

It is, however, sometimes found that prospects are very delusive in the bottom of a cut or hole where there is water, as the gold gets washed down from the sides, and the drift on the bottom is obtained in a concentrated form. Many a one has found this to be the case, and after going to considerable expense in working the ground has met with disappointment. Rich deposits of gold-bearing drift have been found in this neighbourhood, and similar quartz drift is found over many places in Otago, and also in Golden Gully, Collingwood, which has proved to be very remunerative for working. The elevation at Hamilton, which stands about 1,800ft. above sea-level, makes it a difficult matter to get a good water-supply. The only place that it could be obtained from is the strath in the upper portion of the Taieri River, but this would necessitate the construction of a very long and costly water-race.

The Perseverance Company, which was formerly carrying on sluicing operations, has been trying to work the ground by tunnelling, but there being a large quantity of water to contend with, the work has not been progressing satisfactorily. Some other parties of miners are also working the ground by tunnels, but it is not known what success is attending their efforts. Very few of the miners here are making good wages. The Biting Company are said to stop mining operations as a company after the washing-up.

It may be said that there is auriferous drift over large areas of land on the Rock and Pillar Ranges, but the scarcity of water and their high elevation precludes the ground being worked for a good many months in winter, and except some exceptionally rich discovery is made this is not a place where prospectors are likely to look for payable claims. It can, however, be safely asserted that the quantity of auriferous drifts in Otago is very large, and that the next century will not see the alluvial gold-workings exhausted; and in the prosecution of these alluvial workings, on the laying bare of the rock-bottom, there is a probability of payable quartz lodes being discovered, which will eventually become the permanent gold-mines in the colony.

Blackstone Hill.

The small parties of miners who have been working in this quarter for so many years still continue to do so, few of them making more than a living, most of them having small agricultural or pastoral holdings that afford them employment when water for mining is scarce. Mr. R. Johnstone has not yet struck anything good in his prospecting cut, but is making fair wages.

The Blackstone Hill Company have had temporarily to cease operations. They brought up their tail-race in Johnstone's Gully to the area they had prospected and thought payable, but it proved not so, notwithstanding the splendid stream of constant water they had at command. The company have got into debt, and have arranged a series of calls which will liquidate their indebtedness in less than a year, after which they hope to be able to find funds to carry on their water-race to ground some four miles further on along the slope of Blackstone Hill. Their race is not high enough to command the most likely ground in the locality of its present termination. Ground known as Halpin's Claim (on the west side of the Manuherikia, where the country opens out above Hawkdun Gorge), which has been worked for a number of years, and of which great hopes were sometimes entertained, has ceased to be worked, but there is every likelihood that good deposits may notwithstanding still be found in its vicinity. The deposits are extensive, and belong to the white-drift formation. A small party are engaged in trying the same formation about a mile distant from Halpin's Claim, in the direction of Hawkdun Station, having constructed a water-race eight miles in length from the Manuherikia River to do so. They are confident the ground will pay, and would have had it proved had they not been so unfortunate as to have a dry season to begin with. At the place where they take their water from the river it runs over a shingle-bed, and in dry weather the water disappears. The party working in the eastern branch of the Idaburn, above the Government race, are said to have done very well, though the exact amount of their earnings has not transpired. No further prospecting has been done along the base of the Hawkdun Range during the year.

St. Bathans's.

This may be said to be the locality where the richest deposits of auriferous quartz drift exist, so far as yet known, in Otago, and the bottoms of these deposits have never yet been reached, but still continue to contain a large quantity of gold. The drifts here have been tilted up from their original bedding, which must have been, at the time they were laid down, in a horizontal position, but now they are tilted up at a high angle corresponding to the face of the schist rocks on the side of the range on which they now abut. The stratification of the different beds of this deposit can be clearly seen, with a bed of leaves fully 5ft. in thickness about the centre of these drifts. This deposit has now been worked down to a depth of something like 300ft. Some idea of the richness of this ground can be formed from the account of Mr. John Ewing's claim at this place which appeared in the *Otago Witness* in the end of November last, of which the following is an extract:—

"The Kildare Hill was opened in January, 1864, by a party of gold-seekers hailing from the town in Ireland that the hill takes its name from. The hill, as Nature had formed it, was of a conical shape, the summit of the cone being something like 400ft. from the present level of the workings. Not a vestige of the hill is left, every particle of it having been demolished and sent seaward. The various layers of pipeclay, sand, and quartz gravel that formed the hill were to be seen cropping out on the surface, and the celebrated layer now known as 'Kildare layer,' from which Mr. Ewing is obtaining capital results, carried the gold from the surface down; the prospectors making from £10 to £12 a week sinking on the layer and hauling the dirt to the surface by hand, then carting it to water. After short operations the miners found that the stratum dipped at an angle of 45°. The claims were exceptionally small in those days, 12 by 24 for one man or 48 by 48 for four men—at that period no larger area could be held in one claim. Thus it will be understood that those who had taken up claims on the slope of the hill had to sink to a considerable depth to strike the gold-bearing layer. Ground-sluicing was not known by the miners at the first of the rush,