

MINING FLASHNOTE

KEFI Minerals (KEFI LN)

25 November 2019

Stock Data

Share Price:	1.55p
Market Cap (M):	£15.5
EV (M):	£17.3

Price Chart



52 Week Range

2.20p		1.55p
0.60p		

Company Summary

KEFI Minerals is an exploration company focused on the discovery and development of vein-hosted gold and volcanogenic copper-zinc mineralisation in the Arabian Nubian Shield.

MAIN SHAREHOLDERS	HOLDING
Hargrave Lansdown Asset	16.1%
Interactive Investor Trading	11.4%
Vidacos Nominees Limited	6.8%
HsdI Nominees Limited	6.8%

Source: KEFI Minerals & Bloomberg

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KEFI: Announces Encouraging Copper & Gold Grades at Hawiah

Event

KEFI has announced encouraging results at the start of the scout drilling programme at the Company's Hawiah Exploration Licence in Saudi Arabia.

Highlights

The highlights of the drilling campaign to date are:

- Hole HWD_001 intercepted 15.8m grading 1.2% copper, 0.51% zinc, 0.51g/t gold and 9.1g/t silver from 150.75m
- Holes HWD_003 and 004 intercepted similar mineralisation

Comment

KEFI is off to a very promising start to its drilling programme at its Hawiah Exploration Licence in Saudi Arabia. Although the assays are available for only one hole, and the zinc assays, although promising are not final for this hole, they have established that the mineralisation extends to a depth of 240m below surface and has a true width of at least 6m and possibly significantly wider.

Drill hole Holes HWD_003 intercepted similar mineralisation over 8.6m, true width 6.0m, at a depth of 38m and hole HWD_004 intercepted mineralisation over 16.2 m, true width 11.0m, from 267.5m. Assays are pending for these holes. Drill hole HWD_002 targeted the near-surface gold-bearing oxidised zone. Assay results are pending for this hole.

Previous exploration has shown that Hawiah is a 5.5km long geophysical anomaly and that the mineralisation is copper, gold and zinc bearing. The target remains open at depth and along strike.

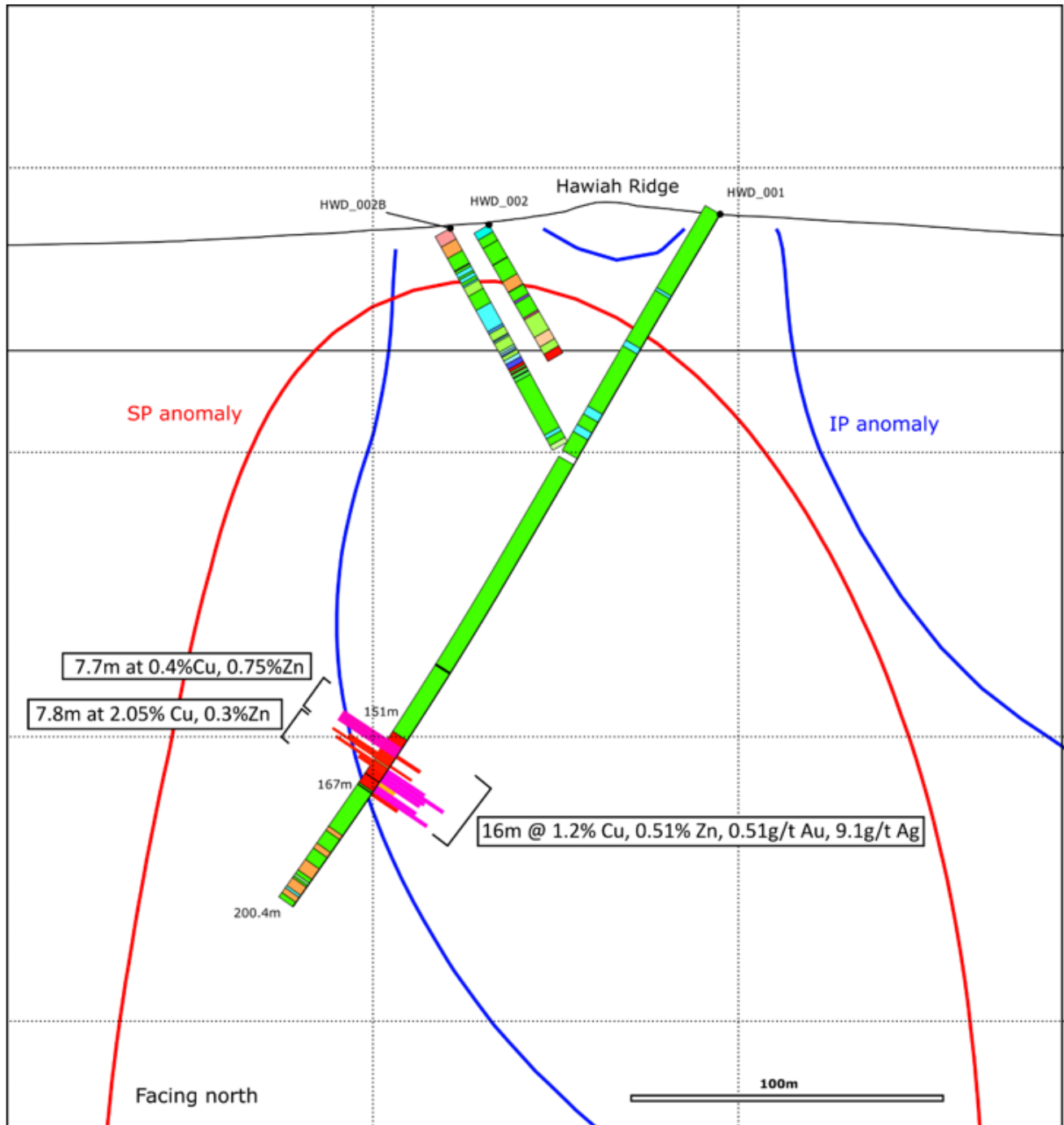
The planned 2,500m scout drilling programme will test three key target areas:

1. The near surface oxidised zone for gold
2. The massive sulphide at depth for copper, zinc and gold
3. The potential of the stockwork zone for larger scale development for copper, zinc and gold.

The mineralised zone in hole HWD_001 is effectively cut in half with an upper zone over 7.7m and grading 0.4% copper, 0.75% zinc, 0.76g/t gold and 10.29g/t silver, and is finer grained. The lower zone over 7.8m contains 2.05% copper, 0.3% zinc, 0.3g/t gold and 8.37g/t silver. It is coarser in grain size. The true width of this intercept is 8m.

It will be really interesting to see the assays for the three outstanding drill holes. Whilst holes HWD_003 and 004 intercepted similar mineralisation, hopefully the assays will be similar.

Exhibit 1: Section for HWD_001



Source: KEFI Minerals

Research Disclosures

Peter Rose

Peter has 33 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 12 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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Sell	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

Research Disclaimers

Research disclosure as of 25 November 2019

<u>Company Name</u>	<u>Disclosure</u>
KEFI Minerals (KEFI LN)	1, 2, 5,7, 8, 9

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