

in the prospects of the mine. No doubt the effect of the war rumours in England has retarded the subscribing of the money to a great extent. Since writing the above, I have been informed by the manager that a cablegram received by him announced the fact that the money has been obtained, and that an instalment would at once be placed to his credit. I hope, therefore, before long to see this valuable mine in full work.

The amount of quartz raised from the two points referred to above was about 200 tons, yielding 408 ounces of melted gold, value £1,159. Number of men employed, usually 50.

No progress is visible in the adjoining claims, South Kapanga and the Golden Point; the prospects of both, but the latter in a greater degree, have been improved by the "Corby" reef underlying in their direction.

*The Tokatea.*—This company has been engaged upon the dead-work referred to in last year's report (the long tunnel, No. 7 level). At last it has been resolved to send for the rock-drill I recommended. It is not yet in position, though in the district. Some tributers on the surface of the higher portion of the claim obtained in November and December last the handsome returns, for about six weeks' work, mentioned in the return of certain parcels, viz., 631 ounces for 5½ tons; and other tributers were also well repaid for their labour in the same portion of the mine. The company has had a hard year, and are now contemplating, after about nine years' occupation, making their first call. I make no doubt that, when the rock-drill performs its duty, it will prove as profitable an investment as heretofore.

*The Pride of Tokatea.*—Nothing has been done in this large mine during the year, except under the tribute system. Seven different parties have been engaged at this work with varying success, but all making wages.

*The Royal Oak.*—I had looked forward to being able to make a more favourable report of this company's doings. They have been engaged in steady work throughout the year, with no luck, and have had to make a heavy call. The shareholders are, however, of good heart. There have been in past times some wonderfully rich finds in this reef, and I believe that my next report will be more gratifying.

*The Harbour View.*—Early in the year they cut the reef in their low level, and with gold visible, which made the shares favourites in the market, and promised the shareholders (very few in number, being well held) a good return; the result, nevertheless, did not equal expectations. They seem yet to entertain the same good opinion of the mine as heretofore, and are still at work. They sustained a severe loss by a heavy fresh, which washed into the gully the contents of their quartz paddock, which, containing about eighty tons general crushing stuff, estimated at two ounces per ton, was carried bodily away.

*The Bismarck.*—This claim was last year working, in conjunction with the Tokatea, in putting in the No. 7 level of that company's claim, having a joint interest in reaching the lode. Since my last report a suggestion was made that it would be less costly and a saving of time to sink from the Van, or No. 6 level, and thus cut the reef. A conference of the two companies interested considered this, but it was ultimately left to the Bismarck to carry out the idea, and the preliminary operations attending this work have chiefly occupied their attention—750 feet from the mouth of the Van level, and 250 feet perpendicular from surface. A chamber 45 feet long, 25 feet high, and 10 feet wide has been excavated, and securely timbered, in which has been erected a ten horse-power engine, with pumping and winding gear complete. This has been started, and found to work well. By sinking 90 feet they will cut the Tokatea reef. By this work, which was no easy undertaking, and reflects great credit on those engaged in it, they hope to save two years, as against obtaining the same end by driving on No. 7 level. On the other hand, it is argued that the continued expenses attending winding and pumping is more than a set-off against the delay in pushing on with the drive, which, once effected, carries away its own water, and stuff broken down is more economically brought to the stampers than by being lifted through a shaft.

*Paul's Creek.*—This favourite locality for prospecting has not added to our list of claims this year. The Waverley is still at work, though barely paying expenses.

*Waikoromiko* is completely deserted, but I do not despair of seeing it again a favourite.

*Waipawa.*—My prognostications respecting the new discovery in this creek, mentioned in last report, have unfortunately been verified, as the low level, when put in, failed to discover a continuity of first yields.

*The Union Beach.*—This claim has occupied so prominent a position in the doings of the past year. Though its yield has been by far the greatest of the Coromandel mines, no dividend has been declared, but at present it has on hand a large quantity of specimens, and no doubt before this report reaches the department one will be announced. Throughout this time they have been subject to heavy working expenses. About the end of 1877 and the beginning of the present year their attention was taken up with a lawsuit with an adjoining company, the New Golden Pah, a case arising out of a question of boundary, and traceable to the neglect of the former company in not maintaining their pegs. The Union Beach lay claim to a portion of the foreshore outside the boundary of my district; so do also the New Golden Pah. During the hearing of the case an injunction was placed, at the instance of the complainants (the Union Beach), on a certain shaft and drive in the possession of the defendants. This drive intersected the course of a drive the Union Beach desired to make towards and under the foreshore, having learned that the New Golden Pah had found gold there. The manager of the Union Beach, deepening a shaft known as the "Old Golden Pah shaft," a distance of 4 feet, so as to reach the supposed level of the drive before mentioned, commenced a tunnel, and drove a distance of 230 feet in the short space of ten days, besides achieving the difficult task of crossing the enemy's drive without infringing the injunction, that is, by rising over it and then dropping into former level. In their older workings they drove 746 feet towards the Golden Pah, 75 feet on the Venus reef, with payable results, 60 feet north on the Green Harp reef, 40 feet north on the cross reef, with a return of over one ounce to the ton; and 60 feet on the Black Reef, with about the same result, the above work