

carried down to the water-level by the former company. The new venture will include the working of the ground known as "Blaygrove's Freehold," a large block of ground between the old Union Beach claims and the Kapanga Mine, known to be auriferous, but hitherto unworked owing to the difficulty of coming to terms with the owner of the freehold. This has now been overcome, and the floating of the Anglo-New Zealand Company in London would mean the immediate employment of a considerable number of men on ground hitherto unworked.

The Kapanga.—This well-known mine has again been taken up by an English company, with a nominal capital of some £180,000, with £23,000 paid up. Operations are to be at once resumed; the intention being, I believe, to sink the shaft some 200ft. or 300ft. lower, until the underlie of the old reef is cut, and then to work from that level. This will afford employment to a good many miners during the coming winter. It is to be hoped, therefore, that the new venture will meet with the success it deserves. Not far from the Kapanga, in the direction of the Tokatea, a small piece of ground (some six men's only) held as the Waipawa Claim has yielded to tributers during the year gold worth nearly £4,000.

Matawai.—The prospects of this district are better than those in any portion of the field. The Castle Rock Claim (Vizard's) is turning out rich stone from the low level that has taken upwards of two years to put in, the reef being tapped about 100ft. below the drive from which very good stone was formerly taken. The future prospects of this mine are very good. Near this claim is the Matawai Mine (Vaughan's). The quartz taken from this mine is so highly mineralized, and contains so large a percentage of arsenic, as to be difficult to treat with the appliances at present on the field. At the battery the stone will not give more than 1oz. to the ton, whilst from 3oz. to 5oz. can be obtained from any portion of the stone on assay. A parcel has been sent to a small furnace recently erected at Onchungu, for treatment, but the result is not yet known. The reef is large, and would pay handsomely could the gold be saved.

The Manaia, some ten miles south of the township—the new find mentioned in my last report—is still in the future.

The Victoria Claim here has been getting some good payable quartz from a reef one to two feet thick. The owners, finding the best gold underfoot, sunk for some 70ft. in the floor of the tunnel, carrying gold all the way, but at 50ft. taking out stone which may be called specimens. The reef appears to improve every foot they sink.

At Blackmore's, the prospectors' claim, they have obtained small quantities of rich specimens. The owners have arranged to cart seven tons of stone to the nearest crushing-plant, some seven miles away, over a difficult country. They expect it to pay well.

At the Tiki mining operations have temporarily ceased, the year's results at the Marabel Claim being disappointing, though some rich specimens were found. Work is still being carried on in one or two small claims.

On the whole, although the field has been very dull during the past year, the average yield of gold has been maintained; and, with the floating of the two English companies (Kapanga and Anglo-New Zealand), the outlook for the coming year is brighter.

It will be seen that the very high average yield per ton for which Coromandel is noted has been well maintained during the year. There has been 550 tons 8cwt. 3qr. crushed, for a yield of 3,382oz. 1dwt. of melted gold. During the preceding year the return was 456 tons for 3,201oz.

Below are the usual statistical returns for the year: Cases heard—Resident Magistrate's Court—civil, 98; criminal, 44. Fees—Resident Magistrate's Court (civil), £58 16s.; fines and fees (criminal), £44 10s. Cases heard in Warden's Court, £18; fees paid, £7 15s. Goldfields revenue for the year, £502 18s. 6d. Claims marked out, 117; registered, 28; abandoned, 67. Licenses granted, 7; forfeited, 6. Miners' rights issued, 46.

I have, &c.,

The Under-Secretary of Mines, Wellington.

HARRY KENRICK, Warden.

No. 4.

Mr. Mining-Inspector McLAREN to the UNDER-SECRETARY OF MINES.

SIR,—

Mining Inspector's Office, 20th May, 1886.

I have the honour to forward mining report for the Hauraki North and South Gold-mining Districts for year ended 31st March, 1886.

HAURAKI NORTH (COROMANDEL).

The general features of this portion of the field remain in very much the same condition as last year, the number of miners being about the same, and also the quantity of gold obtained, this year being 3,382oz., last year 3,201oz. There are, however, great expectations of a revival, especially as arrangements have been made recently, introducing English capital to work the two deep-sinking companies' mines—viz., the Kapanga and Telephone (late Union Beach). The former has always been an English company, but has lately been re-formed, the ground in the meantime being protected. During the negotiations to float the Telephone Company the ground has been only partly protected, that portion above water-level being let to tributers, who have had some very rich returns.