

agricultural lessees were enabled, by the early completion of the gold-field purchase, to feel assured that they would ultimately acquire freehold rights over their holdings.

I have, &c.,
W. FRASER,
Warden.

The Under Secretary for Gold Fields, Wellington.

No. 3.

Mr. Mining Inspector GOLDSMITH to the UNDER SECRETARY for GOLD FIELDS.

Report for the South Hauraki Mining District from 31st March, 1877, to 31st March, 1878.

THE annual report to 31st March, 1877, concluded with the goldfield in great prosperity from the magnificent finds of gold in the Moanataiari mine, where 26,013 oz. were deposited during the latter part of March and beginning of April.

April.—In the Piako, at 456 feet deep, good gold was struck to the seawards. The same evening, in the Kuranui, at 640 feet, gold was also struck. With the proceeds from the Moanataiari Mine the directors have paid off £6,000 overdraft, and dividends, £53,940, besides reserving £4,000. Alburnia has paid £2,000 dividends. In the Waiokaraka the Piako cut the reef with good gold at 450 feet deep, reef 18 feet wide. Queen of May getting good gold. The Hape Creek Company have resumed work, with good prospects. Waitekauri getting good stone, besides extending their tramway, thus taking in the Welcome and Young New Zealand. At Karangahaki crushing resumed with good quartz. At Owharoa, Smile of Fortune have proved their lodes payable—No. 1 reef, 6 dwt. to the ton; No. 2, 1 oz.; No. 4, 12 dwt.

May.—New discoveries of gold in the Alburnia, which is taking the foremost place among gold producers. Greatly improved yields in Piako, Kuranui Hill, Queen of Beauty, Queen of May. Government water-race (costing £70,000) is being made available for water-power. Several large crushing plants are driven by it instead of steam, thereby saving considerably, and admitting of a lower grade quartz being advantageously crushed. The general stuff of the Moanataiari mine has given excellent yields, although the very rich lode ran out about the beginning of the month; but still the mine generally yields very profitably. The Alburnia yields are very good, having heavy gold visible in three distinct faces. Specimen crushing in the Moanataiari gave, for 9 cwt., 577 oz. The Queen of May pays a dividend of 4s. per share. At Ohinemuri the Waitekauri pays its first dividend of 1s. per share.

June.—The returns of gold are now more generally diffused over the field. The Prince Alfred and Herald have substituted turbines for steam-power, driven by the Government water-race, to their great pecuniary advantage; a second balance-bob is added to the big pump, effecting a considerable saving in fuel. The Point Russell mine, being purchased by the Moanataiari Company, a continuation of the main beach tunnel was necessary in order to reach the well-known gold-bearing reefs at a low level. For this purpose an Ingersoll rock-drill was obtained from San Francisco, and erected. It works admirably, and with great economy.

July.—This month shows an improvement over the previous month of over 2,000 oz., whilst the general prospects are encouraging. Deep-level prospecting is progressing; contracts for driving north and south at the 640-feet level of the Big Pump are in course of execution by driving seawards, cutting the Moanataiari lodes, and in the opposite direction to intercept the Moanataiari slide, where the nature of the reef system will be disclosed, and many questions at present left to conjecture may be expected to be cleared up. Should gold be found at these levels fresh life will be infused into the Thames.

The low level of the Waitotahi is yielding good gold from a reef 18 inches thick. Queen of Beauty has produced 428 oz. this month, with every prospect of continuance. Alburnia have had a very handsome yield of 2,213 oz. from crushing, which will give a good dividend. The fortnight's return of the Moanataiari was 3,200 oz. from 450 tons stone; Alburnia still breaking good stone, yielding already 1,500 oz.; it occupies this month the first rank in gold-producing claims. At Ohinemuri, the Waitekauri has produced 1,240 oz.

August.—The Alburnia has proved the largest gold-producer during the month, having contributed almost half the total yield of the field—a dividend of 10s. having been paid, followed by another of 15s. per share. The Moanataiari mine has done well, paying a dividend of 5s. per share. The rock-drill has been successfully working, fully answering expectations, drilling 2 feet in seven minutes in ordinary rock, atmospheric pressure 28 lb. per square inch. This will render the prolongation of the main tunnel an easy matter, and enable the company to work the reefs in the Point Russell ground, which formerly proved so rich, but could not be worked deeper by reason of water. The Golden Calf is getting excellent stone from the low level, and continuing permanent works. In the Pumping Association, the north and south cross-cuts and the Imperial drive, at the 640-feet level, are progressing; the north cross-cut is now 840 feet from the shaft; the south cross-cut is 427 feet from the shaft; the western, or seawards, is 182 feet from the main cross-cut. The Piako mine last fortnight produced 247 oz.

September.—The Piako mine added 491 oz. to the produce, making a total, including tributers, of 1,027 oz., and plenty of good quartz to follow. The Moanataiari, for 500 tons, gave 853 oz. The rock-drill is extending the tunnel at the rate of 30 feet per week.

October.—This has been a dull month. The Tookey mine has been taken on tribute. Other mines have given average yields, with the exception of the Moanataiari, which, from 1,415 tons, gave 3,530 oz.

November.—This month is not characterized by any discoveries of moment; a fair average of general mining work.