C.—2.

Dip section No. 1: At the beginning of the year two levels east and two levels west were turned off the dip headings. The two east levels were driven a distance of 300 yards from the dip heading. To cope with the output from this section an endless-rope system, electrically driven, has been installed. The quantity of water now being pumped from this section equals about 300 gallons per minute—nearly three times more than twelve months ago.

No. 2 dip: Excellent progress has been made with the driving of this dip. It is now down 150 yards from the main level, and has passed through coal of good quality. Very little water is making,

only about 100 gallons per hour being pumped at the present time.

Heating has been a source of considerable anxiety and expense throughout the whole year. All fires have been in the No. 17 section, and from what can be seen of the conditions in the development places the trouble will probably continue in all parts of this section. The fault has turned out a greater undertaking than was anticipated. The disturbed ground has been penetrated for a distance of 170 yards, and the indications are not so good now as formerly. The appearance at the face seems to indicate that the fault proper has not yet been reached. Surface observations point to the existence of a large downthrow. It is anticipated that a further increase in the output of this colliery will be made during 1913. Ventilation has been well maintained, and a plentiful supply of mining-timber kept.

North Brunner Colliery.—Operations at this colliery recommenced during May, after suspension for eight months. The output was 12,839 tons, an increase of 55 tons over the previous year's production. Development in the higher sections of the colliery has proved very disappointing, faults and faulted ground being found in all directions, besides which the seam gradually became thinner and extremely soft and dirty, making it impossible to produce marketable coal at a profit. The management, after due consideration, decided to commence pillar-extraction and obtain as much saleable coal as possible. There is a considerable quantity of good fireclay occurring in patches, which may be won in conjunction with the coal. Lower down the hill a small area of coal about 11 ft. thick is being won, but the quantity available is not great. At the junction of the endless haulage-rope with the self-acting incline a drive is being put in to cut a section of coal which boring has proved to exist. Extensive alterations have been effected at the storage-bins for the treatment and sorting of the coal before it is loaded into wagons. To convey the coal from the mine to the bins there is an endless-haulage system 75 chains in length. There are also two self-acting surface inclines, in length 25 chains and 15 chains respectively. The mine haulage is connected with the above systems by self-acting inclines. Ventilation and general safety of the mine have been well maintained.

Loughlan's Mine.—Four men have been employed intermittently at this mine, producing 1,152 tons of coal, which is a decrease of 1,608 tons as compared with the previous year. The main drive at the drainage level is approximately 265 yards in from the outcrop, and shows coal of good quality,

5 ft. thick. The general safety of the mine is satisfactory.

Golden Point Mine.—The output from this mine amounted to 510 tons, a decrease of 30 tons

compared with that of 1911. Ventilation is good.

Watson and Moyle's Coal-mine, Murray Creek.—Operations have almost entirely been confined to the extension of the heading in the top drive, which has reached a distance of 450 ft., approximately. The coal, however, is only fair in quality at the face, while between the seam (which at this point is only 5 ft. thick) and the main roof there is a band of rotten shale about 2 ft. thick, making it very difficult indeed to obtain the coal in a marketable condition. Ventilation and general safety conditions of the mine are satisfactory. Two men employed underground have produced an output of 1,170 tons.

Phænix and Venus Coal-mine, Murray Creek.—An output of 1,481 tons has been won from this mine. Only two men on an average have been employed at winning coal. The seam, which is approximately 30 ft. thick, is lying at a very steep angle. The coal is of good quality, but produces a large amount of small. The drives are satisfactorily secured with props, and the ventilation is good. Work at the mine has been intermittent, owing to slackness of trade.

Lockington's Freehold, Deep Creek.—The output (235 tons) has been partly won from opencast and partly by driving into the hill from the outcrop. The coal when driven upon proved to be exceptionally dirty, large masses of stone being intermingled with the coal-seam. Very little coal has

been won during the latter months of the year, owing to slackness of trade.

Burke's Creek Coal-mine.—The output from this mine for the period under review amounts to 3,063 tons, an increase of 135 tons over last year's production. Very little development has been done in the main north drive, as the seam is intersected with formidable bands of sandstone cutting in every direction across the face of the drive. A small section of good coal on the south side of Burke's Creek is being developed, and a supply of good coal is being obtained. General conditions of the mine are satisfactory.

Waitahu Coal-mine.—The output for the year was 732 tons, obtained from a new drainage drive. A high percentage of small coal is produced from this seam. Owing to faulty timbering a portion of the level has collapsed. The probability of this occurring was pointed out to the manager, and instructions given to remedy the defect, but the instructions were not carried out, and the level collapsed. Considerable expense will be necessary to restore it to good working-order. Ventilation is

satisfactory.

Rection Mine.—This mine, which was closed during 1911, was reopened at the commencement of 1912, and a new drive from the surface was driven for a considerable distance through alluvial ground before reaching the coal-seam. which proved to be of inferior quality. Driving thereon being continued, good hard coal 8 ft. thick was found. The drive has been driven 220 yards and securely timbered. 197 tons of marketable coal has been won. Should the coal continue as at present it will in all probability command a ready sale for household purposes, owing to the mine being situated near the Town of Rectton.