

KEFI started as a grass roots explorer funded by London's AIM market.

KEFI is now an explorer, developer and hands-on operator of mining joint ventures for influential and financially strong local partners in the Arabian-Nubian Shield.

KEFI is now at the most important inflection point since its IPO in 2006:

- KEFI in pole position in 2 host countries encouraging us and poised to fast-track mining
- Ethiopian JV awaits Govt clearance to start development of 140Kozpa gold mine
- Saudi JV has just started drilling a large VMS target

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## Overview

**Ethiopian JV Tulu Kapi Gold Mines (KEFI as operator, with partners being Gov't and syndicate of financial institutions) is ready to proceed. Gov't has asked us to briefly await finalisation of its internal administrative procedures. All stakeholders keen to keep to start-up schedule, so we expect Gov't go-ahead soon.**

**Saudi JV Gold & Minerals (40% KEFI & operator, 60% ARTAR) has started drilling VMS target. Exploration funding, depending on partners' funding preferences phase by phase.**

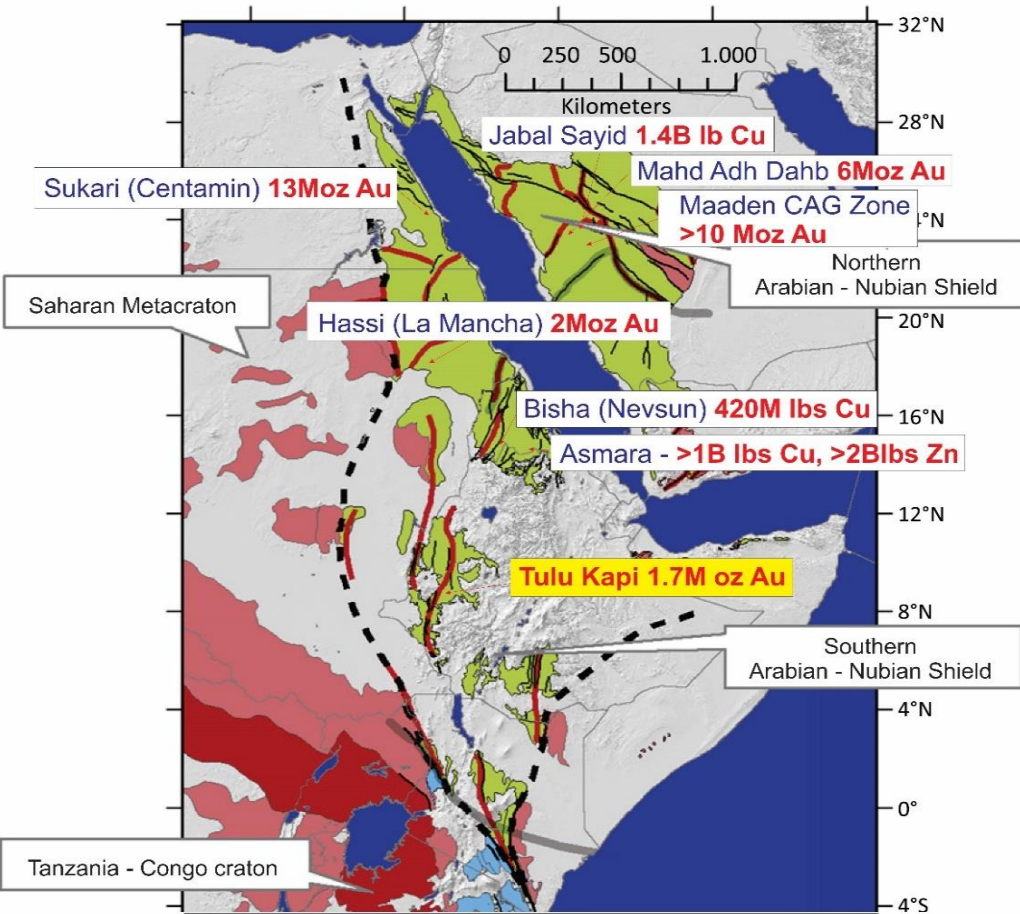
**Ethiopian Tulu Kapi Gold Mine about to start development.  
NPV of open pit is 6-12X KEFI Mkt Cap, at US\$1,300-1,500/oz.**

**The potential value of Hawiah is unknown at this early stage.  
We merely know it is big and that gold & copper are present.**

**Large project pipeline with keen and well-funded partners.**



## Why the Arabian-Nubian Shield?



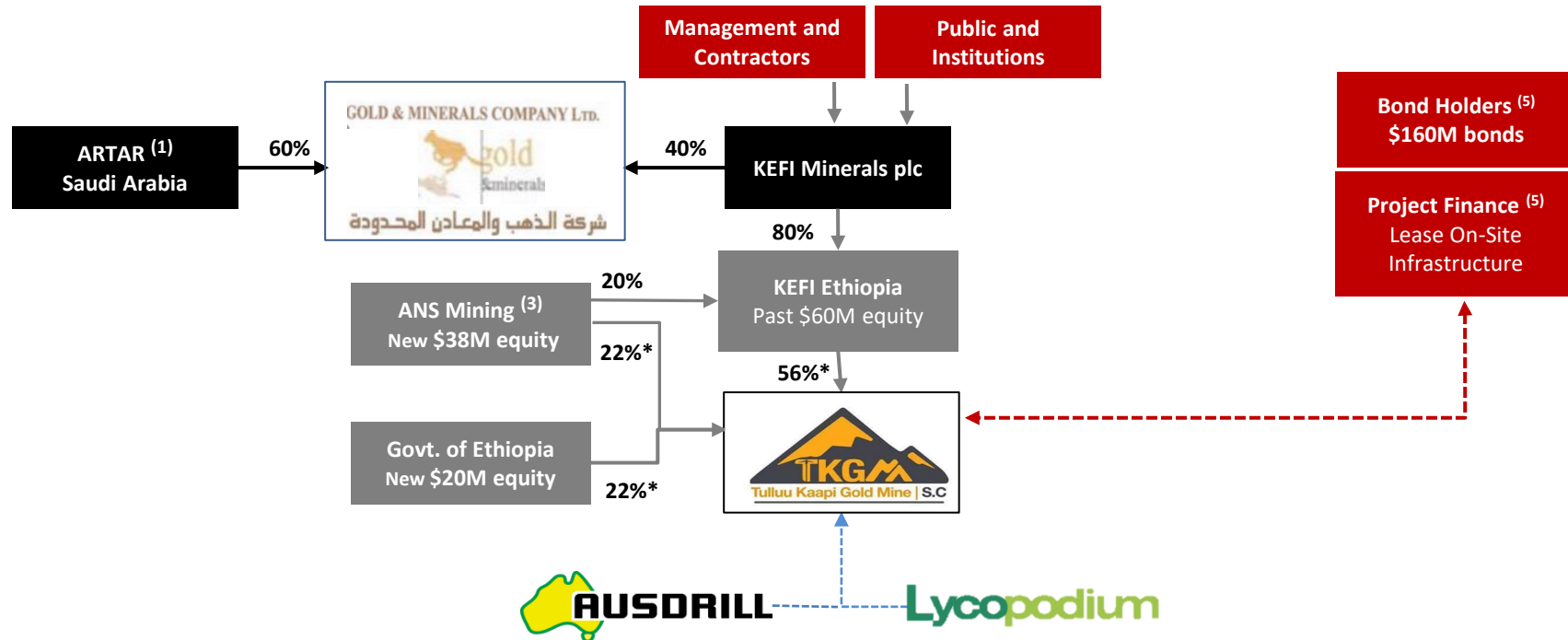
World-class discoveries have been made. The mining industry is entering at an increasing rate.

e.g. Barrick in Saudi Arabia, Newmont in Ethiopia

KEFI's commitment and the patience of KEFI's shareholders, should soon be rewarded with action by both Governments and by the expected value-creation ahead from KEFI's well-structured pole position in both countries.

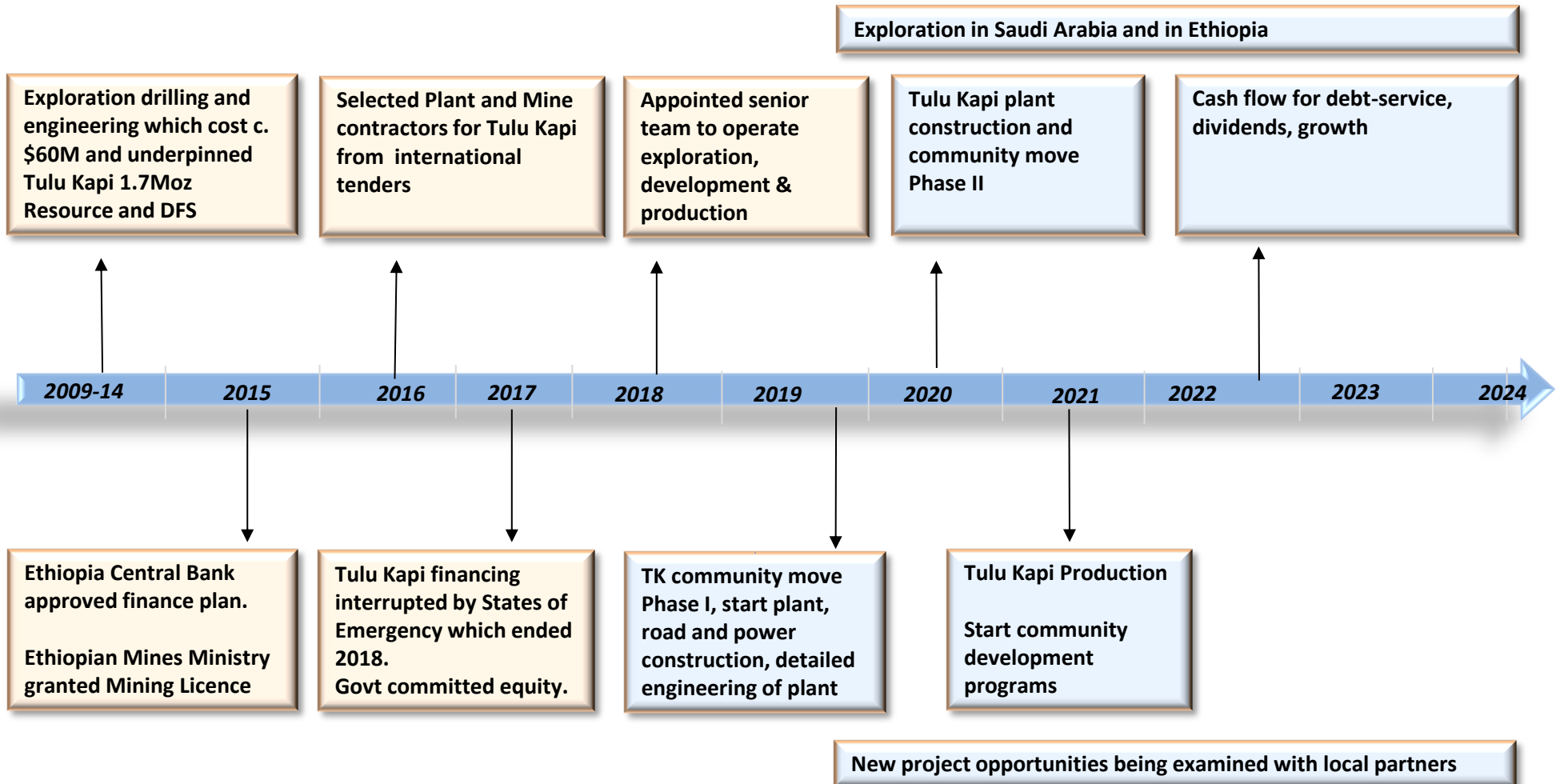
KEFI has established its ground position; has installed strong management and contractors; and has formed partnerships with strong and influential local partners.

## KEFI Financing Structure



- ARTAR is Saudi conglomerate of the Al Rashid family
- Gold & Minerals Saudi JV Co. has pegged a structural belt containing 24 VMS occurrences and has applied for a mining licence over its gold discovery
- ANS Mining is the Ethiopian mining investment vehicle for Ethiopian banks and insurance companies and shareholders thereof
- TKGM JV Co. Ethiopian JV Co. has been granted Mining Licence and all major permits for development and operation of Tulu Kapi Gold Mine
- Project finance via mandate granted for bond-based deal. Awaits trigger of compliance and implementation process for subscription c. 6 months into 24-month schedule such that the first 6 months is funded by project equity and the production ramp-up period is maximised as from month 24
- Selected contractors based on international tenders and +25 years track-record in Africa: Ausdrill/Perenti for mining and Lycopodium for process plant

## KEFI Overall Timetable



### Summary

- AIM IPO 2006. Focused on Arabian Nubian Shield from 2008. Ethiopia & Saudi.
- Market Cap US\$8M. NPV at US\$1,300-1500/oz is 6-12 times market cap.
- Ethiopia political changes caused delays for 3 years. Now overcome and our Tulu Kapi is the country's 1<sup>st</sup> development with Gov't investing \$20M.
- Saudi suspended all licencing for the same 3 years. Now restarted with our Hawiah being 1<sup>st</sup> grant of licence under the new regulatory arrangements.

#### Tulu Kapi Gold Mine

- Planned 45% beneficial interest in Tulu Kapi has NPV US\$53-95M at US\$1,300-1,500. This grows to US\$87-137M as at start of production in 2021.
- NPV @ 8% open pit 1.1M oz Reserve (JORC), cash flow after tax & debt service.
- NPV's ignores underground deposit and exploration assets.
- Resource 1.7Moz (20Mt@2.6g/t) & Reserve 1.1M oz (15Mt@2.1g/t).

#### Saudi Arabia VMS Copper and Gold

- Saudi VMS copper/gold drilling now started. Ethiopian gold development is imminent. Govt finishing internal administrative arrangements. Permits issued

### Summary <sup>(1)</sup>

AIM code	KEFI
Share price - 12 mth	0.6p (low)/4.70 (high)
Share price (28/10/2019)	0.7p
Share Turnover – 12 mth ave	6M shares per day
Shares in issue	846 million
Market cap	£6M (c. US\$8M)
Nomad	SP Angel

### Analyst Coverage

SP Angel

Edison Research

Brandon Hill Capital

1) Data correct as of 28 October 2019



## KEFI's Board of Directors



### **Harry Anagnostaras-Adams – Executive Chair – B. Comm, MBA, Fellow of Australian Institutes of Management & Company Directors**

Harry was founder or co-founder of Citicorp Capital Investors Australia, investment company Pilatus Capital, Australian Gold Council, EMED Mining, KEFI Minerals and Cyprus-based Semarang Enterprises. He has overseen a number of start-ups in those and their related organisations principally through the roles of Chairman, Deputy Chairman or Managing Director. He qualified as a Chartered Accountant early in his career while working with PricewaterhouseCoopers.



### **John Leach – Finance Director – BA Ec, MBA, CA (Aust & Canada)**

John has over 25 years' experience in senior executive positions in the mining industry internationally and is a former non-executive Chairman of Australian-listed Pancontinental Oil and Gas NL. He is a Member of the Institute of Chartered Accountants (Australia), a Member of the Canadian Institute of Chartered Accountants, and is a Fellow of the Australian Institute of Directors.



### **Mark Tyler – Non-Executive, Chair Audit and Finance Committee – Bsc (Eng) Mineral Processing, GDE (Mineral Economics)**

Mark has over 20 years of mining finance experience, having participated in mining equity investments at the IDC of South Africa and as the Co Head of Resources Finance and subsequently a resources investment banker in London for Nedbank, a South African bank. He is currently also a resources adviser to Exotix Capital, an emerging markets investment bank and the London representative for Auramet International, an international precious metals financier.



### **Norman Ling, Non-Executive, Chair Remuneration Committee – BA German and Economic History [Hons]**

Norman was a member of the British diplomatic service for more than 30 years, for the last ten with the rank of ambassador. He has served in a wide range of countries in the Middle East and Africa. His last post, before retirement, was as Ambassador to Ethiopia, Djibouti and the African Union. For the last two years he has been actively involved with development of the mining industry in Ethiopia.



### **Richard Robinson – Non-Executive – Master of Mineral Economics Queen's University (Can); B. Computer Science University of Natal (Sth Africa)**

Richard has over 40 years in the gold, platinum, base metal and coal industries, with over 20 years at Gold Fields of South Africa where he had responsibility for gold operations and exploration, base metals and coal operations, and all the group commercial activities. His experience also includes being Managing Director of Normandy LaSource, Non-Executive Chairman of the private Swiss multinational Metalor Technologies International and Non-Executive Director of Recylex.



## KEFI's Senior Management Executive Chairman and Finance Director Plus....

### David Munro - Operations

David began his career as a mining engineer in underground mining and progressed to manage all parts of the minerals value chain. He has been responsible for mining and smelting operations on five continents and every major commodity.

MD of Billiton BV. Under his leadership this business grew into one of the world's largest and lowest cost integrated producers of primary aluminium. After the merger of Billiton and BHP to form the world's largest mining company, he was appointed President of Strategy and Development.

As CEO of the then ailing RMC Group plc, once a constituent of the FTSE 100 Index, he overhauled the company's strategy and management. By 2005 the company's prospects had improved and it was sold.

He was also one of the original UK based directors of Kazakhmys plc, the first former Soviet mining company to list on the LSE main board in 2005. As Strategy Director he was instrumental in the establishment of their two major open pit copper projects in Kazakhstan, both of which are now in production.

### Eddy Solbrandt – People & Systems

Eddy began his career in the mining industry in 1986 and has since worked in open cut and underground metalliferous mines, as well as in coal, gold and mineral sands in Australia, New Zealand, USA, Canada, Mexico, UK, Ukraine, Russia, Kazakhstan, Indonesia, Thailand, South Africa, Mozambique and Namibia.

Eddy is founder of GPR Dehler, an international management consultancy which specialises in productivity improvement for mining companies worldwide, especially in the areas of human resources development and performance improvement.

He is adept at providing swift assessment, analysis and development of solutions and strategies for achieving strategic, operational and financial objectives integrating process, people and technology. He is a seasoned facilitator experienced in designing and conducting strategy workshops.

### Brian Hosking – Planning & Exploration

Brian began his career as a geologist and technical planning in a variety of mining operations.

In 1990 he set up his own human resource consulting firm, then led its growth and integration into Transearch, a large global search firm. In 1999 he was elected to serve on the Transearch Board as Executive Director and COO.

In 2003 Brian set up Meyer Hosking and focused on the mining sector developing this niche in London providing strategic services including remuneration advice, management assessment and executive search to a wide range of clients.

Brian has established a strong international reputation as a consultant with an in depth knowledge of the industry. In this capacity he is regularly retained as a strategic advisor to executive management teams and boards in mining industry.

### Norman Green – Development

Norman is a graduate mechanical and professional engineer with the key experience of having managed large mining and refining construction projects from concept to completion with more than 30 years experience in this field. Major projects Hillside Aluminium smelter, the Skorpion Zinc project and the Husab Uranium mine are included in his handiwork, as well as a number of pure deep level underground mines.

He founded and built Green Team International (GTI) into a successful project engineering firm providing or supporting construction implementation and other engineering support to mainly African mines. Projects studied or handled by GTI as the Project Implementation Team or "Owner's Team" included major gold, uranium, copper, nickel, iron ore and platinum projects in Namibia, South Africa, DRC, Peru and Madagascar.

Norman now conducts projects of special interest with his long-standing associates

Managing Director – Ethiopia: Wayne Nicoletto, experienced GM for development and production.  
Exploration Adviser – Jeff Rayner, experienced discoverer and founding MD of KEFI

View a video summarising KEFI's projects in Ethiopia [here](#)





BBC: “The reforms he has introduced were unthinkable not so long ago. The (previous) government seemed impervious to criticism from human rights groups that the state stifled free expression, side lined and imprisoned opposition leaders and cracked down on protests. But all that has changed”

BBC: “The pace of change in Ethiopia has been so fast since Dr Abiy Ahmed became Prime Minister it is almost like observing a different country”

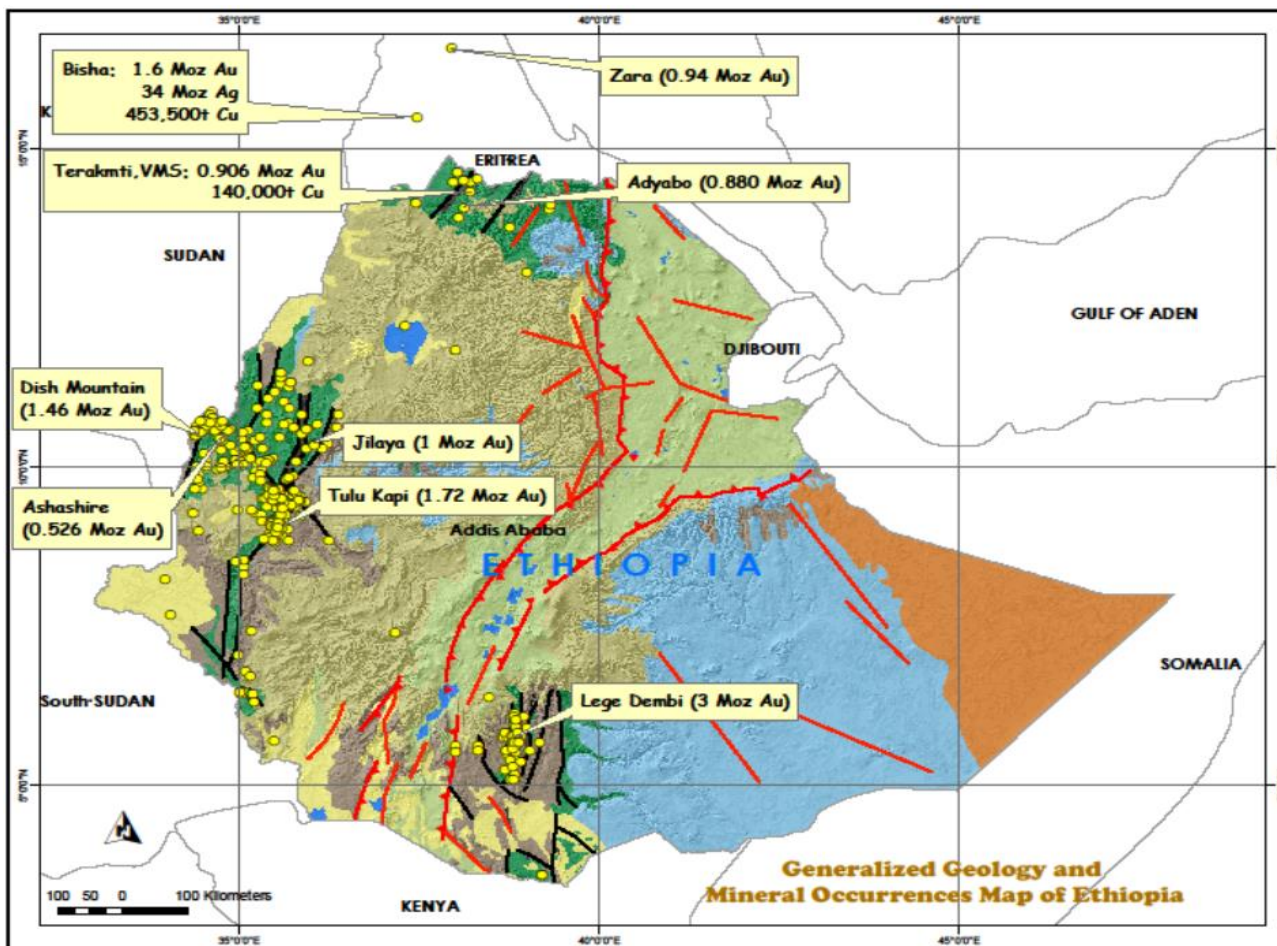
Ethiopia is Africa’s highest growth country and has been in world’s top 10 for nearly 20 years running

Trade imbalance makes export generation a high priority and Tulu Kapi will be the country’s largest single generator of hard currency exports





## Why Western Ethiopia?



**TKGM in largest gold district, gold mining dates back for millennia**

**Next to Sudan, where gold exports have grown from <10tpa to >100tpa in 10 years, from artisanal**

**Positive Government with recent installation of administrative and security systems at KEFI's request, in preparation for development**

## Why Tulu Kapi Project?



**Ethiopia's only 'ready to start' industrial-scale mining project.**

**Established social licence with longstanding exploration camp staffed by local personnel.**

**No environmental or social legacy issues, e.g. no artisanal mining.**

**Mining Licence granted including development, operations, social & enviro.**

**Excellent infrastructure e.g. bitumen road and power grid 12km & 47km from site.**

**Ample water from annual rainfall and bores.**

## Tulu Kapi Mineral Resources and Ore Reserves



Resource Category	Area	Tonnes (millions)	Gold (g/t)	Contained Gold (million ounces)
Indicated	Above 1,400m RL	17.7	2.49	1.42
Inferred		1.3	2.05	0.08
Sub-Total		19.0	2.46	1.50
Indicated	Below 1,400m RL	1.1	5.63	0.20
Inferred		0.1	6.25	0.02
Sub-Total		1.2	5.69	0.22
Indicated	Overall	18.8	2.67	1.62
Inferred		1.4	2.40	0.10
Total		20.2	2.65	1.72

Reserve Category	Cut-off (g/t gold)	Tonnes (millions)	Gold (g/t)	Contained Gold (million ounces)
Probable - High grade	0.90	12.0	2.52	0.98
Probable - Low grade	0.50 - 0.90	3.3	0.73	0.08
Total		15.4	2.12	1.05

Note: Resources and Reserves estimated in accordance with JORC Code (2012).

The Tulu Kapi Mineral Resources total 20.2 million tonnes at 2.65g/t gold, containing 1.72 million ounces. c. 94% of the Mineral Resources are in the Indicated category.

Resources were estimated using cut-off grades of 0.45g/t gold above 1,400m RL and 2.50g/t gold below 1,400m RL.

Mineral Resources are inclusive of Ore Reserves.

The Mineral Resources were split above and below the 1,400m RL to reasonably reflect the portions of the resource that may be mined via open pit and underground mining methods, respectively.

The Tulu Kapi Ore Reserves were based on the Resource above 1,400m RL and total 15.4 million tonnes at 2.12g/t gold, containing 1.05 million ounces.

# Tulu Kapi Project Funding Structure



Sources of Funds	US\$ millions	ETB millions
<b>TKGM Equity as from Jan 2019</b> excluding pre-2019 KME equity investment \$60M and also excluding \$50M mining fleet which gets repaid from operating costs as contractor delivers tonnes)		
- Government	20	586
- ANS Mining (Ethiopian financial institutions), some of which is drawn Q4-2019 to cover 1 <sup>st</sup> 6 months of development works. The balance drawn with debt funding to cover last 18 months of development	38	1,113
- KEFI, which solely funded TKGM up to Q4-2019. (funded by cash, facilities and refunds on closing)	10	293
<b>Sub-Total</b>	<b>68</b>	<b>1,992</b>
<b>Working Capital Facility (secured against stockpiles as a revolving credit line)</b>	<b>14</b>	<b>416</b>
<b>Infrastructure Finance (via mandated Bond-financed Infrastructure Leasing)</b>	<b>160</b>	<b>4,688</b>
<b>Aggregate Sources</b>	<b>242</b>	<b>7,096</b>

Applications of Funds	US\$ millions	ETB millions
<b>On-site Infrastructure</b>	<b>106</b>	<b>3,115</b>
<b>Mining</b>	<b>29</b>	<b>838</b>
<b>Off-site Infrastructure</b>	<b>20</b>	<b>586</b>
<b>Owner's Costs (community, working capital, management, spares, contingency reserves)</b>	<b>55</b>	<b>1,597</b>
<b>Interest during grace and other finance effects</b>	<b>33</b>	<b>961</b>
<b>Aggregate Funding Requirements</b>	<b>242</b>	<b>7,096</b>





Security



**micon** | mineral  
INTERNATIONAL LIMITED | industry  
consultants

Due Diligence



Financial  
Model

Lycopodium

Environmental  
& Social

SNOWDEN

Definitive  
Feasibility Study

JORC Resource  
& Reserve

MICON has signed off the full Risk Report and also the Due Diligence Report for the infrastructure financiers.

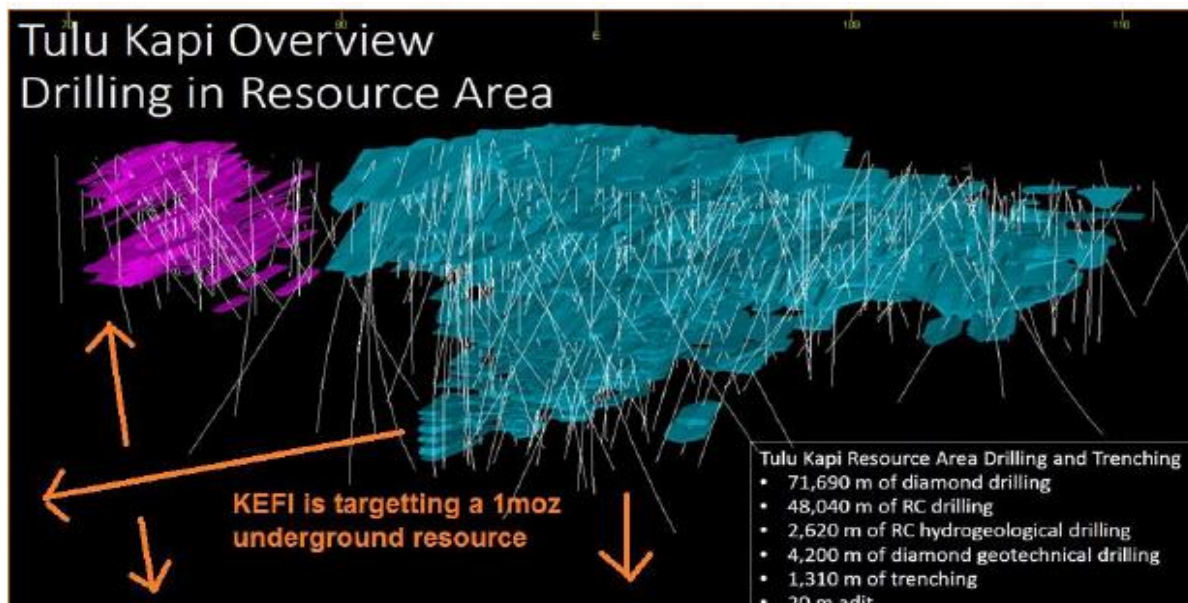
Independent Assessment Reports on Security and Readiness of Community and Government have been completed, as required for start-up trigger.





Gold mineralisation may extend both beneath the current drilling, and 600m to 800m further to the north – potential for 1 Moz below current open pit.

- Base Case Internal PEA on the August 2014 resource of 1.45Mt at 6.3g/t (333koz contained gold) extends beyond current open pit both laterally and horizontally
- Applied mining dilution of 15% at 0.75g/t gold and 10% ore losses
- Converted (76% conversion rate) to a mineable resource of 1.3Mt at 5.2g/t, (217koz gold)



View looking East

### EXISTING UNDERGROUND RESOURCE

Ore mined	320,000 tpa at 5.2g/t
Life of Mine	4 years
Gold production	47,600 oz p.a.
CapEx	\$36.5M (initial)
Operating costs	\$85/t
All-in Cost (including capex)	\$765/oz
Cash flow A/Tax at \$1,300/oz	\$19M p.a.
After-Tax NPV (8%) at \$1,300/oz*	\$33M

## Saudi Arabian Projects

**View** a video summarising KEFI's projects in Saudi Arabia [here](#)



## Why Saudi Arabia Now?

### **Reuters Feb 2019: Saudi Arabia to spend \$3.8 billion to enhance mineral exploration**

Saudi Arabia will invest around \$3.8 billion to enhance access to geoscience data and reduce regulatory red tape as it looks to boost mineral exploration, senior government officials said. New Mining Regulations: draft published for reviews. Proclamation expected H1-2020.

**Financial Times 31 August 2019:** Saudi Arabia will establish a standalone ministry of industry and mineral resources, separating it from the energy ministry as one of a number of government changes announced by King Salman in royal decrees published on Friday.

**Minehutte Oct 2019: Saudi Arabia's Mining Code** reflects a genuine attempt to open the country up to foreign investment in the mineral sector; the legislation is short, simple and somewhat sweet for the Middle East.

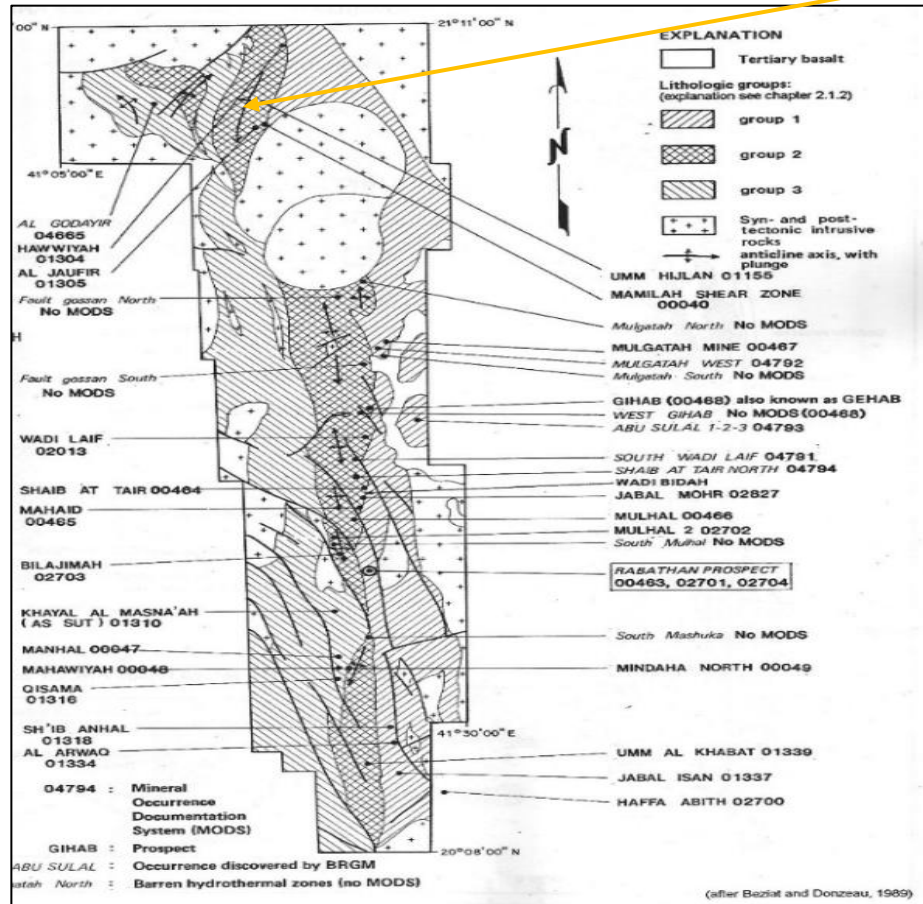
ARTAR and KEFI's Gold & Minerals JV is one of very few active explorers and has developed a huge database over 10 years, which can be applied upon the opening of licencing opportunities.



## Why Wadi Bida VMS Belt Current Focus?

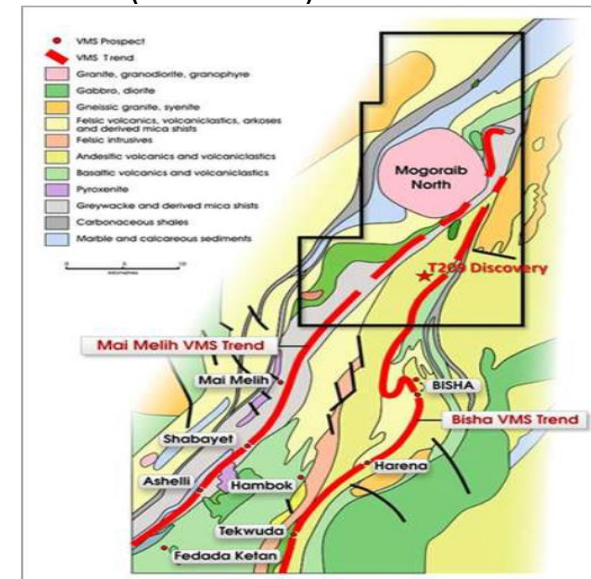
G&M JV (via ARTAR) has registered applications for most of Wadi Bidah VMS Belt

### 120km long Wadi Bidah VMS Belt in Saudi



Drilling has started at Hawiah:  
Assays pending.

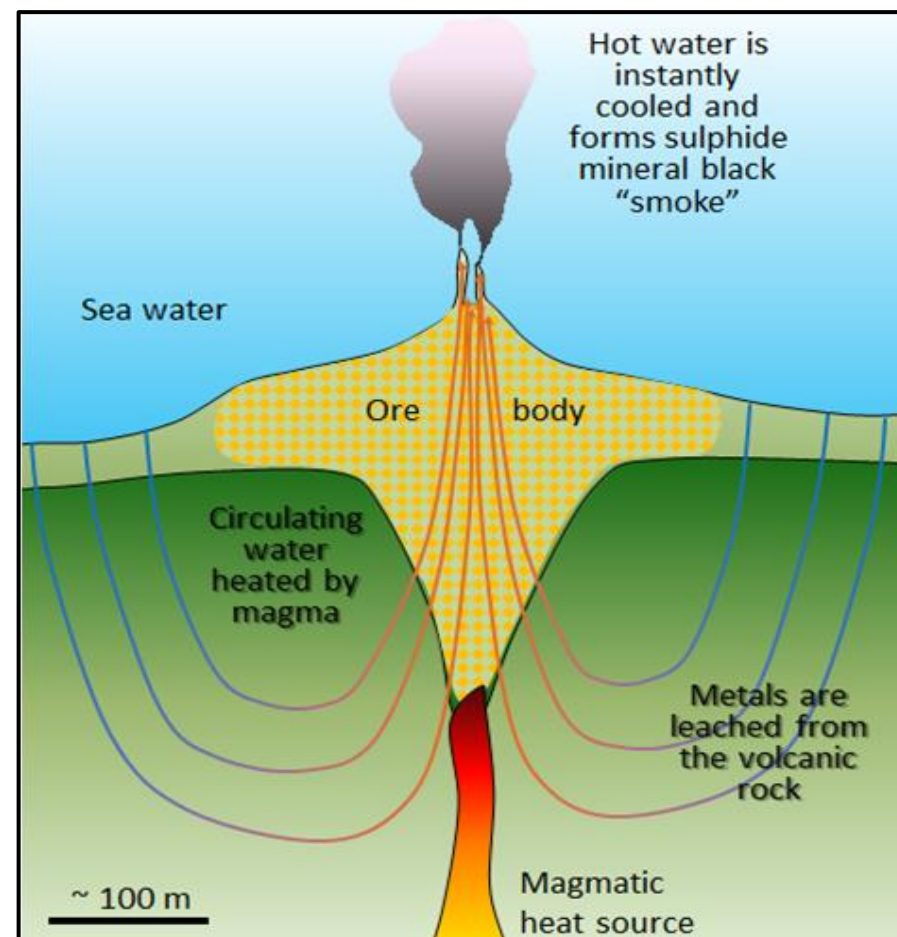
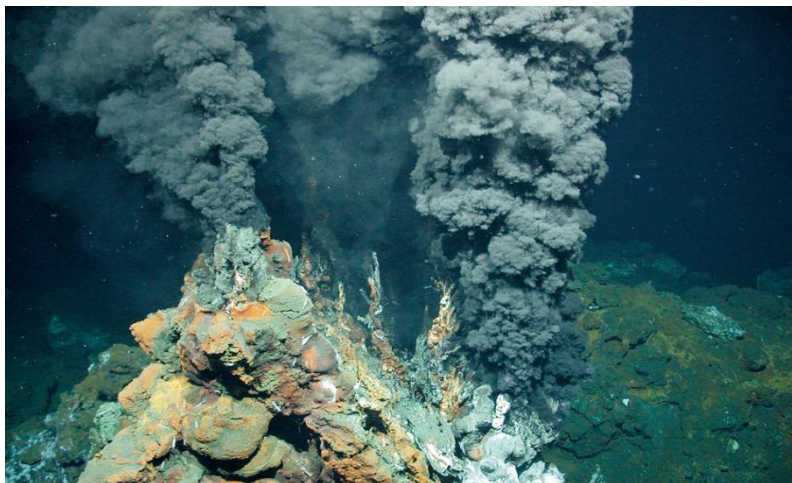
### Bisha VMS Belt in Eritrea (same scale)



## VMS Deposits - introductory background



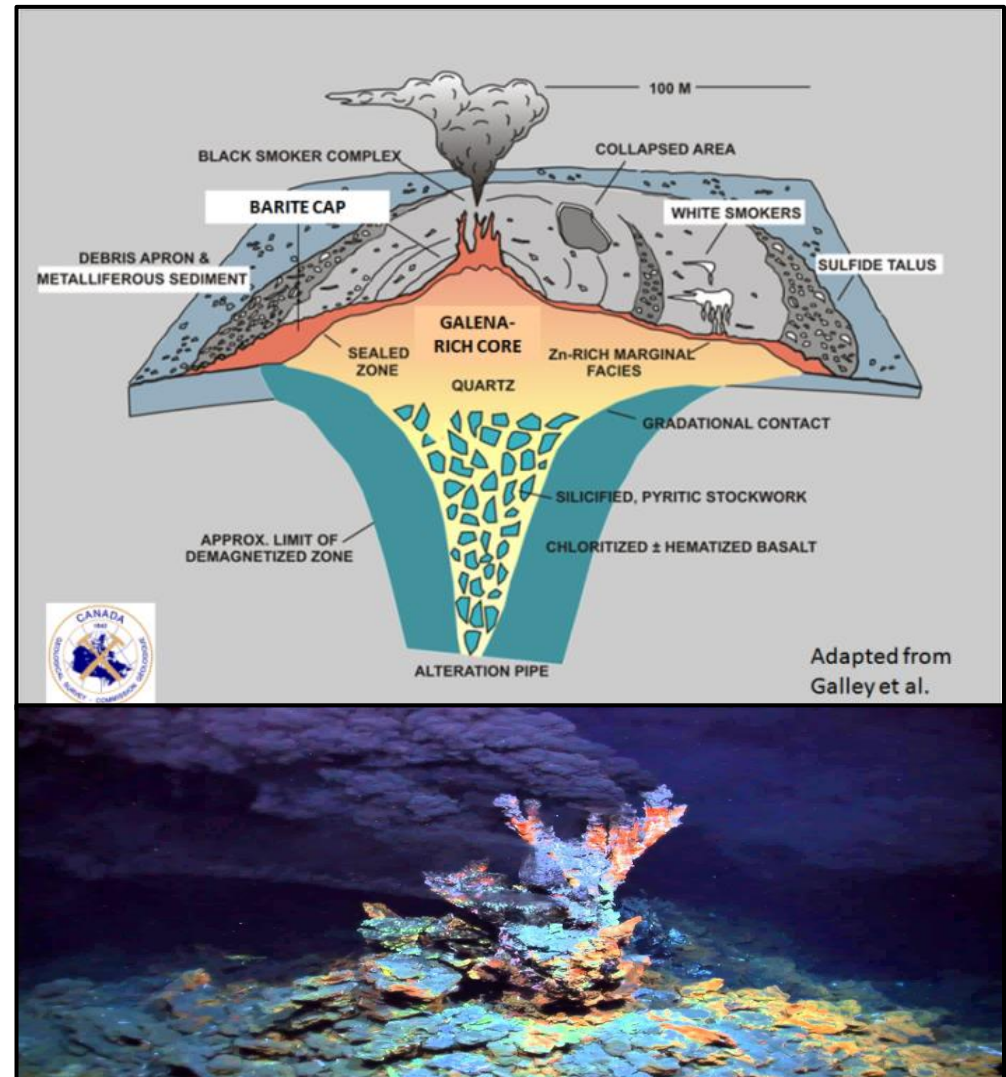
- Form in 'clusters' on the seafloor
- Forming today as black smokers
- Capable of being 'Giants' e.g. Rio Tinto 1,535mt ore
- Metals include copper, zinc, gold and silver
- Can deliver high grades for better profitability





## VMS Exploration Criteria - introductory background

- Ancient seafloor setting
- Proximity to growth faults
- Presence of umbers and gossans
- Slag indicates ancient mining
- Widespread chlorite alteration
- Low magnetic signature
- Hydrothermal carbonate
- Resistivity of stockwork
- Chargeability of massive sulphides



## Drilling has Started at Hawiah 2,500m scout program targeting near-surface gold plus copper-gold in the massive sulphide

G&M has Hawiah and other ELAs in the Wadi Bidah Belt which cover cumulative +12km of gold gossans on VMS.  
BRGM drilling in 1980s on these gossans total 1.2Mt at 6.4g/t Au for 254koz contained gold



- ❖ Gossan km's long, 5-40m wide
- ❖ 51 Trenches, samples avg 2-3ppm gold
- ❖ Geophysical targets at depth
- ❖ First drilling has just commenced.
- ❖ Potential for VMS copper-gold deposit

# Thank You

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