

Energetic measures are now being taken to rework the Kapanga Mine, which has been taken up by an English company, who are importing powerful machinery for that purpose.

Although the existence of gold in Coromandel has been known so long, but little efficient prospecting has been done, so that the resources of a gold field of such large extent may only be surmised. As may be seen, however, by an inspection of the tables which accompany this report, the result of the work done is eminently satisfactory, by comparison with the results obtained from other gold fields of Australia and New Zealand, among which it must ultimately take a first-class place. Its progress will be necessarily slow, as a large amount of capital and labour is required for the full development of a quartz mining district.

At the present time, none of the mines are properly opened up for carrying on extensive operations, but preparations are being made to work such of them as have already proved valuable in surface workings at a greater depth, and by the improved systems of mining introduced by experienced managers.

The tramway constructed by the Government from the top of the Tokatea Range to the New Zealand Company's Battery at its base, is a work of high importance to the mines in that locality. Quartz-crushing machinery is about to be erected on the Tokotea Creek, Kennedy's Bay side of the ranges, and about a mile of tramway, the work of private enterprise, is in course of construction to the site selected. Two other Government tramways, one in extension of the present Tokatea Tramway and the other intended to connect the Tiki mines with the Matawai Creek Battery are now nearly completed.

The rapid increase of population within the past twelve months, and the marked improvement which has taken place in the different townships, are evidences of public confidence in Coromandel. Recent discoveries have drawn public attention to this district. The failure, accelerated by mismanagement, of companies formed here in times when comparatively little was known of quartz mining, caused a prejudice to arise in disfavour of Coromandel, which is now in a fair way to be removed. But, as in all other gold fields, seasons of depression must be anticipated in this district, until its prosperity is established on a firm basis.

Increased energy displayed by proprietors of claims in the thorough prospecting of their ground, and facility of conveying and crushing quartz, will do much to forward the interests of the district.

The following tables show the amount of quartz crushed during the past twelve months, and its yield; the length and value of water races; quantity of machinery; and the area held in the district for mining purposes.

RETURN of Quartz Crushed, and Yield of Gold for the Year ending 31st March, 1872.

	Tons Crushed.	Ounces.
April, May, and June	724	2,754
July, August, and September	1,059	8,008
October, November, and December	1,713	9,698
January, February, and March	1,310	6,825
Total ...	4,797	27,285

Thus averaging 5 oz. 13 dwts. per ton. Considerable quantities of rich specimens have been crushed in Grahamstown, from which gold to the value of about £3,000 has been obtained, thus making total of upwards of 28,300 ounces, or £81,000.

WATER RACES.

Total Length.	Total Number of Sluice Heads.	Cost of Construction.	Present Value.
300 chains.	15	£1,075	£2,000

CRUSHING MACHINES.

Total number	6
Total number of stamper heads	68
Driven by steam power	3
Driven by water power	3
Aggregate horse power	101

Total value of crushing machinery, £13,400.

The area held under lease, license, and miners' rights, on the 31st March, 1872, in the Coromandel District, was 1,013 acres, exclusive of grounds situated and being worked on the Township of Wynyardton and other private properties, the whole being dispersed over an aggregate area of 10,000 acres.

The statistical returns in this Report are necessarily of an approximate character, as no returns are furnished by the managers of crushing machines or mines, as a means of accurate information.

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ALEX. AITKEN,

Mining Inspector.

Coromandel, 8th June, 1872.