

but so far has not met with a great deal of success; it had, however, at first, a serious drawback to contend with, the dredge having been built in the wrong place, necessitating its cutting its way through a bar in order to get into the deep ground. Donaldson Brothers' mill and battery are kept going day and night, and they are said to be doing very well. The quartz is conveyed to the battery by an aerial tramway capable of delivering between 30 and 40 tons in eight hours. Mills and Sons have removed their five-head battery from Nenthorn, and erected it at the top end of Macrae's Flat. They are crushing stone from the Golden Bar reef, and have had a crushing which yielded something over 5 dwt. to the ton. Cunningham Brothers and Ross have erected a five-head battery, but have not yet commenced crushing.

Bonanza Mine.—This mine is situated about eight miles from Macrae's, southwards. Operations are carried on from three levels—low-level adit, 60-ft. level, and high-level adit. The low-level adit is 190 ft. below the high-level adit, and is 1,550 ft. long, and connects with the battery with a self-acting aerial tramway. The battery consists of rock-breaker, Huntingdon roller-quartz mill, and grinding- and amalgamating-pan, all driven by a 6-ft. Pelton water-wheel, the pressure at wheel being 110 ft. A large dam has been constructed to conserve the water for crushing purposes. Fifteen hands are employed at the mine. As regards alluvial mining, it may be said that all Europeans and Chinese are doing fairly well.

At Nenthorn Messrs. Sligo Brothers have had a good crushing, and are said to have struck a block of stone supposed to go from 5 oz. to 6 oz. to the ton. They expect about 50 tons of stone in the block. The battery is a ten-head stamper-battery, driven by water-power. They have crushed for themselves 500 tons, yielding 339 oz. of gold; and for small parties 169 tons, yielding 263 oz. Callery and Son are also reported to have had a good crushing, yielding about 104 oz. for six months' work, and are still on good stone. Connell and party's crushing would appear not to have been so good, averaging about $\frac{1}{2}$ oz.

At Hyde mining matters call for no special comment. The Taieri Gold-slucing Company's operations have, apparently, not been very successful, one claim having been abandoned, and the company itself is in liquidation.

At Rough Ridge, Idaburn, and Blackstone Hill, there have been no fresh developments, and consequently nothing to report.

At St. Bathans the past season has been a very good one for water, and the Scandinavian Company has in consequence been enabled to keep the bulk of its customers pretty regularly supplied. The company has recently purchased from the St. Bathans Water-race Company the old Otago water-race, claims, and plant, for the sum of £1,700 odd, and is engaged cleaning out the race, which is expected to deliver twelve heads of water when in order.

Muddy Creek and St. Bathans Channels: It is understood that the Government have subsidised both these channels to the amount of £1,000. They are the main outlets for the tailings, and, if not maintained in a state of efficiency, mining on both sides of the hill would be seriously hampered. A good deal of work, however, has been done in both, and they seem to be working satisfactorily.

The Shamrock Company are understood to be well pleased with the result of their operations. The shareholders are principally Alexandra people. Johnston's Creek Claim is shut down for want of water.

There is a considerable number of claims along the banks of Muddy Creek, and all are doing fairly well. Garty and Gallagher, who are amongst the number, have had a good deal of trouble with slips, but, it is thought, have surmounted their difficulties.

Kildare Hill.—This claim, which is owned by Mr. Ewing, has been a very rich one, and is understood to be still maintaining its reputation in the face of great difficulties in working it.

Vinegar Hill.—Mr. Ewing has a large face stripped in this claim, and is known to have extracted a large amount of gold from this quarter.

At Vinegar Flat is situated another of Mr. Ewing's claims, which has paid very well, but it is said that the run of gold has been lost, and is being traced farther up the flat. The plant has been shifted by Mr. Ewing from his old workings at Cambrian, and he is now prospecting at Soldiers' Gully and is reported to have obtained good gold.

The United M. and E. Water-race Company is understood to be a good property, and its shareholders appear well satisfied. Eagle and Gray's claim has been shut down for a considerable time for want of water. Gay and Fordham are elevating about 20 ft. and said to be doing well. The Cambrian dredge, which originally cost between £4,000 and £5,000, has been sold for £3,000, and removed to Chatto Creek, near Alexandra, where it is known as the "Galtee More."

Morgan and Hughes are still doing very well in their claim at Vinegar Flat, and have great prospects before them. They shift their stones by means of a tramway worked by water-power.

Hunt and Reilly at St. Bathans, and Davis and party, Cambrian, are said to be doing fairly well.

Coal-mining: Ormond Hughes has an excellent property in his coal-pit at Cambrian, and has recently obtained a steam-engine of about 20-horse-power, which will enable him to cope with drainage-water, hitherto a great drawback. He is also erecting machinery for stripping the coal. James Enright has opened a pit, since last report, at Blackstone Hill, and obtained good coal.

Matakanui.—The mode of working here being hydraulic sluicing, water is an important element, and the industry has been frequently interrupted for some years past by dry seasons; the past year has, however, been more favourable, and work has been vigorously carried on, with satisfactory results to those concerned. On the flats it is proposed to place dredges, and the material for one is now being placed on the ground, while other claims have been pegged off. The Thompson Gorge Gold-mining Company intend further prospecting their ground, and are obtaining the necessary implements from Dunedin.