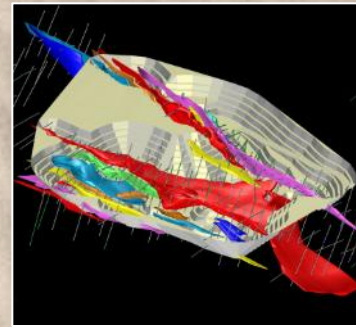


## EMERGING GOLD PRODUCER IN THE ARABIAN-NUBIAN SHIELD



KEFI MINERALS

NOVEMBER 2014

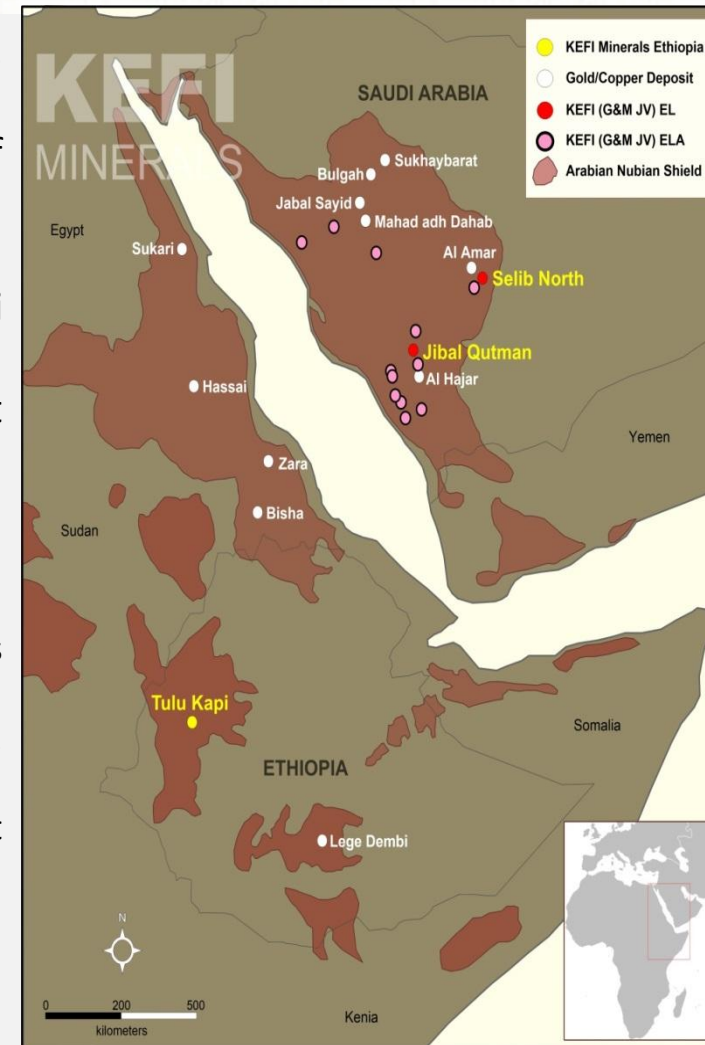
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- Focused on deposits in the highly prospective Arabian-Nubian Shield. Projects in Ethiopia and Saudi Arabia with potential to sustain gold production of 80-90Kozpa along with the exploration of a large pipeline of already applied for exploration licences.
- **In Ethiopia:** 95% of KEFI Minerals Ethiopia (KME) with Govt 5%. **In Saudi Arabia:** 40% of Gold & Minerals (G&M) JV with Saudi partner ARTAR.
- In Saudi, G&M is one of few groups granted exploration licences in recent years and has assembled a portfolio of targets.
- In Ethiopia, Tulu Kapi (TK), on track for KEFI to be **gold producer by 2017:**
  - KEFI bought TK in Dec 13: 2Moz Resource , including 1M oz Reserve for \$10/oz
  - Ethiopian government keen to permit and expedite
  - Mining Licence Application submitted 6 Oct 14. Project finance indicative terms sheets received for senior project debt \$100M
  - TK initial plan EBITDA ave. of \$42-45M pa for 11 years from 2017, at \$1250/oz. IRR 20%-36% A/T, depending on debt-gearing
  - Investment c.\$127M in mid-2015 if all-new plant and contract-mining. Target \$100M senior debt plus c. \$27M equity/sub debt
- Experienced management team







**Harry Anagnostaras-Adams**  
***Executive Chairman***

Founder or co-founder Citicorp Capital Investors Australia, Pilatus Capital, Australian Gold Council, EMED Mining and KEFI Minerals. Chairman Semarang Enterprises. Has overseen a number of mining start-ups.



**Ian Plimer**  
***Deputy Chairman***

Geology Professor in Newcastle, Melbourne, Munich and Adelaide Universities. Past and present Directorships include Ivanhoe Australia, Lakes Oil, Sun Resources, CBH Resources, Silver City Minerals, Niuminco and various Hancock Prospecting Pty Ltd entities. Much of career in industry.



**John Leach**  
***Finance Director***

BA(Econ), MBA, MICA (Aust & Canada). Over 25 years' in senior positions within the mining industry. Exec. CFO EMED Mining, Former Directorships with Resource Mining Corporation Limited and Gympie Gold Limited.



**Jeff Rayner**  
***Exploration Director***

BSc (Hons) Geology. Over 27 years' experience; BHP Gold, Newcrest Mining in Australia and Indonesia; Chief Geologist Gold Mines Sardinia, VPE Medoro Resources and EM Central Europe EMED Mining.



**Norman Ling**  
***Director***

Member of British diplomatic service for more than 30 years, for the last ten with the rank of ambassador. 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.

## PEER COMPARISONS FOR LISTED DEVELOPERS

	Project	Country	Status	Mine Life @ Kozpa	IRR	C1 Costs (US\$/oz)	Capex (US\$M)	Market Cap*
<b>Amara Mining</b>	Yaoure	Cote d'Ivoire	PEA	12 yrs @325	32%	598	408	£60M
<b>Belo Sun Mining</b>	Volta Grande	Brazil	PEA	21 yrs @167	16%	715	329	C\$46M
<b>Premier Gold Mines</b>	Brookbank	Canada	PEA	7 yrs @49	31%	620	C\$107	C\$429M
<b>Premier Gold Mines</b>	Hardrock	Canada	PEA	15 yrs @232	23%	698	C\$411	C\$429M
<b>Orezone Gold Corporation</b>	Bomboré	Burkina Faso	PEA	8.1 yrs @123	24%	627	180	C\$67M
<b>Papillon Resources</b>	Fekola	Mali	PFS	9 yrs @306	36%	580	292	A\$524**
<b>Endeavour Mining</b>	Houndé	Burkina Faso	Feasibility	8.1 yrs @178	26%	636	315	US\$260M
<b>True Gold Mining</b>	Karma	Burkina Faso	Feasibility	8.5 yrs @97	48%	591	131	US\$107M
<b>KEFI Minerals</b>	<b>Tulu Kapi</b>	<b>Ethiopia</b>	<b>Feasibility</b>	<b>11 yrs @86</b>	<b>36%</b>	<b>626</b>	<b>130</b>	<b>£12M</b>

Source: Various company announcements

\*Mkt Cap data as at 20 Oct 2014 \*\*Mkt Cap data as at 23 Sep 2014

- IPO on AIM in Dec 06. Equity financings of c. \$25M to test opportunities in Africa and Middle East
- Nearly 2,000Km<sup>2</sup> exploration licences granted or under application in the Arabian-Nubian Shield as from 2008
- First production to be in Ethiopia, Tulu Kapi, target to ramp up production in 2017 for 80-90Koz Au pa

### **Tulu Kapi and exploration targets in Ethiopia**

- One of Africa's largest 100 gold deposits.
- When Tulu Kapi operating it would rank as one of the top 200 largest producers , per Global In Situ Resource.
- \$40M historic expenditure to complete full DFS on 2Moz Resource and 1Moz Reserve
- Acquired Tulu Kapi for £6M (£4.5M for 75% Dec 13 + £1.5M for 25% Sep 14). \$10 per Reserve oz
- 95% ownership provides KEFI with full control of project development and funding flexibility
- Grade is 2.4 G/T and est All-in-Costs \$844/oz vs est global average for producing mine of 1.2g/t and \$928/oz
- Resources (2Moz) and Reserves (1Moz) upgraded and signed-off by KEFI and Snowden in Oct 2014 (JORC 2012)

### **Jibal Qutman plus exploration targets in Saudi Arabia**

- 2012 gold discovery at Jibal Qutman within 12 months of EL grant, with initial Resource 0.5Moz Au (JORC)
- 25 ELs are under application covering ≈1,400km<sup>2</sup> for a major regional exploration program, targeting to maximise self-funding by G&M from Jibal Qutman gold discovery



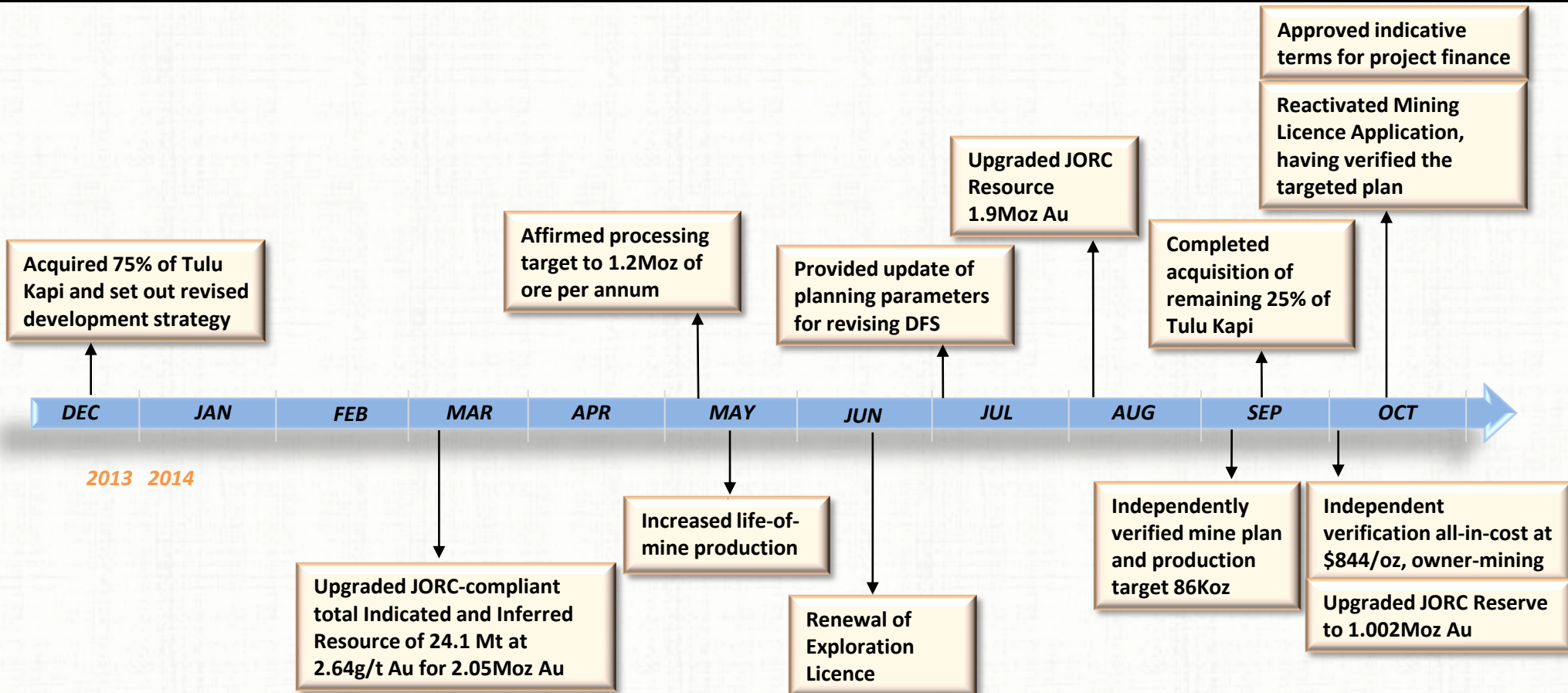
## ETHIOPIA



- **Fastest** growing non-hydrocarbon economy in Africa, 2<sup>nd</sup> largest population in Africa (+80m)
- **Dynamic economy:** GDP grew by 8.5% over the past 5 years, and over 7.1% in 2013. Main economic partners: China, Germany, Saudi Arabia, USA, Belgium. Ethiopia's land footprint is greater than Spain and France combined, about 50% of Western Australia
- **Diverse mineral resource endowment:** Currently 136 companies working on 246 licences. Newmont and Gold Fields recently commenced Au exploration in Ethiopia
- **Government actively boosting mining sector:** Income tax reduced; royalty on Au reduced; legislative incentives including security of tenure, exemption from customs duty and taxes on mining equipment, accelerated depreciation on pre-production cost and capex
- **Gold is main mineral export:** Gold exports increased to \$602M in 2013 from \$5M in 2001
- **Lege Dembi - the largest Au mine in Ethiopia:** 135,000oz pa production, Reserve 1.98Moz Au



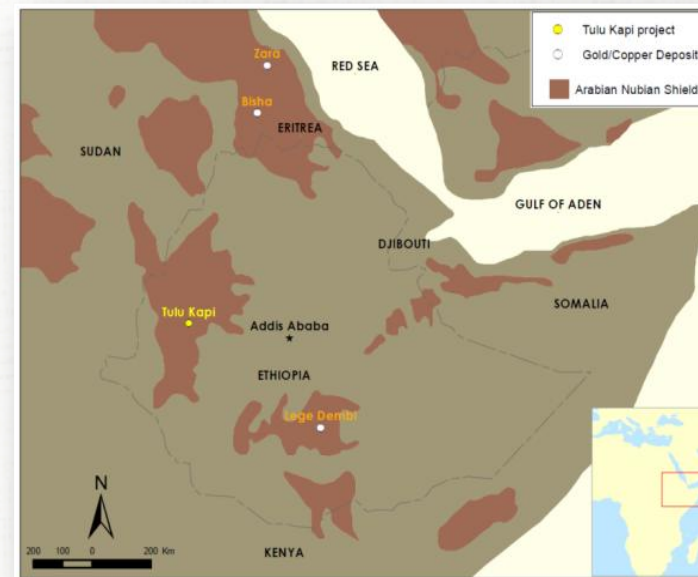
## TULU KAPI'S RAPID OVERHAUL SINCE ACQUISITION



## TULU KAPI: DEVELOPMENT STRATEGY NOW OVERHAULED

### KEFI's revised development strategy

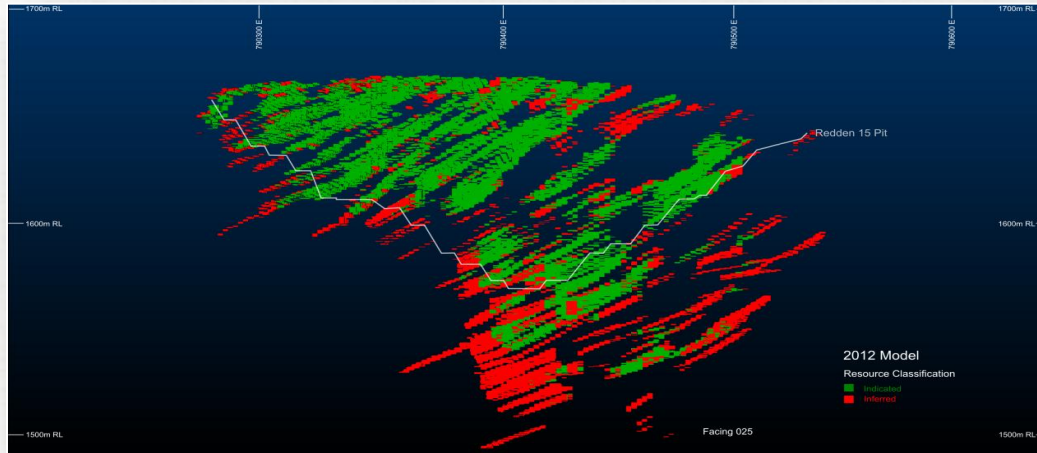
- Selective mining of the orebody to:
  - Reduce pit size and associated waste mining
  - **Increase Head Grade from 1.8g/t to c. 2.4 g/t Au**
- Reduce original 2Mtpa plant to  $\approx 1.2$ Mtpa, **almost halved capex from  $\approx \$235$ M to  $\approx \$130$ M (based on all-new equipment and owner-mining)**
- Reduce All-in-Costs by mining fewer tonnes at a higher grade and reducing waste, capex and closure costs
- Outline updated DFS tabled for bank review. Details being upgraded into full DFS update.



Life-of-Mine Opex Metrics for Tulu Kapi	Previous Owner Dec 2012 DFS Estimate	KEFI Sep 14 Verified Estimates
Mining cost - \$/tonne of material	2.5	2.75
Processing cost - \$/tonne of ore processed	8.5	8.31
G&A - \$/t (Life-of-Mine \$M)	5.66 (\$96M)	6.14 (\$79M)
All-in-Costs - \$/oz, including royalty	999	844

## TULU KAPI: UPGRADED RESOURCES GIVE HIGHER CONFIDENCE

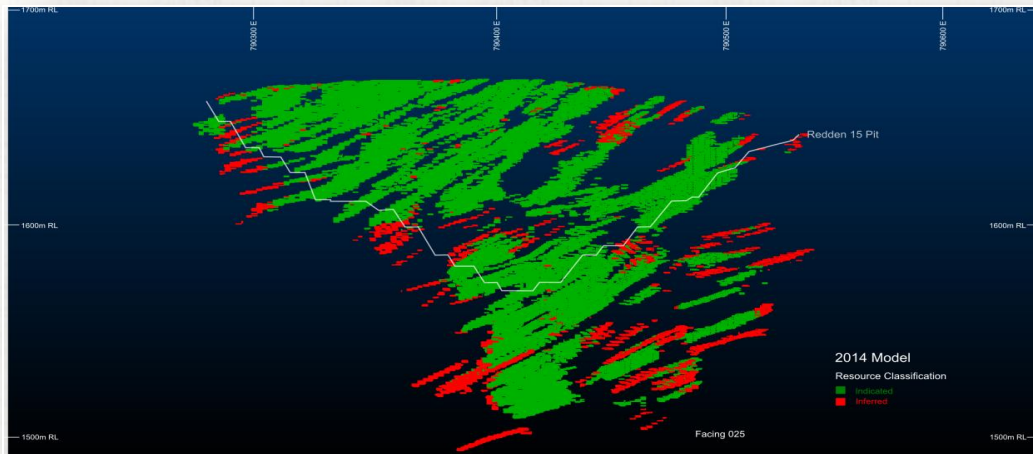
2012



**Green** = Indicated

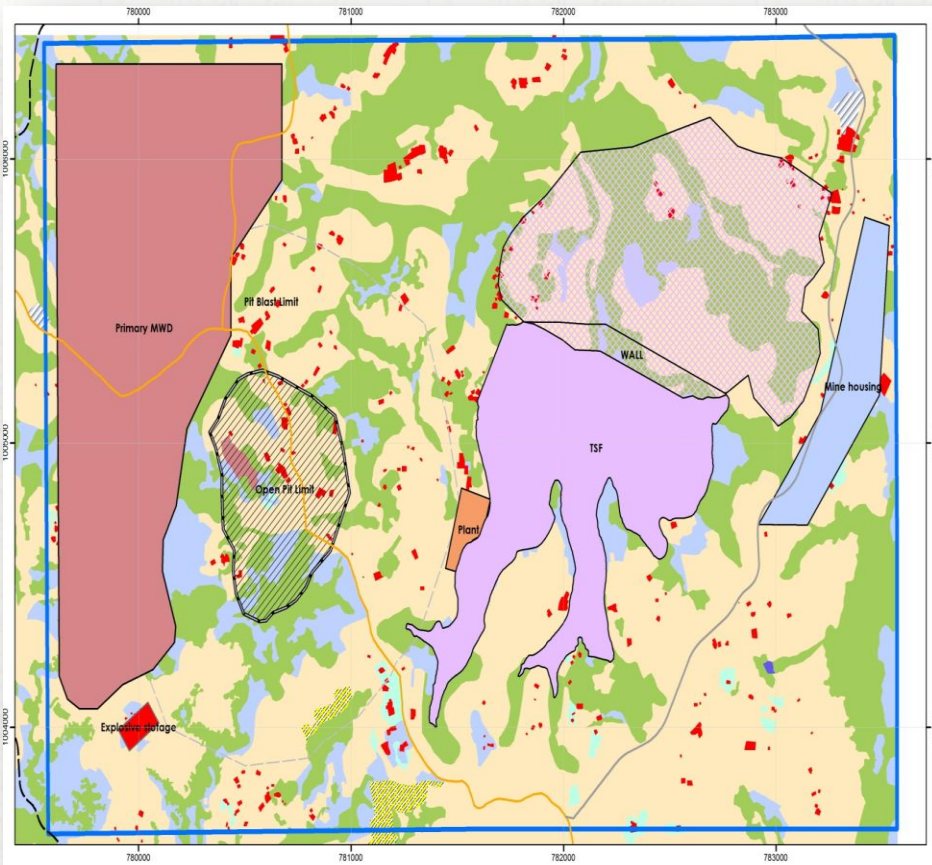
**Red** = Inferred

2014

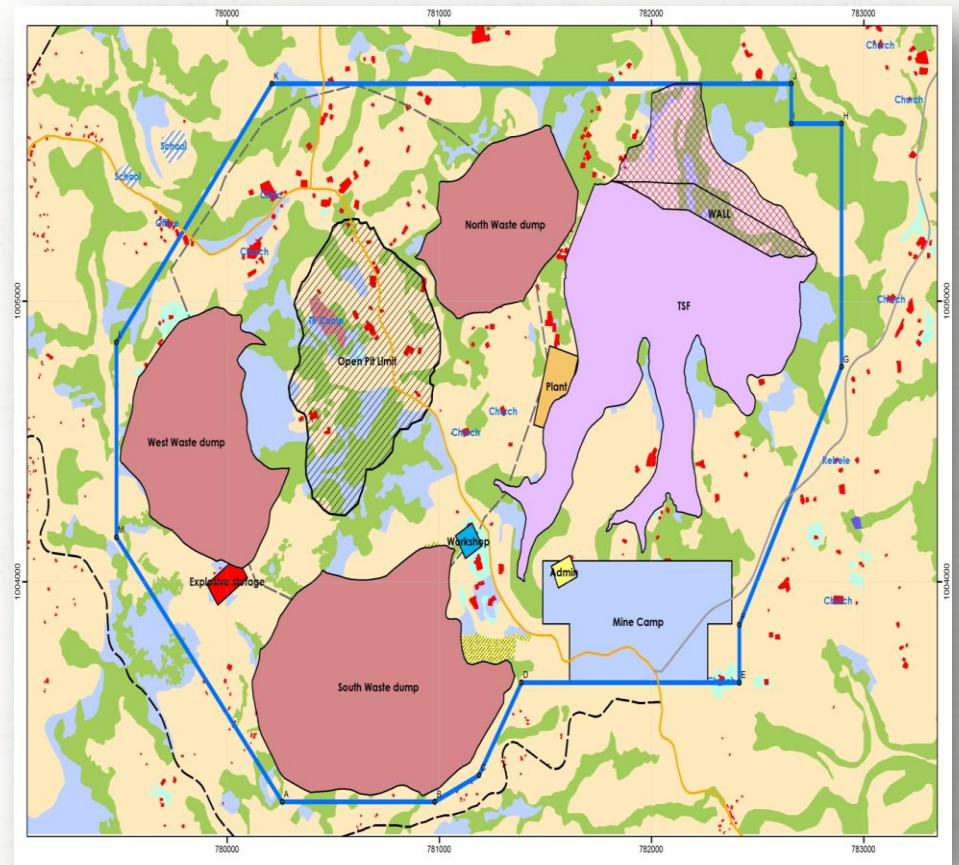




## TULU KAPI: LEASE AREA AND SITE LAYOUT



- Pre-KEFI lease area and site layout



- KEFI reduced the area and sculpted the layout to minimise haulage distances, environmental impact and community disruption

### TULU KAPI: OPEN PIT MINE PLAN AND ESTIMATED COSTS

	KEFI SEP 14 INDEPENDENTLY REVIEWED (+ contract-mining est) (1)	KEFI SEP 14 INDEPENDENTLY REVIEWED (owner-operated mine)
Initial Capex	\$107M	\$130M
Working Capital	\$20M	\$20M
Total Investment	\$127M	\$150M
Gold Production (2)	925Koz	925Koz
All-in-Costs	\$869/oz	\$844/oz
Ore Mined	12.9Mt @ 1.2Mtpa	12.9Mt @ 1.2Mtpa
EBITDA ave for 11 years	\$41M	\$45M
IRR A/T, \$1,250 Au	21%	21%
NPV5% B/T, \$1,500	\$319M	\$345M
NPV8% A/T, \$1,250	\$93M	\$100M
IRR A/T and finance \$1,250	33%	36%
NPV8% A/T, \$1,100	\$34M	\$37M

(1) Sep 14 contract-mining is same as Sep 14 owner-mining except that mining capex removed and mining costs increased for contractor's margin

(2) The production schedule will be further refined during the DFS update and currently shows an average of 50Koz in Years 1 & 11 and an average of 92Koz pa in Years 2-10. This ignores potential heap leach of low-grade stockpile and mining of underground resources which remain open at depth

**Q4-14:** \$3M to finance activities pending closing of investment by Perth Partners on 28 February 2015

**Q1-15:** \$5M from planned new cornerstone investor Goldfields Resources Fund as ordinary equity at share issue price 1.3-2.0p per share. This planned issue serves to finance activities until full development funding in place for funding of major construction works as from Q4-15.

**Q3-15:** Equity+Mezzanine c. \$27M (or consider part-replacing with previously planned Early-Stage Debt-Based Finance \$10M for which indicative terms received and under negotiation)

**Q4-15:** Project finance \$100M

### Notes:

- **Ethiopian Government become entitled to 5% free-carry on production start**
- Commercial banks confirmed indicative terms for 8-year tenor with 2-year grace period. Development banks confirmed interest to examine longer tenor for parts of the facility



- **Q4-14:**
  - DFS to be updated to bankable standards
  - Community resettlement consultations continue
  - Examine opportunities for second-hand plant and contract mining
- **Q1-15:**
  - Mining Licence
  - Trigger Phase I of community resettlement (c. 60 of 240 households)
- **Q2-15:**
  - Project Finance Technical Audit, DFS sign-off and Project finance formal credit approval
- **Q4-15:**
  - Major works commence
- **Q4-16:**
  - Commissioning production



**Fabio Granitzio**

**Exploration Manager** Geologist (PhD. Cagliari, Italy). Track record of gold discoveries in Sardinia and Saudi Arabia. Over 16 years' experience in the Americas (Escondida), Europe, North Africa and Middle East.



**Simon Cleghorn**

**Resources Manager** (B. Eng. Min. Exploration & Mining Geology (Hons.) WA School of Mines). Over 21 years in mining geology and development. Commenced in 1990 with WMC & later Plutonic in Australia, Penjom mine in Malaysia, Chief Geologist Zed Mine Armenia and EM at Madneuli operations, Georgia.



**Sergio di Giovanni**

**Metallurgist & Dev. Manager KSA** (BSc. Murdoch, Perth, MAUSIMM). Over 23 years experience in operations in Australia, Asia, Europe, Mid-East and Americas. He has expertise in CIL, heap leach and flotation plants for gold, base metals & iron ore mines.



**Patrick Gorman**

**Development Advisor & Consultant Mining Engineer** (BSc (Hons.) Mining, Imperial College UK, MSc Mining, Colorado School of Mines). A Chartered Engineer (UK) with 36 years' of international technical and project experience.



**Kebede Belete**

**Country Manager Ethiopia** Geologist (PhD, Austria; MPhil, UK; BSc, Ethiopia). Over 25 years' of experience working in exploration projects as Exploration Manager and Country Manager for Ethiopian Ministry of Mines, Golden Prospect Mining Company LTD (UK), Minerva Resources LTD (UK) and Nyota Minerals LTD (UK).



**Tadesse Worku**

**Chief Geologist** (BSc, AAU., Ethiopia, Msc IIT-KGP. India): Over 20 years as exploration geologist and exploration leader in national, multinational and international projects for gold and base metals in the ANS of Ethiopia. Responsible for discovery & development of Tulu Kapi.



**Abera Fantaye**

**Database & GIS Manager** Geologist (BSc., AAU), Remote Sensing and GIS (MSc., AAU). 30 years experience in mineral exploration and as GIS and database expert (17 years in government & 13 years in private sector).



**Rob Williams**

**Project & Systems Adviser**

(BA, MBA, Dip Mining Engineering, Registered Mine Manager). Formerly Project Director EMED Mining, Dep Director Operations Development BHP-Billiton's Olympic Dam, Principal Engineer Coffey International.

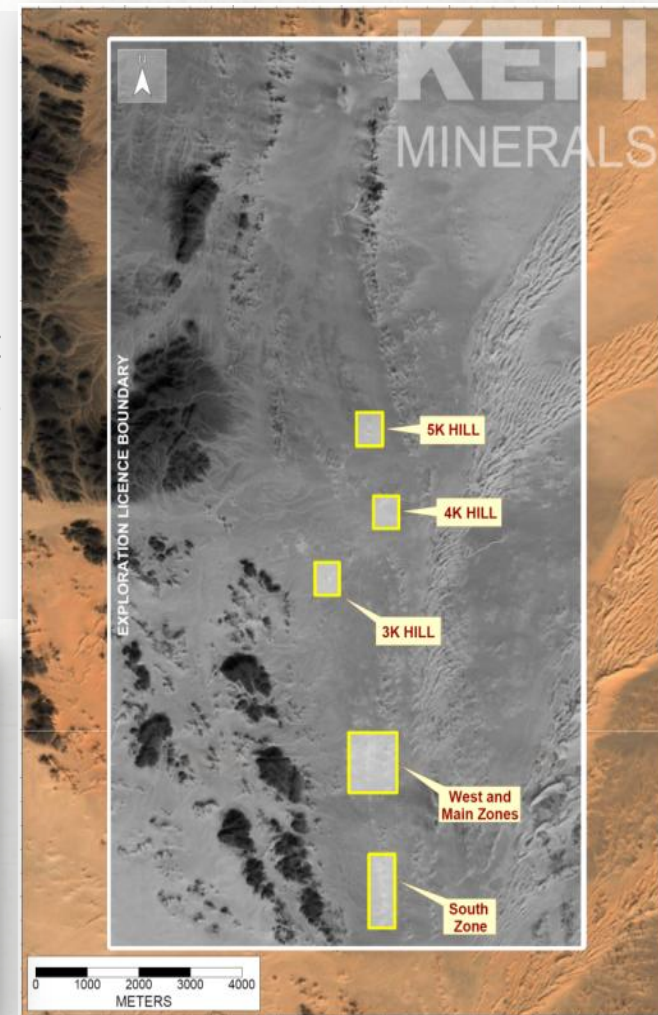
## SAUDI ARABIA





- Saudi Arabia is **developing its mineral sector**, diversifying the country's revenues away from oil
- Saudi Arabia is largely unexplored with **few companies exploring for gold**
- G&M (KEFI 40%, ARTAR 60%) – Strategic Saudi partner, Abdul Rahman Saad Al Rashid & Sons (ARTAR) – a major local group that provides administrative, logistical, financial support. Also 4% owner of KEFI.
- G&M has **proprietary database** for selective targeting in Arabian-Nubian Shield (containing historic workings, geology, geophysics, remote sensing, prospect geology, alteration and structure)
- Few western mining companies operating in the country; includes Barrick Gold, which owns the Jabal Sayid Mine. Once in production, annual production expected at 100-130M lbs of Cu
- Exploration and development **costs are low by industry standards**. Saudi Industrial Development Fund provides **loans for up to 75% of the capital cost** of mine development at nominal interest

- The EL was granted in July 2012 and is approx **99km<sup>2</sup>** in area
- **Mineralisation identified in five areas:** Main Zone, South Zone, West Zone, 3K Hill and 4K Hill
- Hosted in the +300km north-south trending Nabitah-Tathlith fault zone. Drilling and trenching in progress: two more prospects under evaluation in the Licence
- **Rapidly discovered 0.5Moz initial Resource in 2013**



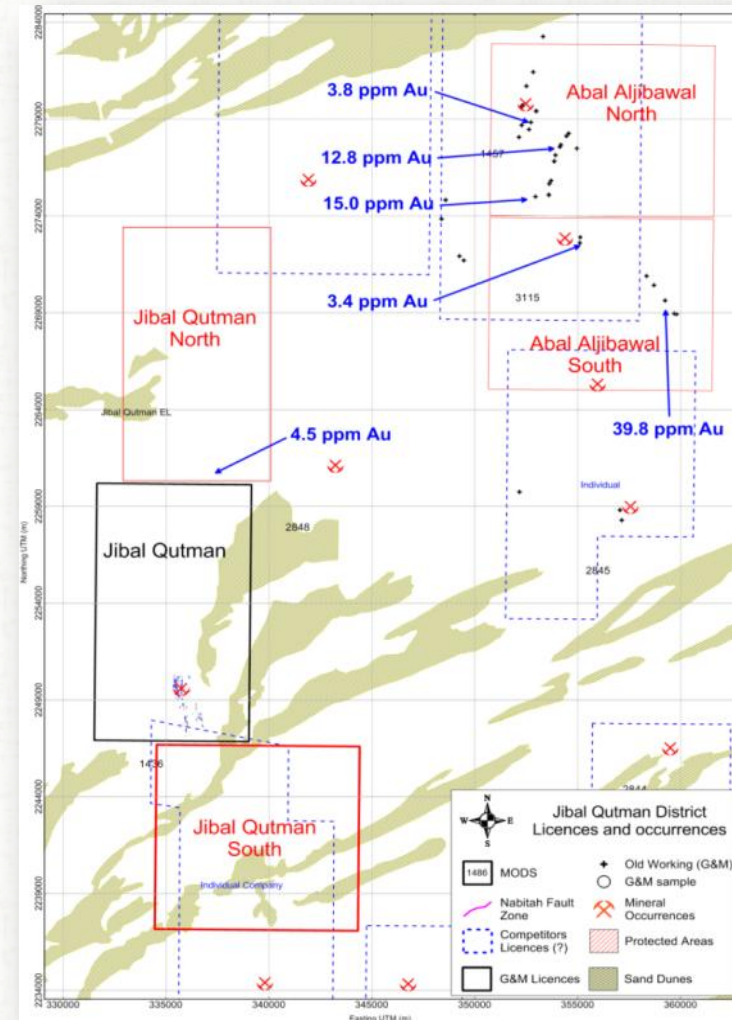
## PFS COMPLETED MARCH 2014 ON JIBAL QUTMAN EXPLORATION NOW ALSO JIBAL QUTMAN SET OF TENEMENTS

### PFS on Jibal Qutman:

- **Mining** – Pit shell designs reviewed by AMC Consultants
- **Processing** – Process flow diagrams and design criteria performed with in-house expertise
- **Engineering Design** – Consultant HDO completed plant layout, major equipment list and bill of quantities. Currently reviewing to reduce estimated capex
- **Environmental** – MDS environmental consultants reviewed environmental study for inclusion in PFS
- **Hydrology** – Large diameter water well completed. Pumping test completed and hydrology report completed
- **Metallurgy** – Tests currently being performed will be sufficient to confirm plant design for PFS level study

### Exploration of the Jibal Qutman Set of Tenements

- **Drilling at Jibal Qutman and prospecting on adjacent areas**





- Emerging leader in the under-explored Arabian-Nubian Shield, comparable to the shields of Australia and Canada which host most of their gold production
- **For Tulu Kapi - independently reviewed ave. 86Koz Au pa from 2017, EBITDA \$40-45M**
- **Recently announced Tulu Kapi milestones** include:
  - independent sign-off of Tulu Kapi Resources, capex, opex, production plans and Reserves
  - indicative terms for project finance and re-activation of Mining Licence Application
- TK finance plan targets ≈20% of capex to be equity & mezzanine funded, with most from PF
- Projected robust cash flow for payback, returns on equity invested, organic growth and dividends
- **Experienced management team** for discovery, development and financing. Team being expanded as KEFI moves into construction and operations
- **Expect to reach following milestones in next six months:** approval of Mining Licence, update detailed DFS for now-confirmed plans, credit approval project finance, community resettlement.



**Harry Anagnostaras-Adams, Executive Chairman**

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**Jeff Rayner, Exploration Director**

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**England** - Registered office

**Cyprus** - Group corporate team

**Ethiopia** - Development and exploration teams

**Saudi Arabia** - Exploration team

**Turkey** - Support and monitoring

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