

think quite a large number of men would find highly-profitable employment in many of the gullies about this place. It is the opinion of many experienced men that pretty well the whole of the slopes from Ophir to Galloway Station are sufficiently auriferous to pay if water were plentiful; but I fear the cost of bringing it to such a high level would be too great, at any rate, for the men now on the ground.

A party of Chinese miners, ten in number, are engaged in turning the Manuhirikia at a point in the gorge above Chatto Creek. They have had the advantage of the river being exceptionally low for a considerable time, and have reaped a good yield of gold. In consequence of the lowness of the river, Gallagher and party have been compelled to lay up their dredge; but they are still fairly sanguine of success when they are again able to get to work. Mr. Green, who was here two or three years ago engaged in quartz-mining, has returned and taken up the claim which formerly bore his name. He has already done a good deal of preparatory work in connection with the undertaking, and is very sanguine as to results. There still remains about the same number of men scattered about fossicking, with but, I fear, very small returns. The same may be said as to German Hill.

TINKER'S (MATAKANUI) AND DRYBREAD.

The work at these places has been materially interfered with through the scarcity of water during the latter part of the year, and in some cases the ground operated upon has been slightly poorer, and in some the washings-up have not yet taken place, the Undaunted Company being one. It is anticipated a yield of about 700oz. will be obtained when the company cleans up for the season. The Mountain Race Company has not yet washed up their main paddock, but have secured enough gold from some shallow ground to pay expenses. This company, whilst engaged on the granite or old-drift formation, caused an immense slip, shaking the ground for hundreds of feet above, causing trouble and inconvenience to the Undaunted Race. The Matakanui Company has not yet washed up, but a profitable return is quite anticipated. A fair supply of water has been used from the Lauder, and a large area operated upon. The elevating system is adopted, but the ground is very stoney, and necessitates the use of horses and trucks. The Sugar-pot Company have secured some 220oz., and are working on very good ground, estimating the yield by the cubic yard; but it is also very stoney. The yield named, however, sufficed to cover all expenses, and a fair dividend. Messrs Simes and Morgan have taken up another licensed holding on Abyssinian Flat, which they are now employed upon, and have, I understand, obtained over 400oz. The future of this claim is very promising. Messrs. Ewing and Macconochie, in spite of the dry season, have obtained 461oz. Unfortunately, they have only been able to work for a couple of weeks since December. Some of the smaller parties about here and Devonshire have done very well, considering all things. There is no doubt that to make the ground highly payable expensive appliances have to be used, and work carried on both very largely and systematically, then handsome returns may be quite relied upon.

The question of erecting a large dam for the storage of water at Thompson's Creek is still engrossing the grave attention of many of the miners largely interested in the subject, and I sincerely hope that ere long the matter may take definite shape, and be proceeded with. The estimated cost at present is about £10,000, and it is calculated by some that such an expenditure would about double the present water-supply by conserving what goes to waste in times of flood.

CAMBRIAN'S.

Work has been carried on during the year with fair results by the majority of those at work when water was available, the most noticeable undertaking being the new claim of Mr. John Ewing, who has again, in this, demonstrated his energy and ability. He began work at this place only in July last, washed up in the early part of January, securing 229oz. of gold; this gave a profit of £400 over and above working-expenses. The ground is described as being sufficient to last for several years to come. A capital of £2,000 has been invested in the claim.

ST. BATHAN'S.

The prevailing complaint as to shortness of water has been much in evidence in this locality during the latter half of the year, and has naturally very considerably lessened the returns of many of the larger claims at work. Mr. John Ewing's well-known and often-quoted Kildare Hill Claim again heads the list of gold-producing claims. 1,274oz. have been obtained for the year, the bulk of it being secured at a washing-up which took place at the beginning of last winter, and was part of the result of the previous year's operations. Mr. Ewing has removed the two upper lifts of his elevator, substituting a single lift of 92ft.; this, it is satisfactory to learn, is acting very well. It is, I understand, the highest single lift yet at work in the colony. The pressure is only 440ft., but the parts being proportioned and fitted with such nicety, and the down-pipes being so large that there is but trifling loss from friction—a most important essential in plants of this description—grave trouble was experienced in opening out from this elevator, the ground being of a sandy and somewhat treacherous nature, with great liability to slip. All leakage from the pipes having to be carefully kept from the ground on which the elevator is built, the trestle-work supporting it was found several times to be in imminent danger, and only by the greatest care and the exercise of much ingenuity on the part of Mr. Ewing and his assistants was it saved. A second elevator will raise the wash 50ft. to this. The whole of the work on this claim is of unusual magnitude; it is carried out with great ability, and reflects the utmost credit on Mr. Ewing, as proprietor and general manager, as well as upon those carrying out the work so effectually under his direction.

The United M. and E. Company have obtained 230oz. from their Blue Gully Claim. The shortness of water has prevented them doing much work at their claim at Surface Hill. The water-rights held by this company give but a very inadequate supply in seasons which are at all dry.