

into it. The company have had many difficulties to contend with in the way of immense landslips completely burying their works. The whole face of the mountain side, where their works are situated, appears to be almost on the move—at any rate, liable to slip at any moment; this renders the work of the company not only very expensive, but hazardous to the men employed.

There is every reason to believe that there exists a belt of auriferous ground of a highly-payable nature running below the township, but at a very considerable depth. Efforts have been made in past years to develop it, but the difficulties have ever proved insurmountable. It is believed to run to a depth of 100ft. to 150ft., and, from the drift nature of the sinking, would require close timbering from top to bottom. The expense of such a work is entirely beyond the means of any of the miners at Hamilton's.

At Sowburn work has proceeded in about the same manner as hitherto. No change worthy of any special note has taken place. The majority of the miners settled there appear to be perfectly satisfied; they have comfortable and permanent homes, and a number of them are taking advantage of the opening-up of the land—taking up holdings that will insure them homes for themselves and their families even should the yield of gold run out. There are a few scattered parties working between Sowburn and Hamilton's, including a few Chinamen, but I have not been informed as to their success or otherwise. The ground, as a rule, is patchy in this neighbourhood, but when a miner is successful in striking a run of gold it is, as a rule, very good, amply repaying for a considerable time spent in prospecting. I believe Foster's party, at the Three-mile, again obtained quite satisfactory returns, at any rate, during the earlier part of the year, when water was in good supply.

KYEBURN.

Work in this neighbourhood has been carried on during the year in the same persevering manner as hitherto, but since the very dry weather set in the majority of the miners have been very much hindered in their sluicing operations; but they have, I understand, been taking advantage of the enforced stoppage by cleaning out their water-races, dams, &c., and are now pretty well prepared for the much-desired and necessary rainfall. Smith and Donaldson's party are still elevating at their workings at White's Gully, with, I am informed, satisfactory returns.

The old established miners pretty well all remain and continue in their old claims, and, if not acquiring riches, are, it may be presumed, fairly satisfied with the returns obtained, as I hear but few complaints. Some of the water-races have changed hands, but at what prices I am not informed. McLellan and Son, who have been for some five years working a claim at the junction of German Creek and Kyeburn River, have, I believe, nearly worked out. The fact that during the period named the area of ground dealt with hardly exceeds a quarter of an acre, and the system of work has been comparatively primitive, shows clearly what might have been achieved if the quantity of water and the pressure had been greater, and how really rich some of the deposits on the Kyeburn are if the more recent and scientific appliances could be made use of. Parker's party have completed their tail-race, and have added 300ft. of 11in. pipes to increase the pressure. They are now in a position to put through greatly increased quantities of wash, and anticipate good returns. Messrs. Brown Brothers are prosecuting their works on the Kyeburn Peninsula with praiseworthy energy and system. They are now constructing a large dam on the ground which was resumed by the Government a few years ago. They are also cutting water-races to connect with the main race and the pipes for the elevator. There is a considerable area of ground in and around the land resumed which runs pretty deep. It is fully believed to be payable, and Brown Brothers have determined to thoroughly test it with elevators. To this end they have added 1,400ft. of large pipes to their plant. The elevator and all connections are to be on the ground at an early date.

About the same number of Chinese miners are scattered about working in their usual quiet, yet pertinacious manner, principally in ground which has been, at any rate partially, worked by European miners in former years. Between this place and Naseby there is quite a large area of ground, believed to be auriferous, and which it is to be regretted is so little prospected.

MACRAE'S AND NENTHORN.

No striking change has occurred at either of these places. The number of miners engaged remains about the same, both of European and Chinese. At Macrae's Flat some fifteen parties have availed themselves of the dry season, and have again worked the ground which in ordinary seasons cannot be touched on account of the water. A number of Chinese miners are reported to have done very well at Horse Flat, a locality apparently offering lasting attractions to Chinamen, to judge from the persistent manner they cling to it. I believe some exceptionally rich patches have been obtained by them at this place from time to time.

Quartz.

The Bonanza Mine has changed hands. The new proprietors have removed the battery to a lower site, intending to use water-power as soon as available. In the meantime, I am informed, some very promising stone is being brought to grass, and a successful future is predicted for the mine.

Golden Point.—Work of a satisfactory character has been continued at this mine. During the early part of the season some 200 tons were treated, with satisfactory results. Considerable additions have been completed to the crushing plant—viz., a 5ft. Huntingdon mill, rock-breaker, and grinding-pans. The proprietors are very sanguine of the future prospects of the mine, and certainly the perseverance they have ever displayed entitles them to every possible success.

At Mount Highlay a further attempt is being made, with, I fully believe, very good prospects of more favourable effects than attained hitherto. The management is now in thoroughly experienced hands, and it is the intention of the present proprietary to apply the most recent and improved appliances, including the cyanide process. A very large body of stone exists, which is easy to obtain, and is confidently believed to be highly payable when treated economically. If the present