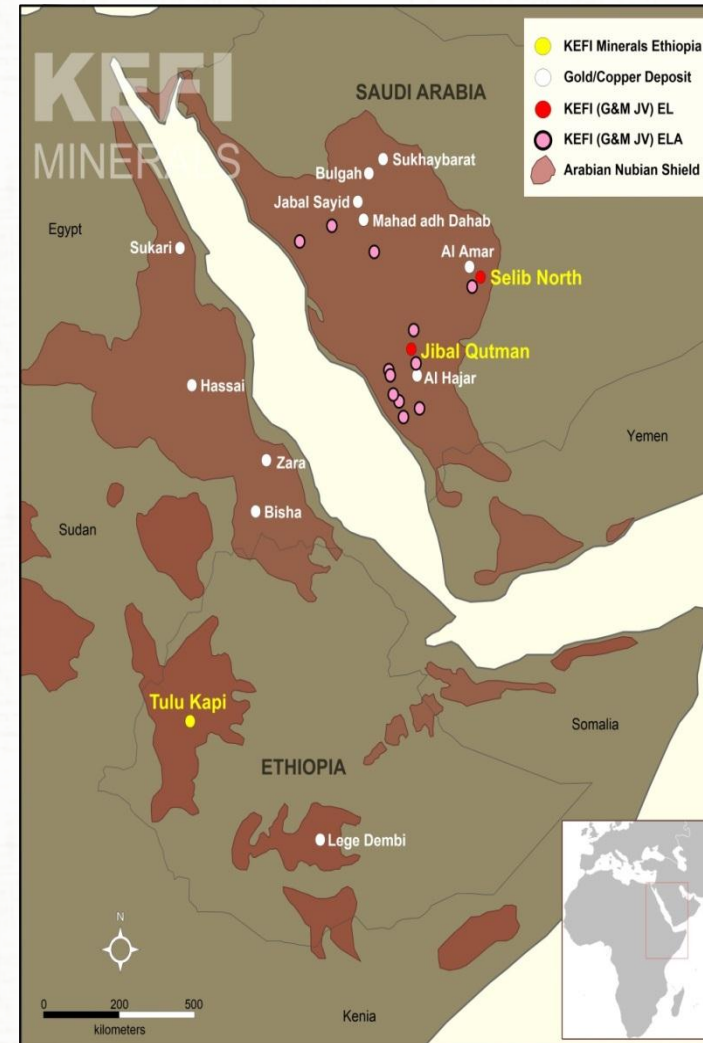


# Mining in Ethiopia



- Focused on Arabian-Nubian Shield, notably Ethiopia and Saudi Arabia.
  - Tulu Kapi gold project in Ethiopia will be first production unit 90Kozpa.
  - Jibal Qutman gold project in Saudi Arabia will be second development
  - Plus a large exploration portfolio assembled since 2008
- 
- 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 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
    - 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





**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.





**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.

- **93M people in a fertile country the size of France+Spain, about half the size of W. Australia**
- **Stable, never colonised base of African Union and UN Economic Commission for North Africa**
- **One of only two countries to satisfy the United Nations Millenium Developmental Goals**
- **World's 5th fastest growing economy – 10 years of growth GDP 8%pa and GDP per capita 11%pa**
- **Mining prioritised in 5-Year Growth&Transformation Plan, to generate of exports/foreign currency**
- **Highest level of regulatory and political engagement with KEFI, in a pro-development atmosphere**
- **Production transferring in from China, India, Turkey and South Korea**
- **Received first credit rating in 2014 and now planning first bond issue**
- **KEFI's Tulu Kapi gold project shaping up to be the first internationally finance mine development**

## WHY MINING WILL SUCCEED IN ETHIOPIA

Factors	
Geological	<ul style="list-style-type: none"> <li>• Part of prospective Arabian Nubian Shield</li> <li>• Active exploration only recently allowed</li> </ul>
Government priority	<ul style="list-style-type: none"> <li>• Govt now overtly encouraging the minerals sector, for the first time</li> </ul>
Good local team	<ul style="list-style-type: none"> <li>• KEFI added its technical and finance leadership to the good permitting team of previous owner. Majority of management is Ethiopian</li> </ul>
Benefit to the communities	<ul style="list-style-type: none"> <li>• Resettlement and development programs in line with local and international standards (Equator Principles and IFC Standards)</li> </ul>
Beneficial to the economy	<ul style="list-style-type: none"> <li>• Will serve the Govt's priority for generating export revenues and foreign currency, as well as the various development and social program targets</li> <li>• Ethiopia sets and seriously pursues Five Year growth and Transformation Goals in which mining ranks highly</li> </ul>
Accessible and engaging administration	<ul style="list-style-type: none"> <li>• The administration and regulation of mining is conducted transparently and pragmatically. This is not always the case elsewhere</li> </ul>

## CASE STUDY: BENEFITS OF TULU KAPI MINING PROJECT TO ETHIOPIA

**Mining is a long-term activity and has high social impact**

Mining represents c.20% of Africa's economic activity and minerals are the continent's second-largest export category

### TULU KAPI – THE BENEFITS

First major foreign investment Ethiopia Gold

#### MACRO BENEFITS

GDP - Growth

EXPORTS - Growth

Foreign Direct  
Investment - growth

Foreign Currency  
Earnings

PAYE and COMPANY  
TAX

TRADE BALANCE

ROYALTIES

Taxes, share from  
Central Govt

#### DIRECT BENEFITS

CENTRAL GOVERNMENT

PROVINCIAL GOVERNMENT

**Employment**  
Over 90%  
Ethiopian  
employees,  
mainly local

#### Training

- Apprenticeships
- Certificate Met Mining
- Certificate in Business Admin
- Scholarships

#### Building local businesses

Ethiopian suppliers  
to have preference  
subject to quality  
and price

#### Community Development Trust Fund

#### Multiplier effect

- Demand for Ethiopian product inputs
- Demand for goods & services by households

#### INDIRECT BENEFITS

#### Health

- Awareness
- Hospital upgrades
- Upgrade water

#### Education

- School building
- Library
- Scholarships
- Knowledge transfer to locals

#### Business Development

- Coffee expansion
- Animal husbandry
- Microfinance
- Technology transfer to locals

#### Infrastructure

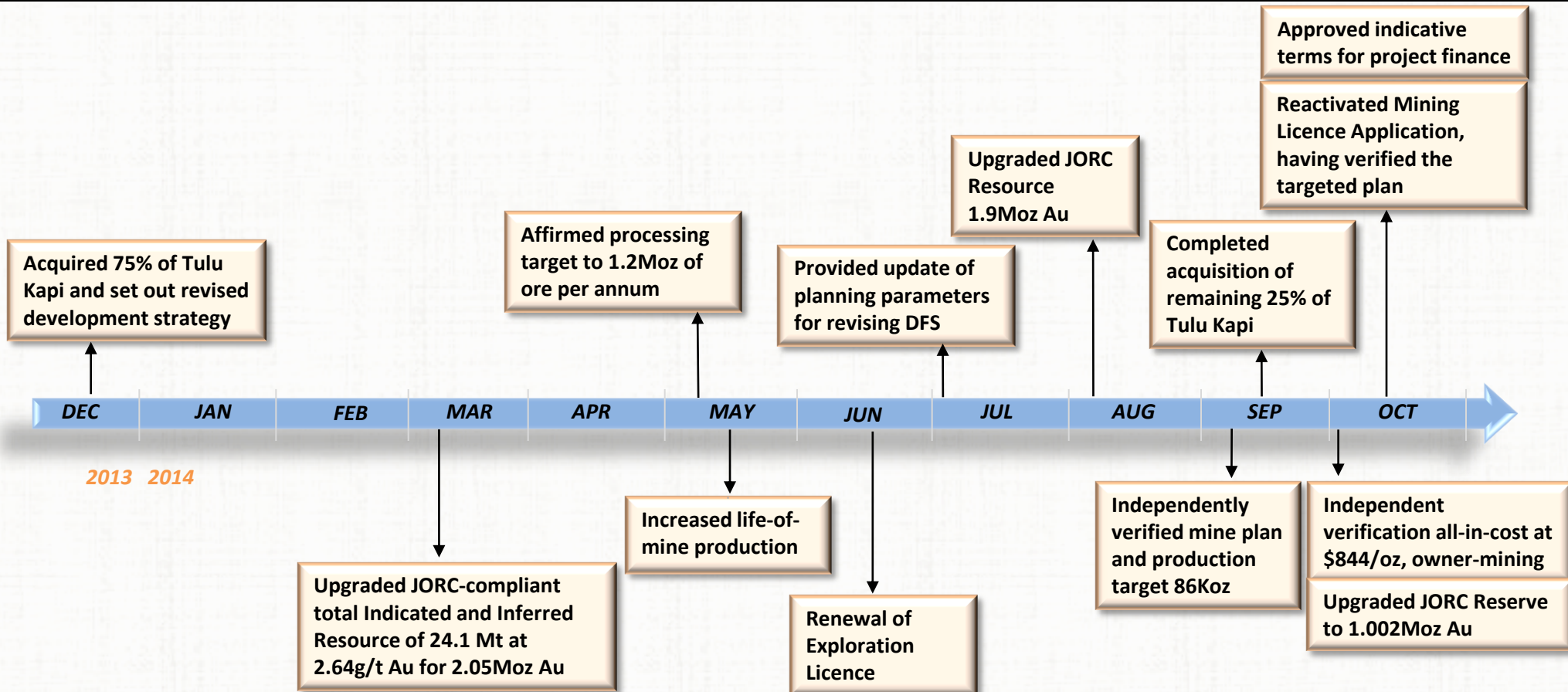
- Power provision
- Roads
- Water

#### Demonstration benefits

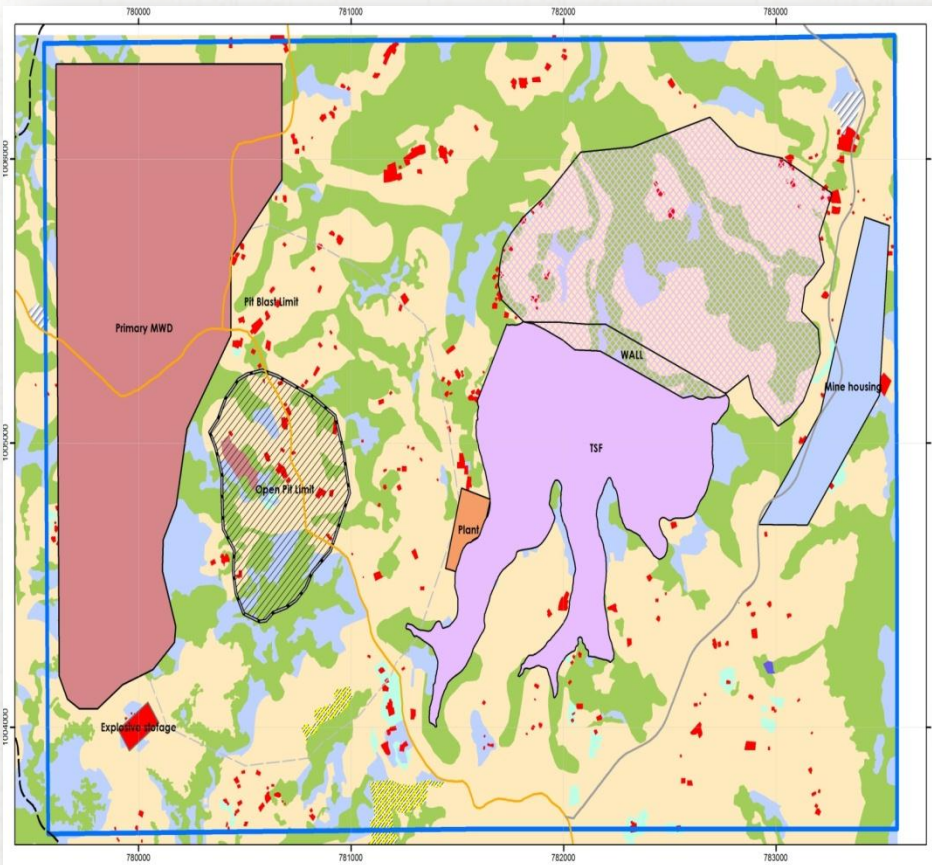
- Increased mining & exploration
- Increased foreign investment
- Setting safety standards
- Setting environmental standards

#### FLAGSHIP BENEFITS

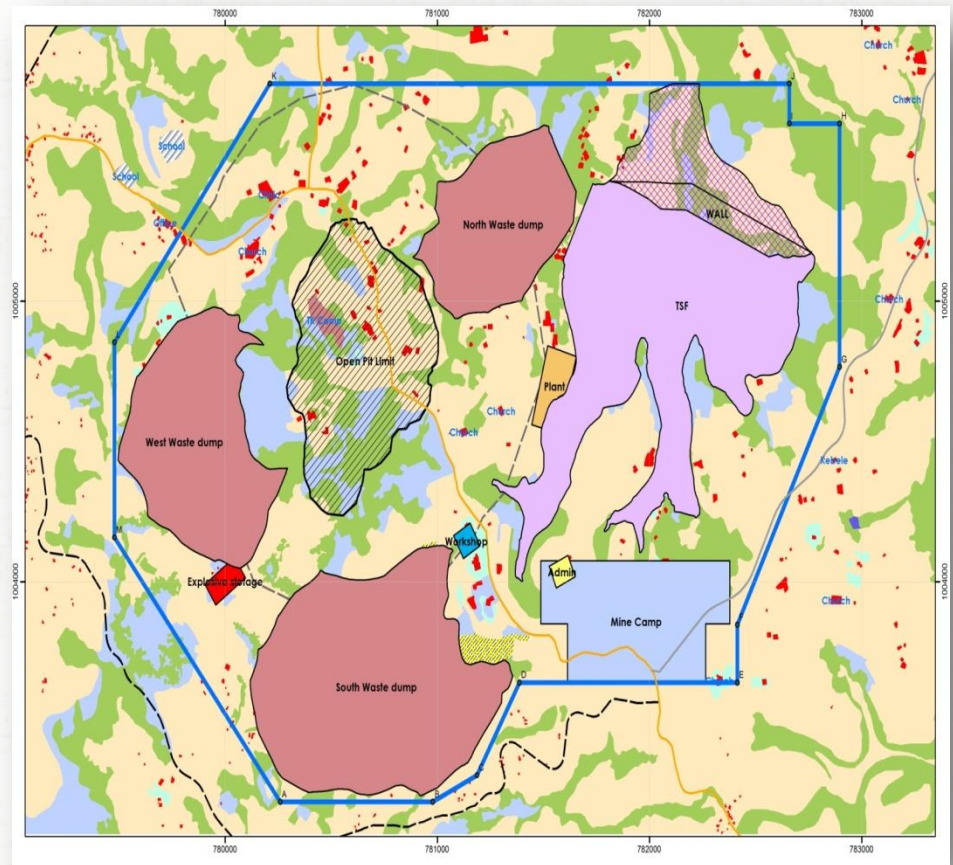
## TULU KAPI'S RAPID OVERHAUL SINCE ACQUISITION BY KEFI







- Pre-KEFI lease area and site layout

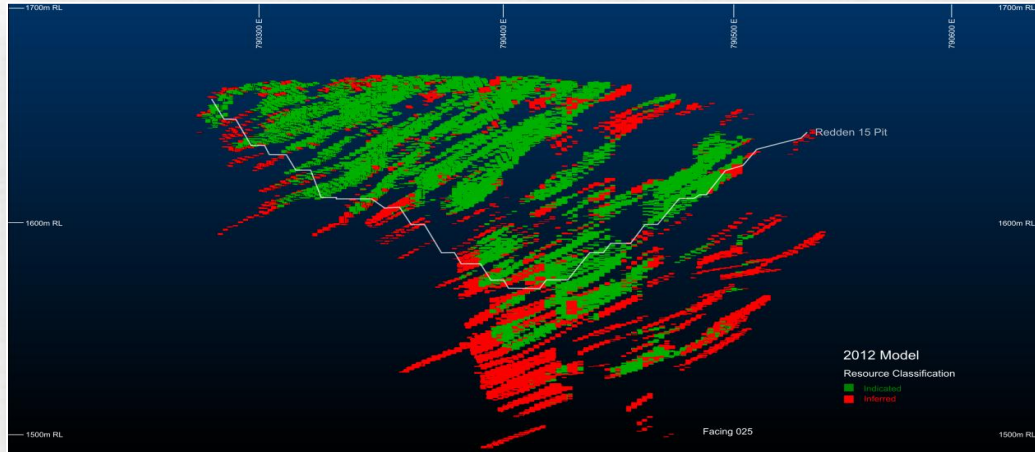


- KEFI sculpted the layout to minimise community disruption. Households to be resettled reduced from c. 450 to c. 250, only 60 in 1<sup>o</sup> phase

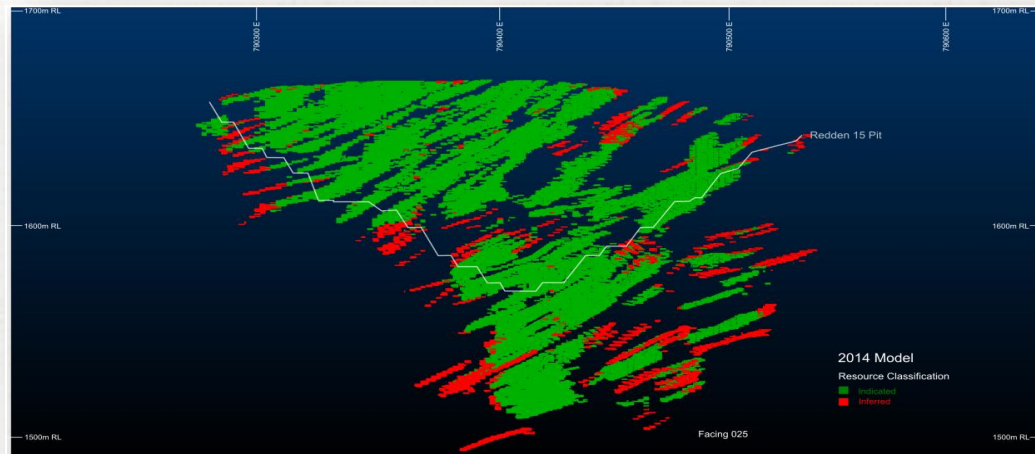
## EXTENSIVE OVERHAUL OF THE DEVELOPMENT PLAN FOR TULU KAPI

2012

Green  
Indicated



Red  
Inferred  
2014



### Technical:

- Indicated resource now > 90% of total 2 Moz
- 1M oz reserve more robust
- Introduced selective mining
- Planned head grade increased from sub 2g/t to over 2g/t
- Capex halved to \$130M
- All-in-Costs down to c. \$844/oz

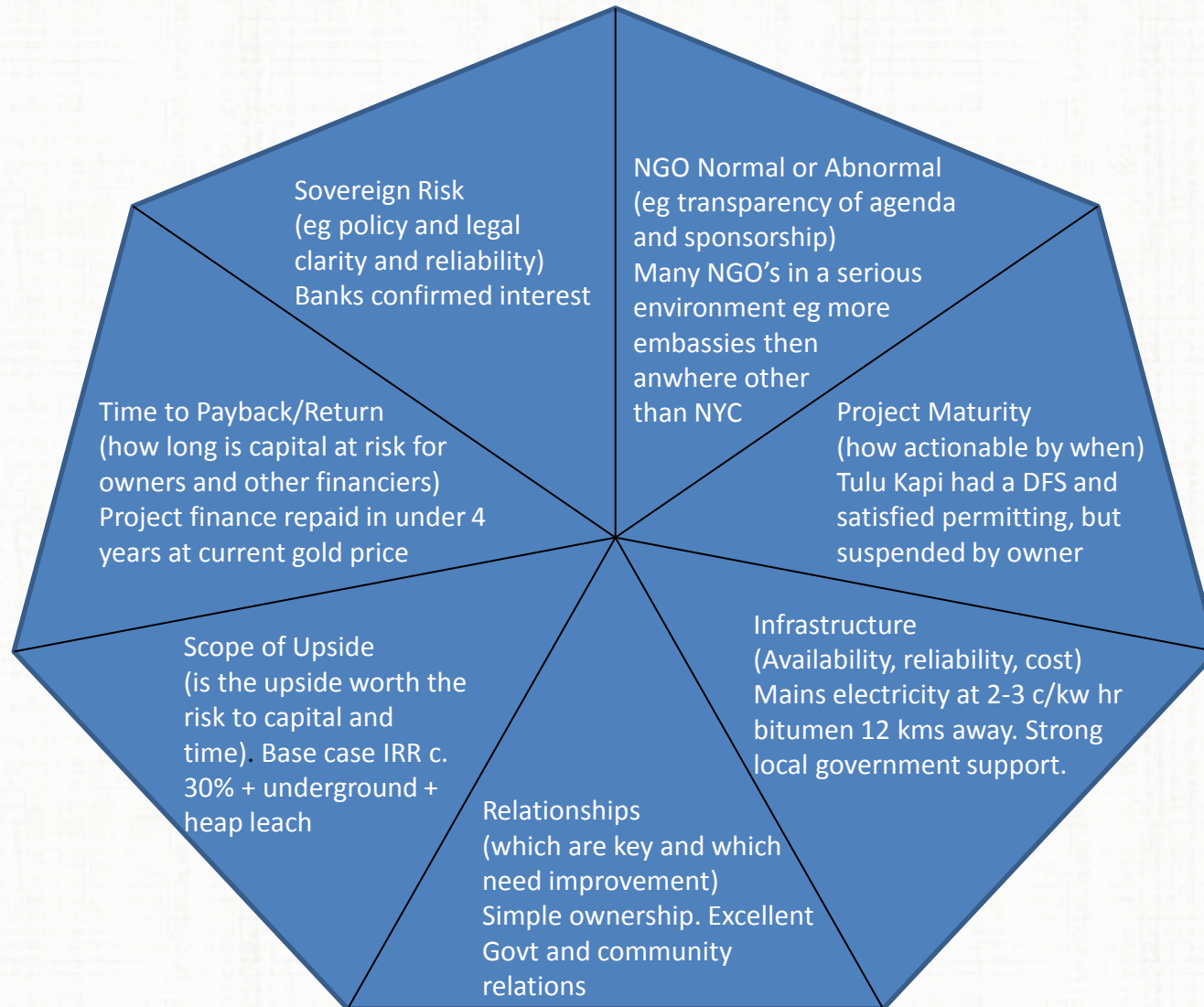
### Social & Environmental

- Reduced need for resettlement of local residents
- Reduced environmental impact

### Financial

- Assembled cornerstone equity and debt funding providers

## SOME KEY CRITERIA FOR CAPITAL ALLOCATION AND HOW ETHIOPIA'S TULU KAPI RATES





- **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 250 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





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**Jeff Rayner, Exploration Director**

Mobile: +90 533 928 1913

**England** - Registered office

**Cyprus** - Group corporate team

**Ethiopia** - Development and exploration teams

**Saudi Arabia** - Exploration team

**Turkey** - Support and monitoring

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