The Company's Commissioners speak in the most gratifying terms of the quality of these locations, but the land at Peel's River appearing to possess superior advantages for sheep grazing, the flocks have been removed from Liverpool Plains to the district of Peel's River.

The location at Liverpool Plains is, for the present, occupied as a station for horses and cattle.

The flocks are all perfectly healthy. On the 31st of March, 1834, the total number of sheep belonging to the Company were—French Merino, 4940; Saxon Merino, 2360; Anglo Merino, 1552; improved colonial, 27,254: —total of Sheep 36,615. Of Horses, thorough-bred and Cleveland, and the produce of those breeds, 197; colonial ditto, 129; Welsh and Timor ponies, and their produce, 58:—total, 384. Of Cattle, Durham, 23; improved colonial, 330; Scotch, 51; improved colonial, 867; colonial, 1,305; working oxen, 227:—total, 2,803.

In the year 1825, a negociation was concluded with His Majesty's Government, by which the mines of coal in New South Wales which had been previously worked by the local government, were transferred to the Company, with a grant of 2,000 acres of the coal field.

These mines are situated at Newcastle, about 60 miles to the N. of Sydney, at the S. entrance of a secure harbour, called Port Hunter, containing a sufficient depth of water for vessels of about 250 tons, and into which the Coal River empties itself. The entrance to these mines is on a considerable elevation above the level of the sea, and the seams of coal are visible on the surface of the cliff, which forms the S. headland of the harbour. The country immediately to the S. of Port Hunter is an extensive field of coal, of which the strata have been traced for nine miles, when they bend downwards, and sink below the level of the sea. Between the coal beds are strata of sandstone and of clay slate, embedded in which there is found abundance of argillaceous iron ore.*

The mines are within a short distance of the sea, an inclined plane and level railway leading from the pits mouth to the wharf, the coal is, therefore, shipped with facility.

The works have been completed in a very superior style, and the operations are proceeding most satisfactorily. The sale of coal has been steadily increasing each year since the establishment of the Company's works, and the quality continues to improve. The rapid increase of the town of Sydney, the comparative failure of wood for fuel in its neighbourhood, together with the increasing introduction of steam vessels and steam engines, combine to offer the most flattering prospect of yielding annually to the Company's profits in this important department of their undertaking.

In the Company's stud department a new field appears to be opening

* His Majesty's Government have also agreed to grant to the Company leases of any other minerals which may be found in the colony.