

Harbour View.—This ground has been worked by tributers with average success, but has not yet recovered from the loss caused by the flood of 1878, which washed away a large paddockful of valuable quartz, together with the tramway, in the absence of which it is impossible to get any but small parcels of quartz to the crushing mills.

Bismarck.—The underground engine described in last year's report has been found to answer all expectations. The shaft below the engine-bed has been sunk a distance of 85 feet (total depth from surface, 311 feet), and a reef intersected in a cross-cut north at 30 feet from bottom of shaft. The main reef was cut at a distance of 51 feet; the latter has been driven upon for 200 feet with good results. The block of ground now opened up and ready for stoping will give employment to thirty or forty men for the next two years. The engine works well, though so far below the surface. Operations in this mine were at one time greatly delayed by water, but the mine is now being rapidly drained.

Kauri Block.—In this group of claims the Union Beach is the best known: its notoriety when in former hands (the Green Harp Company), together with its rich yields while under its present proprietary, cause it to be remembered. The following is a brief summary of the work done during the past year: 584 feet of driving, 63 feet of winze-sinking; 5 blocks of ground have been stoped out, averaging 54 feet by 40 feet, yielding 277 tons of quartz, which was crushed for a return of 220 oz. of gold. As to the future prospects of the mine, it is believed that the different reefs will be found to be as rich as ever at a deeper level; but having been all stoped out to the lowest level in the present shaft (180 feet), and the reefs being at a great distance from the shaft, it is necessary to sink a new one, which was begun, but, owing to the difficulty of getting in calls, has now been abandoned. At present the surface is being worked by several parties of tributers. It may be remarked here that when this mine was paying large dividends it was well known that a new shaft would be necessary, and a small reduction of each dividend would have sunk the shaft in the proper place and to the necessary depth: had this been done the shareholders would now have the satisfaction of either receiving dividends as before, or of knowing that the mine was barren at the greater depth which the new shaft would have opened up.

Premier.—This ground includes the Palmerston, Iona, Harrison's, and Golconda. On the last-mentioned the pumping and winding gear from the Conquering Hero mine has been fixed. The old drives have been cleaned out and retimbered for a distance of 500 feet; a shaft 200 feet deep has been sunk; and two winzes, each 100 feet; 270 feet of driving has been done from the 200-foot level, and the battery of ten stampers and four berdans kept constantly going, but, as yet, with a scarcely payable result. No expense has been spared to make this a very complete plant, and when the difficulty which at present exists in saving the gold (owing to the large quantity of base metals held in the stone) has been overcome, a payable return will no doubt be insured.

Golden Pah.—Since the settlement of the question of disputed boundary between this company and the Union Beach, mentioned in last year's report, this company has gone to work in earnest. A 30-horse-power pumping and winding engine has been put into position, the shaft sunk to a depth of 80 feet, and a drive put in under the foreshore a distance of 60 feet on a good large leader, showing good gold the whole way. The erection of so large a plant has exhausted the capital of the company, and the directors are now making an effort to increase it, and also an alteration in the rule which limits the calls to one shilling a month, as that sum is found insufficient to keep so large a plant going until the mine itself makes some return.

Goodenough.—No work has been done in this mine for the last three months, as the quantity of water at the present level is too great to be kept under without steam machinery, and the company are not now in a position to erect a plant sufficiently powerful to keep it down. The Black Reef and Coromandel are languishing, not so much for want of good prospects, but because the general depression at present existing, not only here but generally over the whole provincial district, stands in the way of the payment of calls, without which it is impossible to open up most mines, for few are so good as to pay at once, and well enough to save shareholders from paying, at any rate, some calls.

Although the anticipations of last year's report have not been fulfilled, still the fact of the district having held its own is, no doubt, a matter for congratulation; and when the general depression all over the colony is taken into consideration, and as mining operations depend so much upon outside assistance for the necessary funds to start with, and the money for calls generally has to be taken from the business capital of the various shareholders, it will be easily understood that commercial depression must react upon an industry needing so much preliminary expenditure as quartz-mining, and from which the returns, though often exceedingly encouraging, are so very uncertain. On the whole, there is every reason to believe that the bad times now existing on this field will shortly disappear, and be followed by a period of activity and successful effort, resulting in a return to its former prosperity. The prospects in the Tokatea district, Bismarck, and some other claims have so much improved since the end of the year that there is every reason to believe that the above prognostications will be realized, especially should the local governing bodies carry out the contemplated improvements in the mode of transit of quartz to the various crushing mills.

The statistical returns asked for in your circular letter have been forwarded to you under a separate cover.

I have, &c.,

JACKSON KEDDELL, Warden.

The Under Secretary for Gold Fields, Wellington.

No. 2.

Mr. Warden FRASER to the UNDER SECRETARY for GOLD FIELDS.

SIR,—

Warden's Office, Thames, 18th June, 1879.

I have the honor to forward herewith the report by the Mining Inspector on the Hauraki Gold Mining District (South) for the year ending 31st March, 1879, together with statistical returns for the same period.