

*Accidents.*—During the year there were a few minor accidents, also one of a serious nature. The payments made at this colliery under the provisions of the Workers' Compensation Act amounted to £698 17s. 10d. On the output produced this works out to a cost of 3·82d. per ton, as compared with 5·42d. per ton for the previous year.

*Underground Workings.*—At this mine three sections, known as the main heading, east level, and old dip, are being worked, development work being confined to the former and pillar-extraction to the two latter.

In the two sections from which pillars are being extracted very little coal is lost, owing to the hard nature of the roof. Another good feature in connection therewith is that, as the pillars are being extracted, water is allowed to rise, thus removing any danger from mine fires.

In my last annual report reference was made to the crossing of an upthrow fault which displaced the seam in the main-heading section from 35 ft. to 40 ft. vertically. During the year this fault was crossed, and a section is being developed on the upper side of the displacement. The seam in this new section from a thickness point of view has been satisfactory, but the quality of the coal has been somewhat variable. There is also a peculiar feature in connection with the gradient of the seam in the new section as compared with that in the workings on the lower side of the fault. In the latter workings the seam was rising towards the fault at a gradient of about 1 in 6, but when the fault was crossed it was found that the seam was dipping at a gradient of about 1 in  $4\frac{1}{2}$ . Through this change of gradient the new section will have to be developed from a dip heading, and with that object in view one has been commenced. From surface examination of Cannell Creek another fault has been discovered, and from a bearing taken of the line of it the new dip heading will not extend more than about 7 chains before meeting the fault. This means that the area to the dip is somewhat limited. Assuming that the seam continues to dip at a gradient of 1 in  $4\frac{1}{2}$  until the fault is met, the displacement between the seam in the new dip heading and the outcrops at the upper reaches of Cannell Creek will be in the vicinity of 150 ft.

*Exploration.*—Work under this head comprised boring on a part of the State Coal Reserve at Dunollie, also locating and surveying coal outcrops on the south-east side of the Ten-mile Creek.

At Dunollie four holes were drilled by means of the diamond-drilling plant. With the exception of one of the holes in which a workable seam was proved, the results obtained from the others were of such a disappointing nature that it did not warrant the Department working the area.

On the south-east side of the Ten-mile Creek the only work done so far has been the surveying of the creek and locating of the seams in the cliff-faces. In these cliffs, which are very precipitous, several workable seams have been located, and are showing dipping towards and under the Nine-mile Creek. In order to thoroughly prove this area, further surface prospecting and surveying is necessary. If the results obtained from this work are of a satisfactory nature, then the question of drilling a series of boreholes will be considered.

#### GENERAL.

Reviewing the work for this year, it will be seen that there is a substantial increase in output at both collieries, also in the number of days worked, when compared with the previous year. There is also an increase in the miners' average daily earnings, particularly at the James Mine. At the latter mine the miners' net average earnings show an increase of 2s. 1d. per day when compared with the figures of the previous year.

In conclusion, permit me to say that all the officers have performed the duties delegated to them in a most satisfactory manner; and I am also indebted to yourself for valuable services rendered in connection with several matters concerning the mines.

I have, &c.,

I. A. JAMES, Superintendent.

The Under-Secretary, Mines Department, Wellington.