

Exploratory Work: In my previous report reference was made to the work that had been carried out on the State Coal Reserve in tracing seams Nos. 1, 2, and 3 in Blocks A and B on the south side of the Ten Mile Creek. During the early part of the year operations were confined to tracing the third and fourth seams in Block B, also a seam in Block C. Some prospecting work was also carried out in the valley of the Nine Mile Creek. Latterly work has been concentrated on boring operations in Block A. The third seam in Block B, which is situated about 140 ft. below No. 2 seam, varies in thickness from 5 ft. to 8 ft. It has been traced for a distance of 15 chains in an easterly direction from Wafer's Spur; unfortunately, it is unworkable owing to it being intersected with bands of stone. The fourth seam, which is situated 115 ft. below No. 3 seam, has also been traced a distance of approximately 15 chains in an easterly direction from Wafer's Spur. This is a good workable seam, the thickness varying from 6 ft. to 7 ft.

Block C: In the cliffs on the south side of Bishop Creek an outcrop of clean coal 14 ft. in thickness has been traced for a distance of 22 chains. This seam is probably the continuation in a north-easterly direction of the No. 1 seam in Blocks A and B, but is cut off from the latter by a fault which runs in a northerly direction from the vicinity of Trig. XY.

Nine Mile Creek: On the eastern side of the point where the Wafer's Spur fault crosses the Nine Mile Creek a seam of coal 10 ft. in thickness was located. This seam was traced up the stream for a distance of 9 chains, but in this distance it was so split up with stone bands as to render it unworkable.

Boring in Block A: In this block three workable seams were traced on the south side of the valley of the Ten Mile Creek between Wafer's Spur and Armstrong's lease for distances varying from 20 chains to 26 chains, the seams having a south-westerly dip of approximately 1 in 4 towards the valley of the Nine Mile Creek. Between the line of outcrops on the south side of the Ten Mile Creek and the valley of the Nine Mile Creek the distance is approximately 40 chains, and boring operations are now being carried out in a systematic manner to prove the extent and thickness of the seams to the dip in this block. Up to date three holes have been drilled, and preparations are now being made for the drilling of the fourth. The approximate positions, together with the results obtained from the three holes completed, are as follows:—

Bore No. 1: This hole is situated about 10 chains east of the fault adjoining Armstrong's lease and 8 chains south from the line of outcrops. This hole was drilled to a depth of 580 ft., but failed to prove workable coal. The seams, although unworkable through being split up with stone bands, were passed through in approximately their correct horizon. On the east side of Armstrong's lease the seams in the cliff-face are split up with stone bands, and in all probability this same trouble extends as far as No. 1 hole, thus accounting for the unworkable coal.

Bore No. 2: This hole is situated 10 chains east of No. 1 hole and 8 chains south from the line of outcrops. This hole, which was drilled to a depth of 470 ft., passed through Nos. 1 and 2 seams, their thicknesses being 17 ft. and 15 ft. respectively.

Bore No. 3: This hole is situated on the banks of Griffith's Creek and 13 chains south of Bore No. 1. This hole was drilled to a depth of 468 ft., passing through Nos. 1 and 2 seams, their thickness being 18 ft. and 26 ft. respectively. It is difficult at present to estimate the number of holes yet to be drilled to prove Block A, as this is entirely dependent upon the results obtained as the work proceeds.

Work in connection with boring operations on this field is difficult owing to the surface being densely wooded and in many places precipitous, necessitating the constructing of aerial ropeways for the transporting of the drilling-plant.

JAMES COLLIERY.

Coal-winning.—The gross total output for the year was 38,018 tons 5 cwt., a reduction of 4,372 tons 16 cwt. when compared with the figures of last year. After making allowances for stocks on hand at the beginning of the year, together with coal purchased and deducting mine consumption and waste, there remained for disposal 38,340 tons 1 cwt. 2 qr., which is accounted for as follows:—

—	Screened.	Unscreened and Nuts.	Small.	Slack.	Total.
	Tons cwt. qr.	Tons cwt. qr.	Tons cwt. qr.	Tons cwt. qr.	Tons cwt. qr.
Export	13,187 19 0	896 2 0	52 9 0	6,169 17 0	20,306 7 0
Rail to Canterbury ..	8,788 19 1	818 15 2	957 18 1	21 7 0	10,587 0 0
Local sales	340 10 1	..	6 2 3	5,837 14 0	6,184 7 0
Mine sales	1 0 0	72 10 0	2 0 0	13 0 0	88 10 0
Sold to workmen and free issues	..	591 11 0	..	..	591 11 0
Stock in bin	119 14 0	30 0 0	100 0 0	106 12 2	356 6 2
Stock on wharf	..	..	..	..	..
Stock in dump	..	..	..	226 0 0	226 0 0
	22,438 2 2	2,408 18 2	1,118 10 0	12,374 10 2	38,340 1 2
Used on works	..	356 0 0	..	..	356 0 0
Waste	..	1,040 5 0	..	..	1,040 5 0
Totals	22,438 2 2	3,805 3 2	1,118 10 0	12,374 10 2	39,736 6 2

The gross total output from this colliery since its inception amounts to 323,857 tons 15 cwt.

Days worked.—The mine during the period worked on 202 days, being 36½ days less than the previous year. The possible working-days, excluding union holidays and pay Saturdays, were 279. The difference between those worked and the possible working-days is accounted for as follows: Lack