

exceptionally large quantities of gold. Recently they have added to their water-rights, already about the best in the district, by the purchase of four additional heads from Shepherd's Creek, at a cost of £1,250. Ewing and McConnochie are still working the old drift-formation, and have dealt with an enormous quantity during the year. As they anticipated, on working and cutting into the seams of fine gravel and clay, and removing them from the face, the mass settles, the hillsides above the workings showing cracks in all directions up to a height of 300ft., and to the Undaunted Water-race, which has had to be piped for some distance. Before the greater portion of this old drift-formation can be worked satisfactorily provision will have to be made for the water-races which now cross it.

Simes and Morgan are now opening out in the old drift-formation at a point half a mile (in a southerly direction) beyond the old workings, or where anything payable was thought to exist. The Sugar-pot Company have had enormous quantities of stones to contend with; but, in spite of this, owing to the great richness of the ground, very large dividends have been declared for years past. It is now leaving the most stony part of the ground and setting into the ground formerly held by the Deep Lead Company, with which this company has amalgamated. If the ground now to be operated upon turns out as anticipated their returns in the future should eclipse any obtained hitherto, even in this place, so favoured in the past with brilliant yields of the precious metal.

#### ST. BATHAN'S.

Mr. John Ewing continues to be the chief producer in this locality, and, from the great skill and energy he displays in the prosecution of his many large undertakings, it is to be hoped success may follow his exertions. From his Kildare Hill Mine he is stated to have obtained 900oz. during the past year, and this only from a partial washing up. He is now elevating 75ft. in two lifts, and in spring he purposes putting down another elevator to lift 90ft. The large returns he has secured during the last two years have been from low levels, necessitating a large outlay in plant, &c.; but now it is in splendid working-order, and can be worked very cheaply, five or six men being sufficient to keep it going by night and day.

The Scandinavian Company are now engaged in washing-up, and expect about 400oz. The United M. and E. Company has had a good season for water; their Blue Gully property, which they purchased from Falty and Co., has not turned out well, but large returns are anticipated from the lower levels to be opened up by the St. Bathān's main channel, now being constructed. The latter company has made satisfactory progress during the year, having been enabled to work without intermission since the month of September. The company is now working on a new run, the existence of which was revealed by their own operations on the terrace north of Main Gully, below Graveyard Gully. The company has only partially cleaned up, and obtained 140oz. during the year; 70oz. of this was secured off the gold-saving tables. The company expects a return of 400oz. when washing-up in the spring. Tiernan's claim is said to have given satisfactory returns for the past year.

#### VINEGAR HILL, CAMBRIANS.

Nothing new has been reported from this place; little or no alteration has taken place in the population. The claim of Mr. John Ewing is being worked in the same extensive and vigorous manner. No cleaning-up has taken place, but from boxes at the tail of races and the remains of last year's work, recleaning bottoms, &c., about 200oz. have been got, and in the spring a yield of 600oz. is expected from a large paddock now stripped. Watson and party are believed to be doing well. Hughes and Morgan have completed a tail-race to tap the good ground formerly worked by them. Excell and party are driving in Hughes and Morgan's old ground, and making up to £4 per week.

At Six-mile Hill some parties of Chinese miners are said to have been doing very well for a considerable time past, and it would not at all surprise me if a very extensive area of payable ground were proved to exist in this neighbourhood.

#### BLACKSTONE HILL.

I regret to say that the quartz-reefs at this place (Rough Ridge) are still idle; there are a few parties and individual miners working about this locality, and have been doing a little better during the past year through the better water-supply. The company, cutting a water-race in from the Manuherikia to ground at the base of Blackstone Hill, are stated to have discovered payable ground at Dunsmuir's Flat, near the line of their race, and are said to be taking steps towards prosecuting work at the place. I have not been informed of the value of the prospects obtained.

The yield of gold for the whole of the localities I have alluded to has been no doubt a considerable increase on that of the last year or two; and, so far as the information given enables me to judge, will amount approximately to 30,000oz. for the year, bearing out what I said in my last report that an increased supply of water was all that was required to largely augment the yield of gold and prove Otago Central to be a district deserving the attention and consideration of all interested in the mining industry.

The revenue has kept up fairly well, and I may say in conclusion that if the water-supply keeps up, of which, from present indications, I have every hope, I entertain the strongest conviction that an era of greater prosperity awaits the district in the future.

I enclose for your information the usual annual returns of statistics.

I have, &c.,

S. MEAD DALGLIESH, Warden.

The Under Secretary, Mines Department, Wellington.

MEMORANDUM of business transacted in the Warden's Courts and offices in the Mount Ida and part of the Dunstan Districts, year ending 31st March, 1892: Miners' rights issued, 1,418; water-race licenses, 422; registrations, 1,285; mining applications, 1,088: total revenue collected, including rents, fees, fines, &c., £2,897 11s. 4d.