

“*Kirita Bay*.—The outcrop of coal in Kirita Bay is about 20 yards below high watermark. This seam of coal is thrown up by a greenstone or slate dyke, which runs across the bay with a dip to the north-east of about 45°. This is a glance coal, and burns freely, but does not cake. The seam at the outcrop is 12 inches, and thickens as it dips. The overlay on the beach is a conglomerate of sandstone boulders. This is very likely to be a good workable coal.

“On the Wairau River there is a mass of micaceous or shaly iron ore, with a face of about 100 feet to the river and 120 feet high, overlying the slate rock, which crops out at this point.”

NELSON.

Collingwood.

The exploration of this important coal field has been continued, the principal work being the completion of the tunnel on the Collingwood Coal Company's leasehold. The progress of this work, and the circumstances which led to the substitution of an “uprise,” instead of continuing the tunnel, as originally intended, and by which the whole thickness of the coal measures has been cut, is explained by the following extracts from my progress reports:—

12th January, 1874.

I have the honor to report that not having had an opportunity of inspecting the progress of the work at Collingwood on my last visit to Nelson, I obtained a statement on the subject from the legal manager, and also procured the weekly reports of the working manager, and from these made the following notes for your information:—

1. The tunnel is now 550 feet in length.
2. Owing to a change in the strike of the measures, it has been found necessary to alter the direction of the drive 20° from the straight course.
3. Three faults have been encountered, all of which have tended to shorten the distance which will have to be driven to reach the main coal seam.
4. On the other hand, the effect of the faults has been to flatten the dip of the strata, and also to cause the alteration of the strike above referred to.
5. Three groups of soft beds carrying coal seams have been cut in the tunnel, being A, B, and C, as shown in the accompanying section—

A corresponds with the small seam exposed in the face of the fall half way up the shoot.

B is not seen outside, unless it be the small seam with ironstone, mentioned in my report of 10th May last as cropping out in the gully by the foot of the ladder. No sign of B is, however, seen in the section exposed along the upper tramway, as it is cut out by a fault.

C, which has been recently cut, contains over 4 feet of good coal, and, I am inclined to think, corresponds with the seam at the top of the shoot, in which case it shows a marked improvement.

Allowing for the flatter dip, I estimate that about 70 feet more will tap the chief group of coal and ironstone beds,—

D, in which case the length of the tunnel will be only slightly in excess of the estimate given in my former report.

6. Having formerly reported that the excavation of the tunnel would be finished by Christmas, I now beg to state that the delay in the completion of the work beyond the time anticipated, is wholly due to the slow rate of progress, owing to closeness of the ground. The contractors tried the use of dynamite, but had to give it up on account of the poisonous nature of the vapour which it generated.

5th May, 1874.

I have the honor to forward two reports from the legal manager of the Collingwood Coal Mining Company, relative to the progress of the tunnel, in continuation of my letter of 12th January, 1874. It appears that, owing to a difference with the contractors, the driving of the tunnel was suspended on the 19th March at 600 feet, or 50 feet further than at the date of my last report. At that time I estimated that 70 feet would have to be driven before the soft band of strata underlying the coal seams would be reached. Instead of making a fresh contract for the tunnel, or proceeding with it by day labour, a vertical drift has since been made, to explore the strata, as being a more expeditious method than continuing the tunnel, owing to the flatness of the strata, which now dips at 1 in 8. This vertical drift has now been continued 26 feet, with, on the whole, favourable results, the No. 2 seam having been cut at 10 feet above the roof of the drive. As this vertical drift will not be of any service in the future working of the mine, I recommend that the Government should bear the whole cost of continuing it, so as to explore the measures up to the main coal, the total cost not to exceed the balance of the sum estimated to complete the tunnel, and this expenditure to be considered as in lieu of the assistance promised towards the tunnel work.

The following is a statement of the grants approved, and the payments which have been made by Government up to this date:—

	£	s.	d.
12th June, 1872.—Original grant	500	0	0
14th July, 1873.—Further grant	250	0	0
	£750	0	0
Payments on account up to February, 1873	£614	19	6
Balance	135	0	6