

# Kenya's largest gold producer gets frank about industry pros and cons

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*Karebe process plant - primary crushers and conveyors*



**Exclusive interview with Charlie Tryon, CEO and co-founder of Maris Group and a director of Maris Ltd, which also established Karebe Gold Mining – the largest gold producer in Kenya. He discusses his views on Kenya's mining industry – the challenges and the opportunities.**

Although Karebe is the largest gold producer in Kenya, by regional standards it is small scale. We have developed an underground narrow vein mining operation that employs 330 people and has contributed two billion shillings in local contributions to the economy during the life of the mine. We are looking to scale the mine up further and increase our exploration activities.

Accelerating our exploration programme across our license is providing an exciting and challenging undertaking. We believe that we have excellent potential to expand our resource base both within our existing strike and on new structures in association with our current operation.



*Charlie Tryon, CEO and co-founder of Maris and a Director of Maris Limited*

## **What do you see as the main challenges in the mining industry? And the opportunities?**

Sadly there are a great number. The recent revision of the Mining Act has not had the desired effect. Kenya fell to 90/91 in the Fraser Institute's "Investment Attractiveness in Mining Index".

Legislative changes are required to improve conditions for the industry, be that at the exploration stage, gem trading or mining development. We have a long way to go to develop more friendly mining legislation.

Licensing by government is extremely slow and cumbersome; this has resulted in very few projects being able to raise funding in Kenya to develop their projects across the industry.

Land issues remain a serious challenge and given the population density in areas where there are mineral deposits, government must look at a new and more effective means of supporting the industry in realising the economic potential of Kenya's mining assets.

There are opportunities, from our perspective there are plenty in the mid-small scale gold mining sector and elsewhere within the industry, but they will be largely inhibited until we address these core issues.

## **What role can/should the government play in the sector in your view?**

It has a critical role to play. Government needs to keep and even increase its engagement with the sector and listen to the private sector that possesses the mining experience. We need to work together to remove the barriers to a successful mining industry.

*Tryon will share his views on Kenya in greater details at the upcoming key mining event **Kenya Mining Forum** where he will be part of a panel discussion by the country's leading mining houses on: "Experiences from within Kenya's mining industry". The company will also be an exhibitor at the event.*

## **What is your vision for the industry?**

I would like to see a more vibrant gold sector modelled on the Zimbabwean gold mining industry of old. This will take a generation to develop but could result in 10-20 tons of gold production in the near term.

## **More about Karebe Gold Mining (KGML):**

KGML was founded in 2008 by MD David May and the Maris Group. It holds special prospecting license 264 which covers three previously worked mines in Nandi County in Western Kenya; Equatorial, Rock Corry and Boma Mines.

The mines sit on an extension of the Tanzanian Greenstone Belt and the region shares the same geological structure and mining potential as Tanzania, where gold mining is a leading industry.

The three KGML mines are all situated on the same very high grade narrow quartz vein hosted gold deposit. The mineralised known strike length is over 1 km with additional known gold occurrences across the 85 km<sup>2</sup> SPL.

Gold was first discovered in the region in the 1940s, however mining activity came to a halt after independence and there was no mining activity in the region until KGML commenced operations in 2009.

We commenced production in 2009 after establishing a tailings retreatment operation. The company concurrently worked to re-open Equatorial mine which saw its first production in 2011.

Currently KGML mines to a depth of 180 m and operates four surface shafts at its three mine locations situated over a 1.5 km strike length. To date the mines have produced over 25 000 oz gold.

The current production capacity is 2 500 tpm. Given the lateral length and depth of the strike we believe Karebe has a long mine life, though the full extent will be difficult to prove given the local topography.

There are further known parallel quartz veins in association with the mining structure which require exploration. KGML is only 40 km from Acacia Mining's +1Moz Bushingala prospect, and there are numerous known gold occurrences on the current SPL.

The development of Karebe's underground operations have revealed higher grades, and a larger resource than was anticipated at the time of investment. In addition to local expansion, the management team is exploring further gold tailings and mining opportunities in Kenya and Zimbabwe.

KGML is an accident free mine that invests heavily in health and safety, as well as the technical training of its staff. We have developed organically.

All expansion capital has been funded by the founding shareholders and through reinvestment of profits. We believe that in order to realise the full potential of the mines and wider licenses, KGML requires a greater level of investment and that this is best achieved through either an exit by the founding shareholders or partnership with a larger mining partner to take the company to its full potential.



**Guest Contributor**