Main Dips: The main dips have been driven continuously during the year and have now changed to level grade. In fact, No. 2 Dip is now rising slightly and is within 5 chains of the borehole 252, which proved 10 ft. of good coal. On the west side of No. 2 Dip the No. 3 Dip, which is the main west return, has struck a downthrow fault. Eighteen feet was sunk on this fault, but did not find the bottom. It is now proposed to bore the fault with a diamond drill. This fault, running north and south, was first struck in the 5 West Section, where a dip extends down behind it in good coal. However, for haulage and ventilation reasons it must be negotiated on the main dips. It is the intention to extend the main endless ropeway to the point in No. 1 Dip where the grade levels out, and there make a permanent terminus. This point will be about 20 chains beyond the present terminus at No. 4 Level and will be the limit of the power of the existing haulage.

East Side: The No. 2 East Dip is still being developed, but no work has been done farther east, mainly on account of haulage and ventilation difficulties. The full pitch of the seam is now almost due north and south and is very steep, being about 1 in 13, and will require provision for both haulage and ventilation.

Ventilation: A contract has been let to enlarge the main return, and the work is now about three parts completed. When this is done, the fan will be speeded up by installing a 200 h.p. motor and a new V-belt drive. This should provide 40,000 cubic feet more ventilation than at present. All old sections have been sealed off and all possible air directed to the working-places, but as the places are 1,500 ft. below sea-level the temperatures in some of the places are high by New Zealand standards. Some form of auxiliary fan must eventually be adopted if places are to be worked to the rise in the steep East side.

Pumping: A new station and pump has been built at the bottom of the main stone drive. Electric cable has been laid to the first stage in No. 1 Dip, and an electric pump will soon replace the air-driven pump at this station and will relieve the demand on the compressed-air plant.

New Pumps: Three 4 x 6, three 6 x 8 plunger pumps, and one 16 x 8, all air driven, have been received during the year and are now mostly in use. There has been an increase in the amount of water pumped out of the mine, and an extra shift's pumping each week-end is necessary to keep the water down.

The use of air-driven drills for boring shotholes is now universal.

The prospects for the future working of this mine are good for many years.

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C. J. Strongman, Superintendent.