

MINING FLASHNOTE

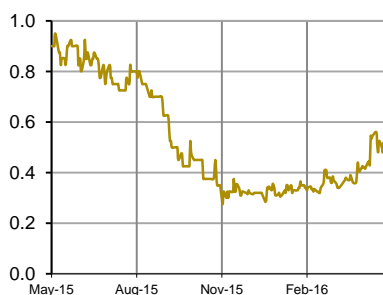
# KEFI Minerals (KEFI LN)

16 May 2016

### Stock Data

Share Price:	0.54p
Market Cap (M):	£16.9
EV (M):	£15.8

### Price Chart



### 52 Week Range

0.26p		0.54p
0.95p		

### 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

Capita Financial Managers	16.41%
Odey Asset Management	16.41%
Ausdrill Ltd	7.31%
JPMorgan Chase & Co	6.60%
Hargreaves Lansdown	6.27%
Barclays PLC	5.89%

Source: Bloomberg

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

## Government of Ethiopia to Invest US\$20M in Tulu Kapi Gold Project

### Event

KEFI Minerals has announced that the Ethiopian Government has confirmed its investment of US\$20M in the Tulu Kapi Gold Project in Ethiopia.

### Comment

This announcement confirms KEFI's announcement of the 11<sup>th</sup> November 2015 that the Ethiopian Government was intending to invest in the Tulu Kapi project.

This investment will provide the Government of Ethiopia with an equity interest in KEFI Minerals (Ethiopia) Ltd ("KME"), a wholly-owned subsidiary of KEFI Minerals plc that owns and operates the Project, of approximately 20% based on the projected enlarged paid-up share capital of KME (c. 25% including the Government's pre-existing 5% free carried-interest).

Monies invested by the Government will be used to fund the roads, power and certain other associated infrastructure required by the Project. This is important as the roads and powerline have to be built for the project to work and are included in the current capital development programme. Indeed, the powerline will enable KEFI to use cheap hydro-electric power at the mine, with a significant reduction in operating costs, which are already factored in.

One of the key aspects of the Ethiopian Government being willing to commit US\$20M to the project is that it demonstrates a strong will to get the project over the line. This should provide visible comfort to the other potential financiers that the project will succeed.

## Research Disclosures

### Peter Rose

Peter has 29 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 8 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.

**Tel: +44 (0)20 3463 5034**

**Peter.Rose@brandonhillcapital.com**

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

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Research disclosure as of 16 May 2016

Company Name	Disclosure
KEFI Minerals (KEFI LN)	1, 2, 7, 8, 9

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## Brandon Hill Contact List

### International Sales

**Oliver Stansfield**

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

**Alex Walker**

Tel: +44 20 3463 5018

Email: alex.walker@brandonhillcapital.com

**Pierre Iseux**

Tel: +44 20 3463 5024

Email: pierre.iseux@brandonhillcapital.com

### Research

**Peter Rose**

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

**William Arnstein**

Tel: +44 20 3463 5020

Email: william.arnstein@brandonhillcapital.com

### Corporate Finance & Broking

**Jonathan Evans**

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

**Wei Jiao**

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

**Robert Beenstock**

Tel: +44 20 3463 5023

Email: robert.beenstock@brandonhillcapital.com