

*Kapanga Company.*—This is the third company formed to work this ground. About two years ago the company was wound up, and the plant and machinery sold. The present company was formed in England, exclusively with English capital, and Mr. Hodge was sent to the colony to take charge of the mine as manager. The old machinery was purchased and all put in good repair; the foundations and trestles of the pumping-gear renewed, as well as new connecting-rods and balance-bob for working the pumps. Instead of it having the appearance of a rattletrap, as it had when the old company was at work, all the machinery and gearing have undergone a thorough overhaul, and are now fixed up in a substantial manner, working very smoothly.

The shaft has been sunk from the depth of 420ft.—which was the deepest level reached by the old company—to 509ft. A chamber has been constructed at 500ft. level, and an adit-level along the course of the lode is in course of construction. The Kapanga lode was cut in the bottom of the shaft, where it was about 18in. in thickness, but found to be carrying very little gold. An uprise from this adit to the 420ft. level is in course of construction, and when this is completed it is intended to again resume sinking operations. Where the lode is opened out at the lower level it is mixed with mullock, but on driving along its course a shot of gold is likely to be found.

It is well known that the quartz lodes, especially in this colony, do not carry a shot of gold for any great length along the lode, seldom more than 300ft. in one continuous ledge, and in many localities not more than 80ft. in length. From the character of the surrounding country rock, and the well-defined walls of the lode, there is every probability of a good shot of gold-bearing stone being found at this depth.

As soon as the chamber was opened out on the lower level, the upper level at 300ft. was extended on the line of Scotty's Reef, where a new gold-bearing ledge of stone was discovered, which has so far turned out very satisfactory. The length of this new shot of gold-bearing stone is from 70ft. to 100ft., and at the time of my visit the highest stope was 84ft. above the adit-level. Working on this lode commenced in June last year, and up to the end of March last 1,734 tons of quartz had been crushed, which yielded 3,335oz. of gold.

It is very gratifying to find that this mine has been made to pay for working in so short a period after commencing operations, and more especially as this is a mine which has been worked exclusively by English capital for the last fourteen years without giving any returns; but this is not to be wondered at, considering the manner in which the old company carried on its operations. As an instance of this, on the 300ft. level an overshot water-wheel was erected to pump the water out of a winze, and water brought from the surface to drive this wheel, which had to be again lifted by the pump in the main shaft to the surface. Every credit is due to the present manager for the systematic manner in which the workings are now carried on: due regard being had to the safety of the workmen employed and to the economical working of the mine.

*Coromandel Company.*—This company is under the same management as the Kapanga Company, and is formed with both English and colonial capital. The ground that this company hold was formerly held and worked by the Union Beach and Telephone Companies, and to this has been added Blagrove's freehold. Since the company has commenced operations a great deal of driving and prospecting has been done. The water is drawn down to the 180ft. level, and the ground above this is being opened out and prospected.

At present the company is engaged in the erection of a powerful direct-acting Cornish beam pumping-engine: the cylinder is 40in. in diameter, and the stroke of the piston 9ft. It is calculated that this engine, working at about three strokes per minute, will keep the mine thoroughly drained. Some idea can be formed of the massiveness of this new machinery when it is stated that the beam alone weighs 13 tons. The foundation for this engine is built of brick and concrete, and a building is erected with ponderous studs and cross-beams, the corner studs being 18in. square, of the heart of kauri, and the girders for carrying the beam are 30in. square. The walls of this building are 45ft. above the foundations for the engine, which are built 12ft. below the surface of the ground.

A new boiler has been fixed in position, being built in with bricks, and a new chimney-stack erected, 60ft. in height, 18,000 bricks being used in its construction. A new 12in. plunger-pump is being fixed in the old Union Beach shaft to take the whole drainage of the mine from this shaft at the 180ft. level, and a new shaft, known as the Palmerston, is now being sunk on the face of the hill, about 300ft. distant from the old shaft. This shaft is now down about 50ft. below the 180ft. level. The Palmerston shaft is the one from which all mining operations will be carried on at lower levels. There are connecting-rods from the balance-bob at the old shaft to the new one, and pumps will be placed in the latter as soon as the water becomes troublesome, which will be worked by a T bob. The pumps in the shaft will only lift the water to the 180ft. level, and from there the water will flow through boxes placed in the level to the old shaft, to be lifted by the new plunger-pump. About 50,000ft. of kauri has been used in the erection of the engine-house and pump-rods.

Whether this company will be successful or not in making its mine a profitable venture, it is setting a good example to mining companies here in the construction of good machinery, and erecting it in a substantial manner. All the work yet done goes to prove that it is the intention of this company to work their mine on commercial principles, and not merely for the purpose of making money by trafficking in shares. When the mine is properly opened out and the whole of the machinery erected, they will be in a position to make low-grade quartz pay for working. Since they commenced operations 130ft. of winzes has been sunk, and 63ft. of uprisings, 60ft. of adits, and 184ft. of cross-cuts constructed. Also, the new shaft, which is 12ft. by 6ft., has been sunk 72ft. The expenditure up to the end of last year was about £6,000 on machinery and works.

*Royal Oak Company.*—This company's mine during last year has produced some very rich auriferous quartz from the low level; indeed, it may be termed all specimen-stone. From 2½ tons, 316oz. was obtained, and from the upper workings, which are let to tributers, 11½ tons was crushed,