

[Home](#) » First exploration licence granted in Saudi Arabia

## First exploration licence granted in Saudi Arabia

17 June 2011

KEFI Minerals, an AIM-quoted gold and copper exploration company with projects in Turkey and the Kingdom of Saudi Arabia, is pleased to announce the grant of the first mineral Exploration Licence in Saudi Arabia to the Gold & Minerals ("G&M") Joint Venture (the "Licence"). The Licence has been granted by the Kingdom of Saudi Arabia's Deputy Ministry for Mineral Resources ("DMMR").

In addition the Company has received approval from the DMMR for two further licences and these have been sent for final approval from the Supreme Committee of Concessions in Riyadh. The Company looks forward to updating the market as and when these licences are granted.

KEFI Minerals has a 40% interest in the G&M Joint Venture and is the operating partner. To date the Company has lodged a total of 21 Exploration Licence Applications ("ELAs") in the Kingdom of Saudi Arabia that cover an area of approximately 1,419km<sup>2</sup>.

This inaugural Licence – for the Selib North Project ("Project"), covers favourable fault structures and quartz-carbonate veined alteration zones and contains evidence of ancient hard rock and alluvial workings for gold.

### HIGHLIGHTS

- G&M Joint Venture to immediately commence surface exploration programmes over the Project with the aim of generating targets for drill testing as soon as possible;
- Limited rock chip sampling, undertaken by G&M during field assessment of the area, returned results of up to 2.0g/t gold and 3.7g/t silver from quartz-carbonate vein zones located within the Licence;
- Numerous ancient alluvial and eluvial gold workings are located in the Licence area; and
- The Licence is renewable for up to five years and gives G&M the exclusive right to explore the 75km<sup>2</sup> Licence and to obtain a 30-year exploitation (mining) lease within the area.

KEFI Minerals' Managing Director, Jeff Rayner, commented:

"We are delighted that this initial Licence now enables detailed exploration to commence at the Selib North Project in a highly prospective part of the Arabian Shield. Our first licence in Saudi Arabia covers more than 10km of a major crustal fault zone with gold workings at surface that have not been drilled.

"A further 20 ELAs have been lodged by the G&M Joint Venture with Saudi Arabia's DMMR. Two of these have received approval from the DMMR while a further three ELA's are at an advanced stage of process and are anticipated to be granted in the near future."

### The Selib North Project (the "Project")

The Project is located in central Saudi Arabia, 65km south-southeast of the Al Amar Gold Mine, which is currently being operated by Ma'aden, the Saudi Arabian mining company. In 2007, mineral resources for the Al Amar Gold Mine were estimated by SRK Consulting to total 2.0 million tonnes at 11.2g/t gold for 722,000 ounces of gold.

The Selib North Licence area is located immediately south of the Fawarah and immediately north of the Selib gold prospects. The Fawarah, Selib and Selib North prospects were worked for gold by ancient miners.

Gold at these prospects is hosted in ophiolitic rocks that are cut by the Al Amar – Idsas fault. The host rocks are mainly serpentinite and listwaenite, metabasalt and diorite. These are cut by north-striking quartz and carbonate veins associated with en-echelon veins trending from 450 NW, through east-west and to 400 SW. The veins, now the sites of ancient trenches, are distributed over a band 1.8km long and 0.3km wide at Selib, and 2.0km long and 0.2km wide at Fawarah, and were mainly exploited by panning of crushed quartz and host rock. The gold is visible in places.

The Selib prospect was explored by the French Bureau de Recherches Géologiques et Minières ("BRGM") in 1982. Numerous alluvial and eluvial pits mark the base of the ridge at Selib. The dump sampling returned values of up to 17.8g/t Au while the geochemical survey outlined three anomalous zones corresponding with hydrothermal alteration. Results from soil geochemistry defined a 1.8km long north-south by up to 350m wide east-west anomaly at the 50ppb Au contour with a maxima of 2,700ppb Au. The geochemical anomalies were tested in three small areas of the overall 1.8km strike length by the BRGM with 16 percussion drill holes for a total 1,784m. The best intercept obtained in the drill programme was 8.4g/t Au over 1.5m.

As at the Selib prospect, the soil and rock anomalies at the Fawarah prospect correlate very well with the trends of known mineralised structures. Gold in soils reach a maximum of 2,620ppb Au at Fawarah and anomalies are defined by a 100ppb Au contour. The anomalies outline several discrete areas up to 300m long and 250m wide. Gold is hosted in quartz lodes in altered gabbro, diorite, serpentinite, and carbonate rocks. A total of 95 x 0.5m wide channel samples were collected from numerous trenches. Mineralised zones of >0.2g/t Au attain widths of up to 20m with maximum values of 8.3g/t Au and 2.3g/t Ag. A total of four percussion drill holes were drilled for 420m at Fawarah, with a best result of 3m at 6.78 g/t Au.

No systematic exploration, including soil sampling or drilling was carried out by the BRGM on the Selib North prospect.

Prior to the granting of the Licence, G&M undertook an extensive technical evaluation of the geological setting and exploration history of the project area. Access is good with a paved road close to the northern boundary of the licence. There is no sand dune cover within the Licence area and the topography comprises low hills with intervening narrow drainages and alluvial plains.

Limited rock chip sampling, undertaken by G&M during field assessment of the area, returned results of up to 2.0g/t gold and 3.7g/t silver from quartz-carbonate vein zones located within the licence. Numerous eluvial and alluvial workings are located at the base of ridges within the Selib North licence area.

An initial exploration programme, comprising interpretation of aeromagnetic data followed by detailed geological mapping and geochemical sampling of selected targets, will commence immediately.

#### Enquiries:

KEFI Minerals [www.kefi-minerals.com](http://www.kefi-minerals.com)  
 Jeffrey Rayner +90 533 928 19 13

Fox-Davies Capital  
 Simon Leathers +44 203 463 5010

Bishopsgate Communications  
 Michael Kinirons

References in this announcement to exploration results and potential have been approved for release by Mr. Jeffrey Rayner. Mr Rayner is a geologist and has more than 25 years' relevant experience in the field of activity concerned. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has consented to the inclusion of the material in the form and context in which it appears.

#### About KEFI Minerals

KEFI Minerals commenced trading on AIM in December 2006 and was formed with the aim of creating shareholder value through the discovery and exploitation of gold and copper deposits.

In the Kingdom of Saudi Arabia, KEFI Minerals has a minerals exploration joint venture, the Gold & Minerals Joint Venture, with leading Saudi construction and investment group, Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR"). KEFI Minerals is the operating partner with a 40% interest and the joint venture's primary target is the discovery and development of a >1 million ounce gold deposit in the under-explored Precambrian Shield in Saudi Arabia.

In Turkey, KEFI Minerals currently has the following exploration projects:

1. At Artvin, in northeastern Turkey, extensive hydrothermal alteration and gold and base metal mineralisation have been recognised in the project area, as well as historical workings indicating potential for economic mineralisation.
2. Bakir Tepe, in southwestern Turkey, is prospective for VHMS polymetallic deposits. High-grade gold and copper crop out on the peripheries of a shallowly buried geophysical chargeability anomaly.
3. Hasancelebi, in central Turkey, is prospective for high-sulphidation epithermal gold mineralisation and Iron-Oxide Copper-Gold ("IOCG") mineralisation.

KEFI Minerals' Board of Directors is comprised of Mr. Harry Anagnostaras-Adams (Chairman), Mr. Jeffrey Rayner (Managing Director), Professor Ian Plimer (Deputy Chairman) and John Leach (Finance Director).

Further information on KEFI Minerals is available at [www.kefi-minerals.com](http://www.kefi-minerals.com) and the Company's AIM code is "KEFI".

#### ABOUT US

Strategy  
 Board of Directors  
 Senior Management  
 Corporate Governance  
 Company History

#### PROJECTS

Overview  
**Saudi Arabia**  

- Jibal Qutman EL
- Selib North
- Country Info

#### Ethiopia

- Tulu Kapi Overview
- Tulu Kapi Resources & Reserves
- Tulu Kapi DFS

#### Photo Galleries

- Tulu Kapi
- Jibal Qutman EL
- Selib North
- Hikyrin and Hikyrin South

#### NEWS

Overview  
 Announcements  
 Annual Reports  
 Financial Reports  
 Presentations  
 Video/Multimedia  
 Media Articles  
 Subscribe to Updates

#### INVESTOR INFO

Overview  
 AIM Rule 26  
 Capital Structure  
 Subscribe to updates

#### CONTACT US