

bottom of their main shaft (180-foot level) in the direction of the Golden Pah shaft, and are now in 190 feet. In clearing out the Pah old shaft gold was seen, but this is no new discovery, the fact being known to the former proprietors. This lode runs N.E., underlying west, is 2 feet wide, and well defined. No further sinking is contemplated in the present shaft, but, on receiving encouragement in the Pah and Venus level, a new and larger shaft, from which all future work will be carried out, will be sunk on the level ground on this portion of the company's property. The company are purchasing another (multitubular) boiler for their pumping engine, so as to have, on occasions of cleaning, scaling, &c., one of them available to continue work. Their pumps, no doubt, drain all the country underlying the high lands on Kauri Block. In all the surrounding claims which have sunk to any depth worth mentioning, large volumes of water have been met with, and the Beach shaft is far below most of them. Gold is still being found in the Green Harp reef, the first discovered in this locality.

The Palmerston Company, adjoining the Beach, have sunk a shaft 270 feet, and have intersected the Black Reef, the object of their undertaking; and have driven 40 feet along its course in their own claim. There they came in contact with what is believed to be the specimen leader which lay on the Black Reef, and was first met in the winze referred to in my last report, and from which the Beach Company took such a valuable haul of specimens. This leader diverged from the Black Reef in the Beach ground and has been lost sight of for some distance, and it is a reasonable inference to arrive at that it is the same now met with in the Palmerston; the small quantity of stone brought to surface presents the same appearance and characteristics: but unfortunately at the instant of discovery they experienced such an influx of water that their workings and the shaft up to 30 or 40 feet were flooded beyond the power of the company's small engine to keep under. This disaster is much to be deplored. The mine has been for the most part locally held, and they have struggled gallantly for the last fifteen months. It was expected that they would have received some assistance from the Beach directory, who might without inconvenience have permitted them the use of some of their upper workings, and so reduced the labour of sinking through the high land on which the boundary of the new company meets theirs: as it is, the works are, temporarily it is to be hoped, at a standstill, and this at a time when the shareholders had reason to believe they were near the goal of their hopes. This property as the New Pacific was proved to have other auriferous lodes in the south-eastern portion, and it is to be hoped that it will yet appear in the list of dividend-paying companies.

The John Bull, also formerly noticed, commenced operations under the name and ownership of the Iona Gold Mining Company, with the greatest promise of success. Gold was obtained from the reef in small but very rich specimens within a few days of their beginning to sink in the old shaft; but unfortunately, actuated by an unwise economy, the directory erected a whim for winding and lifting the water, instead of purchasing steam machinery, and after expending a large amount of money (six calls of 1s. each on their shares) they were obliged, on cutting a reef which greatly increased the water, to desist operations. I make no doubt that, whether the present owners resume work or abandon the claim, it will ultimately be worked, and I believe with success. It seems a useless expenditure of money to attempt working such properties except in a systematic manner, and this cannot be done without a heavy preliminary outlay on machinery, suitable shafts, &c. When in the hands of poor shareholders they do little more than prospect the ground for the benefit of their successors. This is the third time of occupation for the Palmerston and Iona, and no one doubts the value of these properties if in the hands of a strong company, having the means, and who would employ experienced managers to carry the works out systematically.

The Black Reef Company, as the name suggests, is another of the adjoining claims to the Union Beach. This company also, after sinking some 140 feet, abandoned the work. The prospects of this company were confined to whatever they might meet in the Black Reef, which they cut and drove on some distance. In the Union Beach, this lode of itself has not been to any great extent auriferous, and has depended for its average yield on the tributary leaders which intersected it in different points.

Another claim, chiefly owned by Auckland shareholders, commenced operations with about the same prospects as the last named—namely, cutting the Black Reef. They occupied a portion of the district adjoining the private lands of the township of Wynyardton, formerly known as the "Coromandel Harp." It was reported that their main object was the cutting of the cross leader which contributed the bulk of the gold shown for the Union Beach dividends. Whatever prospects they may have had are indefinitely postponed now, as, after sinking at some expense, they have suspended operations.

Another claim, the operations of which have been confined wholly to private lands, was taken up on ground owned by the Hon. J. Williamson, and leased from him, on the locality known as Preece's Point. Within a very few weeks after occupation it divided a very handsome dividend, derived from a very small quantity of stone. The exact yield and proportion will appear in my accompanying returns among "Certain Parcels." In the neighbourhood of this claim, many finds have from time to time been made during the many years which have elapsed since Coromandel was known to have auriferous deposits. The richness of these discoveries has been very tempting, but up to the present no well-defined gold-bearing quartz reef has been uncovered.

Population.

I can report little change in numbers, and would estimate it as last year.

In the Warden's Court business there has also been little variety—a very few cases, which are noted in return.

In the Resident Magistrate's Court, the following cases have been disposed of:—

Criminal cases	...	...	78	Fees and fines	...	£	s.	d.
Civil suits	...	...	211	Fees	...	76	18	1
Totals	...	...	289		...	107	7	6
						£184	5	7

I have, &c.,

JACKSON KEDDELL,

Warden.

The Under Secretary for Gold Fields, Wellington.