

The Scandinavian Water-race Company have not washed up this season. The company has a large area of ground stripped, and have erected an elevating plant, and a large yield may be looked forward to during this year. Their lift is at present 30ft.; but, with the apparent dip of the auriferous deposits, a much greater elevation will be found necessary. The water-rights held by this company are very good, permitting the company to sell water as well as supply their own necessities.

The St. Bathans Water-race Company has not been fortunate in the new ground they worked up to; it has not proved at all equal to expectations. A melancholy and fatal accident occurred, by which the manager of the company, Mr. Hector Stewart, an old and very highly respected resident, was killed by a fall of earth in the tail-race. The company is now washing up, and I regret to hear that appearances for a good yield are not by any means promising.

The St. Bathans Channel Company have, I am informed, obtained 200oz. from a partial washing-up, and a similar quantity is expected on the completion, which is now stopped through scarcity of water.

The Muddy Creek Channel Company are now cleaning up and have secured already 150oz.; about 210oz. is expected in all. This gold is principally lost from the various claims using the channel; about as much was obtained last year. The amounts so secured pay all cost of maintenance of the channel.

There are about the same number of smaller parties working in the neighbourhood as hitherto, some with water of their own and some purchased. The men so employed, I am given to understand, continue to make from small to fair wages.

At Vinegar Hill, Mr. Ewing has opened out in the new ground alluded to in my last report, and has proved it to be remunerative and probably extensive, though an unexpected fault in the ground, showing an extensive disruption of strata, has cut him off in the direction in which the ground made richest. At this point the quartz drift is cut perpendicularly, and thrown forward, a mass of decomposed schist-rock taking its place. Along the line of the fracture the rock is ground up into fine clay or "pug." Mr. Ewing is in hopes of being able to trace the drift on the other side of the fault, and with this object in view is prospecting some hundreds of yards. Further on, in the line of the drift formation, he has found the drift formation at that point with gold in it, but not yet in paying quantities. In the main workings in this claim he is elevating 32ft., but is preparing to put in a fresh elevator to lift 50ft. The gold return for the year amounts to 528oz., and that amount would have been considerably exceeded with a good water-supply. The shortness of it in this case has necessitated a suspension of sluicing for about four months. During that time the men have been employed completing extensive alterations and laying pipes, erecting dams, &c. Mr. Ewing's plant on this claim is one of the most complete and extensive on the goldfields. The main pipes are 22in. diameter.

Messrs. Hughes and Morgan obtained 420oz., and would probably have had 150oz. more, save for an extensive slip coming into the paddock just as they were commencing to wash up. The quantity alluded to will go, however, to increase the next washing. Messrs. Watson, Thomas, and party have had a somewhat disappointing year after a series of really profitable seasons. They have obtained enough only, I believe, to pay something over wages. Messrs. Coulson and Excell, who have been sinking and driving on their claim at Vinegar Flat, lost their shaft through being unable to cope with water. They have now opened out from another, and, I am pleased to hear, are getting excellent returns.

In view of the whole surroundings, I may say with confidence that this part of the field is in a satisfactory condition, and has a good future in sight.

ROUGH RIDGE AND HILL'S CREEK.

This part of the district has not advanced during the year. There are but very few miners paying any attention to the alluvial workings, and I am afraid even the few remaining are but very poorly recompensed for their labour.

The quartz lodes are still being worked, or, more correctly speaking, prospected, by Perry and party, who, during the whole of 1894, have been so engaged, and I have reason to believe they have accomplished a very considerable amount of work. They have won and crushed 200 to 300 tons of quartz, but the yield has not been good, the best only turning out 8dwt. per ton. For the last few months they have directed their attention and work upon the old Otago Central, in which they have further driven the main adit some 40ft., stoping the ground as they proceeded. The country driven on is described as very hard, consequently the progress has been but slow, and the reef only shows an average of about 4in.; the yield from it is estimated at about 15dwt. per ton. This main adit is now driven nearly 750ft., giving about 90ft. of backs, but the next 100ft. to be driven will give 120ft. of backs. Perry and party have worked with perseverance, and deserve greater success than has so far attended their exertions. At Hill's Creek about the same number of men are at work, with probably the same results as heretofore.

HAMILTON'S AND SOWBURN.

Little or no alteration has taken place at this place; there are about the same number of miners working as there were at the time of my last report. I have reason to believe that the returns have been more satisfactory than for several years. Nothing new has been reported, but I believe the majority have made, at any rate, fair wages. As in other parts of the district, the supply of water was good for the early part of the year, hence the improved returns.

Work in the Perseverance Claim has been carried on in a manner quite in consistence with the distinguishing name of the company. They have been driving a tunnel for the last ten months, continuing it for a distance of 650ft., and I believe have at last struck the lead again; appearances indicate, at any rate, what is called wages-ground, and it is thought it will improve when fairly