

## **FUNDING ACQUISITION, EXPLORATION AND DEVELOPMENT IN A NEW MINING JURISDICTION DURING A CYCLICAL LOW**

**ETHIOPIA INTERNATIONAL MINING CONFERENCE  
ADDIS ABABA                      25 SEPTEMBER 2015**

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**WE ARE COMMITTED TO DEVELOPMENT  
THAT PROVIDES ENORMOUS BENEFIT TO  
THE COMMUNITIES WHERE OUR PROJECTS ARE LOCATED  
AND TO KEFI'S SHAREHOLDERS, WITHOUT  
COMPROMISING THE ABILITY OF FUTURE GENERATIONS  
TO MEET THEIR OWN NEEDS  
SOCIALY, ECONOMICALLY AND ENVIRONMENTALLY**



## FOCUS ON STABLE JURISDICTIONS IN A PROSPECTIVE REGION – ARABIAN NUBIAN SHIELD

**Ethiopia:** 100% of KEFI Minerals Ethiopia with Gov't right to 5% free carry

- Acquired Tulu Kapi Gold Project Dec 2013 for \$5/oz resource
- Overhauled the plan to achieve AISC of \$760/oz , best quartile globally
- Minimise debt via use of gold streaming and project-level equity
- Plan base production of 100,000 oz pa over 10 years from 2017
- Target to add production from underground deposit and from nearby deposits
- KEFI's large exploration team will increase upside leverage in Ethiopia

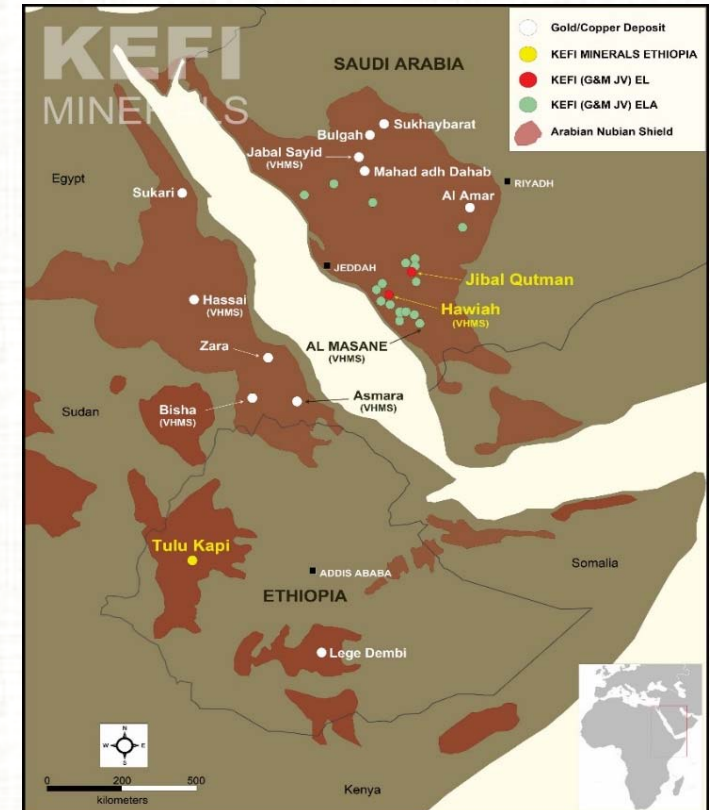


**Saudi Arabia:** operator of 40%-owned Gold & Minerals LLC

- Gold discovery Jibal Qutman, within 12 months of licence grant
- Now testing 6km-long gossan for gold VHMS system at Hawiah
- Large exploration portfolio with outcropping gold or copper

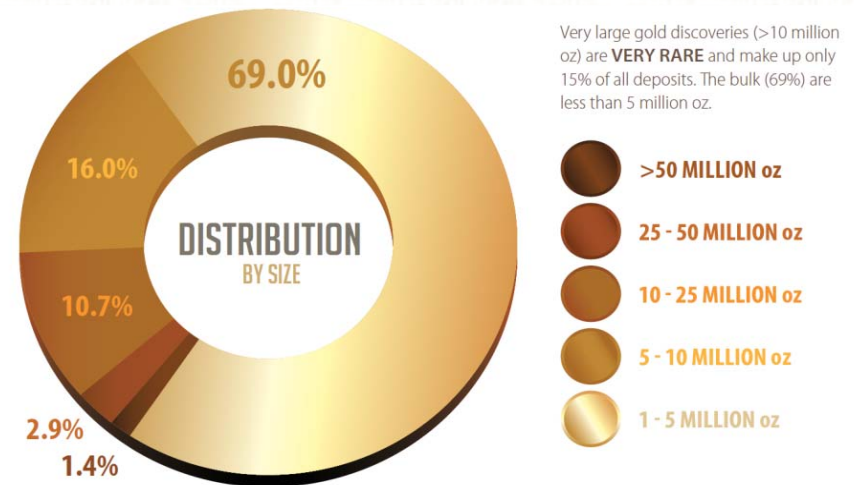
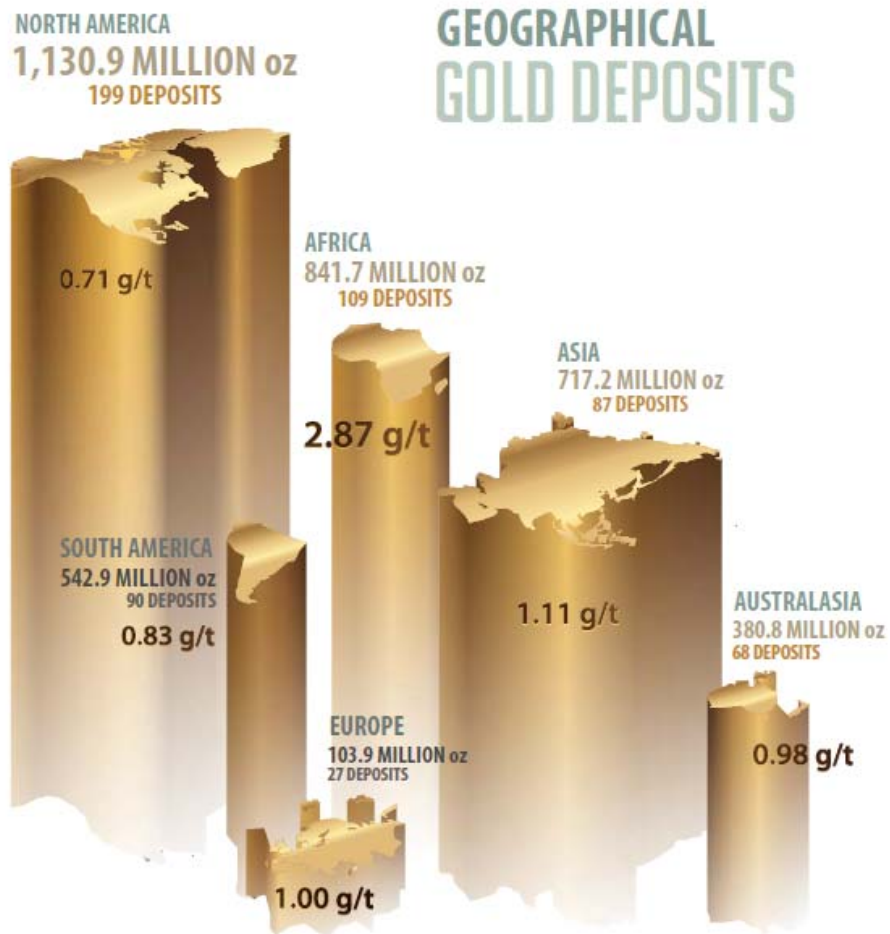


- Most explorers fail: KEFI is a proven discoverer and big successes that will pay for the small failures
- ***KEFI focuses on discovery and not exploration, within targeted areas of the highly-prospective Arabian Nubian Shield***
- Invest capital in stages, demanding results against clearly enunciated objectives; and drop non-performing targets
- ***KEFI has examined hundreds of targets and spent 90% of its investment on less than five targets***
- Build long-term operations to underpin a sustainable business plus a pipeline of targets for growth
- ***KEFI plans to build Tulu Kapi in Ethiopia and Jibal Qutman in Saudi Arabia to underpin returns to shareholders and growth***



Location of KEFI's c.1,500 km<sup>2</sup> exploration portfolio in the ANS

## + 1 Million ounce gold deposits Africa dominates those with high grade



### MINES: PRODUCING VS UNDEVELOPED



**Tulu Kapi; 20.2Mt at 2.65g/t Au, 1.72Moz Resources**



The first Ethiopian mine  
to be financed by  
international capital

Weak capital markets  
weak for mining  
projects, especially for  
juniors

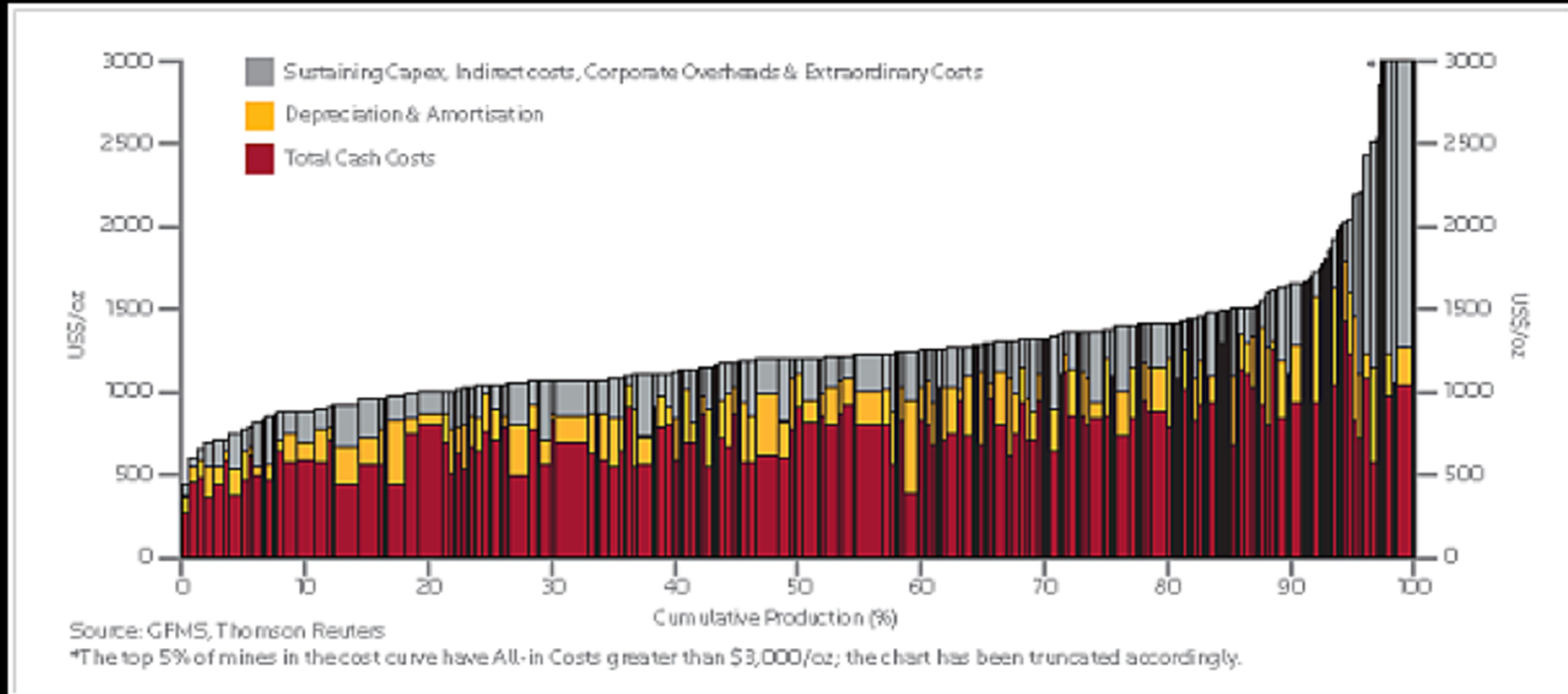
Infrastructure is needed  
for community and for  
the project

KEFI assembling a  
syndicate of proven  
international specialists  
(builders, operators,  
streaming, banking)

KEFI reducing capex  
from \$289M to \$120M  
and minimising debt via  
gold streaming and  
project equity

KEFI shares the burden  
through its partnership  
with the Government

## Rising cost of gold production



**GFMS's 2014 All-In-Costs curve for existing gold mining operations:**  
**50% of gold mining sector is loss making due to All-in costs at \$1,200 gold price of existing mines.**

***KEFI is exploring and developing mines in low cost jurisdictions:***

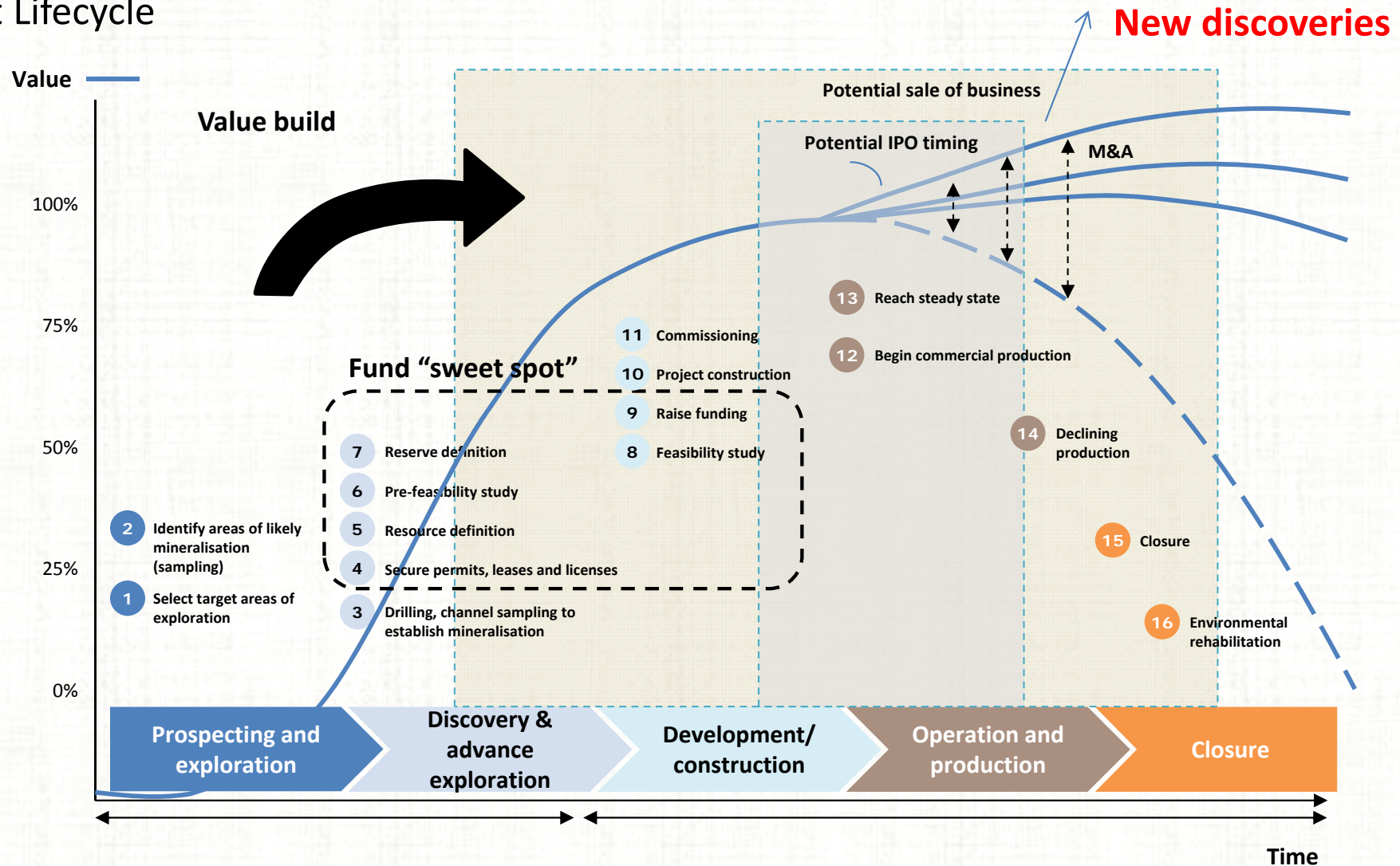
***Estimated AISC at Tulu Kapi c. \$760 p oz.***



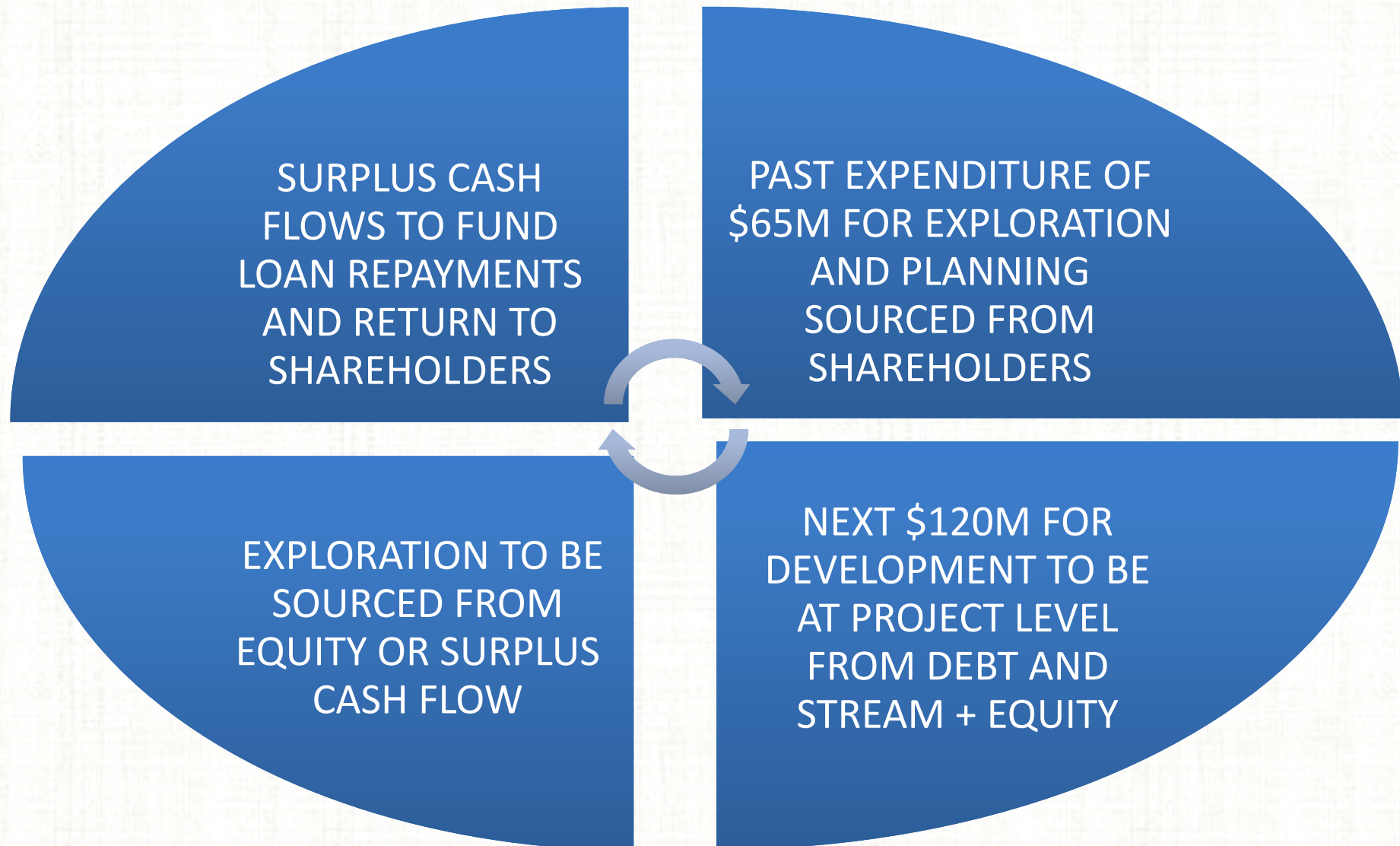
## GREATEST VALUE GROWTH IS FROM DISCOVERY AND STARTING UP PRODUCTION

### Mine Development Lifecycle

Entry point on the “value curve” of the mine development life-cycle will be dependent on risk appetite



## MATCH CAPITAL SOURCES WITH THE APPLICATIONS: Tulu Kapi





### GROWTH

- GDP and Exports
- Foreign Direct Investment
- Foreign Exchange Reserves

### EMPLOYMENT & TRAINING

- 60% local, 30% other Ethiopian employees
- Apprenticeship & scholarship programs

### COMMUNITY DEVELOPMENT PROGRAM

- Health: health & hygiene facility upgrades, water infrastructure
- Education: local school support, scholarship program
- Business: cash crop improvements, animal husbandry, microfinance

## MACRO BENEFITS

## DIRECT BENEFITS

### GOVERNMENT

- Company Tax
- Tenement Rental
- Royalties
- PAYE Taxes
- VAT

## INDIRECT BENEFITS

## FLAGSHIP BENEFITS

### DEMONSTRATION BENEFITS

- Increased mining and exploration
- Increased foreign investment
- Setting safety standards and procedures
- Setting environmental and social standards



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**Jeff Rayner, Exploration Director**

**Wayne Nicoletto, Head of Operations**

**England** - Registered office

**Cyprus** - Group corporate team

**Ethiopia** - Development and exploration teams

**Saudi Arabia** - Exploration team

**Turkey** - Support

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