

The tramway, at the time of my last report in progress, was in due course completed, and I make no doubt will be of great service to claims present and future in this portion of the district, which has given so many earnest of auriferous wealth.

The City of Auckland, Quinton's, and New Green Harp are still working, though not making a great show.

In this neighbourhood, though on the western watershed, on the site of the New Rakaia, a valuable find was made about a month since, which has resulted in three new applications for licenses; the prospectors are sanguine, and with some reason, as  $2\frac{1}{2}$  tons quartz yielded 53 oz.

The Union Beach Gold Mining Company.—In this mine the work projected, as reported last year, has been steadily and successfully carried out. The drive from the 180-foot level has been pushed forward 320 feet, cutting the Black reef, and from this point they have driven on the reef east and west 150 and 145 feet respectively. To the eastward, about 43 feet from the intersection of the reef, a cross vein of highly auriferous quartz was cut, and from this a very rich haul of specimens has been taken. From the 80-foot level a winze was sunk early in the year on the reef 120 feet in depth, and in this piece of work the Company extracted some of the richest specimens ever seen in the Hauraki district. In this winze again, about half-way down, the reef has been driven east and west 60 feet and 91 feet respectively, and in both directions rich golden stone has been secured. About £7,000 of gold was obtained from this winze alone. There are two passes connecting the two levels. From a specimen leader met with in this winze, running from the Black reef at an angle of about  $70^\circ$ , 19 feet west of the winze in the lower level, 180 lbs. of specimens yielded 446 oz. of retorted gold. This block has yet to be stoped. At present gold is being obtained from seven different portions of the mine. The Company have during the past year purchased and put in position a horizontal engine, 18-inch cylinder, 30 h.p. This is used solely for pumping, and the smaller one formerly doing that work and the winding is used for the latter purpose only. The Company also recently purchased the 16-stamp battery formerly the property of the New Zealand Gold Mining and Quartz Company, Limited (England), until recently held by that Company under separate license on the Union Beach Company's ground. Despite these heavy outlays, and the very expensive nature of the works, the Company has recently declared two dividends of 5s. each on their 8,000 shares, and a third of 7s. 6d. will be declared before this report is forwarded.

No work has been done in the southern portion of the claim, where the Golden Pah and the Venus reefs, already proved to be auriferous, exist, owing to the risk of the inconvenient increase of water on the intersection of the reefs, which would add considerably to the work of the pumps. The portion now worked is that formerly held by the Green Harp Company, which obtained such an unfavourable notoriety in 1872. In this claim they have discovered three highly rich reefs—viz., the Green Harp, the Black reef intersecting the former at right angles, and the new lode referred to as the cross-vein cut in the lower level.

As on former occasions, the rich finds in the Union Beach have led to the re-occupation of the surrounding ground with very good prospects of cutting the different reefs with a like result as in the pioneer claim.

The New Pacific, which was forfeited, was taken up by a new company called "The Palmerston," and on this a shaft is in progress to cut the black reef.

The John Bull, also forfeited, has been for the third time taken up, and license just issued for the same.

To the north, and adjoining the private property known as South Wynyardton (on the maps), a small area of ground has been secured to intersect the black reef. The shaft is now down about 90 feet, and it is expected to cut the reef shortly.

Of new discoveries there are few to report. At the Tiki there have been three licenses issued for new ground, encouraged by the finding of an auriferous leader in the neighbourhood of Castle Rock and which is now cut in a lower level, and the owners are justified in looking for good results. Other finds have been reported; but as they have been made in older and abandoned claims, they do not properly come in this category.

The Tunnel Company, holding their ground under "The Coromandel Tunnel Company's Act, 1872," have not done any work on the ground since last year's report.

The total yield of gold shows a slight falling off from last returns, but I am satisfied that this fact should not be taken as evidence of the decadence of the field. The district, I consider, has made progress during the year; a very considerable quantity of dead work has been done in the principal claims, only just beginning to repay them.

When it is taken into consideration the large area, a radius of eight to ten miles from Coromandel Harbour, over which gold-bearing reefs have been found, many of them but merely uncovered, it must strike the experienced in other quartz fields that some of these giving such promise must be worthy of further trial. The great drawback to the advance of this portion of the district is that these discoveries are made by the practical working miners, as a rule not possessing any capital, and when backed they have only the support of men of their own class and circumstances, or the local tradesmen, who can spare little from their working capital for any outside investment, however promising, if returns are not immediate.

Discoveries giving good earnest for the future are frequently made, that, in the hands of moneyed enterprise, would, I make no doubt, turn most profitable investments, but the instant it is a necessity for the proper development of these mines in embryo to commerce expensive dead work, such as a shaft, or long low level, to intersect a lode, the adventure languishes for want of means; and once the best claim becomes classed as "abandoned," it is only when fresh discoveries occur in its neighbourhood that it is looked at again, to again be deserted when works requiring instant outlay of ready money are inevitable.

The Coromandel district abounds in such claims; but I am confident that it will one day be prospected as it ought to be, with a view to systematic work by persons who have something more than their labour to venture; and I am sanguine as to the result.