

WH IRELAND

CAPITAL MARKETS

11 November 2021

MORNING COMMENT

CORPORATE

Share Price (last close) 1.0p

Ticker	KEFI
Index	FTSE AIM
Sector	Mining
Market Cap	£21m

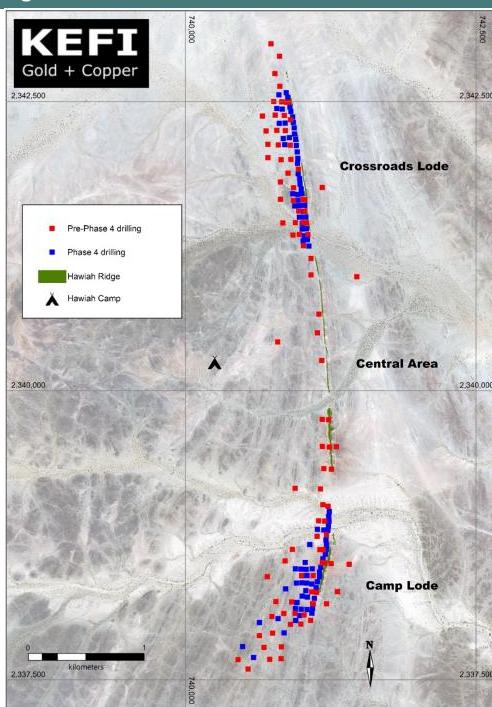
KEFI Copper & Gold

Hawiah copper-zinc-gold deposit, positive drilling update

KEFI yesterday provided an update on its 4th drilling program at the Hawiah VMS deposit in Saudi Arabia. Hawiah is 32% owned by KEFI with KEFI also the operator. The 16,000m drill program is complete with assay results showing an extension of the deposit as well as providing a significant level of infill drilling to enable an increase in the confidence of the resource category. A new Mineral Resource Estimate (MRE) is expected in December with KEFI fast-tracking economic and technical studies. The MRE only considers a portion of the potential resource at Hawiah. A large area outside of the MRE has also returned positive drill results and Hawiah is building up to becoming a large project with consistent grades and an open resource.

- **Drilling Update:** The Phase 4 drilling campaign has been completed for 16,000m to make a total of 41,800m drilled into the deposit. Assays and thicknesses (averaging around 5.5m true width) of the mineralisation have been remarkably consistent and drilling has extended the resource down plunge of the camp lode by 670m with mineralisation present and still open over a 5,000m strike length (Figure 1). Infill drilling has concentrated on the upper levels of the Crossroad and Camp Lodes and early work suggests that an indicated resource of over 10Mt could be established for an initial early mining development – essential for the PFS work which KEFI has put in place. We expect the new MRE by December 2021

Figure 1: Plan of the Hawiah drill holes



Source: WH Ireland Research

- **Upper portions may form an open pit:** thickness and grades in the upper portion of the Lodes may allow for early extraction via an open pit. The ore is transitional but higher-grade and any open pit work will also allow the extraction (and potentially processing) of the upper oxide layers which contain gold. This could form a valuable additional revenue stream to any mine at Hawiah.

- **PFS is underway:** KEFI has taken a proactive and fast-track stance to Hawiah, following a positive Preliminary Economic Assessment, and it expects a mine plan based on a reserve by mid-2022 with the aim of beginning development of Hawiah by late 2023. This is an aggressive schedule but one which might be achievable given the funding environments in Saudi Arabia; the Saudi Industrial Development Fund ("SIDF"), is mandated to prioritise mining with project loans of up to 75% of capital requirements, which may also include the final stages of the exploration/exploration/PFS process.

WHI View: We continue to view Hawiah as a high impact project for KEFI. Whilst it has

struggled to get its Tulu Kapi project away in Ethiopia (although now perhaps back on track), the investment environment in Saudi appears much more benign and with several large mining operations operated by non-Saudi companies there is already a benchmark laid out. Key to any developments will be continued news from resource updates and technical feasibility studies on developing the deposit, but KEFI is well positioned.

Marketing Communication

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Corporate	61	95.3	61	100.0
Buy	3	4.7	0	0.0
Speculative Buy	0	0.0	0	0.0
Outperform	0	0.0	0	0.0
Market Perform	0	0.0	0	0.0
Underperform	0	0.0	0	0.0
Sell	0	0.0	0	0.0
Total	64.0	100.0	61.0	100.0

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Company Name	Table of interest number	12-month recommendation history	Date
KEFI Copper & Gold (KEFI)	4	Corporate	21.06.21

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