

The outcrops appearing along the Seven-mile Creek at different horizons, and the general strike of the coal-measures being all to the westward, show that there will be several faults to contend with, but very little is at present known as to the amount of displacement or the lines of fault in this section. One thing, however, is clear, that the coal-measures extend over a large area, and that more than one seam of coal exists.

The Nos. 1, 2, and 3 tunnels will enable a very large area of coal to be won above water-level, and whilst the southern area is being worked, ample time will be given to systematically prospect the northern section.

On taking charge of this mine on the 15th November last, the first thing that had to be determined was the site for coal-bins that would be convenient to both the northern and southern sections of the property. This question had been previously considered by Mr. John Hayes, the Inspecting Engineer of the Mines Department, and his reports and recommendations were handed to Mr. H. A. Gordon, the Consulting Engineer, and myself to fully examine and report as to what we considered the most suitable site for the requirements of the field.

After carefully examining the methods proposed by Mr. Hayes of bringing the coal from the different openings of the mine, and the estimated cost, we could not indorse the recommendation then made, which was to have the coal-bins at or near the four-mile peg on railway-line, and bring the coal to that point by endless-rope-haulage system. We deemed it more desirable to extend the line of railway about 60 chains, and have the coal-bins as close to the present openings into the mine as possible, so as to reduce the cost in working-expenses on a short length of rope haulage. Another reason was that the railway can be extended from this point up Seven-mile Creek at some future period, if deemed necessary, to work what is known as "Moody's series" of coal-seams, some two miles further up the Seven-mile from the site of the proposed bins. This site is central, and commands the working of both sections of the coalfield.

After deciding the site for the bins, a survey was made for an endless-rope-haulage road to command Nos. 1 and 2 tunnels as well as the bins, and possibly this haulage system may connect with No. 3 tunnel, which is only a short distance from the bins, but this will not be decided until the survey of the haulage-road from No. 4 tunnel on the northern section is completed, when it is possible that they may be all worked from the one haulage system. The surveys of the haulage-road can not be undertaken until the Public Works Department has completed the survey of the railway and decided as to the best site for a station-yard. The whole of the works are now in hand, and will be completed by the time the railway and station-yard are constructed.

As there is a large quantity of good milling-timber on the ground, it is proposed to erect a small sawmill to cut all the timber for the construction of the bins and buildings and other timber required for mining. A site for this has been decided upon, and ground prepared for erecting the mill.

As the works are now well in progress, the routes of the tramway-line and railway decided upon, and a large number of men employed, it is desirable that a township should be laid off. At the present time the men employed are squatting about at the upper end of Camp Creek.

Estimates of the costs of opening out and equipping the mine have been carefully gone into by the Consulting Engineer and myself. These have already been forwarded to you, in order that the ropes, rails, &c., may be procured from England in time for completing the haulage-roads.

Tenders were called for the supply of 750 mine-tubs, to be made and galvanised in the colony, and a contract has been entered into with Messrs. Griffiths and Co., of Birchfield.

In concluding my first annual report on Point Elizabeth State coal-mine, I would mention that the development-work is being pushed forward with all diligence consistent with economy. It will entirely depend upon the completion of the railway-line as to when a certain quantity of coal may be sent to port of shipment, and it will take at least twelve months before any large output can be expected, as headings will have to be driven a considerable distance from each opening before bords can be opened out to work the mine in a systematic manner.

I have, &c.,

ALFRED B. LINDOP, Manager.

The Under-Secretary, Mines Department, Wellington.

SEDDONVILLE COAL-MINE.

Mr. A. B. LINDOP, Manager of the State Coal-mines, to the UNDER-SECRETARY OF THE MINES DEPARTMENT, Wellington.

SIR,—

Greymouth, 15th June, 1903.

I have the honour to submit my annual report on the State coal-mine at Seddonville for the year ending the 31st March last.

This property was originally worked by the Westport-Cardiff Company, but the mine portion of the property opened out by this company took fire and still continues to burn. The ground has fallen in places, and the surface is so full of holes and rents that it is almost impossible now to exclude the air from the burning seam. Even were it possible to do so, no coal could be got from the area on fire.

The portion of the property now being opened up as a State coal-mine is known as the "Cave Area," and is completely isolated from the burning area by a large fault which can be traced between Chasm Creek and Coal Creek. On the upper side of this fault there are several outcrops along the side of the terrace fronting Chasm Creek, and extending for a considerable distance up the stream. The highest outcrop is known as "Grant's Face," where the coal is 21 ft. in thickness and of excellent quality. A small drive has been put into the coal from this face for a distance of 15 chains. In several places in this drive the coal is of a softer character than at the outcrop, but in other places the coal is of a harder nature more like that at the outcrop. There is a considerable area here containing coal, but until the mine is properly opened up the extent and quality cannot be definitely stated.

On one side of the Cave Area there is a belt of granitoid rock, through which a tunnel has to be driven for a distance of 24½ chains to cut the coal. This tunnel at the end of March last was