

KEFI Gold and Copper, KEFI.L

Orior Capital
HONG KONG

Bank approvals further de-risk Tulu Kapi,
Saudi Arabia under strategic review

Co-lenders' increased funding further de-risks Tulu Kapi

With initial credit approval now received from the second bank, KEFI is targeting finalisation of approvals and documentation this quarter. KEFI now expects to commence resettlement and construction in early-2025. Commissioning is expected in mid-2026 with 2027 being the first full year of production.

Higher gold prices driving robust economics

Based on KEFI's 'Business Plan' to produce 179,000 oz gold pa from the open-pit and start-up underground mine, Tulu Kapi boasts an estimated levered, post-tax NPV₅ of US\$668m at US\$2,100/oz gold. **This represents an NPV of 7.1 p/share.** At US\$2,600/oz gold, around the current gold price, this NPV rises to US\$1,046m, representing 10.8 p/share. The market has not yet factored in financial close, which is expected to be a significant and positive share price catalyst, nor the impact of higher gold prices.

Strategic review in Saudi Arabia

KEFI's 15% stake in Gold and Minerals should attract keen interest. Jibal Qutman and Hawiah have gold and gold-equivalent (AuEq) resources of 3.2Moz. Hawiah is a Top 100 VMS project globally. Saudi Arabia is an enticing frontier market, with huge potential that remains under-explored in modern times. **Opportunities to secure advanced projects or scale are severely limited.**

Broadly, benchmarking the Saudi Arabian assets against recent African gold M&A deals suggests a valuation of KEFI's 15% stake of US\$50-78m. **This represents 1.0-1.6x KEFI's current market capitalisation.** This could provide significant funding flexibility for Tulu Kapi or other projects.

Critical minerals potential

KEFI said, 6 November, it was progressing exploration licence applications in Ethiopia for both gold and critical minerals areas. Ethiopia has significant under-explored critical minerals mineralisation and huge potential to develop new mines.

13 November 2024

Key financial data

Share price, pence/share	0.620
Share on issue, millions	6,059.1
Options, warrants, millions	264.4
Fully diluted shares, millions	6,323.5
Market cap., £ m	37.6
Net cash, estimate, £ m	1.0
EV, £ m	36.6

Valuation

Current, pence/share	2.9
Tulu Kapi valued at US\$1,000/oz planned output, other assets at US\$60/oz Au or AuEq resource	
Tulu Kapi, NPV ₅ , levered, at construction start:	
At US\$2,100/oz gold	7.1
At US\$2,600/oz gold	10.8

Website

www.kefi-goldandcopper.com

Company snapshot

KEFI is exploring and developing mining assets in Ethiopia and Saudi Arabia, part of the vast and highly prospective Arabian-Nubian Shield. KEFI's most advanced project is Tulu Kapi in Ethiopia which has planned production of c190,000 oz pa gold.

Key catalysts and news

4Q24: Tulu Kapi financing final approvals
1H25: Tulu Kapi draw downs and construction start
1H25: Updated MREs at Jibal Qutman and Hawiah
2025: Results of Saudi Arabia strategic review
2025: Potential for new exploration licences in gold and critical minerals in Ethiopia

Share price chart



Source: LSE

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Tulu Kapi financing further de-risked

Second bank provides initial committee approval

Last week, KEFI said it had received initial committee approval from the second bank, now for an increased amount. Together, the proposed loan facilities from the two co-lending banks have increased from US\$190m to US\$240m. The first co-lending bank is expected to refresh its existing completed board approval for the increased amount. Final approvals from the second bank are subject to remaining conditions including Ethiopia formally ratifying its already approved Country Membership. KEFI is targeting finalisation of these formal approvals and of definitive documentation this quarter.

This is expected to be a significant positive catalyst for the shares. The expanded facilities reflect a combination of the successful conclusion of the banks' due diligence together with improved project economics arising from higher expected gold prices.

According to KEFI, the expanded bank facility and other initiatives indicate the US\$320m development finance package is now covered. KEFI is now expected to own an 80% beneficial interest in Tulu Kapi. The financing package now comprises:

- US\$285m from bank debt (US\$240m) and Equity Risk Notes (US\$45m)
- US\$35m equity subscriptions to KEFI subsidiaries including US\$20m to TKGM by the Governments of Ethiopia and the Ethiopian Region of Oromia, and US\$15m from one of a number of identified sources being considered

The Equity Risk Notes are expected to be placed US\$15m to the subsidiary of a multinational company operating in Ethiopia which is repayable in cash or convertible into KEFI shares at KEFI's election, and US\$30m to other Ethiopian qualified investors with repayment after the repayment of bank debt and linked to the US Dollar or to the gold price. KEFI plans to list the Note on the Ethiopian Stock Exchange.

Notably, the potential sale of KEFI's stake in Gold and Minerals could provide significant funds and greater financial capacity and flexibility.

Figure 1: Harry Anagnostaras-Adams with Federal State Minister of Finance Dr Eyob Tekalgn Tolina and President African Finance Corporation Samaila Zubairu, Addis Ababa last week



Source: KEFI

Gold prices driving robust economics

Gold prices have risen sharply over the past few months. The current spot price is some 35% higher than the average price of US\$1,943/oz in 2023, and 45% higher than the US\$1,800/oz typically adopted by KEFI in its financial modelling. It is only five years ago that gold prices were around US\$1,200/oz. As with most commodities businesses, earnings are highly sensitive to selling prices. At current gold prices of around US\$2,620/oz Tulu Kapi would be expected to generate substantial cash flows. The market has not yet factored the prospects for higher earnings into KEFI's share price.

This month, KEFI set out some key financial parameters for Tulu Kapi based on two different mine plans and gold prices of US\$1,800/oz, US\$2,100/oz and US\$2,600/oz. The US\$2,100/oz represents a recent long term consensus forecast. US\$2,600/oz is close to current prices.

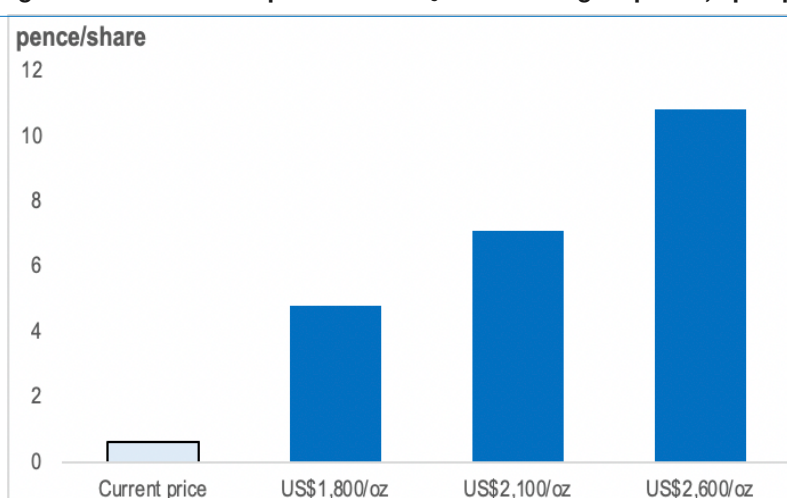
The 'Banked Plan' is based on a 1.0Moz Ore Reserve with a head grade of 2.1 g/t, with mining plans designed around a pit shell based on US\$1,250/oz gold. The cut-off grade is 0.5 g/t with all ore grading lower 0.9 g/t being stockpiled for processing at the end of the open pit operation. The Plan assumes processing of 2.0Mtpa which is nameplate capacity, to produce 135,000 oz pa over 7-8 years.

The 'Business Plan' – in practice the more likely scenario – is to introduce underground mining from existing Resources and boost plant throughput by about 20% above warranted nameplate capacity. This will enable processing of about 2.4Mtpa. This is expected to lift production to an average of 179,000 oz pa over the 7-8 years, and ultimately to more than 200,000 oz pa. KEFI expects to complete a DFS on the underground mine during construction of the open-pit.

Based on this Business Plan, Tulu Kapi is expected to boast a levered, post-tax NPV₅ of US\$688m at a gold price of US\$2,100/oz, at the start of construction. Taking KEFI's expected 80% stake in the project, and assuming an exchange rate of GBP:USD1.275, this amounts to an NPV₅ of 7.1p/share. At US\$2,600/oz gold, the NPV₅ is US\$1,046m, representing an NPV₅ of 10.8p/share. **These figures are 11-17x the current share price.**

As Tulu Kapi is developed over the next two years and risks are mitigated, the share price would be expected to increase towards the NPV.

Figure 2: Current share price and NPV₅ at different gold prices, open pit and start-up underground



Source: KEFI, Orior Capital

Notably, at US\$2,600/oz gold, Tulu Kapi would be expected to generate sufficient cash flow to pay off all project finance debt in the first full year of production.

Figure 3: Tulu Kapi key financial metrics at different gold prices

Tulu Kapi, 100% basis		Open-pit and start-up underground; increased processing, lower stocks			Open-pit only at nameplate capacity Refinancing in Year 3 No refinance			
Gold price	US\$/oz	2,600	2,100	1,800	2,600	2,100	1,800	1,800
Production parameters								
Tonnes processed	Mt	18.4	18.4	18.4	15.4	15.4	15.4	15.4
Tonnes processed pa	Mt	2.4	2.4	2.4	2.0	2.0	2.0	2.0
Average grade	g/t Au	2.7	2.7	2.7	2.1	2.1	2.1	2.1
Recovery	%	93.7	93.7	93.7	93.7	93.7	93.7	93.7
Gold sales	oz pa	179	179	179	135	135	135	135
Waste to ore		6.2	6.2	6.2	7.5	7.5	7.5	7.5
Cash cost metrics								
AISC	US\$/oz	877	842	821	1,016	981	960	1,061
AIC	US\$/oz	1,084	1,049	1,029	1,310	1,275	1,254	1,355
Breakeven cost	US\$/oz	1,432	1,289	1,208	1,565	1,437	1,371	1,458
Cashflows								
Available for senior debt repayment		1,903	1,441	1,165	1,288	962	769	678
Available for equity risk note and unsecured bonds		1,584	1,108	816	992	640	419	417
Attributable to shareholders		1,503	1,026	735	938	586	365	332
Debt service ratio – average								
Secured debt	Ratio	5.7	9.3	7.4	5.2	7.8	5.7	2.1
Unsecured debt	Ratio	19.4	13.6	10.1	18.4	11.9	7.8	4.9
Valuation metrics								
IRR, leveraged, at construction start	%	186.9	100.5	66.7	70.8	46.9	29.2	18.0
NPV ₅ , leveraged, construction start	US\$ m	1,046	688	466	616	348	180	125
NPV ₅ , leveraged, production start	US\$ m	1,213	809	565	766	462	273	253
EBITDA, average first 3 years	US\$ m	286	206	158	232	165	125	102
EV, at 3.5x EBITDA	US\$ m	1,000	720	553	813	578	437	356
Initial capex	US\$ m	305	314	320	32	330	334	341
Secured debt position, 1QPY3	US\$ m	15	69	105	22	84	121	138
Secured debt less cash, 1QPY3	US\$ m	(203)	(74)	9	(170)	(43)	48	102
Net cash flow available to shareholders over the ten years	US\$ m	1,503	1,026	735	938	586	365	332

Note: Tenure of senior debt is shortened as the gold price rises

Source: KEFI

Further upside underground

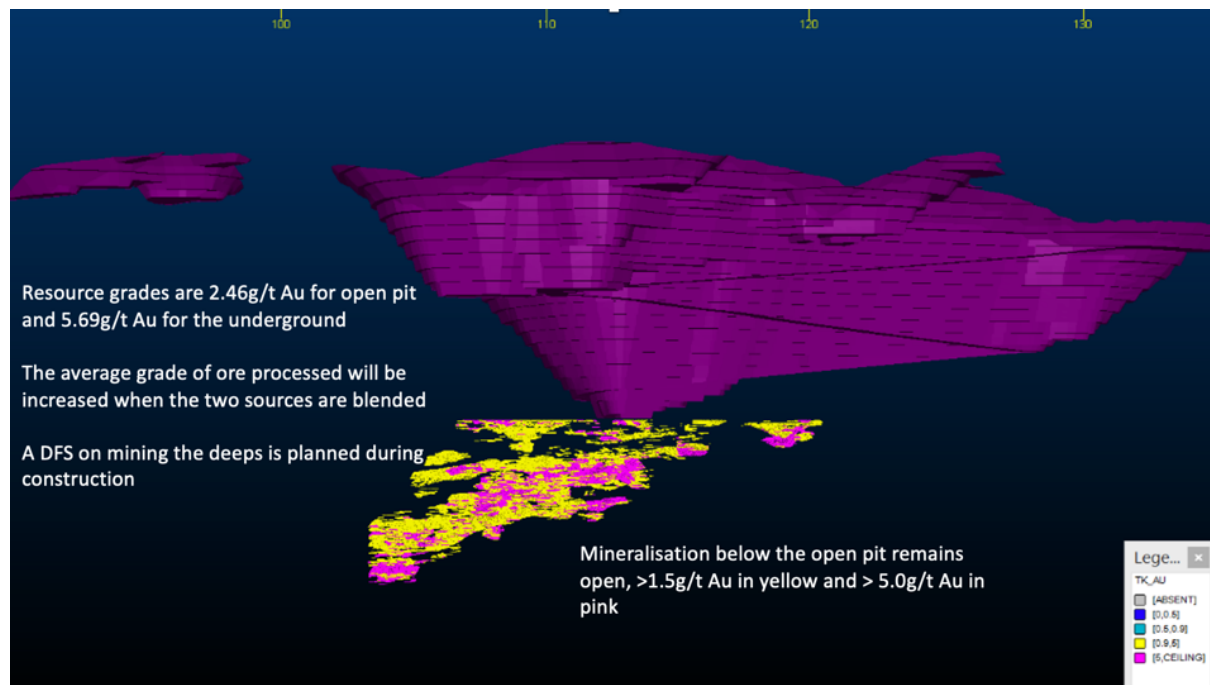
The Business Plan does not include further upside to the underground resource. Ultimately, the plan would be to supplement the open pit operation with some higher-grade underground material to underwrite a minimum 12-year mine life, at higher-grade and better economics than the current planned open pit.

Mineralisation at Tulu Kapi increases in grade and thickness with depth, and it remains open both at depth, and an estimated 600-800m along strike to the north. Drill hole **TKBH_293**, the northern most hole drilled into the underground resource intercepted 90m at 2.8 g/t gold. Drill hole **TKBH_125** intersected mineralisation 140m down plunge, and is interpreted to be east of the main underground shoot.

The 2016 PEA for the underground mine was based on the June 2014 JORC-compliant reported indicated and inferred mineral resource of 1.65Mt at 6.26 g/t gold for 330,000 oz gold, at a cut-off

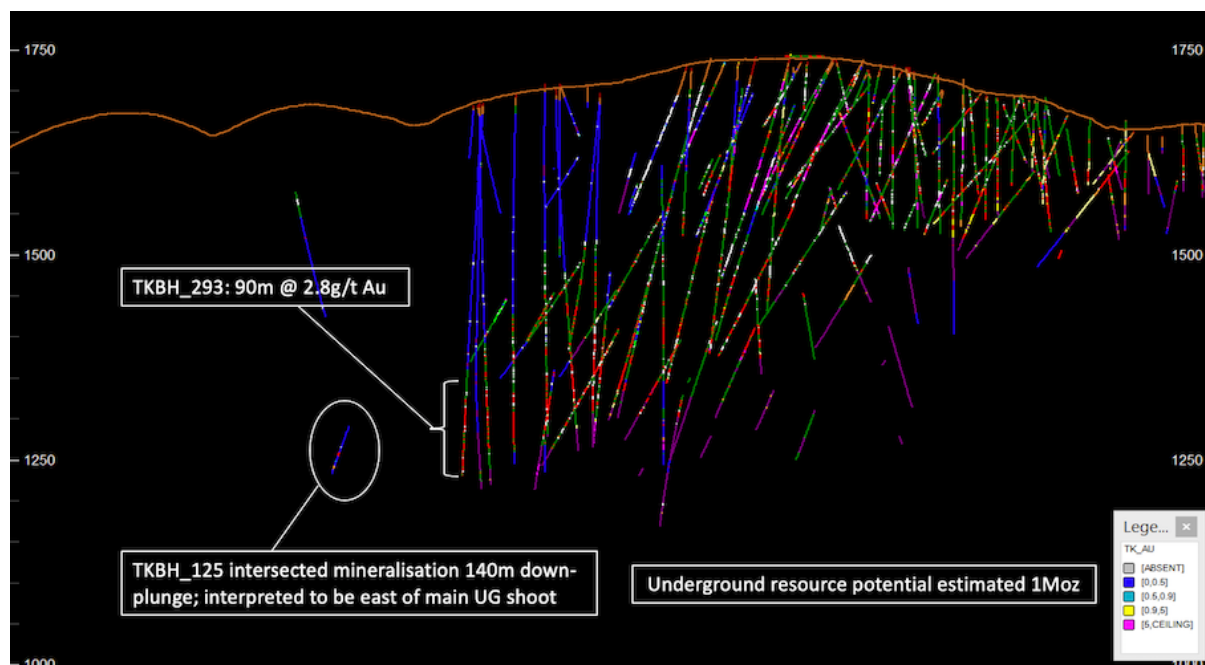
grade of 3.5 g/t. The PEA was based on a gold price of US\$1,250/oz gold. Given the high current gold price there is probably scope to lower this cut-off grade allowing additional material to be brought into the mine plan. The appropriate cut-off grade will be considered during underground mine planning once the open pit operation is underway.

Figure 4: Tulu Kapi existing underground resource below the open pit at 1,400mL



Source: KEFI, Orior Capital

Figure 5: Tulu Kapi drill intersections showing TKBH_293 and TKBH_125



Source: KEFI, Orior Capital

Strategic review in Saudi Arabia

KEFI has said that together with ARTAR it is conducting a strategic review of Gold and Minerals, the Saudi Arabian investment joint venture. KEFI is likely to want to focus on its majority owned projects, especially now that in Ethiopia, both of the lead banks have proposed to increase funding to Tulu Kapi, with final sign-off expected this quarter. KEFI said it is evaluating the sale of its remaining 15% stake in Gold and Minerals.

Highly prized assets

KEFI's minority stake in Gold and Minerals is likely to attract keen interest. KEFI is well established, having been operating in Saudi Arabia since 2008. KEFI's JV partner, Abdul Rahman Saad Al Rashid and Sons is a leading Saudi industrial group. The JV has built a meaningful portfolio of assets with two advanced projects, Jibal Qutman and Hawiah, that together have gold and gold-equivalent resources of approximately 3.2Moz, and an extensive portfolio of exploration licences.

Hawiah is believed to be one of the Top 100 VMS deposits globally. Jibal Qutman is amenable to a low cost start-up producing perhaps around 30,000 oz pa from the oxide material. Both projects are regarded as having substantial upside potential with further exploration work. Gold and Minerals is expected to announce updated Mineral Resource estimates at both projects in the next three months, and preferred development plans over the following few months.

Saudi Arabia is the place to be

Although there has been gold mining in Saudi Arabia since antiquity, it remains under-explored in modern times. Saudi Arabia's opening of the market, Vision 2030, and the Saudi Industrial Development Fund's commitment to fund up to 75% of mining project development costs (including pre-development feasibility study costs), all make Saudi Arabia an enticing frontier market. It is a market where opportunities to enter have until very recently been severely limited.

Estimated base case valuation range of US\$50-78m

Making some assumptions about Mineral Resources to Mineral Reserves conversions and likely production levels for Jibal Qutman and Hawiah, and benchmarking these metrics against recent transactions, suggests a valuation of KEFI's 15% stake in Gold and Minerals of US\$50-78m.

Upside scenarios based on a 15% increase in resources at each project could underpin a valuation range of US\$67-89m.

Figure 6: Summary of indicative valuations

Valuation range	Jibal Qutman US\$ m	Hawiah US\$ m	Exploration portfolio US\$ m	Total US\$ m	KEFI's 15% stake US\$ m
Current resources / estimated production					
Lower	45.0	269.7	20.0	334.7	50.2
Upper	70.4	431.6	20.0	522.0	78.3
Upside scenario					
Lower	53.9	372.2	20.0	446.1	66.9
Upper	80.0	496.3	20.0	596.3	89.4

Source: Orior Capital

Figure 7: Gold and Minerals indicative valuations and key assumptions

Jibal Qutman				
Current resources	oz Au	733,000	Current Resource estimate dates back to 2015	
Assumed conversion to reserves		80%	Conservative, pending metallurgical test work	
Estimated Reserves	oz Au	586,400		
Valuation at US\$80/oz Reserves	US\$ m	46.9	Valuations based on the Orecorp and Osino	
Valuation at US\$120/oz Reserves	US\$ m	70.4	transactions	
Production scenario				
Start-up operation targeting oxides	oz pa	30,000	For example, a 1.0Mpta plant, depending on	
Valuation at US\$1,500/oz pa	US\$ m	45.0	ore sorting and recoveries	
Valuation at US\$1,750/oz pa	US\$ m	52.5	Expected to be less than 2x pre-tax cash flow	
Upside scenario				
Assume 15% increase in Resources		842,950	Gold and Minerals has completed more than	
Estimated Reserves	oz Au	674,360	100,000m of drilling; MRE update expected to	
Valuation at US\$80/oz Reserves	US\$ m	53.9	include Asfingia and Red Hill 2	
Valuation at US\$120/oz Reserves	US\$ m	80.9		
Hawiah				
Current resources	oz AuEq	2,452,209	Including Al Godeyer, 30.4Mt at 2.5 g/t AuEq	
Assumed conversion to reserves		88%		
Estimated Reserves	oz AuEq	2,157,944		
Valuation at US\$150/oz Reserves	US\$ m	323.7	World class asset expected to attract a	
Valuation at US\$200/oz Reserves	US\$ m	431.6	premium valuation	
Production scenario				
Estimated Reserves over 12 years	AuEq oz pa	179,829	Broad estimate pending release of DFS	
Valuation at US\$1,500/oz pa	US\$ m	269.7		
Valuation at US\$1,750/oz pa	US\$ m	314.7		
Upside scenario				
Assume 15% increase in Resources		2,820,041	Down-plunge extension at Crossroads Lode	
Estimated Reserves	oz gold	2,481,636	expected to contribute to increased Resources	
Valuation at US\$150/oz Reserves	US\$ m	372.2		
Valuation at US\$200/oz Reserves	US\$ m	496.3		
Note: Hawiah gold equivalent resource calculated based on prices of US\$9,500/t Cu, US\$2,600/t Zn, US\$1,965/oz Au and US\$24/oz Ag.				

Note: Hawiah gold equivalent resource calculated based on prices of US\$9,500/t Cu, US\$2,600/t Zn, US\$1,965/oz Au and US\$24/oz Ag.

Source: Orior Capital estimates

Recent M&A transactions

The estimated valuation range for Gold and Minerals is based on the current resources of Jibal Qutman and Hawiah, and the estimated valuations of recent M&A transactions in the region. Two of these deals, Shanjin International Gold's (formerly Yintai Gold) acquisition of Osino Resources (Twin Hills project, Namibia) was completed in February 2024, and Perseus' acquisition of Orecorp (Nyanzaga project, Tanzania), was completed in April. Both Osino and Orecorp held feasibility study stage projects. Neither project was funded into production.

- Orecorp was acquired for estimated valuations of US\$80/oz of Reserves and US\$900/oz of planned production
- Osino was acquired for estimated valuations of US\$128/oz of Reserves and US\$1,575/oz of planned production

Notably, gold prices have risen by approximately 30% since February this year, and by approximately 15% since April.

Jibal Qutman

Assuming an 80% conversion of current Resources to Mineral Reserves, and valuing Jibal Qutman at an EV/oz of estimated Reserves of US\$80-120, could underpin a valuation of US\$47-70m.

This is considered conservative. In August, KEFI said it had completed in-fill drilling programs including 18,000m of drilling, increasing aggregate drilling at Jibal Qutman to 109,252m. A new Mineral Resource is expected in the next three months. It is expected to incorporate the new discoveries at Asfingia and Red Hill 2, and is expected to upgrade the Resource ahead of the reporting of maiden Reserves.

An upside scenario based on a 15% in resources could underpin a valuation of US\$54-81m.

At this stage, Gold and Minerals has not announced a preferred development path. KEFI has said that a staged approach is being evaluated. It seems likely that a Stage 1 could be based on mining the oxide ores with a conventional CIL circuit. Start-up costs would be low, perhaps around US\$70m for a 1.0Mtpa plant that could produce approximately 30,000 oz gold pa.

The production scenarios herein are based on valuations of US\$1,500-1,750/oz of estimated production. This is broadly in line with the Osino deal and a small premium to it, the premium reflecting the scarcity of Saudi Arabian assets, the availability of financing through the Saudi Industrial Development Fund, and the huge exploration upside at both Jibal Qutman and Hawiah. Valuing this first stage at US\$1,500-1,750/oz of production suggests a valuation of US\$45-53m.

This also seems conservative. Assuming production costs of say US\$1,500/oz, at current gold prices, such an operation would generate operating cash flows of more than US\$1,000/oz, or US\$30m pa suggesting a valuation of just 1.5-1.8x operating cash flow.

One advantage of a start-up operation is that it could fund further exploration along the whole 30km of strike length. So far Gold and Minerals has only drilled about one-quarter of the known strike length. The recent understanding that higher-grade gold deposits along strike are associated with interactions of the northwest trending Najd fault and the main north-south oriented Nabitah-Tathlith fault system mean that identifying and examining these areas will be an important part of the overall exploration approach. A small, open-pit start-up operation would be a sensible way to finance this while the broader system is being evaluated.

Hawiah

Hawiah is regarded as a world-class asset. The Hawiah, Al Godeyer and Abu Salal licence areas are located in the Wadi Bidah Mineral district which comprises a 120km long belt hosting more than 20 known VMS deposits and historical workings. The district is perhaps the only VMS belt in the world that outcrops as much, remains as underexplored, and is as highly prospective.

Although the discovery of Hawiah was confirmed as recently as 2019, Gold and Minerals has already demonstrated combined resources from Hawiah (January 2023) and Al Godeyer (April 2023) of 30.4Mt at a grade of 1.7% copper-equivalent (CuEq) for 510,000 tonnes CuEq, or a grade of 2.5 g/t gold equivalent (AuEq) for 2.5Moz AuEq. Hawiah already ranks as the third largest base-metals development project in Saudi Arabia. **It is one of the Top 100 VMS deposits globally.**

Higher Reserve based valuations of US\$150-200/oz have been applied to Hawiah. Assuming an 88% conversion of current Resources to Mineral Reserves, valuing Hawiah at an EV/oz of estimated Reserves of US\$150-200, could underpin a valuation of US\$324-432m.

In August, KEFI said Gold and Minerals was in the final stages of a 65,000m drilling program, bringing total drilling at Hawiah to 120,000m. Drilling at the Crossroads Lode has extended the known mineralisation by 270m down-plunge to a vertical depth of 740m. This is expected to lead to an expanded Resource. An updated Mineral Resource Estimate is expected in the next three months. At least 85-90% of the combined more than 30Mt of Resources are expected to be upgraded to the Indicated category. This will form the basis of a substantial Maiden Ore Reserve. An upside scenario based on a 15% increase in resources could underpin a valuation range of US\$372-496m.

Gold and Minerals has not announced a preferred development path. Metallurgical testing is underway. Herein, it is assumed that estimated Reserves based on the current Resource are mined over 12 years and that production is approximately 180,000 oz AuEq pa. This implies a valuation range of US\$270-315m.

Other restructuring scenarios

Given the high quality of the Gold and Minerals asset portfolio and the attractions of Saudi Arabia a sale of KEFI's stake in the JV seems most likely. Yet, there are other ways the portfolio might be restructured. The partners have a longstanding and close relationship and all options will undoubtedly be looked at. One way might involve splitting the portfolio. Jibal Qutman and Hawiah are very different assets in terms of geology and scale. Each partner could decide to 'sole-risk' the next stage of development with KEFI taking on Jibal Qutman for example, perhaps in exchange for its remaining holdings in the JV. Most significantly, Saudi Arabia is attracting the mining investment world and Gold and Minerals is amongst the most advanced explorer/developers.

Recent transactions

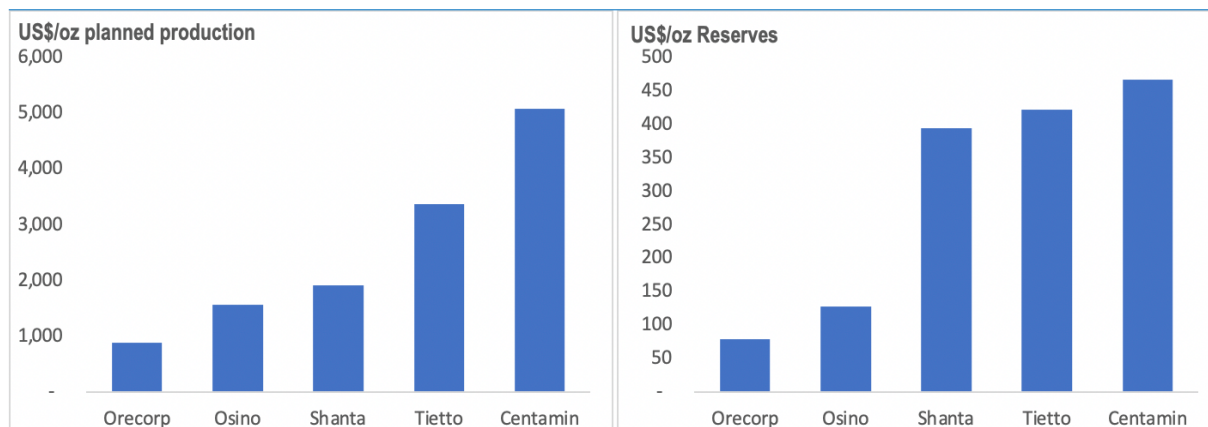
There has been strong appetite for gold acquisitions with 5 deals completed in Africa in the past year. Altogether there has been more than US\$8bn of M&A transactions in the African gold space since 2020. The recent focus has been on the Arabian Nubian Shield where there are few opportunities to acquire advanced projects or meaningful scale. The Shield hosts the largest known Neoproterozoic gold resource on Earth yet remains relatively unexplored in modern times. Recent activity includes:

- Perseus' acquisitions of Orca Gold (Sudan, 2022) and OreCorp (Tanzania, 2023)
- AngloGold's bid for Centamin (50% of Sukari, Egypt)
- Allied Gold's IPO in Canada in 2023 to fund development of Kurnuk, Ethiopia

Figure 8: Recent Africa gold transactions

Target company		Tietto Minerals	Shanta Gold	Osino Resources	OreCorp	Centamin
Code		TIE.AX	SHG.L	OSI.V	ORR.AX	CEE.TO
Buyer/bidder		Zhaojin Mining	ETC	Shanjin int'l Gold	Perseus	AngloGold
Code		1818.HK	Private	000975.SS	PRU.AX	AU
Status		Completed	Completed	Completed	Completed	Agreed Bid
Timing		Apr-24	May-24	Feb 2024	April 2024	Sep-24
Key project		Abujar	New Kuika	Twin Hills	Nyanzaga	Sukari
Location		Côte	Tanzania, Kenya	Namibia	Tanzania	Egypt
Stage		Production	Production	Feasibility Study	DFS	Production
Ownership		88%	100%	100%	80%	45%
Bid value, equity	US\$ m	498	194	268	177	2,474
Valuation metrics						
EV/NPV		58%		57%	27%	
EV/Reserves oz	US\$/oz	423	395	128	80	468
EV/M&I oz	US\$/oz	296	89	97	74	272
EV/M&I+I oz	US\$/oz	150	56	89	63	203
EV/oz planned output	US\$/oz	3,383	1,915	1,575	891	5,090
Project attributes						
NPV post-tax	US\$ m	877		480	618	
Gold price used	US\$/oz	1,900		1,750	1,750	
Planned production	oz pa	170,000	103,000	175,000	234,000	423,800
		Avg over 9 years	Guidance for 2024	First five years	Average life-of-mine	Guidance '24 plus Doropo

Source: Company data, Orior Capital

Figure 9: Recent transaction valuations based on planned production and Reserves

Source: Company data, Orior Capital

Figure 10: Recent African gold sector transactions

Buyer	Target	Country	US\$ m	Year
AngloGold Ashanti	Centamin	Egypt, Côte d'Ivoire	2,474	2024
Zhaojin Mining	Tietto	Côte d'Ivoire	498	2023
ETC Holdings	Shanta Gold	Tanzania, Kenya	194	2023
Shanjin Int'l Gold	Osino	Namibia	268	2023
Perseus	Orecorp	Tanzania	177	2023
Fortuna Silver	Chesser Resources	Senegal	60	2022
B2Gold Corp	Oklo Resources	Mali	18	2022
Perseus Mining	Orca Gold	Sudan	155	2022
Chifeng Jilong	Golden Star	Ghana	470	2021
Fortuna Silver	Roxgold	Burkina Faso, Côte d'Ivoire	884	2021
Shandong Gold	Cardinal Resources	Ghana	394	2021
Endeavour Mining	Terenga	Senegal, Burkina Faso	2,000	2020
Endeavour Mining	Semafo	Burkina Faso	736	2020

Source: Company data, Orior Capital

Appendix 1: Resources and Reserves

Tulu Kapi

In 2015, KEFI released an updated resource that only focused on zones of mineralisation directly below the open pit; other drilled zones of mineralisation accessible from underground which were included in the 2014 reported resource were ignored.

The Tulu Kapi project hosts a current resource estimate of 1.72 Moz at an average grade of 2.65 g/t gold. The mineral resource has been split above and below the 1,400m RL to reflect the portions of the resource that may be mined in the open pit operation and using underground mining. Of the total resource, some 1.50 Moz lies above 1,400m RL and is included in the mine plan for the open pit operation. This was based on a cut-off grade of 0.45 g/t gold. Resources below the 1,400m RL amount to 220,000 oz gold at an average grade of 5.69 g/t. Resources below the 1,400m RL are based on a cut-off grade of 2.5 g/t gold.

The project has current Mineral Reserves of 1.05 Moz gold at an average grade of 2.12 g/t. This reserve estimate was based on a gold price of US\$1,098/oz, suggesting there maybe scope to bring additional material into the mine plan.

Figure 11: Tulu Kapi Resources

Category	Tonnes Million	Gold Grade g/t	Contained Gold Moz
Above 1,400m RL	19.0	2.56	1.50
Indicated	17.7	2.49	1.42
Inferred	1.3	2.05	0.08
Below 1,400m RL	1.2	5.69	0.22
Indicated	1.1	5.63	0.20
Inferred	0.1	6.25	0.02
Overall	20.2	2.65	1.72
Indicated	18.8	2.67	1.62
Inferred	1.4	2.40	0.10

Source: KEFI

Figure 12: Tulu Kapi Reserves

Category	Tonnes Million	Gold Grade g/t	Contained Gold Moz
Probable, cut-off 0.9 g/t	12.0	2.52	0.98
Probable, cut-off 0.5-0.9 g/t	3.3	0.73	0.08
Total probable reserves	15.3	2.12	1.05

Source: KEFI

Gold and Minerals

In May 2015, Gold and Minerals published a mineral resource at Jibal Qutman of 28.4Mt at a grade of 0.8 g/t gold, for a gold resource of 733,045 oz gold that was based on 430 RC holes and 77 diamond holes.

Figure 13: Jibal Qutman mineral resource

	Category	Tonnes millions	Gold g/t	Contained koz
Oxide	Indicated	8.3	0.86	229
	Inferred	2.8	0.64	58
	Sub-total	11.1	0.80	287
Sulphide	Indicated	9.7	0.86	269
	Inferred	7.6	0.72	176
	Sub-total	17.3	0.80	446
Oxide and sulphide	Indicated	18.0	0.86	498
	Inferred	10.4	0.70	235
	Total	28.4	0.80	733

Source: KEFI

At the Hawiah project, the current resources at Hawiah (January 2023) and Al Godeyer (April 2023) comprise 30.4Mt at a grade of 1.7% copper-equivalent (CuEq) for 510,000 tonnes CuEq, or a grade of 2.5 g/t AuEq for 2.5Moz AuEq.

At Hawiah, the resource currently stands at 29.0Mt grading 0.89% copper, 0.94% zinc, 0.67 g/t gold and 10.1 g/t silver. In terms of contained metal, the resource comprises 258,000 tonnes of copper, 272,000 tonnes of zinc, 620,000 oz gold, and 9.4 Moz silver.

Figure 14: Hawiah Resource Estimate

Class	Mining Type	Material	Tonnes Mt	Grade				Metal content			
				Cu %	Zn %	Au g/t	Ag g/t	Cu kt	Zn kt	Au koz	Ag koz
Indicated	Open-pit	Total	9.2	0.88	0.7	0.84	9.9	81	65	249	2,950
		Oxide	1.2	-	-	2.1	7.6	0	0	80	286
		Transition	2.2	1.29	0.76	0.72	11.7	28	17	51	828
		Fresh	5.9	0.9	0.82	0.62	9.7	53	48	118	1,836
	Underground	Total	3.2	0.82	1.07	0.59	9.5	26	34	60	969
		Fresh	3.2	0.82	1.07	0.59	9.5	26	34	60	969
	Inferred	Total	1.8	0.99	1.02	0.67	12.4	18	19	40	735
		Oxide	0.01	-	-	0.96	8.4	0	0	0.2	1.8
		Transition	0.4	1.06	0.62	0.77	14.9	5	3	11	204
		Fresh	1.4	0.97	1.14	0.64	11.7	14	16	29	529
Total Resource	Underground	Total	14.7	0.9	1.05	0.58	10.1	132	155	272	4,754
		Fresh	14.7	0.9	1.05	0.58	10.1	132	155	272	4,754
	Open-pit	Total	29.0	0.89	0.94	0.67	10.1	258	272	620	9,408
			11.1	0.9	0.75	0.81	10.3	100	83	288	3,685
	Underground		17.9	0.88	1.06	0.58	10	158	189	332	5,723

Source: KEFI

In April 2023, KEFI announced a maiden Mineral Resources Estimate at Al Godeyer of 1.35Mt at 0.6% copper, 0.54% zinc, 1.4 g/t gold, and 6.6 g/t silver.

Updated Mineral Resource Estimates are planned during the next three months for both Hawiah and Jibal Qutman.

Appendix 2: Companies mentioned

Company	Code
KEFI Gold and Copper	KEFI.L
AngloGold Ashanti	AU
B2Gold Corp	BTO.TO
Centamin	CEE.TO
Chifeng Jilong	600988.SS
Endeavour Mining	EDV.TO
Fortuna Silver	FSM
Perseus	PRU.AX
Shandong Gold	603270.SS
Shanjin Int'l Gold	000975.SS
Zhaojin Mining	1818.HK

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