

additions and amendments thereto made by the Committees as may be considered desirable.

THE CYANIDE PROCESS.

The acquisition of the patent rights under the provisions of "The Cyanide Process Gold-extraction Act, 1897," for which £10,000 was paid to the Cassel Gold-extracting Company, has proved to be satisfactory. Nineteen licenses have been issued to different companies and persons using the process, and royalties amounting to £1,774 18s. 7d. have been paid from 20th August, 1897, to 31st March last, so that even on this basis the royalties would in about six years recoup the amount paid for the patent rights.

The plants at which the process will be used are on the increase, and it is anticipated that the cyanide process will be free for use in New Zealand before the expiration of the period mentioned.

PROVISIONAL WARRANTS.

The warrants issued under "The Mining Act Amendment Act, 1896," expired on the 31st December, 1898. Forty-four first-class and eighteen second-class mine-managers' certificates were granted by the Board of Examiners to those persons whose management of mines under provisional warrant had been satisfactory.

PROSPECTING.

In the prosecution of prospecting for gold and minerals assistance was, during the year, extended to the miners chiefly through the medium of the County Councils and Miners' Associations. The following amounts were paid as subsidies towards prospecting in the different counties—viz., Bay of Islands, £83 7s. 3d.; Manukau, £10 10s.; Coromandel, £101 10s.; Tauranga, £6; Grey, £120 5s. 6d.; Inangahua, £114 9s. 9d.; Westland, £1,550 15s. 7d.; Selwyn, £13 10s.; Tuapeka, £106 19s.; Southland, £36 7s.

AID TO DEEP-LEVEL MINING.

No new works towards deep-level prospecting have been undertaken during the year. The balance amounting to £1,135 13s. 11d. has been paid to the Thames-Hauraki Company, which completes the payment of the full grant of £25,000 to the company on the conditions referred to in previous statements. All works in connection with the pumping plant have been completed, the shaft has been stripped, and the water-level reduced to a depth of 614 ft. from the surface.

Ross Flat.

With a view to giving encouragement to drain and work the alluvial leads at deep-levels, the Government has received a report on the subject from Mr. C. Napier Bell, and, in pursuance of his recommendations, a survey of the Mikonui River has been made and data obtained whereon to base a scheme for the drainage of the flat by the use of electricity. The estimated cost of this scheme, including construction of race, electrical plant for transmission, &c., together with equipment of mine, is £50,155. It is proposed to withhold an area of 100 acres on Ross Flat for any company that can satisfy the Government of their ability to raise sufficient capital to drain the flat to a depth of 400 ft. below the adit. In the event of this being done, the Government will be prepared to subsidise the undertaking in accordance with the provisions of "The Mining Act, 1898," and the regulations thereunder.

BATTERY FOR PROSPECTING PURPOSES.

The erection of a battery at Mahakirau, Mercury Bay, in accordance with a decision of the Government to further aid the prospectors and afford facilities for crushing and testing parcels of quartz in new districts, is being proceeded with. Arrangements have been made for the construction and erection of a movable three-stamp testing plant and all necessary fittings.