

The road to Tulu Kapi begins

There were smiles all around for stakeholders involved in the consortium responsible for shaping a modern era of mining in Ethiopia.

Kefi Minerals plc, the Ethiopian Government, Ethiopian investment company ANS Mining, Lycopodium Ltd and Perenti Ltd are driving the Tulu Kapi gold mine towards development, with the players taking the opportunity at Africa Down Under to confirm their respective commitments to activities starting this month.

Tulu Kapi will take 24 months to develop, with open pit gold production at a rate of 140,000 ozpa over an initial seven years at AISC of \$US800/oz scheduled to begin in late 2021.

A mining licence was granted for Tulu Kapi (15.4 mt @ 2.1g/t gold reserves containing 1.1 moz) in 2015.

Mining had been very much an afterthought in Ethiopia until Kefi started revealing the potential at Tulu Kapi and the impact the gold mine could have on the country's economy.

was not giving much attention to the mining sector as a priority, we were just focusing on agriculture but now we are including mining as one of the top priorities on the Government's agenda. We are lucky that our Prime Minister, and every other minister, is talking about the potential of mining fuelling development," Urkato told reporters on the sidelines of Africa Down Under.

"We want to add value downstream so [we hope mining] will make a big contribution to GDP. I expect it will be one of the significant sectors along with agriculture and tourism; it is a very important sector for us. We are expecting and I hope it [mining] will contribute more than 10% to GDP."

The ask appears big given production from its first commercial-scale gold mine is still two years away, however, Kefi executive chairman Harry Anagnostaras-Adams believes there is an opportunity for a quick impact to be made through foreign exchange.

"Export revenues can make a very big impact, very quickly. We'll be the single larg-



Kefi executive chairman Harry Anagnostaras-Adams, Ethiopian Minister for Mines, Natural Gas and Petroleum Samuel Urkato and ANS Mining director Ato Demissie Demisse



Urkato (centre) explains exactly what outcomes the Ethiopian Government wants from its mining industry

The Government is now fully on board and hopes the Tulu Kapi experience will set a high benchmark for the country's mining sector.

Tulu Kapi is expected to generate 1,000 jobs directly linked to the mine, while another 10,000 indirect employment opportunities could also be created by the mine.

Ethiopian Minister for Mines, Natural Gas and Petroleum HE Samuel Urkato said expectations were high for what the mining sector could deliver to the country.

"Previously, the Ethiopian Government

est export generator as a single enterprise, which shows you just how important one of these [mines] is and there are more in the pipeline. The second is regional development and employment; [employing] young people in the country side is also a big one."

Urkato said that Kefi had created a blueprint for mining investment in the country and looked forward to leveraging from other experienced companies to help develop Ethiopia's mining sector.

Newmont Mining Corp has staked ground in Ethiopia and is looking to increase its

holding, Urkato said, while he reported the week spent in Perth for Africa Down Under had also been productive for Ethiopia.

"This morning we met with another five companies, so there is much happening. We also want to invite those mining specialists in upstream/downstream [to Ethiopia]," Urkato said.

"We have been recently reforming the system and policy to make it very much competitive among African countries. We are in the learning phase to make it much more attractive for incoming investors. We want to make our mining [sector] easier compared to other countries in Africa."

A smooth transition from development to production at Tulu Kapi will no doubt do much to ease the minds of investors looking to the East African nation as a potential mining destination.

Kefi and its partners in Tulu Kapi Gold Mine Share Company Ltd (TKGM) applauded the Government's approach to unlocking its mining industry.

"This as a positive thing, not a negative thing, but Ethiopia to me is like my marriage; I've fallen in love but she drives me crazy," Anagnostaras-Adams said.

"It's got so much potential, the leadership of the Government is better than I have seen in any country. The drive, the commitment, the hard work, the level of thinking that goes into things is amazing. The system [can sometimes be] stretched too far and too wide and it struggles, so you have to push and push to get things happening and that is what we are doing."

— Mark Andrews