

explorers. Persons visiting this part of the colony cannot help admiring the pluck and energy of men who have settled, with their families, at such an outlying place as Port Charles, near the Cape, the only outlet from which is a bush-track through to Cabbage Bay, which in winter-time is almost impassable. Judging from the formation of the country generally, it is likely that auriferous and argentiferous lodes exist, but at present it is only by mere chance that they are discovered, as very few people travel through this part of the Coromandel district.

*Tokatea Range.*—An average of thirty-six men have been employed in claims on this range, namely: fifteen wages-men, and twenty-one men working on tribute. Two hundred and fifty-one tons of quartz was crushed from the claim where the wages-men were employed, which yielded 164oz. 16dwt. of gold, or only equal to about 10oz. 19dwt. 9gr. of gold per man for the year. The tributers crushed 46 tons of quartz, which yielded 555oz. 10dwt. of gold, equal to about 26oz. 9dwt. of gold per man for the year. These are considerably less than the earnings of the men on this range for the previous year. The largest return from any of the mines on this range last year was obtained by five tributers in the Royal Oak Mine, 1ton 9cwt. 20lb. of quartz having yielded 256oz. of gold. This mine is the property of Mr. Witheford, of Auckland, who has let it in two sections—one to three men, at 5 per cent. tribute, and the other to a party of two tributers. These tributers have the whole of the mine from the No. 3 level upwards, but no work is being carried on below the No. 3 level, as Mr. Witheford contemplates forming a company to work the ground below this level, which, he states, is almost intact, there being payable stone carried down to the No. 6 level, thus giving about 340ft. of backs. The Tokatea Company has recently sold their property, including the crushing plant, to a syndicate in Auckland for £300.

*Scotty's Company.*—This company was referred to in my last report as having taken up the ground formerly held by the Corby Company. The company carried on operations for eight months last year on wages, but in December last they let the mine to three men at 10 per cent. tribute. The same lode, known as "Scotty's," which has yielded a large quantity of gold in the Kapanga Mine, goes through the ground held by this company; but instead of sinking a shaft to prospect it at the same depth where the gold was found in the Kapanga Mine, they have been working from an adit-level near the surface. There is a good prospect of payable stone being discovered in this mine below the level where they have been working, but the company's capital either being exhausted, or owing to the difficulty of getting in calls, it has been decided not to test the ground to a greater depth at present. The average number of men employed in this mine last year was nine, namely: four wages-men and five tributers. There was 110 tons of stone crushed, which yielded 97oz. 18dwt. of gold.

*Kapanga Company.*—This company holds three mining properties—namely, the Kapanga, Coromandel, and Blagrove's Freehold. The workings carried on in the Kapanga Mine last year were not a financial success. Only 74 tons of stone was crushed from this mine, which yielded 89oz. 6dwt. gold, representing a value of £261 6s.; while the expenditure amounted to £5,753 13s. 5d., showing a direct loss of £5,492 7s. 5d. Of this amount, the sum of £1,357 13s. 6d. was expended in sinking the shaft to a further depth of 38ft., the average cost of sinking being £35 14s. 6d. per foot. The shaft is now down to a depth of 608ft., and a chamber opened out at the 600ft. level, from which the company were driving a crosscut to strike the Kapanga Lode, which, it is expected, will be cut at about 200ft. from the shaft. The foot-wall branch of Scotty's Lode was cut in the shaft at the 600ft. level, which was driven on for some 90ft. at the time of my visit. After getting in about 4ft. from the shaft, this branch of the lode broke up into two leaders, one of which followed the direction that Scotty's Lode runs on at the upper levels, and the other branched off at an angle of about 70°. A few colours of gold were seen in the stone at the bottom of the drive, but this is under-foot and cannot be tested at the present time. The manager (Mr. W. H. Argall) states that this lode is characteristic of the lodes in the Kapanga Mine, being nothing but a mass of soft mullock in between two well-defined walls, interspersed with loose quartz-stones. There is nothing solid about the lode, the soft mullock being neither more nor less than a description of puggy material containing quartz grit, which in some places on the upper levels contain a good deal of loose gold. The hanging-wall branch of Scotty's Lode was expected to be cut at about 140ft. in from the shaft, and at about 60ft. distant from the Kapanga Lode; but it was cut 90ft. from the shaft, and therefore there is a possibility that it will not join with the Kapanga Lode until a considerable depth is reached.

According to the dip of the hanging-wall branch of Scotty's Lode on the upper levels, and the dip of the Kapanga Lode, they ought to join at about 200ft. below the present level of the shaft; but, judging by the dip of the foot-wall branch, which is about parallel with the dip of the Kapanga Lode, it is hard to say whether these lodes will ever join. The class of country gone through is favourable for the existence of gold in the lodes in the bottom level, the ground being also more solid than it was on the upper levels. The lodes in this mine are extremely patchy; one never knows when a pocket of rich ore may be struck, which may cut out as fast as it makes. A great deal of care and supervision has accordingly to be exercised when working lodes of this character. Should the Kapanga and Scotty's Lodes join, there will probably be found a rich patch of stone near the junction, which will help to repay the shareholders for their outlay; and it would be a great pity, now that these lodes are closing together, not to see what the stone at the junction is like.

Although the Kapanga and Scotty's Lodes have always been referred to as separate lodes, it is questionable whether such is really the case. They may have been one and the same lode further to the northwards, having branched off before getting into the Kapanga ground; and it may yet be found that they will join again further to the southward, as well as to the dip in Kapanga Mine. The Kapanga Lode carries the best gold generally on the hanging-wall side, while the best gold in Scotty's is on the foot-wall side, there being very little difference in the character of the stone in both lodes. The foot-wall branch of Scotty's Lode which was struck in the shaft at the 600ft. level is bearing more easterly than when found at the upper levels,