

Datum 18. Aug. 1936

The Times (London)

47456

The following extracts from the prospectus are published for information only, and not as an invitation to subscribe for shares.

The Lists of Applications will be opened in London and in Melbourne on the 18th AUGUST, 1936, and both lists will be closed on the 15th SEPTEMBER, 1936.

NEW BROKEN HILL CONSOLIDATED LIMITED

(Incorporated in England under the Companies Act, 1929, with limited liability.)

CAPITAL .. DIVIDED INTO .. £600,000

2,400,000 SHARES OF 5s. EACH

of which 1,250,000 Shares are being issued for subscription in cash at par

173,077 shares, credited as fully paid, are to be issued in part payment for the assets to be acquired from The Zinc Corporation Limited.

43,782 shares are reserved for allotment against transfers made of Barrier South Limited Shares in the terms of the offer to shareholders of that Company.

The balance of 333,171 shares, plus any shares not required to meet transfers of Barrier South Limited Shares, will remain for the time being unissued.

Issue at Par of 1,250,000 Shares of 5s. each.

Of which 898,831 shares are being offered to the Members of The Zinc Corporation Limited in the proportion of one of such shares for each Preference and/or Ordinary Share held by such Members in the capital of The Zinc Corporation Limited.

Members of Barrier South Limited who exchange the Preference and/or Ordinary Shares of Barrier South Limited held by them for fully paid shares in New Broken Hill Consolidated Limited, on the terms submitted to them, will be entitled to apply for and be allotted shares in this Issue in the proportion of Five of such shares for each Preference Share and One of such shares for every two Ordinary Shares in Barrier South Limited so exchanged.

The Zinc Corporation Limited has agreed to take all the shares of this Issue not required to meet the allotments made in response to applications by its own Members and those of Barrier South Limited who are entitled to apply.

No underwriting or other commission is being paid to The Zinc Corporation Limited.

DIRECTORS:

Rt. Hon. SIR ROBERT STEVENSON HORNE, G.B.E., K.C., M.P., 72, Devonshire House, London, W.1 (Chairman of The Zinc Corporation Limited), Chairman.

CLIVE LATHAM BAILLIEU, Esq., C.M.G., Parkwood, Englefield Green, Egham, Surrey (Director of The Zinc Corporation Limited).

JOHN ROMAINE GOVETT, Esq., 9, Upper Grosvenor Street, London, W.1 (Director of The Zinc Corporation Limited).

CAPTAIN OLIVER LYTFELTON, D.S.O., M.C., 4, Connaught Place, London, W.2 (Director of The Zinc Corporation Limited).

WILLIAM SYDNEY ROBINSON, Esq., 360, Collins Street, Melbourne, C.1 (Managing Director of The Zinc Corporation Limited).

LOCAL BOARD IN AUSTRALIA:

MARSHAL L. BAILLIEU, Esq., 360, Collins Street, Melbourne (Director of North Broken Hill Limited).

SIR COLIN FRASER, 360, Collins Street, Melbourne (Chairman of Broken Hill South Limited).

SIR WALTER MASSY-GREENE, K.C.M.G., 360, Collins Street, Melbourne (Director of Electrolytic Zinc Company of Australasia, Limited).

HALIBURTON SHEPPARD, Esq., 331, Collins Street, Melbourne (Chairman of North Broken Hill Limited).

BANKERS:

LLOYDS BANK LIMITED, 72, Lombard Street, London, E.C.3.
ENGLISH, SCOTTISH & AUSTRALIAN BANK LIMITED, 5, Gracechurch Street, London, E.C.3, and Melbourne, Adelaide and Sydney.

SOLICITORS:

BIRKBECK, JULIUS, EDWARDS & CO., 49, Moorgate, London, E.C.2.
ARTHUR ROBINSON & CO., 360, Collins Street, Melbourne, C.1.

BROKERS:

GOVETT, SONS & CO., 22, Austin Friars, London, E.C.2, and Stock Exchange.
E. L. & C. BAILLIEU, 360, Collins Street, Melbourne, C.1.

AUDITORS:

MONKHOUSE, STONEHAM & CO., Chartered Accountants, 695, Salisbury House, London, E.C.2.

GENERAL MANAGERS:

THE ZINC CORPORATION LIMITED, 95, Gresham Street, London, E.C.2.

MELBOURNE OFFICE:

360, COLLINS STREET, MELBOURNE, C.1.

SECRETARIES AND REGISTERED OFFICE:

AUSTRAL DEVELOPMENT LIMITED, 95, Gresham Street, London, E.C.2.

DESCRIPTION AND OBJECTS OF THE COMPANY.

The Company was incorporated in England under the Companies Act, 1929, on the 8th July, 1936, for the purposes and with the objects specified in its Memorandum of Association, to carry on a mining or mining finance or other associated business in any part of the World, to invest in or finance companies similarly engaged, and in particular (but without restriction) to acquire:—

(a) From The Zinc Corporation Limited, its holding of 71,693 Preference Shares of £1 each and 229,224 Ordinary Shares of 2s. each in the capital of Barrier South Limited.

(b) From the other members of Barrier South Limited, who desire to exchange, their respective holdings of Preference and/or Ordinary Shares in the capital of Barrier South Limited on the same terms as those upon which The Zinc Corporation Limited has agreed to transfer to the Company its shareholdings in Barrier South Limited.

In addition the Company is acquiring from The Zinc Corporation Limited:—

(i) Certain mineral leases situated in the Southern Section of the Broken Hill field in the State of New South Wales, which are referred to in greater detail below, and

(ii) The whole of the issued share capital of Aplite Syndicate Proprietary Limited (incorporated in the State of Victoria with an authorised capital of £5,000), viz., 4,103 shares of £1 each, and the whole of the issued share capital of Gresham Syndicate Proprietary Limited (incorporated in the said State of Victoria with an authorised capital of £2,000), viz., 1,403 shares of £1 each.

The mineral leases owned by Barrier South Limited adjoin the South-West boundary of the leases owned by The Zinc Corporation Limited, and cover an area of 160 acres.

Exploration work on Barrier South Limited's leases was stopped some years ago pending the further development of the adjoining leases of The Zinc Corporation Limited. Recent developments and in particular the result of diamond drilling on the property of The Zinc Corporation Limited justify the expectation that the main orebodies now being profitably worked on a large scale by that Company extend into the adjoining leases of Barrier South Limited.

Diamond drill hole No. 128 completed by The Zinc Corporation Limited in February last is situated 1,140 feet north of Barrier South Limited boundary, and proved that the grade, general characteristics and southerly pitch of the main orebody were maintained to a depth of at least 2,500 feet vertical.

A comprehensive exploration programme has been prepared by Barrier South Limited, and diamond drilling operations have begun. While it is expected that the results of this work will be satisfactory, it is necessary to point out that exploration work of this nature is speculative.

The mineral leases to be acquired by the Company from The Zinc Corporation Limited, adjoin the South-west boundary of those owned by Barrier South Limited, and cover an area of approximately 447 acres. Exploratory work on these leases is believed to be justified and will be undertaken at an early date.

The following is a copy of the Report received by the Zinc Corporation Limited from its General Managers, Messrs. Bewick, Moreing & Co.:—

The Managing Director, 62, London Wall, London, E.C.2.
THE ZINC CORPORATION, LIMITED, 95, Gresham Street, London, E.C.2. 14th July, 1936.

Dear Sir,—Development and diamond drilling on the lodes in the Zinc Corporation leases have provided evidence supporting the following conclusions as to their southern extension:—

1. The continuity of the Zinc Lode developed in the upper workings of the Zinc Corporation leases has been definitely proved into the Barrier South leases by the Zinc Corporation No. 8 Level. The lode is continuous and maintains throughout its characteristics and values.

2. The lead lode is divided into two sections, viz.: the Eastern or thin portion and the Western or broad massive portion. Both are profitably productive and have a pronounced Southern "pitch."

3. In our opinion the upper limit of the Eastern, or thin portion of the Main Lead Lode, may be encountered in the Barrier South leases at a vertical depth of about 1,500 feet.

Wenden!

4. The upper limit of the broad Western portion has been located by the Zinc Corporation by diamond drilling at 871 feet South (i.e., 1,139 feet from the Barrier South boundary at a vertical depth of 1,900 feet). This and its pitch in the slopes above No. 12 Level indicate that its upper limit may be expected at a vertical depth of from 2,200 to 2,500 feet in the Barrier South leases.

The accompanying longitudinal projection shows the probable continuation of the thin eastern and broad western portions of the lead lode from the Zinc Corporation leases into those of Barrier South Limited. The cross-section appended shows diagrammatically the relative positions of the zinc lode and of the thin eastern and broad western portions of the lead lode as occurring in the Zinc Corporation leases.

The evidence is, in our opinion, fully sufficient to justify the exploratory campaign, which has recently been commenced in the Barrier South leases. As suitable opportunity offers exploratory work should be commenced in the leases still further to the south.

Yours faithfully,

BEWICK, MOREING & CO.

The Zinc Corporation Limited has agreed to act as General Managers of New Broken Hill Consolidated Limited for the period of 20 years from the date of its incorporation at an initial fee of £1,500 sterling per annum in addition to expenses. This Agreement will ensure the closest co-operation of the two companies and should result in substantial economy in working.

The purchase price payable to The Zinc Corporation Limited, of 95, Gresham Street, London, E.C.2, for the share interests and leases agreed to be sold is £158,269 5s. 0d., which sum will be satisfied as to £15,000 in cash and as to £143,269 5s. 0d. by the allotment to the Corporation or its nominees of 573,077 shares in the capital of the Company, credited as fully paid. Such purchase price has been allocated as under, viz:—

£118,269 5s. 0d. in 473,077 shares credited as fully paid for the said Preference and Ordinary Shares in Barrier South Limited, being five shares in the capital of this Company for each of such Preference Shares and one share for every two of such Ordinary Shares.

£5,000 in 20,000 shares credited as fully paid for the said shares in Aplite Syndicate Proprietary Limited and Gresham Syndicate Proprietary Limited.

£15,000 in cash and £20,000 in 80,000 shares credited as fully paid for the said leases.

No sum is payable for goodwill.

The promoter of the Company is The Zinc Corporation Limited. No consideration has been or will be paid to that Corporation other than the Vendor's consideration as detailed above, and the above-mentioned remuneration as General Managers.

The proceeds of the present Issue will provide the Company with a sum of £297,500, of which it is estimated £297,500 will be available for working capital. This sum, in the opinion of the Directors, is adequate for carrying on the business of the Company. The subscription of the whole of the shares now offered has been guaranteed and the Directors will therefore proceed to allotment on the closing of the lists.

The total preliminary expenses, including the Company's and Vendor's legal charges, bankers' and brokers' fees, expenses of registration, stamp duty on Allotment Letters and costs of this issue but excluding *ad valorem* duty and expenses of transfer, are estimated at £10,000. The Zinc Corporation Limited has agreed to pay such expenses up to but not exceeding the sum of £10,000.

Applications for Shares will be received only from The Zinc Corporation Limited, Members of the Zinc Corporation Limited and those Members of Barrier South Limited who have agreed to transfer their shares in such Company to New Broken Hill Consolidated Limited.

Should any of such Members not wish to subscribe personally they can by completing the form of Renunciation transfer their rights to subscribe to any other person or Company.

Prints of the prospectus as filed with the Registrar of Companies have been sent to Members of The Zinc Corporation Ltd., and Barrier South Ltd., who alone are entitled to apply for shares.

Dated 14th August, 1936.

The New Broken Hill Company

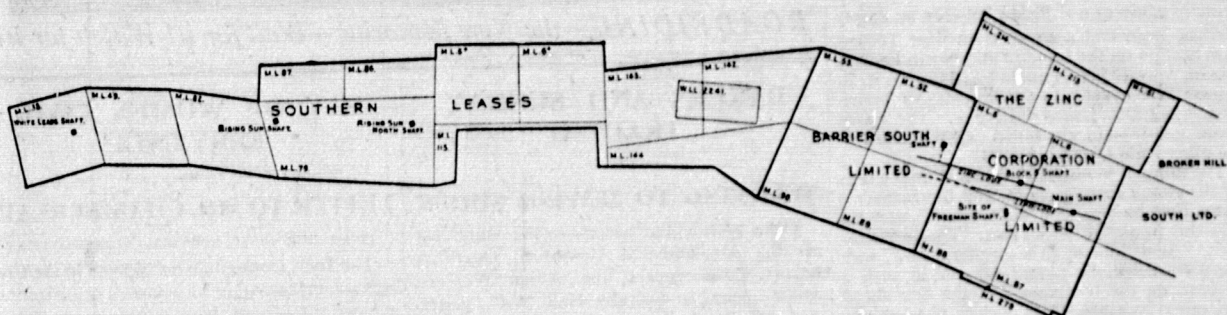
As announced last month the Zinc Corporation—which has been successfully working its lead, silver, and zinc property on the Broken Hill range for the past 25 years—has registered a new company here with the name of New Broken Hill Consolidated Limited, for the purpose of developing the adjoining property of Barrier South, Limited, which the Corporation controls. A prospectus is published to-day of the new company which describes in detail the transaction. Its total capital is £600,000 divided into 2,400,000 shares of 5s. each, of which 1,250,000 shares are being issued for subscription in cash at par. Of these 898,831 are being offered to the members of the Zinc Corporation in the proportion of one share for each Preference and/or Ordinary share held by them. Members of Barrier South, Limited, who exchange their shares for shares in the new company will also be entitled to apply for shares in the present issue in the proportion of five shares for each Preference share and one share for every two Ordinary shares in Barrier South. Of the remaining shares 573,077 are issued in part payment for the assets to be acquired from the Zinc Corporation, 243,752 are reserved for allotment against transfers of Barrier South shares, and the balance of 333,171 shares will remain unissued for the time being.

Working Capital Resources

The prospectus explains that recent developments, and in particular the result of diamond drilling on the property of the Zinc Corporation, justify the belief that the main ore bodies now being profitably worked on a large scale by that Corporation extend into the adjoining leases of the Barrier South. Exploration work on the Barrier South leases was stopped some years ago pending the further development of the Zinc Corporation's adjoining leases. Now a comprehensive exploration programme has been prepared by Barrier South and diamond drilling operations have begun. The proceeds of the present issue will provide the company with a sum of about £297,500 for working capital. The Zinc Corporation will act as general managers of the new company and the close co-operation of the two concerns is expected to yield substantial economies. The prospectus is published for information only and not as an invitation to the public to subscribe for shares.

NEW BROKEN HILL CONSOLIDATED LIMITED.

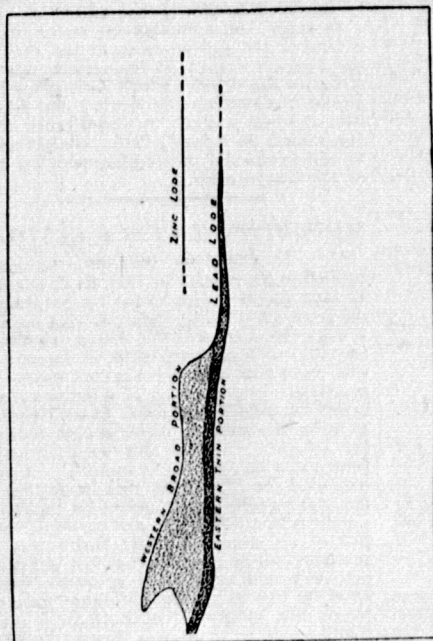
PLAN OF THE LEASES REFERRED TO IN THE PROSPECTUS.



NEW BROKEN HILL CONSOLIDATED LIMITED.

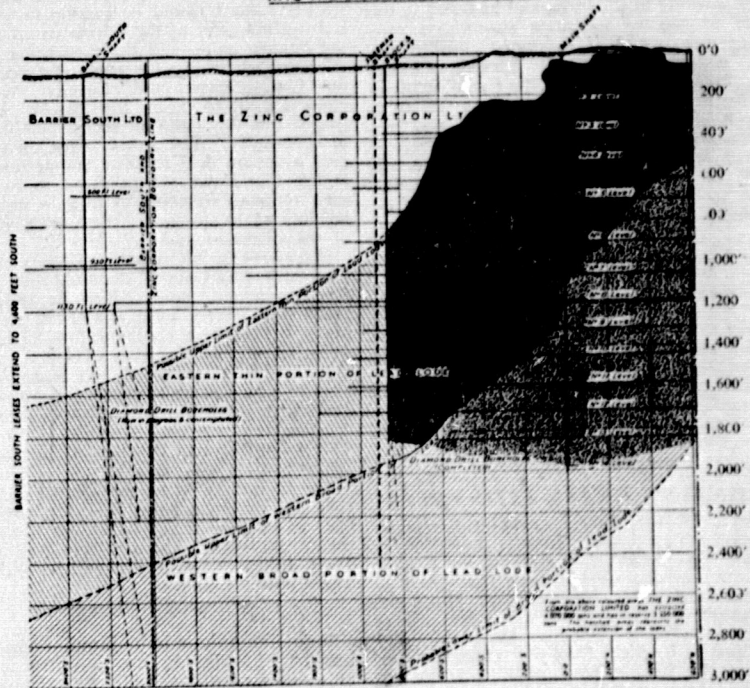
TYPICAL SECTION-LOOKING NORTH

SHOWING
ZINC LORE WITH EAST AND WEST PORTIONS
OF LEAD LORE



LONGITUDINAL PROJECTION

SHOWING PROBABLE EXTENSION OF THE LEAD LORES
INTO THE BARRIER SOUTH LEASES



Datum 21. Juli 1937

The Times (London)

Nr. 47742

NEW BROKEN HILL CONSOLIDATED

DIAMOND DRILLING PROGRESS

COOPERATION WITH ZINC CORPORATION

VISCOUNT HORNE'S REVIEW

The FIRST ORDINARY GENERAL MEETING of New Broken Hill Consolidated, Limited, was held yesterday in the hall of the Chartered Insurance Institute, 20, Aldermanbury, London, E.C.

The RIGHT HON. VISCOUNT HORNE of SLAMANNAN, P.C., G.B.E., chairman of the company, presided.

Mr. J. B. R. CHALLEN, representing Austral Development, Limited, the secretaries, having read the notice convening the meeting and the report of the auditors,

The CHAIRMAN said:—Gentlemen,—The report and accounts have been in your hands for the usual period and I presume you will accept these as read. (Agreed.) You perhaps wonder that we should be holding this meeting within seven months of our statutory meeting. The explanation is that, in view of the relations existing between this company and our neighbour, the Zinc Corporation, we decided to balance our accounts on the same date—namely, December 31—and present our reports and accounts to the shareholders at about the same time as they do.

The authorized capital of the company is £600,000, divided into 2,400,000 shares of 5s. each, and at the date of the balance-sheet 2,018,110 shares had been issued. Of these 768,110 shares were issued as fully paid against the transfer of the shareholdings in Barrier South, Limited, the leases to the south of the property of Barrier South, Limited, and the holdings in Aplite and Gresham Syndicates; 1,250,000 shares were issued for cash, upon which at the date of the balance-sheet 3s. per share had been called up, though payments in advance had been received to the amount of £7,541.

OFFER TO BARRIER SOUTH SHAREHOLDERS

You will recall that shareholders of Barrier South, Limited, were offered the right to exchange their shares on the basis of five shares of this company for each £1 Preference share of Barrier South, Limited, and one share of this company in exchange for two Ordinary shares of 2s. each in Barrier South, Limited. This offer was open for acceptance up to

September 15, 1936. As there were a number of shareholders in Barrier South who, for one reason or another, were not able to lodge their acceptances within the period, the directors agreed to accept any applications lodged before December 31. As a result, 3,417 additional shares of this company's capital have been issued, and to-day New Broken Hill Consolidated, Limited, holds 75,816 Preference shares out of a total issue of 76,078 Preference shares (or 99.65 per cent.) and 584,897 Ordinary shares out of an issue of 672,879 shares (or 86.92 per cent.) of the capital of Barrier South, Limited.

I think you will share the board's desire to show every consideration to the shareholders of Barrier South, Limited. That company had been inactive for so long that it is possible some of the shareholders or their legal representatives have lost touch with its affairs. We have made every effort to trace shareholders whose addresses were unknown, by advertisement and other means, and, where any shareholder showed genuine reason for late application for exchange, we have accepted it. There appears to be now no reason for maintaining the Barrier South, Limited, as a separate company, and steps will shortly be taken to terminate its existence.

BALANCE-SHEET ITEMS

On the "assets" side of the balance-sheet you will note the item "Property, Southern Leases at Cost," £35,000. This represents the par value of 80,000 shares issued as fully paid, plus £15,000, the latter figure being the cash consideration, as set out in the prospectus. The next item, "Investments," represents our holding in Barrier South, Limited, to which I have already referred.

At the date of the balance-sheet the company had nearly £175,000 in cash or at short call, and since that date the instalment of 2s. per share—due on March 15—has become payable, representing, after allowing for the amount paid in advance, £117,459. The total liquid assets at June 30 were approximately £285,000—£120,000 Australian Government securities and £165,000 cash and deposits.

In the profit and loss account you will observe that the expenditure on general administration in Australia and London amounted to £7,273, while on the other side of the account the credit for interest received was £1,166. I think there is nothing else calling for comment in the accounts.

DRILLING OPERATIONS

Since the incorporation of the company diamond-drilling operations on Barrier South property have been carried on continuously. Five boreholes have been sunk, and the detailed results, which have been notified through the Press, are reviewed in the report of the consulting engineers and technical managers, Messrs. Bewick, Moreing and Co., which accompanies the directors' report.

The results of the drilling operations I regard as highly satisfactory. They indicate the continuance of the ore body now being so suc-

cessfully worked in the adjoining property of the Zinc Corporation, Limited, and provide grounds for the belief that widths and values will be maintained. Furthermore, they afford reasonable proof that the broad section of the lead lode enters your property at a shallower depth than originally estimated. You will, of course, understand that we are dealing with diamond-drilling results, which, while they may be regarded as giving reasonable indications, cannot yet be accepted as conclusive evidence of widths and values.

Recently we have commenced diamond drilling on the "Southern leases" in what is known as the Rising Sun areas. The main object of this work is to obtain geological information for the purpose of laying out future exploration. Details of results will be published as and when obtained.

ADVANTAGES OF COOPERATION

The whole of the work on the property is being carried out for us under the direction of our managers, the Zinc Corporation. After seven months of continual consideration between our representatives and the Zinc Corporation, a scheme is now in course of completion which will provide for the closest possible association of the two companies. Cooperation in mining under one management and ore treatment in one mill will save this company a great amount of capital expenditure and provide for the speediest opening up of your property to the point of production. The advantage to the Zinc Corporation by saving in capital expenditure and working costs will also be considerable.

It is as yet too early for any estimate as to the date of production to be mentioned. You will recognize that we are setting out to open up a mine from which ore in quantity cannot be expected above, say, 2,200ft. vertical depth, and there are big problems of ventilation and development to be solved before production can be started. You may rest assured, however, that every effort will be made to bring your property into the revenue-producing stage at the earliest possible date. I shall be disappointed if we do not commence production before 1940. Subject to the course of metal prices, I consider the outlook for this company to be quite satisfactory.

Gentlemen, I now beg to move: "That the directors' report and statement of accounts for the period ended December 31, 1936, now submitted to this meeting, be received and adopted."

Mr. WILLIAM S. ROBINSON seconded the resolution, and it was carried unanimously.

The auditors, Messrs. Monkhouse, Stoneham and Co., were reappointed, and the proceedings terminated with a hearty vote of thanks to the chairman, directors, and staff.

The Economist (London)

Nr. 4900

NEW BROKEN HILL CONSOLIDATED, LIMITED

PROGRESS OF DIAMOND DRILLING

The first ordinary general meeting was held, on the 20th instant, in London.

The Right Hon. Viscount Horne of Slamannan, P.C., G.B.E. (chairman of the company), in the course of his speech, said:—The authorised capital of the company is £600,000, divided into 2,400,000 shares of 5s. each, and at the date of the balance sheet 2,018,110 shares had been issued. Of these, 768,110 shares were issued as fully paid against the transfer of the shareholdings in Barrier South, Limited, the leases to the south of the property of Barrier South, Limited, and the holdings in Aplite and Gresham Syndicates; 1,250,000 shares were issued for cash, upon which at the date of the balance sheet 3s. per share had been called up, though payments in advance had been received to the amount of £7,541.

You will recall that shareholders of Barrier South, Limited, were offered the right to exchange their shares on the basis of five shares of this company for each £1 preference share of Barrier South, Limited, and one share of this company in exchange for two ordinary shares of 2s. each in Barrier South, Limited. This offer was open for acceptance up to September 15, 1936. As there were a number of shareholders in Barrier South who, for one reason or another, were not able to lodge their acceptances within the period, the directors agreed to accept any applications lodged before December 31st. As a result, 3,417 additional shares of this company's capital have been issued and to-day New Broken Hill Consolidated, Limited, holds 75,816 preference shares out of a total issue of 76,078 preference shares and 584,897 ordinary shares out of an issue of 672,879 shares of the capital of Barrier South, Limited. There appears to be now no reason for maintaining the Barrier South, Limited, as a separate company and steps will shortly be taken to terminate its existence.

At the date of the balance sheet the company had nearly £175,000 in cash or at short call, and since that date the instalment of 2s. per share—due on March 15th—has become payable, representing, after allowing for the amount paid in advance, £117,459. The total liquid assets at June 30th were approximately £285,000—£120,000 Australian Government securities and £165,000 cash and deposits.

SATISFACTORY INDICATIONS

Since the incorporation of the company diamond drilling operations on Barrier South property have been carried on continuously. Five boreholes have been sunk and the detailed results, which have been notified through the Press, are reviewed in the report of the consulting engineers and technical managers, Messrs Bewick, Moreing and Company, which accompanies the directors' report.

The results of the drilling operations I regard as highly satisfactory. They indicate the continuance of the ore body now being so successfully worked in the adjoining property of the Zinc Corporation, Limited, and provide grounds for the belief that widths and values will be maintained. Furthermore, they afford reasonable proof that the broad section of the lead lode enters your property at a shallower depth than originally estimated. You will, of course, understand that we are dealing with diamond drilling results, which, while they may be regarded as giving reasonable indications, cannot yet be accepted as conclusive evidence of widths and values.

CO-OPERATION WITH ZINC CORPORATION

The whole of the work on the property is being carried out for us under the direction of our managers, the Zinc Corporation. After seven months of continual consideration between our representatives and the Zinc Corporation, a scheme is now in course of completion which will provide for the closest possible association of the two companies. Co-operation in mining under one management and ore treatment in one mill will save this company a great amount of capital expenditure and provide for the speediest opening up of your property to the point of production. The advantage to the Zinc Corporation by saving in capital expenditure and working costs will also be considerable.

It is as yet too early for any estimate as to the date of production to be mentioned. You may rest assured, however, that every effort will be made to bring your property into the revenue-producing stage at the earliest possible date. I shall be disappointed if we do not commence production before 1940. Subject to the course of metal prices, I consider the outlook for this company to be quite satisfactory.

The report and accounts were unanimously adopted.

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Datum 13. Juli 1938

The Times (London)
48 045

Company Meetings

NEW BROKEN HILL CONSOLIDATED

VISCOUNT HORNE'S REVIEW OF POSITION AND OUTLOOK

The SECOND ORDINARY GENERAL MEETING of New Broken Hill Consolidated, Limited, was held yesterday at the Chartered Insurance Institute, No. 20, Aldermanbury, London, E.C.

The RT. HON. VISCOUNT HORNE OF SLAMANNAN, P.C., G.B.E. (the chairman of the company), presided.

The SECRETARY (Mr. J. B. R. Challen) having read the notice convening the meeting and the report of the auditors.

The CHAIRMAN said:—Ladies and Gentlemen,—I am glad to inform you that we have to-day with us a very distinguished colleague of ours from Australia in the person of Sir Colin Fraser. He is associated with us in many of our enterprises and his ability, his wisdom and his urbanity are sources of great strength to all the concerns with which he is associated. (Applause.)

With your permission, I will take the report and accounts as read. (Agreed.)

At this early stage of our history you will not expect anything dramatic to recount. The figures of the balance sheet reveal only the regular routine of a company proceeding towards its natural development.

Interest and transfer fees received during the year fall short of the amount required by administration and general expenses plus directors' fees by only £343. This sum is therefore added to the debit balance brought forward, raising it to £6,299.

During the year the final call of 2s. on 1,250,000 shares issued for cash became due and the total amount of £125,000 was promptly paid. The issued capital at the end of the year was 2,026,911 shares, all fully paid, out of the authorized total of 2,400,000 shares of 5s. each. Since the close of the year we have issued 4,626 additional shares against further transfers of the shares of the Barrier South Company. We now hold shares equivalent to approximately 99 per cent. of the Barrier South Company, which has been placed in liquidation, while its leases have been transferred to our company. The other two subsidiary companies, viz., Aplite and Gresham Syndicates, the whole of whose capital we own, are small concerns and at this stage play little or no part in our affairs.

THE AGREEMENT WITH ZINC CORPORATION

In accordance with the terms of the prospectus and in order to save the expense of a separate staff, the company's affairs are managed by the Zinc Corporation Limited. Moreover, as I informed you at our last annual meeting, a scheme for close co-operation with the Zinc Corporation Limited in the equipment and working of the two mines has been formulated. Under this scheme material advantages will accrue to both companies in the shape of reductions in capital expenditure and in working costs, by mining under one management, and by ore treatment in one mill; and more important still to us, a great saving in the time necessary to reach production. The two mines will be served by the new main (Freeman) shaft and by the new mill, workshops, and other facilities now nearly completed on the Zinc Corporation property.

This joint working arrangement covers the development and working of that portion of our lease immediately south of the boundary of the Zinc Corporation, which from its proximity obviously lends itself to such a scheme and by reason of its extent presents prospects of a sufficiently large tonnage of ore to occupy our energies for many years to

come. As you are aware the main lead ore body in our property is not estimated to be productive at any level above 2,250ft. To reach this depth with a separate shaft and equipment and to open up the ore body for production would have probably taken more than five years. Under our joint agreement with the Zinc Corporation—provided that there are no unexpected happenings or stoppages due to abnormal causes—we should be in the ore body and from development work have some production (not large) in the first half of 1940. The capital cost of a separate shaft and milling equipment would have been between £500,000 and £600,000, quite apart from the expenditure on the necessary ventilation shaft. Making allowance for the latter, I think it is not unfair to estimate the capital savings to us resulting from the joint agreement at not less than £250,000.

Costs of equipment up to date have exceeded estimates owing to the effect of the lead bonus payable under the existing Industrial Agreements. This bonus is paid on a sliding scale related to the price of lead, and while its payment may not be oppressively burdensome to the producing mines, it certainly adds seriously to the costs of those like ourselves who are at present engaged only in development and equipment work. We have already paid the Zinc Corporation, Limited, £100,000 on account of our share of capital expenditure in connexion with the joint scheme and a further payment will probably be asked for at an early date.

PROGRESS OF THE NEW SHAFT

The work of most immediate importance to us is the New Main (Freeman) Shaft of the Zinc Corporation, Limited, not only because the new mill, workshops, and offices have been erected around it but because of the bearing it has on the time factor in developing our mine through the use we are able to make of the southern extension of the Zinc Corporation levels. In the past year excellent progress was made with the sinking of this shaft, but early this year heavy ground was encountered. This and similar conditions in the driving of the No. 14 level south must entail some delay, but it is anticipated that the shaft will very shortly be in commission to the No. 11 level, the vertical depth of which is 1,573ft., and that by January next it will have been completed to the No. 15 level with a vertical depth of 2,120ft. Meanwhile the erection of powerful winding plant has been completed which now awaits its trial runs.

In the longitudinal section accompanying the report of the technical managers and consulting engineers, the Zinc Corporation levels are indicated in black and their extension in red. It will be noted that the No. 12 level has been advanced 274ft. into our property and that from it and close to the boundary a winze is being sunk in the vicinity of the diamond drill boreholes, which intersected the continuation of the Zinc Corporation lead lode. Thereby we hope to accelerate the exploration of that section of the property and at the same time provide a winze which later will serve as a main sand pass for stope filling. These measures cover the development of that portion of our leases adjacent to those of the Zinc Corporation, Limited, and for the subsequent mining of the ore the deep main haulage levels of that company will serve for transport, via the New Main (Freeman) Shaft, to the mill.

A prime requisite for economic mining at the depths contemplated is an adequate supply of good air, and to make full provision for this purpose a new ventilation shaft is being sunk by us 1,000ft. south of the Zinc Corporation boundary. As this shaft is essentially for ventilation, it is being sunk circular in section and concrete-lined, as that section and finish best suit the supply of a large volume of dry air at depth. The completion of the arrangements to accelerate sinking should now enable steady progress to be made with the advancement of this shaft, which will be connected later to the southern extension of the deeper Zinc Corporation levels.

As regards the areas further south, we have carried out in the past year some preliminary diamond drilling with the object of mapping the general geological features as a

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basis for further exploratory work in the vicinity of the Rising Sun Shaft, some two miles south of your northern boundary. In view of the uncertainty of the line of continuation of the lode in these southern leases, additional areas have been secured which are now being transferred to this company. These we believe will amply protect the results of our exploratory work both in the present and in the future. These additional areas total 1,409 acres making, with the areas already held, a joint total of 2,016 acres which longitudinally cover a distance on the possible line of lode of a little over three and a half miles.

If the managerial estimates be realized we shall be in the ore body in 1940 and should thereafter begin to "develop a mine." I have no fears of what our exploration and development work will disclose as regards the size and metal contents of the ore body. The two uncertainties are cost of working and metal prices. I am hopeful that the former will by sound management and efficient equipment be kept at a satisfactory level and that metal prices will be kind to us and enable us to obtain a fair reward for our enterprise.

THE METAL MARKET

While we are not yet in the producing stage we are very materially interested in the course of metal prices. During the last fortnight the markets for lead and zinc have been healthier than for some time past, and it appears reasonable to hope that the recent recovery may be more than maintained. During periods of trade recession and falling prices it is usual for consumers to reduce purchases and live on stocks. The result is to increase stocks in producers' hands and distort the statistical position, which adds to fear of a continued decline in market values. When demand revives the opposite movements take place, and the statistical position quickly improves. In the case of lead in the last 12 months the increase in stocks represents no more than the transfer referred to. An adjustment resulting from improved demands from consumers is now taking place at a rate which, if continued, should quickly establish the market on a sound foundation.

Zinc has admittedly been over-produced and the statistical position has as a result been unfavourable. But production everywhere, except in Germany, Australia, and Canada, has been sharply cut and is now not out of accord with consumption. So far as this metal is concerned there is the probability of collective action by producers to regulate production, which if realized would materially improve market values.

Taking a wide and a long view of our prospects, nothing has happened since we last met which in any way alters my confidence in the future of this company.

In conclusion I must express our thanks to Messrs. Bewick Moreing and Co., the technical managers and consulting engineers, and to Mr. A. J. Keast, the manager of the mine, for their zealous efforts on our behalf. (Applause.)

I now beg to move, "That the directors' report and statement of accounts for the year ended 31st December, 1937, now submitted to this meeting be received and adopted," and I will call on Sir Clive Baillieu to second.

SIR CLIVE L. BAILLIEU, K.B.E., C.M.G., seconded the motion, and it was carried unanimously in the absence of questions or comment.

The retiring director, Viscount Horne of Slamannan, was re-elected, and the auditors, Messrs. Monkhouse, Stoneham and Co., were reappointed; and a hearty vote of thanks to the chairman, directors, and staff, moved by Mr. W. WEAVER and seconded by Mr. C. A. BRITTON, closed the meeting.

The Economist (London)

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NEW BROKEN HILL CONSOLIDATED, LIMITED

CONFIDENCE IN COMPANY'S FUTURE

The second ordinary general meeting of New Broken Hill Consolidated, Limited, was held, on the 12th instant, at 20 Aldermanbury, London.

The Rt. Hon. Viscount Horne of Slamannan, P.C., G.B.E., the Chairman, said in the course of his speech: At this early stage of our history you will not expect anything dramatic. The figures reveal only the regular routine of a company proceeding towards its natural development.

During the year the final call of 2s. on 1,250,000 shares issued for cash became due, and the total amount of £125,000 was promptly paid. The issued capital at the end of the year was 2,026,911 shares, fully paid, of an authorised total of 2,400,000 shares of 5s. each. Since the close of the year we have issued 4,626 additional shares against further transfers of shares of the Barrier South Company. We now hold shares equivalent to approximately 99 per cent. of the Barrier South Co., which has been placed in liquidation, while its leases have been transferred to our company.

CO-OPERATION WITH ZINC CORPORATION

A scheme for closer co-operation with the Zinc Corporation in the equipment and working of the two mines has been formulated. Material advantages will accrue to both in the shape of reductions in capital expenditure and working costs, by mining under one management and ore-treatment in one mill—a great saving in the time necessary to reach production.

This joint working arrangement covers the development and working of that portion of our lease immediately south of the boundary of the Zinc Corporation which presents prospects of a sufficient tonnage of ore to occupy our energies for many years. The main lead ore body in our property is not estimated to be productive above 2,250 ft. To reach this depth with a separate shaft and equipment, and to open up for production, would have probably taken more than five years. Under our agreement with the Zinc Corporation we should be in the ore body and from development work have some production (not large) in the first half of 1940. I estimate the capital savings to us resulting from the joint agreement at not less than £250,000.

DEVELOPMENT PROSPECTS

It is anticipated that the New Main (Freeman) Shaft of the Zinc Corporation will very shortly be in commission to the No. 11 level, the vertical depth of which is 1,573 ft., and that by January it will have been completed to the No. 15 level (2,120 ft.). Meanwhile, the erection of powerful winding plant has been completed.

The No. 12 level has been advanced 274 ft. into our property, and from it, close to the boundary, a winze is being sunk in the vicinity of the diamond drill boreholes which intersected the continuation of the Zinc Corporation lead lode. Thereby we hope to accelerate exploration of that section of the property and provide a winze which later will serve as a main sand pass for stope filling. For the subsequent mining of the ore the deep main haulage levels of the Zinc Corporation will serve for transport to the mill.

As regards the areas further south, we have carried out some preliminary diamond drilling with the object of mapping the general geological features as a basis for further exploratory work in the vicinity of the Rising Sun Shaft, some two miles south of our northern boundary. Additional areas have been secured which we believe will amply protect the results of our exploratory work. These additional areas total 1,409 acres, making a joint total of 2,016 acres which longitudinally cover a distance on the possible line of lode of a little over 3½ miles.

If the managerial estimates be realised we shall be in the ore body in 1940, and should thereafter begin to "develop a mine." I have no fears of what our exploration and development work will disclose as regards the size and metal contents of the ore body. The two uncertainties are cost of working and metal prices. I am hopeful that the former will be kept at a satisfactory level and that metal prices will enable us to obtain a fair reward for our enterprise.

While we are not yet in the producing stage we are very materially interested in the course of metal prices. During the last fortnight the markets for lead and zinc have been healthier than for some time past, and it appears reasonable to hope that the recent recovery may be more than maintained.

Taking a wide and a long view of our prospects nothing has happened since we last met which in any way alters my confidence in the future of this company.

The report was adopted.

The Times (London)

Nr. 48 375

NEW BROKEN HILL
CONSOLIDATED

PROGRESS OF
DEVELOPMENT

LORD HORNE'S REVIEW

The THIRD ORDINARY GENERAL MEETING of the New Broken Hill Consolidated Limited was held yesterday at 20, Aldermanbury, London, E.C.

The RIGHT HON. VISCOUNT HORNE of SLAMANNAN, P.C., G.B.E. (the chairman), in the course of his speech, said:—As the whole of our operations are confined at the present stage to exploration and development, there are no trading results to be submitted to you. Our liquid reserves, represented this year by Treasury Bills, loans at call, and cash at bank, stand at approximately £149,000, against £184,300 a year previously.

MAIN AND AIR SHAFTS

The work of most immediate importance has been the completion by the Zinc Corporation Limited of its new main shaft to a vertical depth of 2,313ft., or slightly below the No. 16 Level. This shaft will now be available as a starting point for the deep southern drives, which will serve the operations of both companies. The completion of the surface equipment of this shaft and of the workshops and other services adjacent to it provide special working facilities, from which we have already benefited materially.

To provide the ventilation essential for the development and operation of the northern portion of your leases, we have, as the step next in importance, made steady progress with the sinking of the air shaft, which is situated nearly 2,100ft. south of the former. It has now attained a depth of nearly 800ft., and when it has been sunk a further 900ft. it will be connected to the No. 12 South Drive, thus establishing a preliminary ventilating connexion with the adjoining workings of the Zinc Corporation Limited. Further sinking will provide, at a later date, connexions with the deeper southern Zinc Corporation drives. Two other points of attack in the development of your property are the Boundary Winze and the No. 12 South Drive.

THE PROSPECTS

You will, I am sure, have read with interest the statement in our report regarding the geological and geophysical surveys made of your leases by or under the direction of Dr. J. K. Gustafson of the Central Geological Survey of Broken Hill. Dr. Gustafson has reported that the

"... correlation of the geophysical and geological data... has resulted in a geological interpretation which, if correct" (I desire to emphasize this qualification), "will profoundly affect the future of the New Broken Hill Consolidated Company."

His report dealing with the major conclusions affecting the future of New Broken Hill Consolidated states:—

"There are no major faults or transverse structures such as occur elsewhere in the district which are likely to interrupt seriously the extension southwards of the Zinc Corporation ore bodies."

Still quoting Dr. Gustafson's report we find this statement:—

"Although the evidence is not conclusive there appears to be a very reasonable chance that the favourable beds which contain the Broken Hill ore bodies will continue within the known ore-bearing structure at mineable depths above 4,000ft. for nearly three miles south of the Zinc Corporation boundary."

If what Dr. Gustafson refers to as a "very reasonable chance" is shown by exploration and development to be a fact and the favourable beds continue within the known ore-bearing structure "at mineable depths for a dis-

ance of nearly three miles," the prospects of your leases—already proved by the work near the Zinc Corporation boundary to be attractive—will be greatly enhanced. I use the word "prospects" advisedly, because it has yet to be proved whether these favourable beds will be found to be mineralized as heretofore in these same structures. Dr. Gustafson adds that if similar mineralization is established then

"... the entire past production of Broken Hill will be duplicated within the limits of New Broken Hill Consolidated property."

The geologist's report is based on expectations which include that

"the ore occurrence in the New Broken Hill Consolidated is one of extension rather than repetition,"

and that

"the ore bodies in the southern area will be elevated closer to the surface than elsewhere as a result of 'pitch crests,' one of which is indicated in the vicinity of the new air shaft, and another half-way between the White Leads and Rising Sun" (two of the New Broken Hill Consolidated leases).

GREAT POSSIBILITIES

In all these estimates and anticipations of the geologists much depends on what I may describe as the "flattening out" of the ore occurrence and the presence and influence of the "pitch crests." We have set out to test the views set forth in the report, in the first place by diamond drilling. We will keep you fully and promptly informed of all developments, but, if you accept my advice, you will, in the meantime, treat the report with reserve and exercise caution in making estimates until the results of actual exploration show to what extent the views of the experts are justified. It goes without saying that I earnestly hope they will be found to have a solid basis in fact.

I would have preferred not to mention Dr. Gustafson's report at this stage of our exploratory work for fear of raising extravagant hopes. The mine, however, belongs to you—the shareholders—and, no matter what reserves I and my colleagues may desire you to attach to the geologist's statements, it is our duty to inform you of any views of importance which they enunciate. I beg you, however, not to overlook the fact that, while the report suggests great possibilities, they are, up till now, only possibilities, and the evidence given in support of them is frankly admitted by Dr. Gustafson to be not yet conclusive. In suggesting that until the results of exploration of these new possibilities are available you should exercise caution, I am not, of course, throwing any doubt on what we consider to be our already proved position.

You will probably look for a statement from me as to the date at which we are likely to enter production. This obviously is governed by the speed with which we can, by using the deeper levels of the Zinc Corporation, reach the ore body within our leases, and that in turn depends on bringing their New Main Shaft into operation. Unfortunately, that company ran into very bad ground in the final stages of sinking its shaft and, instead of the work being completed well before the end of 1938, the shaft is only now being brought into full use.

MORE RAPID PROGRESS EXPECTED

There has, in consequence, been a corresponding delay in our developments; but, in my opinion, this has not adversely affected our prospects, though it has deferred the date of their realization. From now on our progress should be more rapid. You must not, however, overlook the fact that, until we have the results from the special exploration I have referred to, our present main objective is to exploit the extension into our leases, at a vertical depth of about 2,000 feet, of the great ore body of the Zinc Corporation and we may, perhaps, hazard the opinion that present indications favour a satisfactory result. When we meet next year a great part of our preliminary development should be completed, and I hope to have a much more complete story then to tell you.

The report and accounts were unanimously adopted, and a resolution was passed converting the shares into stock.

10. Dez. 1942

Europapress-Wirtschaftsdienst (Frankfurt a. M.)

Nr. 291

(26) New Broken Hill noch immer nicht produktionsreif

EPW Lissabon, 10. Dezember

In der in London abgehaltenen ordentlichen Hauptversammlung der New Broken Hill Consolidated Ltd. wurde vom Vorsitzenden mitgeteilt, dass auch im siebenten Geschäftsjahr noch keine Aussicht auf eine geregelte Produktionsaufnahme in den australischen Zink- und Bleiminen der Gesellschaft vorhanden ist. Die hochgespannten Erwartungen auf eine ertragreiche Ausbeutung der Lagerstätten haben sich bisher nicht erfüllt, weil die Entwicklungsarbeiten infolge der schwierigen geologischen Verhältnisse in ein schleppendes Tempo geraten sind und sich in der letzten Zeit infolge des zunehmenden Materialmangels noch weiter in die Länge gezogen haben. Die Aktionäre der Gesellschaft, die eine enge Produktions- und Interessengemeinschaft mit der Zinc Corporation unterhält, wurden auf die Nachkriegszeit vertröstet, für die die Aussichten als günstig bezeichnet wurden.

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