

There are a considerable number of miners employed in different places on the field, but the largest mining operations outside the dredging companies are carried on by the Deep Level Company. This company, some years ago, purchased a portion of the ground they now hold from Messrs. O'Brien and party; but the gut or slide where rich auriferous wash-drift was worked by O'Brien is long since worked out, and this lead has been traced into the flat. Their present paddock, taken out on the flat, is about 300ft. long by 150ft wide at the top, but narrowing down greatly at the bottom. The manager states that the ground, as a rule, was very poor, and it was hard work to make ends meet. The balance-sheet for the year ending the 23rd January last showed the called-up capital to be £11,730, and money borrowed on mortgage, £2,756 15s. The wages for the year amounted to £1,002 13s. 3d.; management, directors' fees, &c., £153 15s.; interest, £364 5s. 8d.; materials, £216 14s.; and other charges, £114 5s.; rent of water, £78, making a total of £1,929 12s. 11d.; and the value of the gold obtained for the same period was £1,985 17s. The wash-drift is of a quartz-grit formation, but from the appearance of the bottom at the time of my visit, it will be difficult to follow the run of ground far into the flat, where the gold has hitherto been obtained.

The most of the individual miners are working in the gullies, and on the terraces lower down the river than the township, and on the whole they are making fair wages. There is no rich ground, but by steady work and a supply of water any one can make small wages on this field. There are about a couple of months in midwinter when very little work can be done, owing to the frost, which prevents sluicing operations from being carried on.

#### CLUTHA VALLEY.

There has been very little new ground opened in the Clutha Valley last year; neither can it be expected so long as the present claims are being worked. All the available water-rights are taken up and held by the present mining companies, and, although there is a large quantity of gold still in this valley, the ground is not sufficiently rich to pay for working it by any other method than by sluicing, and, as far as the flat land in this valley is concerned, very little of it can be washed away by ordinary sluicing operations. It is only the top stuff that can be run away from the terraces close alongside the river, the bottom material having all to be elevated. Some of the claims, such as Eddie and Kirkpatrick's, at the Horseshoe Bend, can be worked level-free, there being plenty of fall for the tailings; but very few of the others, except some of those on the opposite side of the river from Roxburgh, can be worked in the same way; and even the claims at Roxburgh cannot be worked on the bottom near the side of the river; it is only where the workings are getting a considerable way back that the bottom is got, and then the fall in the tail-races becomes so little that it would pay the owners better if they had a good supply of water with sufficient head to elevate the bottom portion of the ground with hydraulic elevators. This valley will continue to yield gold for several generations, and, probably, by improved methods of working, our posterity may make ground which we are now leaving as valueless pay for working.

*Island Block Company.*—This company has, during the past year, been successful in carrying on its operations. For a considerable time it was working very poor ground, having lost the run or track of the gold-bearing drifts. A short time previous to the publication of the last annual report, the run of auriferous drift was again struck, and since then the operations have been carried on, following this run, which has no doubt been at one time the bed of one of the channels of the Clutha River; but the flat here is a considerable width, and, possibly, the river has flowed down in more than one channel. Looking at the topographical nature of the country, and the point where the river has cut out to flow in its present course, the high range on the south-western side comes round, forming the segment of a large circle, and it is a well-known fact that the tendency of flowing water is to follow round the inside of a bend and scour the channel deeper there than elsewhere. Taking this into consideration, there is a possibility of the main channel of the river being found under the present road; but the remains are still visible of a large slip that has taken place from the side of the range, about half-way up the flat, and probably this filled up the ancient river-bed and caused the river to cut out a new channel, and in that case it would be much nearer the island, and account for the run of rich wash-drift now being worked.

There is a great depth of rich alluvial soil on this flat, which has hitherto been a source of trouble to break down and send up in the elevator. Recently the manager, Mr. C. E. Rawlins, has constructed a drag, to work by water-power, to remove the soil and clay and stack it on the surface of ground where the run of gold-bearing drift does not go under. Poppet-heads have been erected 24ft. high, with pulleys on top, over which wire ropes will work to haul the drags. It is expected that the drags will excavate and haul up material at the rate of one ton per minute. This machine is also to be used for bringing down the material to the elevator, and the manager is in hopes that he will be able to do the work for about one-tenth of the present cost.

During last year about 2,000ozs. gold have been obtained, and about thirty men have been employed. The manager finds that the ground is getting better as he goes up the flat, and, with his improved method of working, the next year's returns ought to leave a handsome profit to the shareholders. The manager estimates that he can send away through two elevators about 12,000 tons of material weekly, which is equal to about 50 tons per hour, taking stoppages for repairs into consideration. It will take a life-time to work out this ground, and if even moderate returns be got, the undertaking should prove a profitable investment for the capital expended.

*Island Block Extended.*—This company have recently been very successful in carrying on their operations. The workings are extending into the flat towards the terrace, and a good run of wash-drift has been struck some distance back from the river, and it has evidently been the course of the river in former times. In working on this run of ground, 250oz. of gold was obtained for twenty days' work. A paddock has been put down some distance higher up the flat, where the present hydraulic-sluicing operations are carried on, and about the same distance back from the mine, which