C.—2A.

JAMES MINE.

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The principal operations carried out at the mine during the year were as follows: (a) Dismantling, carting, and re-erecting a portion of the coal-storage bins from the Point Elizabeth Colliery; (b) construction of the main haulage-road tunnel to connect with the seam, also an upcast for ventilation purposes; (c) the installation of the endless-rope-haulage engine, and the housing of same; (d) the power-house extended and a Bellis-Morcomb engine and generator installed therein.

In my last annual report reference was made as to the scheme outlined in connection with the erection of only a portion of the coal-storage bins. The portion erected is 50 ft. by 50 ft., and is capable of holding approximately 600 tons of coal. Although the portion may seem small, it is sufficiently large to deal with the output until such time as the major portion is erected. The erecting of the coal tipping and screening plant, together with the engine for driving the same, is being proceeded with. A gangway leading from the storage-bins on to the haulage-road has been erected. The haulage-road tunnel, together with an upcast for ventilating purposes, has been constructed, the former connecting with the seam at a point 16 chains from the mine-entrance.

The seam when struck in the tunnel was only 3 ft. in thickness. This, of course, was expected, for boring had already proved the seam to be thin at this point, and it will be therefore necessary to continue driving the main heading, together with a parallel heading, for a further distance of approximately 8 chains, in part stone and part coal, before the seam of a workable thickness is reached.

In connection with the construction of the upcast herein referred to, it was necessary in the first place to drive a level crosscut from the main haulage-tunnel, a distance of 1 chain. From this latter point the upcast was driven at a gradient of 1 in 1 to connect with the surface.

This work now being completed, arrangements have been made to install a single-inlet sirocco fan, 60 in. in diameter, for the ventilating of the whole of the mine. This fan, which will be erected in close proximity to where the upcast connected on the surface, will be electrically driven, power being supplied from the generating plant referred to in (d).

The endless-rope-haulage engine has been installed and properly housed near the storage-bins.

The hauling-ropes together with other mining ropes for this colliery have arrived.

Railway.—Good progress has been made with the construction of the branch railway from Runanga to the mine, and under favourable conditions the Public Works Department expect to have a temporary line laid through in about six months from date, on which coal may be hauled. The development of this mine has to a large extent been governed by the construction of this railway, and by the time it is completed the management expect to be in a position to produce coal, the output of which will increase as the mine develops.

Employees, Expenditure, &c.—During the year there were on an average thirty-one men employed at this colliery. The total expenditure incurred to the 31st March last in connection with the opening-up of this colliery is £11,056 14s. 1d.

Accidents.—A few minor accidents have occurred during the year, and it is pleasing to report there were none of a serious nature.

General Office and Workshops.—At the present time the general office, together with the workshops, are situated at Dunollie. This place was, of course, central for both the Liverpool and the Point Elizabeth Collieries. Now that the latter is closed down, and having in view that the James Colliery will be connected with a branch railway from near Runanga Station, the question of building a new general office near the junction of the railways at Runanga will have to be considered, as this place will be central for both the Liverpool and James Colliery. It will also be advisable to erect a new workshop at the James Colliery, and transfer to there all the plant and machinery from the Point Elizabeth Colliery workshop. This place is preferable to Liverpool Colliery, as there is more level ground available.

MACDONALD MINE.

In connection with the development of this mine it must be pointed out that operations are not in any way being rigorously proceeded with. If they were the mine would be in a producing-stage long before the railway from Huntly to Waikokowai was constructed. It is therefore the management's aim not to employ a large number of men at the initial stage, but to proceed with development work in such a manner, with a limited number of employees, that the mine and railway will be ready practically at the same time.

The work so far carried out in connection with the development of this mine is as follows:

(a) Construction of a road, two miles in length, from Rotowaro Station to Waikokowai; (b) building of four workmen's huts, workshop and store-room, office, engine-house, magazine for explosives, also the repairing of two cottages on the property; (c) clearing the site for the mine-entrance, also a commencement made to construct the main haulage-road tunnel; (d) drilling three holes on the line of the main haulage-road, also one on the village settlement reserve; (e) fencing and clearing 30 acres of land for tree-planting.

Rotowaro-Waikokowai Road.—Prior to the construction of this road all material required for the developing of this mine had to be carted from Huntly, a distance of 10½ miles, and owing to the grades of the road being steep in places the loads carried were small and the trips limited to one per day. Since this new road has been constructed the carting-cost has been considerably reduced. The carters are now able to make two trips per day, also to bring much heavier loads. The road, I am pleased to say, is a great benefit to the mine, and is also much appreciated by the settlers in that locality.

to say, is a great benefit to the mine, and is also much appreciated by the settlers in that locality.

Main Haulage-road.—To connect with the seam from the mine-entrance necessitates the construction of a stone drive approximately 6 chains in length. This drive has been commenced and driven a distance of 2 chains. The size of the drive is 10 ft. 6 in. wide and 7 ft. high, and properly