

per day. It will be unnecessary for me to go more into detail regarding this mine, because, through the kindness of the company's manager, I am in a position to annex to this report a very full memorandum, which contains much useful and interesting information. But, I may add that I hear on excellent authority that it is the intention of the company to expend some capital in improving their harbour, which is at present a difficult one to work owing to the distance to which the sea retires at low water.

Memorandum by the General Manager of the Pūpunga Colliery.—On the company's wharf, which is half a mile in length, storage-bins have been erected capable of holding 400 tons to facilitate the loading and despatch of shipping. From the wharf the narrow-gauge railway-line extends for a mile and a half to the mine, over which distance the coal is hauled by the company's locomotive. At the mine screens and more bins have been lately completed, and a coal-washing plant has been fitted up, so that the nuts are kept of the best marketable quality. A stationary haulage engine has been erected, which draws the coal from the dip workings on the direct-haulage system. During most of the year the coal has been chiefly worked from the level-free portion of the coalfield, but latterly the dip-haulage road has been pushed ahead, and the workings opening up therefrom are developing well, showing coal of excellent quality and of a good workable thickness, the height of the workings being 7 ft. 6 in. This is a rather important feature, when the general thin nature of the coal-seams in the Collingwood, Pakawau, and Pūpunga district is remembered. So far the water has not been very heavy, and has been drawn by the haulage engine by water-chest after work has ceased for the day; but owing to the gradual increase of drainage from the strata, which is to be expected as the mine gets more extensive, a pump has just been obtained and is now being installed. To adequately ventilate the mine as the airways become longer and the workings extend, a fan capable of circulating 45,000 cubic feet of air per minute has been ordered, and is now being constructed by Messrs. Johnston and Sons (Limited), Invercargill, while a Tangye engine to drive it has been obtained. The output has considerably increased during the year, and now exceeds 100 tons per day. The shallow-water conditions prevailing at the wharf and harbour prevent it increasing as it should, but the matter of an improved channel with greater depth of water and a swinging basin for steamers of moderate size is being considered.

In addition to their own leaseholds the Pūpunga Coal Company have bought out the Cape Coal Company, and the respective areas are now amalgamated. A valuable bush-area has been acquired, from which all the mining-timber is obtained, and it is connected with the mine by two miles of tram-line laid with steel rails. Mr. N. D. Cochrane is the general manager and mining engineer for the company, and has charge of the opening-up and development of the coalfield. Mr. McCaffery is mine-manager, and over eighty men at present find employment at the colliery and works.

Motupipi.—The coal-deposits here are again being worked on a small scale, and it is stated that the coal obtained, though unsuited for steam purposes, is well fitted for domestic use.

I regret that this report does not on the whole disclose a more satisfactory condition of the mining industry so far as gold is concerned. There are, I believe, two causes at the back of this state of things—an indisposition on the part of the present generation to prospect rough country as their fathers did before them, and want of capital. I fear that there is no hope of seeing foreign capital invested in mining enterprises in this country whilst the deplorable war in the Far East continues to afflict mankind.

I have, &c.,

H. EYRE KENNY,

Warden.

The Under-Secretary, Mines Department, Wellington.

Mr. Warden KENRICK, Greymouth, to the UNDER-SECRETARY FOR MINES, Wellington.

SIR,—

Warden's Office, Greymouth, 14th April, 1905.

Herewith I have the honour to forward to you the detailed reports on the several subdivisions of the mining district under my charge for the year ending the 31st December, 1904.

REEFTON-INANGAHUA DISTRICT.

Mr. E. W. Spencer, general manager of the Progress Mines of New Zealand (Limited), the Consolidated Goldfields of New Zealand (Limited), and the Welcome Gold-mining Company, furnishes the following reports on the operations of the various companies under his control during the year 1904:—

Progress Mines of New Zealand (Limited).—Development-work has again been energetically carried on during the year on levels Nos. 3, 4, 6, 8, 9, and 10, resulting in the opening-up of a large tonnage of quartz, of which a considerable quantity is of very low grade. The total footages driven, &c., during the year are as follows—Driving and crosscutting, 3,442 ft.; rising and sinking, 1,311 ft.: total, 4,753 ft.—at a cost of £7,030 10s. Stopping has been carried out on Nos. 4, 5, 8, 9, and 10 levels, the stopes calling for no special comment, except in the east stopes on No. 4 and 5, where on account of an increased percentage of antimony a larger portion of the quartz has had to be used as filling. During the latter half of the year the developments were watched with a great amount of interest on No. 10 level, as an ore-body was encountered which appeared to be of large extent. This body of stone was driven on in all directions and the stone on the level taken out, leaving an area of 120 ft. long by an average of 20 ft. wide standing on timber. A small portion of this block is of good value, but generally speaking the quartz from end to end is of very medium grade. A rise was put through to No. 9, which carried up stone for about 70 ft., and eventually connected to No. 9 on good reef-formation. Diamond drill: The drill was kept steadily at work for about eight months and a half, and drilled 2,125½ ft., gaining some valuable information; but the ground in the vicinity of the reefs is too soft to obtain much