

1933

Kenya.

No. 3006 / 19.

SUBJECT

C0533/429

Goldfields in the Kavirondo Districts.

Archaeological & Geological Reserve.

Previous

Main file.

Subsequent

23255/34.

J. L. Henderson, Esq.,
KENYA

It is difficult to state during what period the £100,000 would be expended but probably it would be during the course of the next two years.

Kindly acknowledge the safe receipt of this letter.

Yours faithfully,

LYNDHURST DEEP LEVEL (GOLD & SILVER) LTD.,

(sgd) A. M. LIGHTMAN

Secretary.



/Encl.

Lyndhurst Deep Level (Gold & Silver), Limited.

DIRECTORS:

- MR WILLIAM A HENRY, M. C. F. E.
- LOUIS HARDY.
- E. T. MC CARTHY, M. INST. M. M. ETC ETC
- MR. SHAWLON.
- ANDREW BARRIE, LL. B., LOND.
- H. R. EDWARDS. (U.S.A.)

C O P Y

55-61, Moorgate,

London, E.C.2.

Ref: AML/W/1.

14th June, 1933.

J. L. Henderson, Esq.,
P.O. Kiambu,
Government Road,
Nairobi,
KENYA.

Dear Sir,

KENYA CONCESSIONS

By arrangement with Mr. K. Williams, we send herewith Power of Attorney in your favour to enable you to apply on behalf of this Company for one or more of the Concessions, invitations for which will shortly be made by the Government of Kenya.

With reference to the moneys you are authorised by the Power of Attorney to expend not exceeding in the aggregate £600, upon hearing from you that your preliminary application has been successful, the necessary funds will be remitted to your order to a Bank to be named by you.

In making the application for the Concession or Concessions, you are authorised to state that subject to the prospecting results being satisfactory to the Directors of this Company, this Company will:-

- (a) Be prepared to employ up to 50 European Prospectors and approximately 4,000 natives, and
- (b) Be prepared to expend capital (either through itself or by means of a new Company to be formed for the purpose of acquiring the Concessions) to the extent of £100,000.



COST OF THE MILL.—The Consulting Engineers have estimated on a conservative basis that the cost of the first two units will not exceed £54,000 erected *in situ*, and that a third unit can be installed at an inclusive cost of £21,000. These estimates cover in addition to the crushing and cyanide plant, all necessary auxiliary equipment. The only supplemental expenditure under this head will be in extensions to the Power Plant, which are estimated to involve a total outlay of £8,000 for each unit of the Mill.

ESTIMATE OF PROFITS.—The total mining costs, including development redemption, but not depreciation of plant and machinery, are estimated by the Consulting Engineers at thirty-one shillings per ton, and the loss in extraction at four shillings per ton. In the average, all samples of ore taken from the Mine yielded 15.2 dwt. to the ton (the Pilot Mill crushed 6,153 tons averaging over 17 dwt.); but the Engineers, after allowing 25 per cent. to cover dilution and any possible errors in sampling or assaying, have taken an average value of 11.35 dwt. For the purpose of estimating the net mining profit, both values are given in the subjoined Table, which is based on the above costs, with gold at 120s. per ounce less 15 per cent. gold premium tax.

Ore Milled per annum in tons.	Annual net Mining Profit after deducting 15 per cent. Gold Premium Tax.	
	Basis 11.35 dwts. per ton of Ore.	Basis 15.2 dwts. per ton of Ore.
70,000	£105,125	£182,336
105,000	£157,611	£273,504

(Government Royalty, London Office expenses, and income tax are not provided for in the above figures.)

BUILDINGS AND EQUIPMENT.—The property has been well equipped in recent years with living quarters for a full staff, consisting of brick, cement and wooden bungalows, with all the usual offices. There are also a native dispensary and office buildings, comprising general, survey and assay offices, a laboratory and a mine store, with sufficient stores in stock to last the mine for some months. There is an excellent concrete dynamite magazine, built to comply with Government regulations, together with concrete detonator and oil stores. The workshop is an iron and wood building, complete with plant and tools, which are adequate for all the requirements of the Mine during development.

POWER PLANT.—The Power Plant is housed under a steel structure with concrete floor, and consists of two 5 crank 5 cylinder Gas Engines each capable of developing 225 B.H.P. as a constant working load, each engine is direct coupled to a 150 K.W. Alternator. There are two wood refuse Gas Plants, each producer being large enough to serve 234 B.H.P. as a constant working load and 260 B.H.P. maximum for short periods, and one 1,000 cubic feet Air Compressor with Motor. The necessary pumps for circulating cooling water for the engines and Gas Plant and cooling towers, tanks and water supply dam have all been completed, and the transmission cables and air pipes are on the property. The Electrical Plant is by the General Electric Company and the Gas Plant by the National Gas Co., Ltd.

WATER SUPPLY.—The Awere River, which runs through the property ensures an adequate supply of water for all purposes throughout the year.

PURCHASE PRICE AND WORKING CAPITAL.—The purchase price to the Vendor Company is £250,000 which has been satisfied by the issue of 2,500,000 shares of the Company credited as fully paid. There is no cash consideration, so that the whole of the proceeds of this issue after payment of the formation and issue expenses will be available for working capital, and will be used exclusively in developing and equipping this particular property.

The Directors and the Consulting Engineers consider the amount so provided to be adequate to purchase the necessary additional plant and to carry out the development programme outlined above.

STATUTORY INFORMATION.—The following information is given pursuant to the Companies Act, 1925:—

The Articles of Association of the Company dealing with the qualification and remuneration of the Directors are as follows:—
The qualification of a Director shall be the holding in his own name alone, and not jointly with any other person, of registered shares or stock to the nominal value of £100 in the capital of the Company.

The Directors shall be paid out of the funds of the Company by way of remuneration for their services an amount at such rate as, after deducting Income Tax at the standard rate payable thereon, shall be equivalent to a rate of £200 per annum for each Director, with an additional sum for the Chairman, at such rate as, after deducting Income Tax at standard rate payable thereon, shall be equivalent to a rate of £50 per annum. The Directors shall also be entitled to receive by way of further remuneration for their services an amount at such rate as, after deducting Income Tax at standard rate payable thereon, shall be equivalent to a rate of 5 per cent. of the profits remaining after calculating at the rate of 10 per cent. on the capital and profits of the Company for the time being an amount equal to 5 per cent. of the profits remaining after calculating such dividend as aforesaid. The Directors shall also be entitled to such further sums as the Company may in General Meeting determine. Any such further remuneration shall be divided amongst the Directors as they may determine, or in default of such determination equally amongst the Directors.

The Company shall, in addition, pay all travelling, hotel and other expenses which may properly be incurred by the Directors in attending meetings of the Company or of the Directors, or of committees of Directors, and otherwise performing their duties as Directors of the Company.
If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing abroad, or otherwise for any of the purposes of the Company, the Company may remunerate such Director either by a fixed sum or by a percentage of profits or by both of such means, or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in substitution for any remuneration otherwise payable to him as a Director.
The Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors, for such period, at such remuneration and upon such terms as to the duties to be performed, the powers to be exercised and all other matters as they think fit, but so that no Managing Director shall be invested with any powers or entrusted with any duties which the Directors themselves could not have exercised or performed, the remuneration of a Managing Director may be by way of salary or commission or participation in profits or by any or all of those modes.

A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director, and on such terms as to remuneration and otherwise as the Directors shall approve.

The following are particulars of the material Contracts:—
(1) An Agreement made the First day of June, 1933, between Lyndhurst Deep Level (Gold & Silver) Limited, of 55/61, Moorgate, London, E.C. 2, of the one part and Andrew Barrie, of 55/61, Moorgate, as Trustee for the Company of the other part, being the Agreement for sale and purchase of the abovementioned property and assets.

(2) An Agreement made the Sixth day of June, 1933, between Lyndhurst Deep Level (Gold & Silver) Limited, of the first part, Andrew Barrie of the second part and the Company of the third part, whereby the Company adopted the before mentioned agreement.

(3) An Agreement made the Sixth day of June, 1933, between the Company of the one part and Anglo-Oriental and General Investment Trust Limited, of 55/61, Moorgate, E.C. 2, of the other part, whereby the Trust agreed to underwrite the shares now issued in consideration of a commission of 10 per cent. in addition the Trust is to receive a fee of one thousand guineas for its services in connection with the issue of the Allotment Letters and other matters incidental to this issue.

Various sub-underwriting contracts have been entered into to which the Company is not a party.
The minimum amount which in the opinion of the Directors may be raised by this issue is £170,000 in order to provide for (a) the preliminary expenses £4,000, (b) the expenses of this issue (including underwriting commission and the cost of printing and advertising this Prospectus and issuing the Allotment Letters) £18,000, and (c) for working capital £150,000. As the whole of this issue has been underwritten, the Directors will proceed to allotment immediately upon the closing of the List.

800,000 shares are under option at par until the 31st March, 1936, for the consideration below mentioned:—
Mr. Louis Harby is a Director of both Lyndhurst Deep Level (Gold & Silver) Limited, and Anglo-Oriental and General Investment Trust, Limited, and holds 34,710 shares of £1 each and 10,000 shares of £1 each in these two Companies respectively. But in the latter case as Trustee only. Mr. Hugh Robert Edwards is a Director of Lyndhurst Deep Level (Gold & Silver) Limited, and holds 2,000 shares of £1 each in that Company. Mr. Andrew Barrie (who is a member of the firm of Messrs. Mawby & Barrie, Solicitors to the Company) is a Director of both Anglo-Oriental and General Investment Trust, Limited, and Lyndhurst Deep Level (Gold & Silver) Limited, and holds 2,500 shares of £1 each and 28,000 shares of £1 each in these two Companies respectively, but in the former case as Trustee only.

No payment of any nature has been made to any Director or to any firm of which he is a member to induce him to become or qualify him as a Director of the Company or otherwise, for services rendered by him or his firm in connection with the formation of the Company other than as stated herein.
Apart from the commission abovesaid, no amount has been paid or is payable by way of commission to any person for subscribing or agreeing to subscribe, or procuring or agreeing to procure, subscribers for any of the shares of the Company.

The Company has carried on business since its incorporation.
The promoter of the Company is Gold Coast Assets Trust Limited, of 86/88, Queen Victoria Street, E.C. 4, to which has been granted as consideration the said option over 800,000 shares at par until 31st March, 1936.
Messrs. Fuller, Wise, Fisher & Co., the Company's Auditors, report as regards the Company's Accounts as follows:—

BARBARA MORRIS, BARINGHALL STREET, LONDON, E.C. 2, 28 June, 1933.

To the Directors of KONOONGO GOLD MINES LIMITED, 55/61, Moorgate, E.C. 2.

GENTLEMEN,

As Auditors of Konongo Gold Mines Limited, we report that since the incorporation of your Company on the 6th day of June, 1933, no dividends have been paid and no accounts have been made up.

Your Company has issued 2,500,000 shares of 2s. each at par credited for all purposes as fully paid up, in satisfaction of the purchase consideration payable to Lyndhurst Deep Level (Gold & Silver) Limited, the accountants named thereon that 2,000,000 and 500,000 shares of 2s. each at par fully paid up, in respect of which the Company has received the sum of £500,000 less 14s. 0d. in cash.

We are, Gentlemen,

Yours faithfully,
FULLER, WISE, FISHER & CO

A copy of the Memorandum of Association of the Company, with the names, addresses and descriptions of the signatories, appears on the back hereof and forms part of this Prospectus.

Applications for shares must be made on the accompanying form and forwarded with cheque for the amount payable on application to the Company's Bankers. If no allotment be made, the application moneys will be returned in full, and where the number of shares allotted is less than that applied for the surplus will be credited in reduction of the amount payable on allotment and any excess returned to the applicant. Interest at the rate of 10 per cent. per annum may be charged on calls in arrear, and failure to pay any call when due on shares allotted will render previous payments and the said shares liable to forfeiture and the allotment to cancellation.

Share Certificates will be ready for delivery in exchange for fully-paid Allotment Letters within two months after the shares have been fully paid up. Partly-paid Certificates will not be issued.

A brokerage of 1½% will be paid by the Company in respect of allotments including allotments in respect of firm applications on the underwriting list, made on applications bearing the stamp of Brokers or other approved agents.

Copies of the Memorandum and Articles of Association, of the above Contracts, and the Engineers' Reports can be inspected at the Offices of the Company's Solicitors, Messrs. Mawby & Barrie, Lloyds Bank Buildings, 55/61, Moorgate, London, E.C. 2, at any time during business hours for a period of seven days from the date of the advertisement of this prospectus.

Prospectuses and Forms of Application may be obtained from the Bankers, Solicitors and Brokers of the Company and from the Registered Office of the Company.

Dated 9th June, 1933.

PROSPECTUS.

OBJECTS.—The Company was incorporated for the purposes specified in its Memorandum and Articles of Association, and in particular to acquire from Lyndhurst Deep Level (Gold & Silver) Limited the auriferous property hereinafter described, together with the buildings and equipment erected thereon, comprising living quarters for a full staff, dispensary, laboratory and mine store, and all necessary office accommodation, as well as a well-equipped workshop, and a complete and up-to-date Power Plant.

THE PROPERTY.—All the buildings are of recent construction and the plant and machinery have been maintained in excellent order. The property, which is part of a total area of 5 square miles, is held on lease from the Paramount Chief of Odumase for a term of 99 years from 3rd February, 1920, and on which considerably in excess of \$180,000 has already been spent, consists of approximately two and a half square miles of gold-bearing land, including the Akyenase Mine, and is situate 33 miles east of Kumasi, the capital of Ashanti, and 1 mile from Konongo Railway Station on the Kumasi-Accra Line. There is an excellent road from Kumasi to the Mine, and a good private road connects the Mine with Konongo Station. The country is mainly flat, and being 800 feet above sea level, conditions are not unhealthy for Europeans, while the immediate proximity of the railway enables fresh provisions to be available at the Mine at all times.

The formation in the Akyenase Mine bears close resemblance to that of the Ashanti Goldfields, and is in effect the same formation that extends from Prestea to Obuasi through the Akyenase Reef to the North-East. It is to be observed that the working mines on this line of strike, namely Ariston and Ashanti Goldfields, have proved good values to persist to a depth of more than 2,000 feet.

THE MINE.—Three distinct but parallel reefs run through the property and are known as the Akyenase, Awere and Odumasi.

As stated in Mr. Patterson's Report, extracts of which appear below, these reefs widen and the values continue with depth. By means of pits and trenches the Akyenase Reef has been traced definitely over a length of some 5,000 feet, and is believed to persist throughout the length of the property.

Considerable development work has been carried out on the Akyenase parallel. Two vertical shafts and an incline shaft have been sunk. From the latter, which reached a depth of 500 feet, development was carried down to the fourth level, and some 4,000 feet of driving and cross-cutting, rising and sinking were done. As the incline shaft was sunk on the reef, it proved unsuitable for development on a large scale, and a new three-compartment vertical shaft, which will intersect the reef at a depth of about 700 feet, and is so placed that the Awere Reef also can be cut from it, has been completed to a depth of 155 feet. This shaft is equipped with electric hoist, steel headgear, hauling engine and air pipes.

OTHER REEFS.—Prospecting work on the Awere and Odumasi parallel reefs has shown good values.

ENGINEERS' REPORTS.—The following extracts are taken from the Report dated 6th June, 1933, by Messrs. E. T. McCarthy, A.R.S.M., M.I.M.E., & R. E. Binns, B.Sc., M.I.M.M. (Consulting Engineers to the Company), who have been associated with the development of this property for a number of years:—

"Reefs.—Three distinct and roughly parallel lines of reefs over a width of 1,100 feet are known on the property. These reefs strike approximately North-East and South-West and dip North-West, and they are known as Akyenase, Awere and Odumasi Reefs."

"The presence of a fourth, the Paitu Bippo, further to the North-West, is indicated by three or four prospecting pits sunk on it."

"The Vendor Company concentrated on the development of the AKYENASE REEF, which has been traced on the surface for a length of some 5,000 feet."

"Ore Bodies.—The evidence furnished by this development work, as well as from the trenches and pits on the other lodes, substantiates the lenticular character of the ore shoots. The partially developed lens on the Akyenase Reef pitches approximately 52° to the North-East. Only the South-West margin of this shoot has been delineated, the North-East boundary not yet being reached after some 580 feet of driving on No. 1 Level and 500 feet of driving on Levels Nos. 2 and 3 respectively."

"Ore Reserves.—The ore reserves so far developed are estimated by Mr. P. F. Patterson, formerly General Manager to the Vendor Company, at 34,904 tons of an average value of 11.35 dwt. per ton over an average width of 32 inches. They are contained in a block of about 500 feet long to an approximate depth of 350 feet. We have carefully checked these results from the assay plans, and our results for the total tonnage and values closely agree with Mr. Patterson's. For example, we make their average values to be 15.2 dwt. over a width of 32 inches. Allowing a further 25 per cent. for dilution, sampling and assay errors, etc., we arrive at a figure of 35,000 tons averaging 11.35 dwt. over a stoping width of 36 inches."

Extracts from Report dated 6th June, 1933, by Mr. P. F. Patterson, A.R.S.M., M.I.M.M., who was for three years General Manager of the Mine in West Africa, has been mainly responsible for the development work done to date, and will continue to advise the Board in regard to the further development of the property.

"In June, 1932, owing to lack of working capital, work on the property was suspended, and the shaft was allowed to flood. The inflow of water is not great, and the shaft and mine could quickly be de-watered by the pumping equipment on the property."

"The positive ore reserves at present blocked out on the Akyenase Reef amount to 34,904 tons of a reduced value of 11.35 dwt. per ton. All values over 20 dwt. were reduced to 20 dwt. The unreduced assay value in these reserves is about 16 dwt. and the average width of reef is 32 inches."

"A Pilot Mill crushed 6,153 tons of ore taken from above the first level, and gave 4,521 ounces of gold, representing a recovery of 14.6 dwt. per ton. The Mill sands assayed 3.2 dwt., giving a total value of 17.8 dwt."

"The unreduced assay values of the ore shoots on the various levels are:—

No. 1 Level, 18.2 dwt. over 34 inches for 565 feet.

No. 2 Level, 19.7 dwt. over 39 inches for 485 feet.

No. 3 Level, 15.4 dwt. over 28 inches for 490 feet.

No driving has yet been done on the fourth level, but a winze from the third level is down in ore of good value. The incline shaft has also reached the fourth level."

"On the Odumasi Reef 600 feet have been prospected with encouraging results."

"An adit and drive exposed reef that had been left. This drive gave a value of 21.9 dwt. over 19 inches for 75 feet, but both East and West it knocked into old stopes and had to be discontinued. On the East of the drive a pit was sunk, the reef was found in place and the values were:—

At surface Assayed 18 dwt. over 10 inches.

At a depth of 5 feet ... Assayed 40 dwt. over 17 inches.

At a depth of 10 feet ... Assayed 80 dwt. over 10 inches (incomplete exposure).

At this depth water prevented further work, the pumps not being available at the time."

"Two shafts were sunk along the strike to water level. In the first one a cross-cut struck an old stope, and was discontinued, but the reef left on one wall was sampled and gave 80 dwt. over 15 inches. In the second a value in the drive of 80 dwt. over 18 inches was obtained; but the reef was so broken that it was difficult to follow."

"On the Awere Reef the length over which prospecting was carried out and in which values were found is 1,000 feet."

"There is evidence of the widths increasing in depth with the values being maintained."

"It is my considered opinion that when the programme detailed in my Report has been carried out, and on the basis of the reef maintaining its value and width at depth, then some 375,000 tons of ore may be expected to have been opened up on the three reefs to a depth of 500 feet at an average unreduced value of 16 dwt. over a width of 30 inches or at a reduced value of 11.35 dwt."

"The geological formation is one that is favourable to continuance of the reef in depth. It is on the Ariston-Ashanti line of strike."

"With an unreduced value of ore at 16 dwt. per ton, gold at 84s. per ounce and an estimated working cost of 34s. 4d. per ton, there would be a working profit of 32s. 9d. per ton, i.e., £14,730 monthly with a three unit plant working to full capacity. With gold at a premium the profit would be correspondingly more."

EQUIPMENT AND DEVELOPMENT.—As stated above, the energies and the limited resources of the Vendor Company were concentrated on developing the Akyenase Reef, and the existing positive ore reserves are confined to that reef and contained in a block 500 feet long to a depth of 350 feet only. It is intended to proceed immediately with the sinking of the main shaft to a depth of 700 feet, to cross-cut to the fourth level, a distance of about 325 feet, and also to cross-cut to the Awere Reef at the same level. Shaft sinking will continue simultaneously with the driving of main level cross-cuts at suitable elevations so as to cut these reefs and develop them in depth.

It is proposed to start crushing as soon as possible with the first of three units, each having a capacity of 100 tons per day, and development work will be pushed ahead to enable the second and third units to be brought in, as and when the necessary additional ore reserves are blocked out.

When the Mine is fully developed and the ore from the two parallel reefs is made available, it is reasonable to anticipate that crushing will be increased beyond the 9,000 tons per month now contemplated.

Application will be made to the Committee of the Stock Exchange, London, for permission to deal in these Shares after Allotment.

The Subscription List will be opened on Wednesday, the 14th June, 1933, and closed on or before Thursday, 15th June, 1933.

A COPY OF THIS PROSPECTUS HAS BEEN DELIVERED TO THE REGISTRAR OF COMPANIES FOR REGISTRATION.

KONONGO GOLD MINES LIMITED,

(Incorporated under the Companies Act, 1929.)

Authorised.
£500,000

SHARE CAPITAL

Issued
and to be Issued.
£420,000

DIVIDED INTO

5,000,000 shares of 2s. each, of which 2,500,000 shares have been issued as fully paid in satisfaction of the purchase consideration; 5,007 shares have been issued for cash at par and are fully paid; 1,694,993 shares are now being issued, and 800,000 shares are reserved for future issue subject to the option hereinafter mentioned.

THERE ARE NO DEBENTURES OR DEBENTURE STOCK.

ISSUE at Par of 1,694,993 Shares of 2s. each.

LLOYDS BANK LIMITED, City Office, 72, Lombard Street, London, E.C. 3, and Branches,
BARCLAYS BANK (Dominion, Colonial and Overseas), 29, Gracechurch Street, London, E.C. 3,

are authorised as Bankers of the Company to receive applications for the above 1,694,993 Shares of 2s. each, payable as follows:—

On Application - - - - -	6d.
On Allotment - - - - -	6d.
On 31st August, 1933 - - - - -	1s. 0d.
	2s. 0d.

Preferential consideration will be given to Applications if made on the Special Form provided for Shareholders of LYNDHURST DEEP LEVEL (GOLD & SILVER), LIMITED.

Directors.

JOHN HENRY CHARLES ERNEST HOWESON (Chairman, Anglo-Oriental Mining Corporation, Limited), Halcot, Bexley, Kent, *Chairman*.
ROBERT ANNAN, M.Inst.M.M. (Director, Oroville Dredging Co., Limited), 38, Orchard Court, London, W. 1.
SIR FRANK MORRISH BADDELEY, K.B.E., C.M.G. (Director, Central Africa Railway Co., Limited), The Hole Farm, Great Leighs, Essex.
HUGH ROBERT EDWARDS (U.S.A.), M.A.I.M.E. (Director, New Goldfields of Venezuela, Limited), Chateau de Madrid, Northwood, Middlesex.
LOUIS HARDY (Chairman, Lyndhurst Deep Level (Gold & Silver), Limited), The Pines, Bexley, Kent.

Bankers.

LLOYDS BANK LIMITED, City Office, 72, Lombard Street, London, E.C. 3.
BARCLAYS BANK (Dominion, Colonial and Overseas), 29, Gracechurch Street, London, E.C. 3

Brokers.

MILLAR & LLEWELLYN, 24, Austin Friars, London, E.C. 2, and Stock Exchange.
H. VIGNE & SONS, 2, Tokenhouse Buildings, London, E.C. 2, and Stock Exchange.
D. Q. HENRIQUES & CO., 13, Pall Mall, Manchester, and Stock Exchange.
HENRY J. THOMAS & CO., Cymric Buildings, West Bute Street, Cardiff, and Stock Exchange.

Solicitors.

MAWBY & BARRIE, Lloyds Bank Buildings, Moorgate, London, E.C. 2.

Auditors.

FULLER, WISE, FISHER & CO., Chartered Accountants, Bassishaw House, Basinghall Street, London, E.C. 2.

Secretary and Registered Offices.

S. J. WEEDON, 55/61, Moorgate, London, E.C. 2.

Transfer Office.

NEW CONSOLIDATED GOLD FIELDS LIMITED, 49, Moorgate, London, E.C. 2.

To The Under Secretary of State,
Downing Street,
S.W.1.

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22-6-33

in order to achieve the rapid development of the mineral resources in the Colony.

In these circumstances, I would be very happy to be afforded an opportunity to meet and to have a chat with Dr. N. R. Junner shortly after he arrives in England. I could meet him at any place and time suiting his convenience. During the last week I have had the pleasure of seeing Dr. W. G. Cooper on two occasions and his advice has been very helpful.

Thanking you for recording the contents of this communication,

I have the honour to be,

Sir,

Your Obedient Servant,

H. Williams.

/Two Enclosures.

Since dictating the above, Mr. Rives House, the vice-chairman of the Consolidated Goldfields of S.A. Ltd. has offered to place at my disposal the services of the whole of his technical staff & the advice at any time of Sir Albert Kitson & Mr. Phillips.

H.W.

To The Under Secretary of State,
Downing Street,
S.W.1.

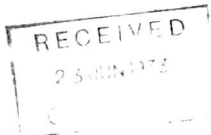
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22-6-33

the application proving to be successful, I refer you to the "Konongo Gold Mines Ltd." prospectus attached to this letter, in which you will notice the recent sale of a small portion of its West African properties to a public company for £250,000. The Board of this subsidiary company consists of eminent gentlemen in the City Mining sphere, one of whom is Mr. John Howeson the head of the Anglo-Oriental group of companies ^{who is} ~~and~~ also a director of New Consolidated Gold Fields Ltd.; whilst Mr. Annan is the chief technical advisor to the same company. The Lyndhurst company controls the Konongo Company.

In the meantime the remainder of the West African properties owned by the Company are being prospected with a view to effecting further sales to public companies in the near future. Also, the company will have soon, an interest in a large number of West African leases of gold bearing land which will be prospected and developed at the soonest possible, through the medium of a new public company the finance for which is now being arranged.

Concerning these recent activities in West Africa, the goodwill and assistance of H.M. Geological Survey Dept. of the Gold Coast & Ashanti would be invaluable; whilst in return for this, my colleagues and I will use our influence and connections to the full.

TELEPHONE
METROPOLITAN 6481.
(5 LINES)



55-61, MOORGATE,
LONDON, E.C. 2.

22nd. June, 1933

Answer (2)

To The Under Secretary of State,
Colonial Office,
Downing Street,
S. W. 1.

ACKD. BY P.C.

P.C.

Sir,

Attention of L. B. FREESTON, ESQ.

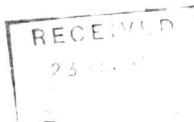
I have the honour to refer to my interview with Sir Cecil Bottomley in the morning of the 20th. instant and desire to give you information about the Lyndhurst Deep Level (Gold & Silver) Ltd., and its activities of recent date.

Through its Power of Attorney in favour of Mr. J. L. Henderson of Kiamu (Nairobi), the Company has made application to the local Mines' Department for an exclusive prospecting licence for minerals over one of the three large areas in Kenya, for the development of which the Government is inviting the interest of Mining companies.

For your guidance in this matter I enclose a copy of the letter sent by the Company to Mr. Henderson accompanying his Power of Attorney.

Byway of evidence of the Company's ability to carry through any of its obligations in the event of

TELEPHONE:
METROPOLITAN 6481
(10 LINES)



55-61, MOORGATE
LONDON E.C.2

22nd. June, 1933

To The Under Secretary of State,
Colonial Office,
Downing Street,
S. W. 1.

ACKD. BY P.C.

P.C.

Annex 2

Sir,

Attention of L. B. FREESTON, ESQ.

I have the honour to refer to my interview with Sir Cecil Bottomley in the morning of the 20th. instant and desire to give you information about the Lyndhurst Deep Level (Gold & Silver) Ltd., and its activities of recent date.

Through its Power of Attorney in favour of Mr. J. L. Henderson of Kiamu (Nairobi), the Company has made application to the local Mines' Department for an exclusive prospecting licence for minerals over one of the three large areas in Kenya, for the development of which the Government is inviting the interest of Mining companies.

For your guidance in this matter I enclose a copy of the letter sent by the Company to Mr. Henderson accompanying his Power of Attorney.

By way of evidence of the Company's ability to carry through any of its obligations in the event of

C. O.

3006/16 Kenya

22

Mr. ~~Hand~~ 29.6 *je*
Mr.
Mr.

C. O.
R 29 JUN
D 1933

Mr. Parkinson.
Mr. Tomlinson.
Sir C. Bottomley.
Sir J. Stuckburgh.
Perm. U.S. of S.
Parly. U.S. of S.
Secretary of State.

S 29 June 1933
Sir

I am &c to ask the rest of your

DRAFT.

K. Williams Esq

letter of the 22nd of June from which
he notes that your Company - Lyndhurst
Deep Level (Gold & Silver) Ltd - is
making an application ^{as enclosed} for prospecting
license over one of the three large areas
in Kenya.

2. With regard to your wish for an
interview with Dr Sumner of the
Gold Coast Geological Survey, this
officer has just arrived in England
but proposes to leave England for
America on the 5th of July to take part
in the Geological Congress, ^{and} will
not return until about the 6th of
Sept. He can be addressed at the
Gold Coast Geological Survey Office
75 Cornwall Gardens London S.W. 8

288-354/16

J. L. Henderson, Esq.,

KENYA

Maybe you'll see the authorities concerned and get their views, for if such an arrangement could be made it must prove to be to the benefit of all concerned.

On this basis, the Lyndhurst Company could arrange to further prospect the old German workings on that five foot reef which is proven for eighteen hundred feet with prospects of it extending for several miles to which your friend refers - provided always that for the period occupied in proving or disproving this theory, the Company could have the option of having an Exclusive Prospecting Licence over a large area in that district. Of course it would be desirable to have the option over an area in which the formation exists on which the sinking of the proposed trial shafts takes place.

I have been informed that a decade or so ago, the experts of the Goldfields' group advised against mining in West Africa - but events since have proved them to be wrong.

I shall be writing you further this mail.

Yours sincerely,

P.S. I also enclose carbon copy with this original.

KW/S

J.L.Henderson, Esq.,
KENYA

words, they do not believe the same or similar values persist in depth, or even values that would be payable in return for the expenditure to be made in working the project.

Because of this impression firmly fixed in the minds of the heads of the stronger London and South African Mining groups - and particularly with the Goldfields' group, as it is inter-linked with the Anglo-Oriental group the representatives of which at the moment are the directors of the Lyndhurst Company - there is a reluctance for these gentlemen to take on such of a commitment in Kenya for the Lyndhurst Company. You may take it from me that this theory as regards the Kenya formations is widespread and consequently a formidable obstacle to Mining progress in a substantial way in Kenya.

Mr. Murray Hughes should express his definite opinion either confirming or refuting this theory; and in any case the Government should prove it to be right or wrong, at the soonest possible in a practical manner. A few tens of thousands of pounds and say ~~two~~ months of time would suffice to sink the necessary shafts down to say a 1,000 feet and to do what crosscutting and/or driving along the reefs may be considered to be advisable. Then if the experts were wrong in fact, many hundreds of thousands of pounds if not millions would become available automatically for the development of the mineral resources in Kenya. Such a venture if successful in proving this theory to be wrong, could turn the Kenya goldfields into lucrative hives of industry well within two years.

It is up to the Kenya Government! The Lyndhurst Company under the advice and guidance of the technical staff of the Consolidated Goldfields of South Africa group would be prepared to carry out this work. But the Kenya Government should take the monetary risk. That is to say, Mr. Murray Hughes or the Mining Department should choose the reef formation on which the shaft sinking, crosscutting at various levels and/or driving along the reefs should take place.

If in the result the theory is proved to be right, then the Government refunds to the Lyndhurst Company the cost (a figure to be agreed beforehand) - but if the theory is disproved, then the company and/or I, will undertake to provide and to expend any reasonable sum in the development of the Kenya Goldfields over a stated period.

J. L. Henderson, Esq.,
KIAMBU,
KENYA.

17th July, 1933.

My dear Henderson,

Since last writing to you I have discussed Kenya Gold Mining with one of the Managing Committee and with the chief technical consultant of the Consolidated Goldfields of South Africa group.

A few years ago they sent an experienced man there, who is supposed to have made a thorough investigation and then he made his report.

As I understand the position it is as follows: and you may take it that until this is disproved in fact, none of the financially strong mining houses will go into Kenya in what one might term a reasonably big way: or at all.

The geological formation is supposed to be such as to lead the experts of these mining corporations to believe, that the richest deposits of gold are near to the surface of the earth. Some technical names were mentioned but I've forgotten them, although the meaning is this.

If you take a series of more or less equal blocks or distances, each of 200 feet or so on the reef formation downwards from the earth's surface, then in the ordinary way it is reasonable to assume that the same or similar values would continue downwards proportionately to the width of the reef or reefs.

The idea these London mining experts have about Kenya, is that instead of the values being roughly uniform with depth or increasing in depth, there is something different.

They claim that the surface layer to a depth of 200 feet or so, may be likened to its having been compressed from the surface to that depth in so far as its gold content is concerned. That is to say, it probably contains gold to a depth of 200 feet or whatever it may be, probably to the extent of what in a normal way at greater depths would be contained in 600 or 1,000 feet of that same formation. In other

TELEPHONE
METROPOLITAN (5 LINES)

3¹⁸
55-61, MOORGATE,
LONDON, E. C. 2.

with Mrs. K. Williams' compliments.

17/7/1933.

the most likely position for favourable results.

Thanking you for your kind and careful
consideration,

I have the honour to be

Sir,

Your obedient Servant,

R. Williams

W/OB.

technical gold mining staff in the world: that of the Consolidated Gold Fields of South Africa Ltd. The Lyndhurst Company could make arrangements for the cost and could carry through the work; but in the event of the theory being proved to be right, then it is suggested for your consideration that the money expended exclusively in the shafts' sinking be refunded - or this cost made up to the Company in some other manner. Should the theory be wrong, then the Company or I, will undertake to provide a minimum ~~sum~~ to be expended in developing the mineral resources of Kenya over a given period.

On such an understanding the Lyndhurst Company would expend some reasonable sum on surface prospecting over an area, provided always that it could have an option of an Exclusive Prospecting Licence over a larger area for the period of the sinking of the trial shaft or shafts.

In the choosing of the location for the sinking of the shaft or shafts, this could be left to the Kenya Government Mines Department which would have the most up-to-date information as to

✓

to the pioneer concern.

I venture to suggest for your consideration, that it probably would ^{be} advantageous to the Colony of Kenya to have this theory proved to be right or wrong at the soonest possible. If proved to be right, then much money of both settlers in Kenya and the British Public would be saved - and if proved to be wrong in fact, then the way is paved for converting Kenya into a thriving hive of industry in the course of a couple of years or so.

In view of the advices the Directors of the Lyndhurst Company have received, they do not feel justified in going into the development of Kenya wholeheartedly, after the manner for example they intend pursuing in West Africa.

My personal impression is, that even though their attitude is justified by the discouraging reports received from other mining Houses whose representatives have visited the field, yet nevertheless these experts are wrong in their theory.

Arrangements could be made to prove or disprove the theory within twelve months and the costs of shafts' sinking, crosscutting and driving would be approximately £25,000. This could be done under the advice and guidance of the most experienced

✓

TELEPHONE:
METROPOLITAN 6481.
(3 LINES)

RECEIVED
18 JUL 1933
C. O. P.

14 4

55-61, MOORGATE,
LONDON E.C. 2

The Under-Secretary of State,
Colonial Office,
Downing Street,
S.W.1.

17th. July, 1933.

ACKD. BY P.C.

P.C.

36

Annex (5)

Sir,

RE KENYA GOLD MINING DEVELOPMENT.

I have the honour to communicate with you in connection with the development of the Gold Fields of Kenya.

As a large shareholder in the Lyndhurst Deep Level (Gold & Silver) Limited, and also an ex-resident of Kenya, I am interested in the prospecting and development of the Colony's gold resources; and in the course of the last few months I have endeavoured to interest more than one large and wealthy mining group in it also; but without success.

The reason given in each case is the same; viz:- that the formation existing throughout the country is one of surface enrichment only and that beneath the surface layer, the values in the reefs at depth would be so low as to render their working to be an uneconomic proposition: thus entailing a great loss

copy to Kenya (6)

✓

On such an understanding the Lyndhurst Company would expend some reasonable sum on surface prospecting over an area, provided always that it could have an option of an Exclusive Prospecting Licence over a larger area for the period of the sinking of the trial shaft or shafts.

In the choosing of the location for the sinking of the shaft or shafts, this could be left to the Kenya Government Mines' Department which would have the most up-to-date information as to the most likely position for favourable results.

Thanking you for your kind and careful consideration.

I have etc.,

(Sgd.) K. Williams.

British Public would be saved - and if proved to be wrong in fact, then the way is paved for converting Kenya into a thriving hive of industry in the course of a couple of years or so.

In view of the advices the Directors of the Lyndhurst Company have received, they do not feel justified in going into the development of Kenya wholeheartedly, after the manner for example they intend pursuing in West Africa.

My personal impression is, that even though their attitude is justified by the discouraging reports received from other mining Houses those representatives have visited the field, yet nevertheless these experts are wrong in their theory.

Arrangements could be made to prove or disprove the theory within twelve months and the costs of shafts' sinking, crosscutting and driving would be approximately £25,000. This could be done under the advice and guidance of the most experienced technical gold mining staff in the world: that of the Consolidated Gold Fields of South Africa Ltd. The Lyndhurst Company could make arrangements for the cost and could carry through the work: but in the event of the theory being proved to be right, then it is suggested for your consideration that the money expended exclusively in the shafts' sinking be refunded - or this cost made up to the Company in some other manner. Should the theory be wrong, then the Company or I, will undertake to provide a minimum sum to be expended in developing the mineral resources of Kenya over a given period.

On

55-61, Moorgate,
London, E.C.2.

The Under Secretary of State,
Colonial Office,
Downing Street,
S.W.1.

17th July, 1933.

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British

55-61, Moorgate,
London, E.C.2.

The Under Secretary of State,
Colonial Office,
Downing Street.
S.W.1.

17th July, 1933.

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British

G. A. [unclear] 2/17
Mr. Wood 26
Mr.

3008/16/33
Kenya

C.D.
R 27 JUL
D 27

X Mr. Parkinson 27/8.
Mr. Tomlinson.
Sir G. Bottomley.
Sir J. Stuchburgh.
Perm. U.S. of S.
Parly. U.S. of S.
Secretary of State.

29 July 1933

Sir [unclear]

DRAFT.

K. Williams Esq.

I am sorry to advise the receipt of
your letter of the 17th of July, and
to inform you that he is unable
to entertain your suggestion
that the Govt of Kenya should

refer to the Lyddhurst Company
in Kenya,
the cost of deep prospecting in
the event of its being shown by
such prospect that the gold-values
obtained at deep levels are not
such as to justify economic
development at deep levels.

Copy to Kenya (C)

Copy as stated to
O.A. Amis
L.F.

1-9-33

J.L.Henderson, Esq.,
NAIROBI

few months the capital of the Company will be increased considerably and many hundreds of thousands of pounds in cash subscribed.

As regards the prospecting programme that should be carried through, I would appreciate any suggestions you and/or your colleagues care to make for these two areas.

In conclusion I must say that if in taking or being granted (if our application be successful) an E.P.L. for one year only, we are expected to carry out a topo-geological survey which from our mining point of view may and probably will be useless, then such demand must be looked upon as an imposition. If and when we have become satisfied by results that this really is a goldfield worthy of expending huge sums, then of course such survey would be carried through automatically.

Wishing you every success in your applications,

I am,

Yours sincerely,

Signed (K. Williams)

Copy.

J. L. Henderson, Esq.,
P.O. Box 939,
NAIROBI

1st. September, 1933

Dear Henderson,

The Lyndhurst Company will be cabling you today, instructing you to make application for two areas approximately 301 square miles viz.-

No. 1 Sub-divisions 36 and 37

& No. 2 Sub-divisions 44, 45 & 47,

also telling you that the names of the directors, details of the capital and the Memorandum of Articles of Association were posted last air mail and asking what money you require to lodge with these two applications. It also mentions that as yet the prospecting programme expenditure is not yet worked out. In addition it requests that in the future you must cable to "Devotedly" which is the Company's telegraphic address because your cable received on the 31st. August giving all this information was sent to a Company in which neither the Anglo-Oriental group nor I have any interest and with which neither of us have any association.

What the Company would like to arrange with the Government is, to secure these two areas and to get somehow an option for a few years on the areas between these viz.-

Sub-divisions numbered 38, 39 and 40. Maybe you could see how the Mines' Department would view such a suggestion.

The money that is necessary by way of fees for you to have to pay when you lodge your applications, will be cabled to you sometime next week - and presumably the Company will be communicating with you officially by this Air Mail.

The Lyndhurst Company now has approximately £25,000 in cash in its coffers apart from the £250,000 in Kenenge Shares and arrangements have been made whereby unissued shares of the company are being issued (the market price now is 50% over par with an upward tendency) to bring in roughly a further £10,000/£20,000 cash. Also it is probable that in the next

The Under Secretary of State for the Colonies,
Downing Street,
S.W.1.

Between these two areas for which applications will be made by Henderson locally, is an area of approximately 200 miles consisting of sub-divisions numbered 38, 39 and 40 respectively inclusive. In the event of this area not being applied for by a firm with reasonably large financial resources, then the Lyndhurst Company would be glad to learn upon what terms and conditions it could secure an option upon this particular area say for one or two years. The reason for this is that should in either or neither of the areas applied for (assuming these applications receive favourable consideration), the endeavours of the firm's employees be rewarded with success, then the firm would like the right to explore for and to develop whatever gold may be contained in this particular area.

For your information I enclose copy of a letter sent to Henderson today.

Awaiting the favour of your reply,

I have the honour to be

Sir,

Your obedient Servant,

H. Williams

TELEPHONE:
METROPOLITAN 6481.
(5 Lines)

55-61, MOORGATE,
LONDON, E. C. 2

1st. September, 1933

James G.

The Under Secretary of State for the Colonies,
Downing Street,
LONDON, S.W.1.

ACKD. BY P.C.

Sir,

Re: Gold Mining in KENYA

I have the honour to communicate with you in respect of an application which the Lyndhurst Deep Level (Gold & Silver) Limited are making in Nairobi through their authorised representative Mr. J. L. Henderson of Kiambu.

Henderson has been instructed to make application for Exclusive Prospecting Licences over two areas; the one, comprising sub-divisions numbered 36 and 37 respectively and the other, sub-divisions numbered 44, 45 and 47 respectively, inclusive.

I have explained verbally to Messrs J. D. W. Flood and L. B. Freeston precisely the position of the Company and of myself in venturing into Kenya Colony - and this step now having been taken, I shall be glad if these applications will receive the careful consideration of the authority concerned.

W. J. C. Kenya (9)

✓

Mr. Flood 5/9/33. *JS*

Mr.

Mr.

Mr. Parkinson.

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State.

September, 1933.



Sir, *JS*

DRAFT.

(7)

K. WILLIAMS, ESQ.

I am etc. to ack. the receipt of your letter of the 1st of September on the subject of the applications which are being made by Lyndhurst Deep Level (Gold & Silver) Limited, for exclusive prospecting licences over certain areas in Kenya.

As you are already aware, ^{concerning} applications for mining ~~areas~~ or exclusive prospecting licences in Kenya must be addressed to the Colonial Government, and the S. of S. proposes to await the views of the local Administration before he can take any decision in regard to the applications which may be received.

Copy to Kenya (9)

FURTHER ACTION.

Copy correspondence to Governor, L.

per mail

3

Mr Williams called, bringing the attached document. After discussion with Mr Flood & me (in which we gave him no encouragement) he is going to write in officially.

Wait
J. Hunter
19/7

14. K Williams

17 July 33

States that mining companies consider that only surface gold occurs Kenya & submit proposals for the investigation of the depth of gold reefs by the Lydenhurst Deep shaft (4.5) / 22.

Mr Flood

I think this might be referred, in the first instance, to my Gold Ctee, which is meeting next Monday or Tuesday to consider the T.C.L. application.

J. Hunter
19/7

Yes: I don't quite see the Committee endorsing this proposal - but no harm in consulting them.

19.7.
done

The Committee could find nothing in favour of this proposal (wh. the Chairman described as outrageous)

to Com. O.K. L.P. J. Hunter
19/7

Mr Parkinson

You should see. The scheme is this:-

- (A) It is uncertain whether the Kenya gold bearing rocks have been subjected to "surface enrichment" or not. [This means that the rock at the top is, owing to water, erosion, & other things, artificially richer in gold than it should be]
- (B) If they have been surface enriched then the gold will peter out as you go down & you will soon come to rock that won't pay.
- (C) Therefore to settle the matter Kenya should bear the expense of a full dress trial & spend £25,000 on it, the trial to be carried out by Mr Williams's Company.
- (D) If the rock gets worse as you go down then the question is settled & there is no case for deep mining.
- (E) If the rock keeps up its gold content as you go deeper then there will be room for a great development of mining.
- (F) Mr Williams said in conversation that it wouldn't cost Kenya the full amount because Kenya could get the gold out of the rock in the shaft which would be very valuable!

The Committee didn't like Lydenhurst Deep - Sir A. Kitson says it is running a much over-capitalized mine in Nakuru which he thinks is not much use - and didn't like Mr Williams and didn't waste any time over the whole project. It is of course a "Heads I win tails you lose one".
J.S.G. Hunt

recd

27.7.33

done

5 To Williams (K. and)

29/7/33

1 Mr. H. Williams _____ 29th June 33

States the Lyndhurst Deep Level (Gold & Silver) Ltd has made application for an exclusive prospecting licence for minerals over one of the three areas for which applications are being invited & gives details of the Company's activities in West Africa.

As far as concerns Kenya, no action beyond an acknowledgment is called for. Page 3 is for

W.A. Dept.

J. S. G. Kent
29/6.

Mr. Jenner only arrived in England last Saturday and is leaving England for America on the 5th July to take part in the Geological Congress. So I am afraid it will be difficult for him to see Mr. Williams before he leaves. He will be back again in England about the 6th Sept. & perhaps Mr. Williams could see him then. He returns to W. Africa on the 14th Oct. He can be communicated with at the G.C. Geological Survey Office at 75 Cornwall Gardens, S.W.

A. L. Cuyt 29.6.33

Draft herewith

J. S. G. Kent

29.6.

2 To H. Williams (1 amnd) 29/6/33