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Kaitangata Mine.—Pillar-extraction operations have been responsible for the bulk of the year's output from this mine. In the main south dip section and the steep dip section in Samson's area the whole of the work was confined to pillar-extraction, and the quantity of coal remaining in these sections for winning is rapidly diminishing. In the north-east area, which was set out to develop a higher seam, pillar-extraction has also been commenced and the quantity of coal developed in this area proved to be very limited. Every effort was made to prove the lower strata from different points with a view to finding a seam below the present workings, but so far the result has been disappointing. The position at the present mine, so far as the quantity of coal available for mining is concerned, is not encouraging. The development of the area known as Summer Hill is proceeding. This area is distinct from the older Kaitangata mines and the coal-seam is probably in a higher series of strata and of slightly inferior quality.

SOUTHLAND DISTRICT

In the Gore-Mataura district, openeast operations have continued at various sites. At present coal production is taking place at the following coal-pits: Hedgehope, Coster's Waimumu, Raby, Argyle, Ota Creek, Asher's Siding, Newvale, Liberty, Mataura Paper-mills, Hakatere, Gladfield, Starlite, Taunga (Orepuki), Nightcaps, and Taradale (Taratu). The surface overburden is removed mechanically and the coal is mined by hand at all the coal-pits except the one worked by the Mataura Paper Mills Co., at which pit the whole of the operations are carried out mechanically and with efficiency.

Thorndale and Croydon Coal-pits ceased production during the year.

Boghead, Balfour, and Glenlee Mines.—Underground operations were continued along the usual lines followed during the last few years at these lignite mines.

Black Diamond Mine.—Development of the area known as the Mount Hilda Section has been continued throughout the year (this area was partially worked many years ago) and will result in a slightly extended life for this mine, but not to any material extent. Development of a lower seam has also taken place in this area, but the outlook for this seam is not very promising as it is separated from the main seam by only a few feet of friable stone and the ultimate recovery of coal must of necessity be very limited. Pillar-extraction has also continued throughout the year, accompanied by fairly frequent instances of spontaneous combustion.

Black Lion Mine.—Mining operations ceased at this mine during the year, all underground prospecting work having failed to prove any extention of coal available for mining. A small quantity of coal was worked opencast, but this work was not persevered with to any extent, and ultimately all plant was withdrawn and mining operations abandoned.

Star Mine.—Pillar-extraction work was carried out throughout the year in the No. 1 east level, fortunately without any signs of spontaneous combustion, which is somewhat unusual in this district. Development work was confined to the No. 2 and No. 3 east level sections and also to the south—i.e., to the dip—from the No. 3 level. A fault was encountered in the main dip development work, and up to date the extent of this fault and its throw has not been proved. Bore-holes put down to the south of the fault having failed to locate the coal-seam, preparations are in hand to commence a dip stone drive to prove the southern portion of the lease. The thickness and quality of coal-seam as it abuts on the north side of the fault are such as to make it appear that the seam must exist to the south of the fault, if its location can only be fixed. The use of compressed air for underground haulage and pumping has resulted in a much more satisfactory temperature in the mine atmosphere.

Birchwood Mine.—-Pillar-extraction has been again responsible for almost the whole of the output. It is obvious that development work of some description must be conducted in connection with the operations at this mine, and at a reasonably early date, or a bottleneck in production must be inevitable. The quantity of coal remaining available for pillar-extraction is rapidly diminishing.

Mossbank Mine.—Development work has been continued during the year at every point and in every direction which promised an extention of life for the mine. Development to the north-east proved a triangular block of good-quality coal but limited in area by faulting. Development to the south-west terminated in thin stony coal, and pillar-extraction was commenced. In the north-east, development work was persevered with and an additional small area of workable coal was made available; however, considerable faulting was encountered and the seam ultimately became unworkable and pillar-extraction was commenced. All attempts to develop the lease in an easterly direction were disappointing. Present appearances indicate that very little more development work will be possible at this mine and that pillar-extraction only will remain to be carried out.

Wairaki State Mines.—No. 1 Mine: Pillar-extraction was continued throughout the year and with satisfactory results; this work has now retreated to the No. 2 east level. All work at this mine will continue to be that of pillar-extraction.

No. 3 Mine: Development work was continued during the year. The main south dip headings were extended to a total distance of 40 chains, and at this point a fault, presumed to be an upthrow fault, was encountered. A commencement has been made to develop the east and west areas adjacent to the inbye end of the main dip, the policy being to concentrate on all inbye development work for preference. Speaking generally, it can be said that the results obtained from all development work has been satisfactory.

Linton No. 1 Mine.—In the Nos. 6 and 7 Sections pillar-extraction was carried out throughout the year and with satisfactory results; a very limited quantity of coal now remains for working in the former section. Development of the No. 8 Section was continued until the coal-seam became of