

and ever since the prospects of the mine have been exceedingly encouraging. The work consists of three levels,—the surface level, about 300 feet long; the road level (a little above high watermark), 260 feet; and No. 1 level from the engine shaft, 320 feet in length, is opened out at a depth of 80 feet from the surface, leaving 10 feet of a well. A winze has been sunk from the road level to the lower, 140 feet from the shaft, and another is in course of construction, each being on the leader. The reef is but small, but the stone very rich. The country through which they are working in the lower level is the usual blue tufa, and the quartz a blue white. No crushings have taken place for this Company recently, but they have on hand, besides general stuff, up to the present time, upwards of 400 pounds of picked specimens lodged with their banker, which it is estimated will yield about 600 ounces of gold, and they are still taking out quartz of considerable richness. The leader has a strike N. 30 E., with an underlie E., and it is confidently expected that it will develop into a larger and better defined lode. The Coromandel Tunnel has continued steadily driving on the western, or Coromandel side of the main range; and is, up to date, in a total length of 1,198 feet. In this distance there has been cut eight lodes, in all of which that have been tested, gold has been found. The tests show from 18 dwts. to 6 oz. 10 dwts. to the ton. The positions, bearings, and size of these lodes are shown in the tabular statement attached, as also the respective tests. None of these lodes have been opened up, as the Company is devoting all their attention to the advancement of the tunnel itself, with a view of cutting and testing the main reef of the Tokatea Range at the tunnel level. It is expected that this reef will be reached at a distance of 300 feet from the present face. It is believed that all the smaller gold-bearing lodes of the Tokatea Range are connected with this main lode. The Company commenced operations from both sides of the range, but discontinued working from the eastern side, after driving about 300 feet through very hard country, and at a very great cost. During the past year their work has been confined to the western side of the range.

The Tokatea Gold Mining Company's claim, the first discovered, as it has remained the first of importance on the range bearing the same name, has been worked continuously during the past year with varied success. The formation of the range at this spot offers peculiar advantages for working from the eastern watershed, which here falls away very rapidly for many hundred feet, and thus the Company have been able to put in levels on the reef from which their principal returns have been derived, to a present depth of 410 feet below the highest worked portions of the mine, without the necessity for the employment of pumping or any other machinery. The greater portion of the reef above referred to has been stoped out and filled in above the third level; and the future labours of the Company will be devoted to stoping between the third and fourth levels, and driving at a still lower depth for the portion of the reef within their own ground, and as well to prospect the other lodes known to exist. This mine has, during the past three years, been most systematically worked from four distinct levels, in length respectively 340, 480, 800, and 950 feet, the last two being partly driven through the Bismarck Company's ground, a claim taken up on the same line of lode below. These levels are connected by winzes through which the quartz is removed from the stope to the levels below. The returns from the quartz crushed during the past year compare unfavourably with those of the preceding year; and it is unfortunate that the yield should fall off just when there are other attractions to miners in the neighbouring colonies. Payable gold has been proved to exist in the reef at a depth of 410 feet, thereby confirming the fact of its continuity so far; and any day's work may show the reef as rich as ever it has proved to be. During the early part of this year the Company let on tribute the leader from which the first rich specimens were obtained when gold was first discovered in that particular portion of the district, and the tributers made a handsome profit on their venture. The Company has since terminated this tribute, and resumed the work on their own account. This reef is entirely distinct from that on which the principal works of the Company have been carried on.

The old Kapanga ground, which was taken up in 1872 by an English Company called "The New Zealand Kapanga Gold Mining Company," has been most energetically worked during the past year. In my last report I referred to the valuable and complete plant of mining machinery then just imported. The sinking of the main shaft, which I also referred to, has been continued with the utmost diligence, and owing to the able management of Mr. Thomas, the manager, without a check. After sinking 150 feet it was found necessary to erect one of the large and powerful engines imported—it is 150 horse-power, and is supplied with steam from two 10-ton Cornish boilers. This engine, it is considered, is capable of draining the mine to a depth of 600 feet, and thus allow of testing the reef to that depth. Since this machine has been complete (about a month) the shaft has been sunk to a further depth, and it is expected that in eight or ten months the lode will have been reached, and the Company in a position to repay itself a portion of the large capital invested. When the shaft is down 300 feet, it is intended to open a cross-cut in an easterly direction for the Kapanga reef, which will then be cut at a small depth below the old workings of the Kapanga Company. The present shaft has been sunk to the westward of the old workings, to secure ground sound enough for the erection of the heavy machinery and requisite plant. The Company possesses also another and larger engine, which is on the ground, and will be erected when required. I look upon the works undertaken by this Company as most important in the interests of the district; and the enterprise, if successful, will be, I make little doubt, the forerunner of other English companies. The work performed hitherto is of a preliminary character, all "dead work," and is of the most substantial character.

The Royal Oak, Harbour View, and Pride of Tokatea are the next of importance on the summit of the Tokatea Range. These claims have been worked continuously during the past year, the two former more especially, with fair results.

The Bismarck Company on the Tokatea Reef has done but little, awaiting first the completion, and afterwards the working of Bennett's battery. This work, to which I referred in my last report, was completed about three months since, but owing to scarcity of water, being worked by a turbine, was unable to work fully; and owing to the same cause is unable to do so up to the present time. The Company had a great deal of quartz stacked, but up to the present the result of the crushing has not come up to expectations.

The Van, a Company lower down on the same (eastern) watershed, has been continuously worked, and the recent prospects of the mine are very encouraging.