impression was that this deep ground would not pay. The wash in it was very much rougher than in the runs from the hill. The Undaunted Company has been working this deep ground for several years, and this year has been working it exclusively. Their return has established conclusively a certainty that it will pay.

Work during the year has revealed a fact that has astonished every miner in the place. It has always been understood that the deep ground ran from south to north, towards Thompson's Creek. It is now known that it forms part of the bed of a fairly large river that ran from north to south. Its bed would be 80 yards across, and it ran with very little fall, not so much as the Manuherikia of to-day. It came from the direction of Thompson's Creek. It will take some years of work to find where it goes to in the other direction. This discovery accounts for many things in connection with the returns of the Undaunted Company, and Matakanui Company, which has also for a number of years been at work on this deep ground.

The last-named company's ground is north and east of the Undaunted's, and close to the northern boundary the Undaunted Company had very good gold—got 3,000oz. of gold from one acre. The Matakanui Company, after toiling for years to get to this ground, found it barely worth expenses, not a fifth as good as their neighbours'. The fact that the stream ran from the north instead of from the south, and that a rich vein from the hill dropped into it just about the boundary, accounts for the richness on one side and poorness on the other. In the working of this deep ground the points where some of the richest veins from the hill fell into it have not yet been reached. Some phenomenally rich ground may be expected just past such points. This discovery has made things look much better for the future of the leading companies at Tinker's. Recently a proposal was made by the Mountain Race Company to amalgamate with the Undaunted Company. There is no doubt such an amalgamation would have benefited both companies, but a majority of the Undaunted Company's shareholders did not appear to think so, as the proposal was scouted. Eight men employed.

The Mountain-race Company are still working on the granite. The hill behind them is cracked to an elevation of 500ft. above them, and they have had to carry the Undaunted Company's race along the face in pipes. The wonder is how the hillside, which is very steep—cracked and fissured as it is—stands. This company has not washed up its main paddock during the year, but has obtained enough gold from some shallow ground to pay expenses—about 120oz. Its water-supply was short, and work for a long time discontinued. Four men employed.

The Matakanui Company obtained 300oz., a yield which did little more than pay expenses. They are working in the above-mentioned deep ground, but on the further side of the stream to