Exploring for Gold and Copper in Saudi Arabia

Prof. Ian R. Plimer  
September 18th 2013
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References in this Presentation to exploration results and mineral resources 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. Recipients of this Presentation should note that the exploration results and minerals resources referred to in this presentation have not been verified by an independent competent person.
UNIQUE POSITION - Exploring for gold and copper in Saudi Arabia. One of few Western companies with exposure to gold deposits in the highly prospective under-explored Arabian Shield;

STRATEGIC PARTNER - JV partner is Abdul Rahman Saad Al-Rashid and Sons (ARTAR), a major Saudi construction group. Gold & Minerals (G&M) JV 40% Kefi 60% ARTAR who provide significant financial support and advice in Saudi Arabia, a mining friendly and low cost jurisdiction. KEFI is the technical partner and Operator of the JV;

LICENCES - G&M, through ARTAR has been awarded 4 Exploration Licences (ELs) (Jibal Qutman, Selib North, Hikyrin and Hikyrin South). Further licences are expected in 2013. Applications lodged for a further 19 ELs;

DATABASE - G&M has created a substantial database for selective targeting of potentially major mineral deposits;

POTENTIAL - All EL and application areas contain ancient workings for gold and/or base metals; targeted using G&M’s database of historic workings, geology, geophysics, remote sensing, prospect geology, alteration studies and structural interpretation;

EXPLORATION - Trench sampling, diamond and RC drilling and an electrical (IP) geophysical survey on some or all of the 4 ELs;

RESULTS - Jibal Qutman (granted July 2012): Maiden Inferred Resource of 10.3Mt at 0.94g/t Au for 313,000oz (May 2013); drilling in progress at 3K and 4K Hills (new discoveries); new Inferred Resource 14.5Mt at 0.89g/t for 415,000oz (September 2013);
Saudi Arabia: low cost environment

✓ **ENERGY** - Cheap energy, diesel cost is €0.08 per litre and cheap labour costs. Largest operating costs to produce gold are energy, labour and consumables;

✓ **TAX** - Low cost tax regime;

✓ **FINANCING** - Up to 75% of capital could be available via the Saudi Industrial Development Fund (SIDF). SIDF provides loans for local Saudi projects of up to 75% of the capital cost of mine development at nominal interest rates;

✓ **INFRASTRUCTURE** - G&M’s flagship project Jibal Qutman located 90km from the town of Bisha. Saudi Airlines flights to Riyadh and Jeddah twice a day. Dual lane asphalt highway 40km from project;
- **Major mining** 1000-3000 years ago

- **Exploration** by BRGM (French Geological Survey) and the US Geological Survey (the 1970s - 1990s) documented **>5000** historic gold and base metal mines and workings

- **The Arabian - Nubian Shield** represents a very large area of under-explored and highly prospective Precambrian terrane

- **Ma’aden** has four operating gold mines in Saudi Arabia. One underground and three open cut mines, using CIL, flotation and heap leach plants to recover gold. Ma’aden has discovered and added 8Moz Au in JORC Resources in the last 10 years and reports a global +13Moz Au in Resources. Other mining companies in KSA include Barrick, Arabian American and Alara Resources.
✓ **July 2012**: Licence granted, mapping and trenching commenced;

✓ **September to December 2012**: Phase 1 diamond drilling; 50 holes (4,569m) on 50m x 25m/40m grids, allowing to identify two new zones of mineralisation, the **South and West Zones** (in addition to the **Main Zone**, the site previously drilled by the USGS);

✓ **January 2013 to present**: Phase 2 RC drilling and trenching. Metallurgical **diamond drilling in progress**;

✓ **May 2013**: JORC Inferred Resource estimation of 10.3Mt at 0.94g/t Au for 313,000oz Au;

✓ **June 2013**: New gold discovery at 3K Hill prospect; other prospects also defined from reconnaissance mapping and high grade rock sample results (4K Hill and East Zone);
✓ **RC drilling** (15,000m programme) and trenching is **continuing to close off mineralisation** along strike. New 3K Hill and 4K Hill prospect drilled;

✓ **Works Trenching**: 224 trenches (13,200m). RC drilling: 126 holes (12,200m);

✓ **Three RC rigs** (local and international contractors) currently operating on single shift per day, 7 days per week;

✓ **Metallurgical** diamond drilling underway in the **west zone and 3K Hill**;

✓ **Reconnaissance** exploration mapping and sampling continues to **discover new mineralisation zones** in the northern half of the Licence;

✓ **Pre-feasibility** study in progress;
**Rapid progress** - West Zone maps showing the increasing size of the discovered mineralisation, which remains open along strike.
Jibal Qutman: Inferred Resource update

<table>
<thead>
<tr>
<th>Zone</th>
<th>Volume</th>
<th>Tonnes</th>
<th>Au</th>
<th>grams</th>
<th>ozs</th>
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<tbody>
<tr>
<td>Main - West - South</td>
<td>4,466,452</td>
<td>11,836,102</td>
<td>0.85</td>
<td>10,034,633</td>
<td>322,621</td>
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<tr>
<td>3K Hill</td>
<td>1,022,498</td>
<td>2,709,621</td>
<td>1.06</td>
<td>2,865,050</td>
<td>92,114</td>
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<tr>
<td><strong>Total</strong></td>
<td>5,488,950</td>
<td>14,545,723</td>
<td>0.89</td>
<td>12,899,683</td>
<td>414,735</td>
</tr>
</tbody>
</table>

**JORC Inferred Resource**

Resource estimate performed by KEFI geologists and approved by Mr J Rayner, who 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).
Jibal Qutman: metallurgy

Preliminary metallurgical testwork recoveries:

- **94.9%** and **96.4%** by cyanidation of ground ore from two composite drill samples representing the West Zone oxide mineralisation;

- **92.5%** from one composite drill sample representing the South Zone oxide mineralisation;

- **80.5%** and **81.5%** from two composite drill samples representing the West Zone transitional mineralisation;

- **68.1%** from one composite drill sample representing the deeper West Zone fresh mineralisation;

While not definitive, this metallurgical test work suggests that the oxide, transitional and primary mineralisation from the Jibal Qutman prospect **can be treated successfully with standard CIP processing methods**.
Selib North: highlights

- **June 2012:** A new style of gold mineralisation discovered at the Camel Hill prospect. Gold is associated with pyrite-altered dykes and best trench results included 17m at 3.43g/t Au and 6m at 1.03g/t Au.
- **September 2012:** Phase 1 diamond drilling; 8 drill holes (928m) over a 200m strike length at Camel Hill completed. Best results included; 11m at 3.11g/t Au, 10m at 1.99g/t Au and 1m at 38.66g/t Au.
- **December 2012:** An electrical (IP) geophysical survey over 1.3 sq km of Camel Hill and surrounding area completed.
- **Q1 2013:** Phase 2 diamond drilling of 10 drill holes (1,876m) and 10 RC holes (1,255m) completed. Best results included 8m at 1.40g/t Au and 5m at 2.50g/t Au.
- **G&M** to apply the new model of gold mineralisation discovered at Camel Hill to target other regional prospects in the Arabian Shield.
- **Further** exploration work scheduled for October 2013.
Ancient gold mines at Fawarah and Selib, both are located just outside the EL;

A total of 6 new gold discoveries have been made since the licence was granted in Q1 2012;

At the Camel Hill-Area 350-Selib Ridge area, gold is associated with pyritic felsic dykes in relation with regional structures and circular features;
Located within the well-mineralised Central Arabian Gold Region, host to Ma’aden’s Ar Rjum deposit (3.4 Moz)

Licence granted, soil sampling, mapping and trenching commenced in February 2012

Sampling of ancient workings waste dumps returned up to 16.3 g/t Au and averaged 5.9 g/t from 24 samples over 700m strike length

First Phase trenching programme confirmed gold mineralisation in narrow quartz veins and best results include 1.2 m at 2.98 g/t and 0.7 m at 10.24 g/t Au

RAB drilling programme to test bed rock geochemistry completed in May 2013

Second phase trenching programme underway
Ancient workings. BRGM collected 32 dump samples average 7.98g/t Au;

BRGM drilled 16 drill holes to 50-60m depth (1981). Some holes drilled in an exclusion zone (archaeological site). Best results include:

Hole 29
37 - 40m: 3m at 3.54g/t Au
55 - 61m: 6m at 13.1g/t Au

Hole 28
10 - 31m: 21m at 3.87g/t Au

Hole 24
0 - 4m: 4m at 4.93g/t Au
7 - 10m: 3m at 23.5g/t Au

Hole 22
0 - 4m: 4m at 4.15g/t Au

No further work since then;

40km along strike from Ar Rjum, 2.65Moz Au deposit;

Reconnaissance and prospect-style exploration has demonstrated the presence of highly anomalous gold values within major vein systems in the area.
Ancient workings and mineral occurrences for base metals and gold have been found in over 20 places in Wadi Bidah Mineral District (WBMD) a 120km-long north-trending belt.

Individual gossans can be traced in surface for up to 4km and 2-30m wide.

Previous sampling by BRGM on gossans returned up to 18g/t Au.

7 of the ELAs which have been lodged contain large gossan structures developed as a product of weathering over polymetallic volcanic-hosted massive sulphide (VHMS) deposits.

Over 8km cumulative strike length of gold-bearing gossans on the ELAs. One ELA at end stage of permitting and could be granted in 2013.
KEY OPERATIONS PERSONNEL IN SAUDI ARABIA

Fabio Granitzio
Exploration Manager

Simon Cleghorn
Resources Manager

Sergio di Giovanni
Metallurgist
Project Development Manager

Patrick Gorman
Project Advisor & Consultant Mining Engineer
**Sector**: Mining

**Ticker**: KEFI

**Status**: AIM

**Current Share Price**: 2.98p (10 Sep 2013)

**Share price 52 week high/low**: 4.90p/2.63p

**Market Cap**: £14.83m (10 Sep 2013)

**Shares in issue**: 498,536,832m

**Options & Warrants**: 44,011,667 (exercise price 2-7p)

**Broker/Nomad**: Fox-Davies Capital
For further information, contact:

Jeff Rayner, Managing Director

Mobile Phone: +90 533 928 1913 (Turkey) or +966 535 004 480 (KSA)

Exploration Office - Turkey
Cemal Gursel Caddesi Yali Apt.
No.304 Kat:4 D.9
35600 Karsiyaka
Izmir, Turkey

Exploration Office – Saudi Arabia
Villa No: 14, Khawlah Bint Al Azwar Street (112)
Al Shate’e District / 3
N35W20 SectorJeddah, Saudi Arabia

Tel: +90 232 381 9431 or 232 381 9486
Fax: + 90 232 381 9071
Email: info@kefi-minerals.com
Website: www.kefi-minerals.com