

driven 14½ chains, leaving 10 chains yet to be driven before the coal is met with. The place where it strikes the coal will admit of a considerable area of coal being worked whilst the main and back headings are being extended towards Grant's Face. The small drive from Grant's Face is driven on the line of the back heading, so that when the face of this drive is reached very little work will be required to widen the drive to Grant's Face as a back heading for ventilation.

Several boreholes have been put down through the coal-measures on the line of the main tunnel, one of which had a depth of 200 ft., of which 14 ft. was in coal.

A shaft for ventilating purposes is in course of construction on the line of the back heading, at a distance of 22 chains along the course of the tunnel from its mouth. When this shaft is completed a crosscut will be driven to the line of the main tunnel, and it can be driven from two faces, thus expediting the driving of the tunnels, and we may expect the main heading to reach the coal about the end of July. A ventilating-fan will be required at the shaft before the heading in the coal is far advanced, but provision is arranged for this.

An endless-rope-haulage road is in course of construction from the mouth of the main tunnel to the coal-bins on Seddonville Flat, a distance of 87 chains. This road was laid out and a portion of it constructed prior to my taking charge of the works. The line at the change or alteration of grades had, however, to be altered before the tubs would run satisfactorily. This has to some extent delayed its completion, and at the present time there is a shortage of rails to complete the road on the incline, but arrangements have been made to get a sufficient quantity of second-hand rails from the Railway Department.

The coal-bins and staging formerly erected by the Cardiff Company are now in an advanced state of decay, all the beams and most of the planking require to be renewed. Timber is now being cut for this purpose, and the renewals and alterations are being proceeded with.

The former railway-siding to the coal-bins has been greatly damaged by flood-water from the Mokihinui River. This has necessitated the construction of a water-channel alongside the siding for a distance of about three chains, and the making of an opening across the line and the construction of a bridge to provide for taking away the flood-water. A loop-line has also been surveyed from the railway-line beyond the Seddonville Railway-station to the coal-bins, as the railway accommodation previously arranged was inadequate to deal with any large output of coal from the mine. This loop-line will allow the empty wagons to be shunted in at the back of the bins, and lowered down on the siding towards the main railway as they are loaded. A commencement has been made towards clearing the bush and forming the line. The length of this loop-line is 24 chains.

The steam-engine and hauling-gear are in good order, but a considerable quantity of filling had to be done at the back of the engine-house to get a suitable place to erect tension-wheels for the haulage-rope. A commencement has been made with this work.

The blacksmith's shop requires to be raised a few feet to keep the floor above flood-level. Piles have been fixed so that this can be done, and the floor of the shop filled in. It is not intended to disarrange the forges, benches, and machines until such times as the principal blacksmithing-work is done.

I conclude my first annual report on the Seddonville State Coal-mine, with the assurance that the works are being pushed rapidly ahead. I hope that by the end of September we shall be able to send out a small quantity of coal, which will be gradually increased as the headings are driven and the mine opened out.

I have, &c.,

ALFRED B. LINDOP, Manager.

The Under-Secretary, Mines Department, Wellington.

BALANCE-SHEET, together with STATEMENT OF ACCOUNTS, showing with respect to each Coal-mine worked by the Minister of Mines, under "The State Coal-mines Act, 1901," the Financial Position and Financial Result of its Operations for the Year ended the 31st March, 1903.

Liabilities.

	£	s.	d.	£	s.	d.
3½ per cent. Debenture Loan, under section 10 of "The State Coal-mines Act, 1901," redeemable 1st April, 1907	150,000	0	0			
Less debentures unissued	98,000	0	0			
				52,000	0	0
Consolidated Fund (interest advanced)				371	11	6
Accrued interest payable 1st April, 1903				605	4	1
				<u>£52,976</u>	<u>15</u>	<u>7</u>

Assets.

	Seddonville Coal-mine.			Point Elizabeth Coal-mine.			Total.		
	£	s.	d.	£	s.	d.	£	s.	d.
Seddonville Colliery (cost)	7,497	9	9				7,497	9	9
Point Elizabeth Colliery (cost)				4,024	12	3	4,024	12	3
Greymouth and Point Elizabeth Railway (cost)—									
Purchase				21,000	0	0			
Completing and equipping (cost)				6,901	8	0	27,901	8	0
	£7,497	9	9	£31,926	0	3	39,423	10	0
				£	s.	d.			
Cash at Bank				1,076	10	0			
Cash in hands of Imprestee				1,500	0	0			
" Agent-General				10,000	0	0			
							12,576	10	0
Balance (Interest Account)							976	15	7
							£52,976	15	7