

silver with diluted nitric acid, and precipitating it with hydrochloric acid; a white powder is thrown down which blackens on exposure to light. The same thing takes place with the ore here when newly broken out. The silver is in a white powdery form in the stone, but after a few seconds' exposure to the rays of the sun it turns purple, and finally to a black colour. By using a blow-pipe, with a little soda on the face of the stone, it is very soon coated with minute globules of metallic silver. Some of the chloride specimens are extremely rich near the surface, and the country rock, which is composed of tufaceous sandstone, trachyte, and decomposed aphanite slates, but principally of tufaceous sandstone, has small leaders and veins running through it joining on to the main lode, some of which have very rich ore; but so far as yet proved, the rich stone in the Prospectors' Claim is near the outcrop, and where they have cut the lode in the adit level the stone is of low grade.

To the westward of the Prospectors' Claim is the Silver Queen Claim. Some trenching is done in this ground, and the lode cut in the bed of a small creek, where it is from 20in. to 2ft. in width, being considerably mineralised, having small veins of iron pyrites running through; but the ore appeared of very low grade. A ton of the ore was forwarded to the Thames for treatment, but as the average samples only assayed 22oz. of silver to the ton, the proprietors did not consider it worth treating. Directly adjoining the Silver Queen comes the Nil Desperandum Claim. An adit has been put in for a few feet, and the lode cut is similar to that in the Silver Queen; but although the distance between the place where the lode was cut in the creek in the Silver Queen ground is only about 40ft. from where it is cut in the adit in the Nil Desperandum Claim, the stone taken out to grass from the latter ground looks better, and seems to contain more silver. This is the most westward claim taken up on Crown lands, and about 800ft. above sea-level. About 30 chains further to the westward the Kauri Company have had three men prospecting for a considerable time; they succeeded in getting some very fair stone near the surface, but the lode seemed to get of a more rubbly character as it went down, and contains less silver.

To the eastward of the Prospectors' is the Ada Claim, locally termed the "Gas-works." There is an adit driven here for some 35ft. and three leaders have been cut through, each of them being from 14in. to 16in. in thickness. All of these leaders contain silver, principally in the form of ruby silver, but the grains of this silver through the ore are very finely distributed, showing it not to be very rich. The width between the leaders that have been cut is about 14ft., but it is not yet known whether this is the same lode or not that goes through the Prospectors' Claim. The height of this adit is about 550ft. above sea-level. The workings were commenced in this claim about the 1st April last.

There is an outcrop of a parallel lode to the prospectors' further northwards, but no work has yet been done here to test its value beyond making some assays from the outcrop, which have proved it to contain silver. Beyond the claims already mentioned there is no work done. The effect of the discovery is that those persons who have secured ground on the line of reef, and especially those near the Prospectors' Claim, think that they have got a valuable property, and look forward to the time when they will either get good returns from the mine or sell it at a handsome profit. It may, however, be well to observe that there is no great excitement about this "find" yet, and, after what Puhipuhi has passed through there will be little chance of men investing largely in mining on this field until it is better proved. There is ore which will pay to work on and near the outcrop, but so far as is known at present the quantity is very limited, and until the lode is proved to at least 200ft. in depth, very little can be said respecting it. In some parts of America the ruby silver increases in richness as it goes down, but this has not yet been the experience in this colony, and even were the lode tested to the depth mentioned it would not prove conclusively that it was a valuable property. The lode would have to widen out and retain a high average value before it would be justifiable to erect machinery on the ground for treating the ore.

Several lodes and leaders containing argentiferous ore appear to exist in this locality, and numerous small veins running through the country rock containing rich specimens of silver chloride can be found, but how far these will continue to go down is a question which cannot at present be determined. The lode appears to be broken and disturbed near the outcrop, and it is difficult to say whether it will dip southwards or northwards. In some of the claims the lode dips slightly in one direction and in others slightly in another. The blocks of stone in the lode would, however, lead me to the supposition that at the time the adjacent extinct volcanic crater was in action the whole of the surrounding country was shaken up considerably. Leaders of quartz containing argentiferous ore are found in Mr. Saunderson's property as well as on the face of the cliffs fronting the bay. Lodes and leaders of quartz highly mineralised running in every direction are to be found, but they are generally of no great width. At present nothing more can be said of this field than that there are good indications that a payable lode is likely to be found. It is not a place for strangers to rush to, as most of the Crown lands on the line of known lodes are taken up as claims; and if the lode continues in the same direction it will pass out of Crown lands into Mr. Saunderson's freehold to the eastward and the Kauri Company's property to the westward. There is a considerable area of Crown land in the vicinity, but the present line of reef only goes through a small corner of it. Then are ten leases surveyed of 15 acres each, and one for the prospectors of 30 acres.

#### COROMANDEL DISTRICT.

There was a falling-off last year in the production of gold from this district, principally at Coromandel proper; the Kapanga Company, which is the principal company in the district, having been unsuccessful in its operations during the past year. A large portion of this district, which is to all appearances auriferous and argentiferous, has, however, never been prospected. The rough broken nature of the country, which is covered in many parts with heavy bush and dense under-scrub, without roads or tracks, makes prospecting a very laborious undertaking, and few miners care to go far into the bush owing to the difficulty of getting provisions. A large extent of the country towards Cape Coromandel has been very little explored, there being no tracks to guide