

Eureka has crushed a small quantity of stone, but I am given to understand that the yield obtained did not show a sufficiently good margin of profit, and the mine has been, I believe, let on tribute to the late manager. The Surprise is also now being worked by a small private party, the average yield from the stone operated upon running up to about 2oz. to the ton; the reef, however, being small, even this average does not show a large profit. The confidence of the public has, naturally enough, been completely shaken in anything like speculation or investment at Nenthorn, so that a number of the quartz veins which were partially prospected, many of them showing most favourably, are now lying idle, although experienced reefers think that some of them are capable of being worked to profit.

CLYDE AND ALEXANDRA.

In these localities, also, there has been an improved supply of water, and consequently mining generally has assumed a more healthy appearance. There are possibly no more miners engaged, but those who have been working have undoubtedly been doing better. The Golden Gate Company, which is now practically reduced to four or five working-men, has, after a long uphill struggle, commenced to give some return to its few shareholders. There is a considerable area of payable auriferous ground on the terraces on the Dunstan Commonage yet to be worked, but, as this company holds the chief supply of water, it must remain unworked for some time. There are a few other parties doing fairly well in this locality. On the west bank of the Molyneux, below Clyde, there are some thirty men engaged sluicing the banks of the river, using water from Earnscleugh or Fraser River. The old system of sluicing is still adopted here, necessitating the bottom seams being left for future operations. Despite this, however, very fair wages are obtained by all, and as most of them are owners of water-races, and in possession of a few acres of land around their homes, they form a very fairly prosperous community. At Spring Vale, and the faces running down towards the Manuherikia, Allan and party, and some few others, are doing very well, the former having made considerable additions to his mining plant during the year. The Molyneux Hydraulic Company lately purchased water-rights and plant of the Commissioners Flat Company (in liquidation) for £1,200, and are now calling for tenders for laying down pipes from the present termination of the race to their special claim near the bridge at Alexandra. This will require a good deal of new material, but it is thought that in a few months sluicing will be commenced. Dredging: A pneumatic dredge has been constructed, at a cost of some £3,000, by a Melbourne syndicate, and placed on the river in the gorge below Alexandra. I believe it has been at work for four or five months, but with what results I am not informed. I fear the continued silence on the subject does not indicate a large amount of success. The bed of the river at this point is thought by many to be too rough to obtain profitable results by dredging. There are two dredges above Alexandra still doing very well. One of them has been converted from a current wheeler into a steam-dredge, enabling the party to work with greater regularity.

*Bald Hill Flat.*—I am glad to be able to report that the mining population at this locality is increasing steadily every year. It is, I think, a most suitable place for miners of small means to turn their attention to, not only for prospecting, but there is almost a constant demand for a few good sluicing-men on wages. Every available drop of water is being used; in some cases twice over. There are four races now in course of construction, which, when completed, will supply about fifteen more heads of water, and no doubt largely enhance the yield of gold. Carroll and Lynch's party, after spending about thirteen years in bringing up their tail-race, are at last enabled to work their claim. This party has displayed great perseverance, and, having a fair supply of water, should soon recoup themselves for their past labours—a consummation they richly deserve. Hesson and party are reported to be doing well in their new venture. The elevating plant recently placed on the ground at a cost of about £3,000 has been giving great satisfaction. McClosky and party, holding a claim in the vicinity of the Teviot Road, are also reported to be obtaining payable results. I also hear favourable accounts from Wilkinson's claim; and Mitchell and party, after three years' work in bringing up a tail-race, expect very shortly to reach their claim. The Bald Hill Sluicing Company has, with its limited supply of water, disposed of a large area of Butler's freehold during the year, and I am informed with more satisfactory results than for former seasons. This company is constructing a water-race from Gorge Creek at a much lower level than the one they have hitherto used, which is above the snow-line, and if, as I believe it is intended, the right to ten heads which has recently been granted to them from Shingle and Chasun Creeks is at once brought in to Ball Hill, the company will next season, in all likelihood, be in a position to pay dividends. Simmonds and party, and, I believe, some others, recently purchased for about £600 the Commissioners Flat water, and have taken up claims on the flat. They have called for tenders for the race to bring the water on to the ground, and every hope is entertained that by this time next year this will be adding to the already satisfactory number of claims in full work.

*Old Man Range.*—White's reef is now being worked with very good results by Messrs. Symes Brothers, the system of working and management adopted by them contrasting most favourably with that carried out in this ground formerly. It is reported that a considerable part of the ground has been leased to a party from Invercargill, and it is their intention to put in a tunnel at much lower level to strike the reef. The same party are stated to have leased a claim at Butcher's Spur, which has been lying idle for the last two years through water. A deep level tunnel could be put in here at a reasonable cost, which would fairly test the value of the ground. There are several other claims in work on side of the range—among others, Crossan's, Baker's, Prosser's. In all of these sluicing is adopted as the method for working, the quartz seams being of a particularly soft and friable character, and it is believed that quite 90 per cent. of the gold is saved. Altogether the prospects of this part of the field are more promising than they have been for a considerable time, and I have little doubt that when the work in connection with the increased supply of water is concluded there will be a further vitality shown in the mining industry than has been exhibited for a long time.