Northcoat's Pit.—The seam of lignite is also thinning to the north in this pit, so they will soon have to turn the hydraulic jet into the heavy overburden to the east.

Wendon Coal-mine.—This small area, which has been intermittently worked for twenty-eight years, has again been taken up. A new level is being driven to the north-west and is now in 2 chains. The 16 ft. highly inclined seam was met 20 yards in, and is dipping to the west. A vertical clay "back" 12 in. thick is near the left rib of the level.

Terrace Mine, Kingston Crossing.—The main level has been continued in an easterly direction and places worked to the north. The south places proved very wet, so were only driven a few yards in.

Princhester Creek Pit.—Opencast work has been continued towards the east side. The old pit to the west is completely filled by debris from higher up the hill. A bar of papa rock prevents the slip from entering the recently worked ground. There is sufficient coal stripped ahead to supply the demands for the coming winter. A few short boreholes will be put down to prove if the seam lives to the south-east of the pit.

Lynwood Pit.—This pit has been abandoned, as the Lake Te Anau steamer is now driven by Deisel engines, and the supply of household coal is obtained from Princhester Creek.

Boghead Mine.—The dip was not extended during the year, and owing to slackness of trade only three bords on the north side were worked. As at the other local mines, the places are wide and high, but the lignite stands very well and needs very little timbering.

Mataura Lignite-mine.—Trade was slack at this mine also, and only six places were worked. These places, to the south-west, are being kept to a maximum width of 15 ft., and the pillars are being made larger than formerly. The shaft for ventilating purposes could not be completed on account of the quantity of water which had to be dealt with. About 12 chains west of the main haulage-road a place was driven to the surface and the ventilation is considerably improved in consequence. A new electrically-driven two-stage centrifugal pump has been purchased and installed, and the main dip is again being driven.

Larking's Mine.—Until October driving was continued in places to the north and south. The seam is 12 ft. thick, and the places were 8 ft. high. At the face of one of the south levels the lignite was much disturbed, as though they were approaching a fault. The place going south-east off the old opencast area was stopped when only 10 yards in, as stony lignite was met. A level was continued to the south for 2 chains. This place is connected to another driven from the north side workings. Lately the owner ceased underground work, and has commenced working a small area to the east as an opencast pit.

Ota Creek Pit.—During the past year the output was produced from the centre and north end of the pit. At the present face there is about 8 ft. of lignite, with 6 ft. of gravel overburden.

Thompson's (Wyndham) Pit.—As the seam is dipping at the east end of this pit and only 3 ft. of lignite can now be worked above the level of the pond, the owner will soon commence working at the opposite end of the pit, where there is only 4 ft. of overburden.

Gabite's Pit, Menzie's Ferry.—This is a small opencast pit worked for local supplies. The seam of lignite is 6 ft. thick, with about 6 ft. of sand and gravel overburden. A 4 in. Tangye pump driven by a portable traction-engine is used to unwater the pit.

Diamond Lignite-pit.—The year's output was again produced from the lower lift of this thick seam of lignite.

Black Diamond Mine.—The number of miners employed at this mine gradually decreased until only six are now working there, and these share work with five others. The solid work in the north-east section is being continued, and should last another six months or so. From the prospect-drive to the south-west of the main haulage-road a borehole was put up which passed through five small seams and, 88 ft. up from the floor of the present workings, a 17 ft. seam of coal containing three fireclay bands 4 in., 4 in., and 9 in. thick was pierced. A crosscut will be driven from about half-way down the main haulage-road to work this seam.

Smithvale Mine.—The main level reached very faulted country, and after driving about 30 yards in this the level was stopped . The back level was then pushed on, and is now in coal 3 ft. 9 in. thick; but many soft-clay backs make the coal very dirty. The indications at the face are not very promising.

Mossbank No. 1 Mine.—Development has continued in a south-easterly direction, and the large washout cuts off the workings to the north-east. The extended section, to the east of the Wairaki Settlement traffic-road, is proving rather disappointing, and the coal is still very variable in quality. All shot-firing is now done by authorized shot-firers. As the major portion of these workings is under a swamp and the pillars cannot be fully extracted, they are being split and the "tops" worked back. In February a dip drive was started, going south, at a grade of 1 in 4½ to cross under the Ohai Railway and the traffic-road and to work a new coal lease to the south. A full face of coal was reached when 6 chains down. For a couple of chains the coal was level, then it again dipped slightly. The seam contains many clay backs, and, being only fit for boiler coal, the drive was stopped in August, when the face of drive was directly below the northern boundary-line of the Ohai Railway. The drive was reopened towards the end of the year, and, if the quality of the coal improves, a return airway independent of the old mine will be driven.

Mossbank No. 2 Mine.—A party of five miners commenced working a small area of coal north-east of the old Mossbank No. 2 Mine workings and near an opencast area worked some years ago. A dip has been driven to the south-east about 2 chains and two levels, going north-east, are in rather hard coal but containing many stone backs. To the west the levels were stopped 20 yards in, as they were approaching old workings sealed down on account of fire some seven years ago.

Wairaki No. 1 Mine.—The solid work having been completed early in the year in the No. 1 east section, two pairs of miners are now on pillar-extraction there. The No. 2 east section was stopped in July, but development was resumed there in December. The main level has been driven under the Ohai Railway and the traffic-road, but a barrier a chain wide has to be formed south of the road-line. The coal is much cleaner there than formerly, but it is still of rather poor quality. The places to the rise in that section are standing in coal 18 in. thick. This appears to be a continuation of the thin coal met in the No. 1 east section. Many reports of inflammable gas were recorded early in the year. To enable the ventilating-current to be split, an undercast was made, and the No. 2 east section is now a separate split. The ventilating-fan is being run additional hours. Prospecting is being continued on the west side, and the No. 3 west level has passed through very troubled ground but is now in coal 8 ft. thick. This is still rather dirty, but shows signs of improvement. Five solid single places are being worked in No. 2 west section, and three pillar places in No. 1 west. Except for the forking of the coal underground, with the consequent increase of fine coal-dust to be removed or rendered inert, there is little room for criticism over the methods now employed at this mine. The working-places are well timbered and ventilated, and few small pillars are now being formed. The use of electric cap lamps, which I understand is mooted, would also improve the working-conditions. Owing to slackness of trade the miners are sharing the work by working alternate fortnights.

Wairaki No. 2 Mine.—Pillar-work was resumed after being closed down for about a year, and three pairs of miners are now working there, two on the east side and one near the bottom of the main drive on the west side. A heated area in the goaf is kept well under control.

Linton No. 1 Mine.—A few pillar places are still being worked in the Little Dip section of No. 1 mine. A connection was made from the north-west heading—the crosscut from which the large coal-bearing area north of the 160 ft. downthrow fault will be worked—to the No. 1 Mine, and several pairs of miners were on solid work in clean hard coal to the east of the north-west heading in what is called the Junction section. The north-west heading, now 12½ chains down, is crossing the 160 ft. downthrow fault, having passed through a 5 ft. band of stone and the lower portion of the coal-seam. The seam was proved in a borehole just 3 chains ahead of the present face of the heading to be 49 ft. thick, so it is expected to again cut the seam in another 20 yards. The heading is well supported by squared black-birch timber sets. For a new return airway an incline is being driven in the seam, at a grade of 1 in 3, and to the south of the north-west heading. A borehole, 70 ft. deep, has already been drilled from the surface, and when the incline reaches the borehole a rise will be put up to the surface on the line of the bore. Owing to the great thickness of the seam, a pillar takes several months to extract, and in the past two pairs of miners have some-