

consequently a very considerable distance apart, which lead to general attention being given to the whole district.

In consequence of the finds in the above mines leases and special claims to the number of two hundred and thirty-three were applied for in all directions. The excitement became general and speculation rife in mining scrip. Leases that had long been lying dormant sprung into activity, and many claims, which had almost been forgotten, again came into notice. Some of the applicants for leases put on men to work and new finds were constantly reported. Naturally, all have not been successful in the race for wealth. In speculating in mining ventures too much caution cannot be exercised. It is a matter for regret, therefore, that persons, especially those living at a distance, led away by glaring accounts, should recklessly invest in any venture without first obtaining reliable information and using ordinary discretion. Too often this is neglected, unfortunately; the reaction sets in, scrip depreciates in value, and the district suffers (although at the same time it is perfectly sound), and much harm is done by the withdrawal of capital from legitimate enterprises. Investors should always bear in mind that as a rule the expenditure of a large amount of labour and money is necessary to render any mine remunerative.

I do not think that the whole of the leases applied for will be taken up; but by far the greater portion will, unless I should be mistaken; indeed, about fifty certificates of occupation have already been issued. Doubtless a considerable amount of prospecting will be and, indeed, is being done, so that at any moment fresh discoveries may be made. Owing to the great number of leases applied for the surveying of them got quite beyond the resources of the Survey Department, and, as the importance of surveying them with as little delay as possible was fully recognized, the staff has been reinforced. A few months therefore will find a very large number of surveys out of hand.

The prosperity of the district has brought with it an increase in the revenue of the Warden's Department; that of the past year being £3,189 5s. 11d., as against £1,873 7s. for the previous year. There has been a falling off in the number of cases brought before the Courts, that on the civil side tending to prove the soundness and stability of the place. The sittings of the Courts have been altered to once in three weeks instead of fortnightly. The following tabular statement shows the revenue collected and business transacted during the year. The miners' rights, &c., issued during the year were as follows:—Miners' rights, 518; business licenses (£5), 9; business licenses (£3), 68; water-race licenses (2s. 6d.), 147; registrations (10s.), 9; registrations (1s.), 462; mining applications, 389; gold-mining lease applications, 221; special claim applications, 12; gold-mining leases granted, 48. The revenue received was as follows:—Warden's Department, £3,189 5s. 11d.; Resident Magistrate's Department, £148 4s.; fees, Licensing Court, £27 16s.; spirit licenses, £912 10s.; Waste Lands Department, £529 4s. 4d.; total, £4,807 0s. 3d. Deposits on applications for leases, £3,105 7s. 6d. The number of cases in the Resident Magistrate's and Warden's Courts were: civil, 138; criminal, 67; Warden's, 11.

Mr. Trennery, the manager of the Golden Fleece Extended Company, has recently returned from Victoria, where he had purchased, on behalf of the company, a diamond drill and rock-borer with all necessary fittings and appliances. These are now being conveyed to the company's mine and will shortly be at work, the company commencing operations with the rock-borer. They are the first machines of the kind introduced into this field, and it will be a red-letter day when they are started to work, and it is sincerely to be hoped that the expectations entertained regarding them may be fully realized, and the plucky shareholders reap the first reward of their enterprise. The result of the operations of this company will be watched with great interest by all in the district, and should they be successful other companies will probably follow suit in the purchase of similar machines, and a great impetus to mining generally will thus be given. The County Council, recognizing the value to such a district as this of the diamond drill, some time since sent an order to Melbourne for one capable of boring 2,000 feet. This may be expected in the course of a few months, and operations will, I believe, be commenced with it in the ground of the Homeward Bound Company at Boatman's.

In my last report I mentioned that it had been proposed that a low-level tunnel should be driven at Boatman's by the several companies in the locality. The proposal has now assumed a definite shape, and a tunnel some 2,300 feet in length will be driven from Little Boatman's Creek. It was originally intended that a double line of rail should be laid, but I believe it is now the intention to lay only a single line, as that, with good management, will be found sufficient for all requirements. The tunnel, which is upon the same level as No. 6 Tunnel in the Welcome Company's ground, will pass through the leases held by the Welcome No. 2., Occidental, Homeward Bound, Specimen Hill, and Great Eastern. A contract for driving 600 feet has been let, and a portion already driven, and it is contemplated during the progress of the contract, to erect rock-boring machinery so as to expedite the work. The following companies at present contribute towards the work, and will enjoy the advantages to be derived from it—namely, Occidental, Welcome No. 2, Homeward Bound, Specimen Hill, North Cleopatra, Comstock, Great Eastern, and others are expected shortly to follow. As the undertaking has been entered into by so many companies, the cost to each will be very light, the wisdom of the step cannot, I think, be questioned. The tunnel will open up a large amount of ground, and must necessarily be productive of much good.

The Welcome Company which, during the past eighteen months, has paid such regular and handsome dividends, is now preparing a chamber in the No. 6 level for the erection of engine and winding machinery to be used in working the levels below No. 6, from which a main shaft will be sunk on the completion of the chamber, &c. The length of the present low level, or No. 6, is 2,600 feet, and is connected by tramway and shoot with the battery. The battery consists of 10 heads of 7-cwt. stamps driven by a water-wheel 25 feet in diameter. It is one of the most complete plants in the district, as in connection with it are percussion tables, berdans, amalgamating pans, and other appliances for the saving of gold.

As before mentioned, very rich stone was struck in the mine of the Specimen Hill Extended Company. Rich stone was found in the ground now held by this company ten years ago, but then held by the Lucky Hit Company. After working the ground for a long time a new company was formed called the Croesus Company; the Croesus Company transferred the ground to the Specimen Hill Company, which afterwards amalgamated with the Little Boatman's Creek Company. On the