

MINING FLASHNOTE

KEFI Minerals (KEFI LN)

07 October 2019

Stock Data

Share Price:	0.884p
Market Cap (M):	£7.1
EV (M):	£8.5

Price Chart



52 Week Range

0.80p	0.884p	2.20p
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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%
HsdL Nominees Limited	6.8%

Source: KEFI Minerals & Bloomberg

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KEFI: Drilling Has Commenced at the Hawiah Prospect in Saudi Arabia

Event

KEFI has announced that drilling has commenced at Hawiah with a programme designed to test for a significant copper-gold-zinc deposit.

Comment

Following geophysical surveys that identified a strong and continuous anomaly under a ridge indicating that a massive sulphide mineralisation is likely present below the ridge, high-priority drill targets have been defined towards the southern end of the gossanous ridgeline by interpretation of:

- results from the recently completed induced polarisation and resistivity ("IP/Rho") geophysical survey;
- interpretation of geochemical data collected from trenches across the ridgeline; and
- geological mapping confirming that the sequence of rocks across the ridgeline conform with the expected zonation across a volcanogenic massive sulphide ("VMS") deposit.

The gossanous ridgeline is enriched in gold and has abundant secondary copper showings. The geophysical test work has provided a more robust interpretation of the geometry of the potential primary base-metal sulphide mineralisation, with initial drilling planned to target the strongest copper grades which overlie the strongest IP/Rho geophysical anomaly.

Four years ago, KEFI completed a first-pass, wide-spaced trenching programme over the gossanous horizon. KEFI's trenches repeated all of the BRGM's trenches, as well as extending the known (4.5km) exposure to the south and to the north. All of KEFI's trenches contained anomalous gold, including 6m at 2.2g/t gold, 2m at 8.7g/t gold, 6m at 1.9g/t gold, 3m at 5.8g/t gold, 2m at 7.5g/t gold and 8m at 3.0g/t gold.

Hawiah is located in Saudi Arabia's Wadi Bidah Mineral District which is a 120km-long copper-gold-zinc VMS belt where over 24 VMS occurrences were defined by the US Geological Survey and French Geological Survey over many years of research. KEFI is the operating partner of Gold & Minerals Limited ("G&M"), the joint venture company with the Company's long-standing partner, Saudi conglomerate ARTAR. G&M holds a dominant position on this ground.

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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Hold	Recommendation implies that expected total return of between 15% and zero is expected over 12 months between current and analysts' target price.
Trading Sell	Recommendation implies that the analysts' expected total return over the short term compared against the target price is negative.
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 07 October 2019

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

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