

17. *Hon. Mr. Larnach.*] What is the total increase?—If 110 stamps has given about £26,000 to £27,000, I am expecting more than double that amount when the mills get to work.

18. *Mr. B. McKenzie.*] Will it not depend on the order of working?—It will depend upon many things. I will assume that the stamps that produced £26,000 last year will produce something like the same—that is, the 100 to 110. I have thus got 200 and a moiety of the eighty to deal with. Then, for the next year I will get £26,000 from the last year's total, and, as I have twice as many stamps as were employed the previous year, I will get twice as much.

19. *Hon. Mr. Larnach.*] After all, that depends on the nature of the ore?—It depends upon everything; it is problematical. I have a wide margin within the mark. The stamps erected will do all that in time.

20. *Mr. B. McKenzie.*] They may be idle next year, or for several years afterwards?—It is easy to assume, but from my knowledge of the mining work I do not think it is likely. I think we will get a great addition to our yields from those sources. I do not know anything further I can state. I am merely giving an estimate of what the future probable yields will be. I do not say the £52,000 will come next year. I do not know the royalty yet; I have not gone into that.

21. What is your estimated increase?—My future yields will be £88,000 per annum: £26,000, the same as last year, and £52,000 from more than double the number of new stamps. If I had 110 stamps employed last year, then in the near future I will have 240 in addition, which will make 350 stamps.

22. Taking your own very sanguine estimate, supposing you had three hundred stamps at work you would get £78,000 a year, supposing everything turned out as you expect?—Yes.

23. *Hon. Mr. Larnach.*] Will you give us the names of the new plants where they are going up?—Ohinemuri, White Stock, Waitekauri Extended (forty stamps), in the same district, all but completed; the Komata Reefs (twenty stamps) are erected, and, I believe, are at work; the Talisman (twenty stamps), stamps erected and at work; twenty-stamp mill at Luck-at-Last (Whangamata); and I was informed that another company, called the Royal Standard, at Wharekuraupunga, are about to erect forty stamps. In the Thames district we have Broken Hills, East Coast, Tairua (twenty stamps). I mentioned before that some mills are being erected at the Thames, at which the cyanide will be used for concentrates and tailings, and I would leave them out of my calculation.

24. From your knowledge of these claims, do you think they would be on a par as gold-producers with the others which produce £26,000?—I think they would be on a par. I have every reason to believe it from the nature of the quartz.

25. *Mr. B. McKenzie.*] You say these seven companies have their works under construction. You say the batteries were under construction—that is, they have not started to crush?—I believe the Komata Reefs have started, the Talisman have started, and the Woodstock have started.

26. Some put up very small batteries?—Yes; twenty head.

27. They are batteries put up to test the ground. They are not what you would consider batteries put up permanently?—I think they would be put up with a view to add to them.

28. They are really put up for testing the ground?—We may call it that. A twenty-stamp mill is only put up to test; still, at the same time, I think it may return a large amount of work. I may say the Komata Reefs have another foundation laid for twenty, and the Talisman have other foundations, and their new mill is working on another principle, which may be equal to ten stamps. The Luck-at-Last have not erected, the Broken Hill have not erected, and the Royal Standard have not erected, but all the rest are erected.

29. Seventy or eighty stamps which may use cyanide are not worth taking into consideration?—I have not thought much of them.

30. *Mr. O'Regan.*] From your knowledge of the quartz at the Big River tailings, do you think they will be as amenable to the treatment of cyanide as the northern quartz, because I understand there is some quartz which cannot be treated by the cyanide process?—I do not think the cyanide process would be suitable for the most of the quartz on the West Coast. It is different to the quartz in the North, which contains very fine gold.

31. *Mr. B. McKenzie.*] Do you think the cyanide will be used on the Preservation Inlet quartz?—I cannot tell.

32. Is it used in Otago?—I believe it is used in the Premier and Tipperary on concentrates. I believe it is now being used treating tailings and concentrates, but not to a very great extent.

33. Do you think it is probable that it will be used on the quartz in Otago?—That would be very hard for me to say. There is no doubt that when they find it suitable they will have no hesitation in applying it. The gold is generally coarse in Otago, and it is only the tailings they would treat with the cyanide.

34. That is equivalent to saying that it is not likely to be used in Otago?—I would not like to say, from my knowledge; but the gold is of a coarse description.

35. *Hon. Mr. Larnach.*] Have you seen the Nenthorn Mine?—I have seen some of the quartz.

36. *Mr. Herries.*] Do you think a reduction of the royalty will make more mines use the process in the future?—I have no doubt it will. It is a commercial transaction. The big royalty charged by the Cassel Company was prohibitive.

37. Do you think that prevented people from using it?—Yes.

TUESDAY, 7TH DECEMBER, 1897.

CHRISTIAN DENCKER, examined.

1. *The Chairman.*] You represent a gold-extracting process, I understand, in connection with which cyanide of potassium with electric agency is used?—Yes.

2. Will you explain the process to the Committee?—The Siemens-Halske process is a cyanide process. It uses cyanide of potassium or any other composition of cyanide in order to bring the