Point Coalfield, and, as such, appear in Mount Vulcan, near the mouth of the Shag River. Here, also, the beds are gold-bearing, reference to which fact will be made in the proper place.

Between the Blue Spur and the old Woolshed diggings at Glenore, there are several small patches of these breccia-conglomerates, and these, nearly all of them, lie in the direct line between the two points mentioned. This has been thought to be the course of the old river or glacier which deposited the Blue Spur gravels; and there, also, Mr. McKay explains the matter otherwise. Mr. Rickard, indeed, noted that on the eastern side of the Blue Spur deposit the smooth wall of rock indicated a slide or fault; but did not note that the line of this, projected to the south-east, would roughly constitute the eastern boundary of like deposits at Weatherstones, Waitahuna, Manuka Hill, and Glenore. Along Waitahuna Gully the fault is as clearly traceable as at the Blue Spur, and at Glenore Railway-station it is inferred from the occurrence of the breccia-conglomerates in the bed of the stream, while the steep banks on the north-east side show the presence of schist. A fault bounding one side of the Blue Spur deposit is shown on a map by Mr. McKay, indicating the distribution of the great faults and earthquake rents of more modern times in both islands of New Zealand.*

The line of fault, as traced to the north-west, thrice intersected Lake Wakatipu, and reached the West Coast a little north of the entrance to Milford Sound. In the opposite direction it reached the sea-coast a little south of the mouth of the Taieri River. Its course, as now determined, is more north-west and south-east. Along the line, so far as traced, lie six small areas of breccia-conglomerate, practically the same in character at all the localities, and also occurring under a similarity of conditions—that is, they seem to rest in depressions of the surrounding rocks. This peculiarity has been explained in Mr. McKay's report, already referred to, in which the opinion is advanced that the Blue Spur deposit constitutes the earlier proceeds of the denudation of interior Otago, after the exposure of a considerable area of the schist rock; and that what now distinguishes these breccia-conglomerates from the younger and overlying quartz-drifts was due to their being deposited in the hollows of the old land surface, and thus escaped reduction to the condition of quartz-drift, which, on the submergence of the land, was the case when the deposit was of lesser thickness or more exposed to the action of the advancing tide, which submerged the greater portion of eastern Otago, and reached as far to the westward as the middle part of the Maniototo Plains.

Blue Spur Company.—The whole of this company's workings is now confined to the cement, and it is gratifying to find that this material is being made payable for working. There is no doubt this company is heavily handicapped in having given far more than its value for the ground to the different companies which originally held it. These companies, working it as long as they could make it pay wages, took out all the best of the ground and then sold it for a fabulous price in comparison to its actual value. However, although the ground proved that the gold-returns will not come up to the company's first anticipation, it may consider itself fortunate in that it is being made payable for working with small profits; and, were it not for the careful management and the ability of the gentleman in charge of the work, who closely watches all the operations, this company, like some more of the English companies who have mining properties in the colonies, would have been a failure. It is customary for companies who are formed in England to send out a manager to conduct the operations; they do not seem to have any confidence in colonial men being in charge of their properties. The real result of this is that men are sent out who have to learn a great deal in their profession before they can successfully conduct the operations of any company. The formation of each country differs greatly, and also the auriferous and argentiferous deposits occur in different forms even in the country itself. A man may be, for instance, a splendid manager for a quartz company at Coromandel in the North Island, but if he was sent down to Reefton in the Middle Island to take charge of a quartz-mine he would have a great deal to learn there before he could reasonably expect to conduct the undertaking successfully. In fact, the companies who employ managers not acquainted with the formation of the district where the operations are conducted, have not only to pay for a portion of their education, but also, in many instances, to pay heavily for the mistakes made in the carrying-on of useless works. We have equally as able and trustworthy men in the colony to manage mining properties as there are in other countries, and these are certainly better qualified to conduct the operations of a mining company in this colony than those coming from other parts of the world. This is clearly demonstrated in the case of the Blue Spur Consolidated Company.

Taking the operations for the year ended the 28th February last, the quantity of gold obtained was 2,166oz. 6dwt., representing a value of about £8,665, and the expenditure in wages at the mine and in explosives amounted to £5,255 15s. 3d.; to this would have to be added the cost of maintaining plant, water-races, and office expenses. The cost of explosives alone in breaking up the cement for the year was £613 9s. 10d. The number of cubic yards of material sluiced for the year was 161,841·3, which gave an average value of 6·42 grains of gold, or 1s. 0.85d. per cubic yard.

The following statement shows the height and quantity of material lifted for the year ending 25th February last:—

No. of Elevator.	Number of Hours Sluicing.	Number of Cubic Yards Sluiced.	Gold Obtained.	Height of Material Lifted.	Head of Water on Jet.	Diameter of Jet.	Diameter of Liner on Elevating Pipe.	Number of Sluice-heads used for Lifting.	Number of Sluice-heads for Sluicing.	Number of Cubic Yards lifted per Hour.	Gold Obtained per Hour.
	Hours.		Oz.	Ft.	Ft.	In.	In.				Dwt. gr.
1	2,179·5	58,107·9	567·65	62·5	400·5	3¼	7½	10	8·75	26·66	5 2·6
2	1,816·5	60,550·0	642·70	63·5	408·0	3¼	7½	12·5	11·25	33·30	7 1·9
2A	1,295·5	43,183·4	955·95	63·5	408·0	3¼	7½	12·5	7·5	16·66	7 9·0
2B	1,295·5			42·0	354·0	2⅝	7½	7·5			
Total	6,587	161,841·3	2,166·30	..	..	..	..	..	..	24·40	6 13·9

* "Map of New Zealand, showing the Principal Faults and Earthquake Rents": Geological Reports, 1890–91.