

THE CYANIDE PROCESS OF GOLD EXTRACTION.

Since the patent rights were acquired four years ago the amount of royalty paid to the Government has amounted to £4,253, or, say, 42½ per cent. of the initial cost incurred. By recent legislation the term to which the patent rights remain in force in New Zealand has been extended until such time as the revenue derived in royalties has equalled the expenditure which was necessary to make the cyanide process available to the gold-mining industry in this colony.

PROSPECTING.

During the year ended 31st March, 1901, the sum of £1,266 11s. 7d. was expended in subsidies to parties of miners and prospecting associations actually engaged in prospecting for minerals.

WATERCOURSES FOR TAILINGS, Etc.

In consequence of the applications for the proclamation of several rivers and streams in the Middle Island as watercourses into which waste water, &c., from mining operations may be discharged, His Excellency the Governor appointed Commissioners to inquire into the question. Their reports have been received and proclamations issued in respect to six rivers and streams in the Middle Island, and the sum of £5,800 has been paid as compensation. The question of the proclamation of other rivers and streams reported on by the Commissioners is under consideration.

SCHOOLS OF MINES.

The Schools of Mines at Coromandel, Thames, Waihi, Reefton, and that at Dunedin in connection with the University of Otago have been carried on steadily throughout the year, and the number of students has been well maintained. At Nelson instruction is given to senior boys in analysis and assaying. A School of Mines was opened in February last at Karangahake to meet the needs of the increasing mining population.

Including grants to the school attached to the Otago University, the total expenditure on Schools of Mines in the colony has been £31,493 3s. 7d., and extends over a period of sixteen years.

COAL-MINING.

For the first time in the history of the colony the year's output of coal and lignite exceeds a million tons. The gross output for twelve months ending 31st December last was 1,093,990 tons, made up as follows: Bituminous and semi-bituminous coal, 673,862 tons; pitch coal, 37,804 tons; brown coal, 339,786 tons; and lignite, 42,538 tons. Compared with the gross output for 1899, the production for last year showed an increase of 118,756 tons. Of this increase, the West Coast District contributed 72,236 tons, the Southern District 27,345 tons, and the Northern District 19,175 tons.

In the North Island the Taupiri Mines are the chief producers, the output being 77,191 tons, the Hikurangi Coal-mine coming second with an output of 38,572 tons; Ngunguru Coal-mine produced 14,592 tons, and the Kiripaka Mine and Hikurangi Colliery 11,276 tons and 11,119 tons respectively. A few other small mines have been at work, principally for local requirements. Some attention is being directed towards the Mokau coalfield, and it is probable that such may be more extensively opened up in the near future. The same remark also applies to the Collingwood coalfield in the Middle Island.

The West Coast of the Middle Island continues to be the chief coal-producing district, the output of the Westport Coal Company's Mines alone amounting to 369,486 tons, or rather more than one-third of the entire output of the colony. The Brunner Mines produced 125,403 tons, and the Blackball Mine 82,516 tons, but the output of the latter was somewhat curtailed owing to the mine being closed down for a time in consequence of a fire in the workings, which was discovered at an early stage and suppressed. The old Mokihinui Mine (which was let to a party of working miners) yielded 10,092 tons from the Big Face section, but recent operations cannot be considered as representing a permanent output from this property unless further discoveries of coal are made.