



# Q1 Presentation 2022

AKOBO MINERALS AB (publ)

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# Disclaimer

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This presentation includes information from the Segele Mineral Resource Estimate released by Akobo Minerals AB on the 22th of April 2022. Akobo Minerals AB confirms that it is not aware of any new information or data which materially affects the information contained in the press release regarding the Segele Mineral Resource (22/4/2022). All material assumptions and technical parameters underpinning the estimate are relevant and have not materially changed.

The information that relates to Mineral Resources is based on information compiled by Mr Michael Lowry who is a member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of SRK Consulting (Australasia) Pty Ltd. Mr Lowry has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lowry consents to the inclusion in the report of the matters based upon his information and context in which it appears.

# Table of Contents

## **I** Introduction

## **II** Operational update

## **III** Financial update

## **IV** Q & A



# Key events first quarter 2022

## Events during first quarter

- Awarded extension of exploration license
- Construction and approval of airstrip
- Hiring of Dr Cathryn McCallum as Head of ESG Strategy
- Visible Gold discovered at a record depth
- 100<sup>th</sup> drill hole at Segele completed
- Commenced tendering process for contract mining partnerships

## Events after the period

- Solo Resources (Pty) Ltd contracted for delivery of a processing plant for production of gold at the Segele mine
- Mineral Resource Estimate update by SRK completed, demonstrating an increased grade and tonnage
- New mineralization zone discovered, with visible gold intersection

**Important risk mitigation measures and milestones in place for realizing our strategy of becoming an exploration company supported by boutique mining cash flow**

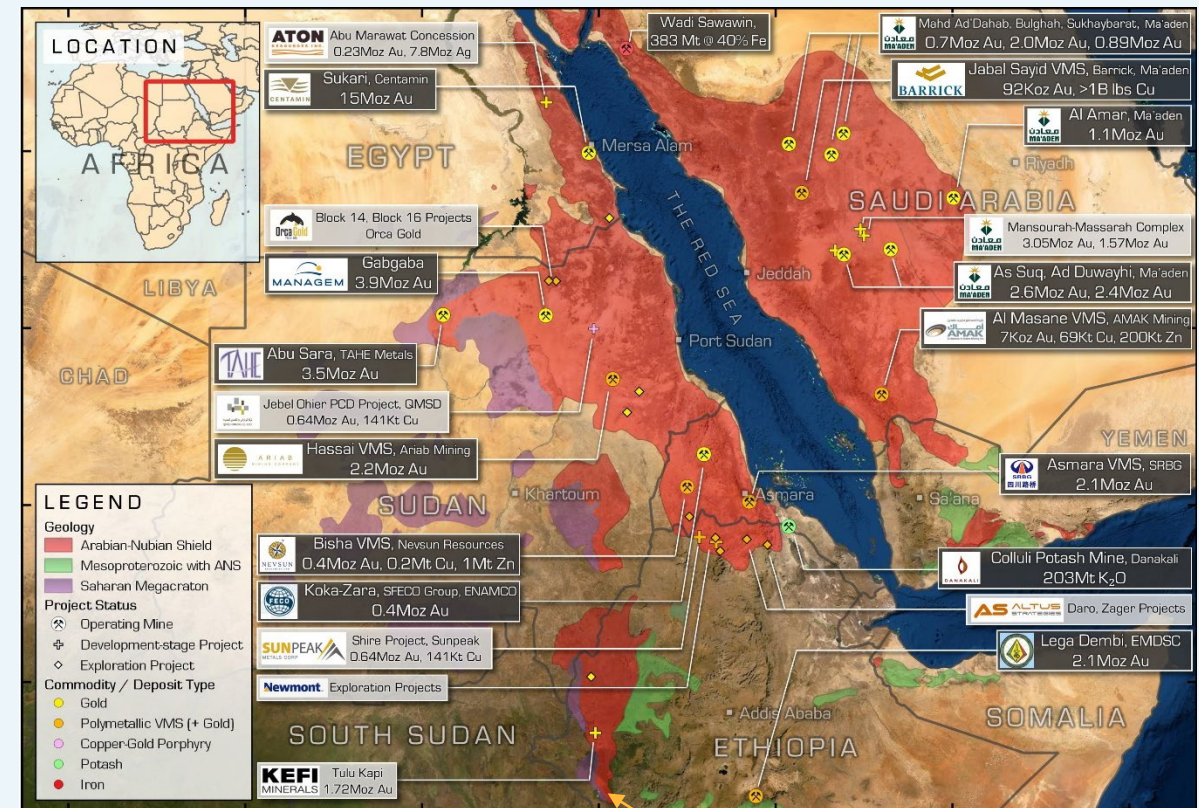


# Akobo is “low-hanging fruit” for modern gold exploration

## A New Frontier for Gold Exploration

- Located in the Western Ethiopian Shield, an ancient mining region largely ignored by modern exploration
- 1,000 kg extracted by hand in 18 months<sup>1</sup>
- Legadembi project 400 km to the East
  - Main Ethiopian gold producer for 20+ years
  - Estimated gold production 55t Gold
- Tulu Kapi project 300 km to the north
  - Within the same geological belt as the Akobo project
  - Inferred and indicated resources of 1.7 million ounces at 2.65 g/t
- Untapped resource base with large potential and lack of modern exploration
  - Mining reform and infrastructure improvements in recent years to facilitate exploration by international companies

## Part of the Arabian Nubian shield – home to gold



**Akobo Minerals has a head start exploring Akobo since 2010**

**Akobo Minerals**

# Gold Exploration and Mining Company With Significant Gold Potential



## Exploration since 1940 with consistent results

No previous modern mining undertaken in the region



## 182 km<sup>2</sup> exploration license – recently renewed

An attractive gold-mining jurisdiction 710 km from Addis



## 16 km<sup>2</sup> mining license – recently granted

Potential for significant cash flow from the Segele deposit and large enough to bring adjacent targets into production when discovered



## Modern plant, machines and equipment

Very low-cost drilling operations with 3 owned drill rigs and plant in process



## Segele Mineral Resource estimate by SRK

Inferred and Indicated Mineral Resource of 68.811 oz gold @ 22,7g/t Au  
**Indicated Mineral Resources alone of 41.000 oz gold @ 40.6 g/t.**  
Ore body is close to surface and still open at depth



## High margin gold production envisaged

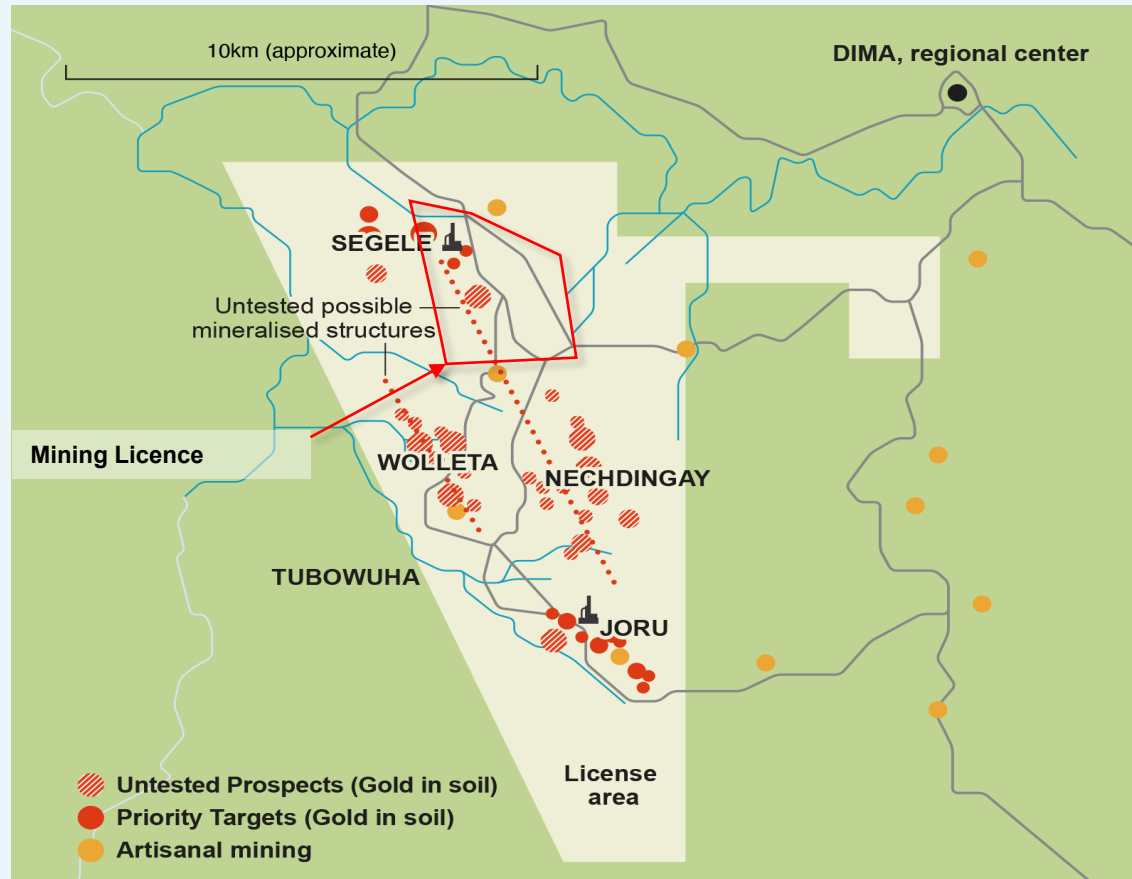
All-in Sustaining Costs USD 243 per ounce

## Location of License in Akobo, Ethiopia



# Mining and exploration license awarded – major milestones

## Map of the license Area



## Attractive licenses recently awarded and renewed

*Licenses granted by the ministry of Mines and Petroleum ensures Akobo Minerals the following:*

- ✓ The right to continue exploration in the 182 km<sup>2</sup> for a minimum of **3 years** with **yearly renewal up to 10 years**
- ✓ The right to a **5-year Mining License** covering 16 km<sup>2</sup> of the Segele mineralization and other promising targets – **extendable in 10-year increments**
- ✓ **Proceeds from sale** of gold in overseas USD bank accounts
- ✓ **Right to freely repatriate profits** from overseas USD bank accounts
- ✓ Sell gold freely in international markets
- ✓ Duty free import of plant, machinery and equipment
- ✓ Payment of **5% royalty** to federal government
- ✓ Payment of **7% free** carried interest in the mining project

# Segele Resource Estimate Verifies Outstanding Potential

## Mineral Resources as of 22 April 2022

Classification	Cut-off grade 1 (Au g/t)	Ktonnes	Au (g/t)	Gold Ounces (kOz)
Measured	2.65	0	0	0
Indicated		32	40.6	41
Inferred		62	13.6	27
<b>Total</b>		<b>94</b>	<b>22.7</b>	<b>69</b>

- The mineralisation shows unusually good geological continuity down plunge of the ore shoot.
- SRK has certified internal QAQC procedures and reported the resources according to JORC code

## Definition of grading (gold grams per tonne)<sup>1</sup>

Open Pit	Open Pit	Underground Mine
Low grade	0 – 0.5 gold grams per tonne	0 – 0.5 gold grams per tonne
Average grade	0.5 – 1.5 gold grams per tonne	5 – 8 gold grams per tonne
High grade	1.5+ gold grams per tonne	8+ gold grams per tonne
"Bonanza grade"		Troy Ounces (31.1 grams per tonne)

- Segele is defined as High- and Bonanza-grade
- The exceptional grade of 22.7 g/t puts Segele firmly among the top 10% of the world's gold deposits
- Enables low-opex mining operations as less mining is needed for the same amount of gold extracted



# Table of Contents

**I Introduction**

**II Operational update**

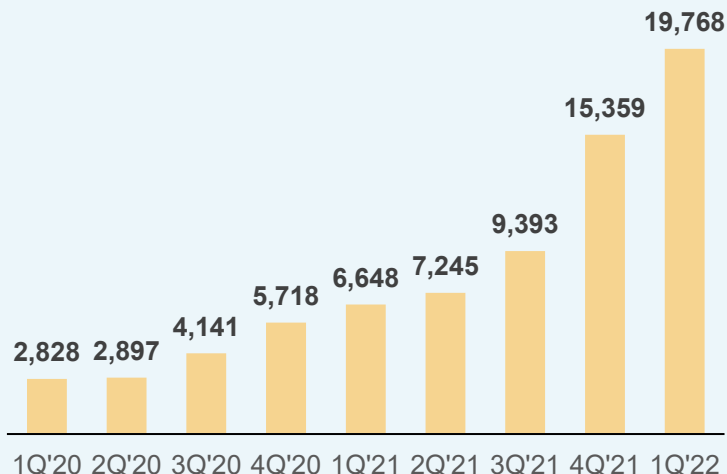
**III Financial update**

**IV Q & A**

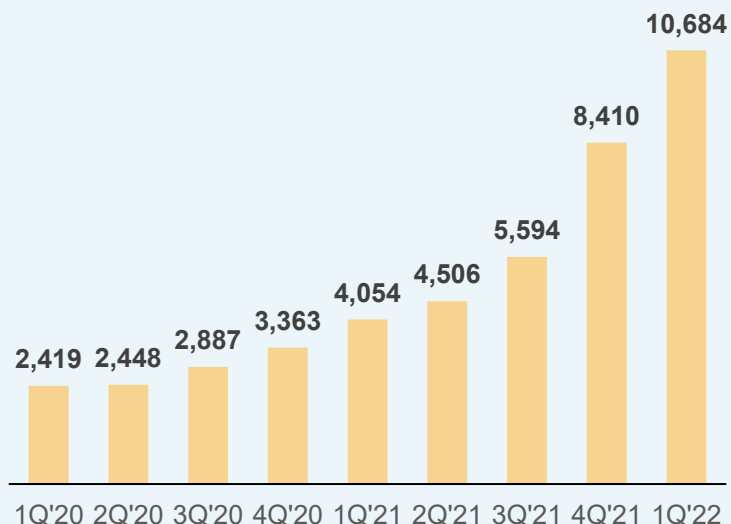


# Uninterrupted operations and prudent ramp-up of activities

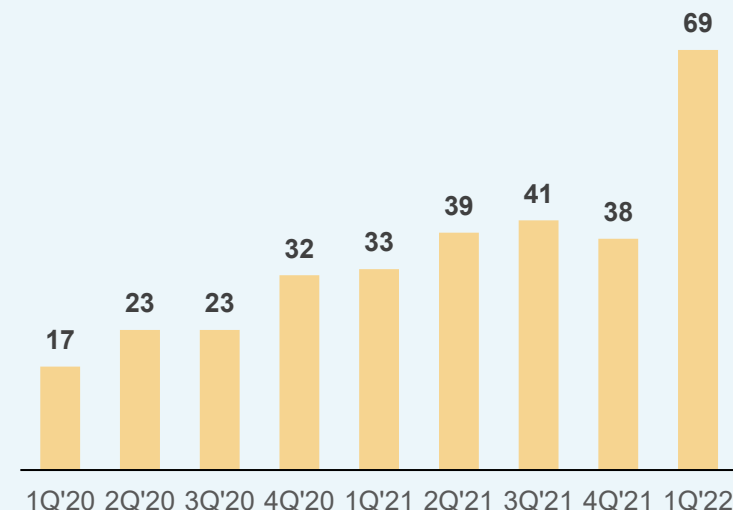
## Significant drilling activity



## Accumulated assays



## Employees



## KEY MILESTONES

- 100 holes drilled; infill program completed
- 3 new second-hand rigs arrived at camp
- 20,000 meters drilled to date

- All assays for update of Mineral Resource Estimate arrived
- Awaiting results from 1800 samples still with ALS relating to new targets and Joru

- Ramp up of staff to prepare for increased exploration activity and mining operations

# Corporate planning for low-risk operations

## CONTRACT MINING OPERATIONS

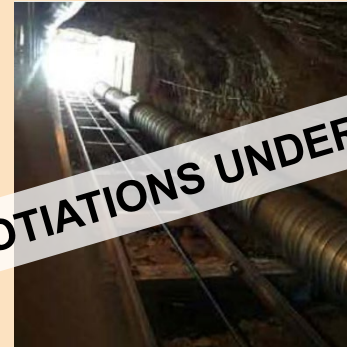
All Hiring, Equipment Purchase and Training and Operations completed by experienced contractor

First limited production expected before end 2022 with gradual ramp-up during 2023

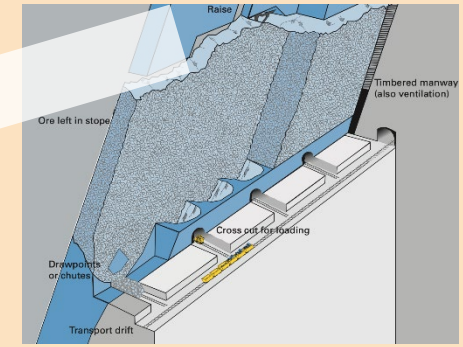
Mine Entrance Construction



Incline Shaft Development



Stoping Operations



NEGOTIATIONS UNDERWAY

## PROCESSING PLANT

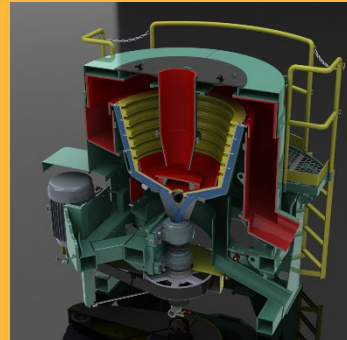
Construction, Commissioning and Training.

Signed agreement with Solo Resources (Pty) for delivery of the processing plant for production of gold at the Segele mine. The plant will be operated by Akobo Minerals

Crushing and Milling



Gravity Concentrator



Cyanide in Leach

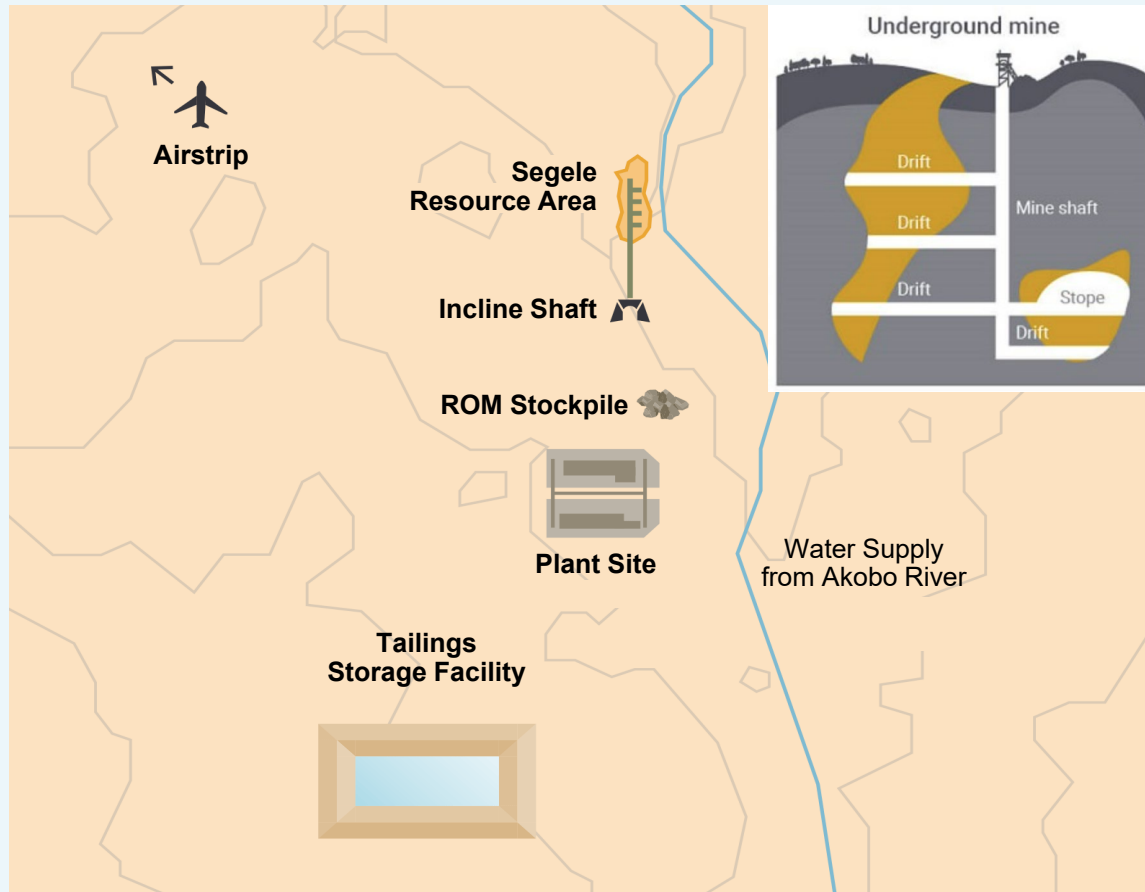


Elution and Smelting



# Basic and well-known gold mining operations expected

## Segele Map Area



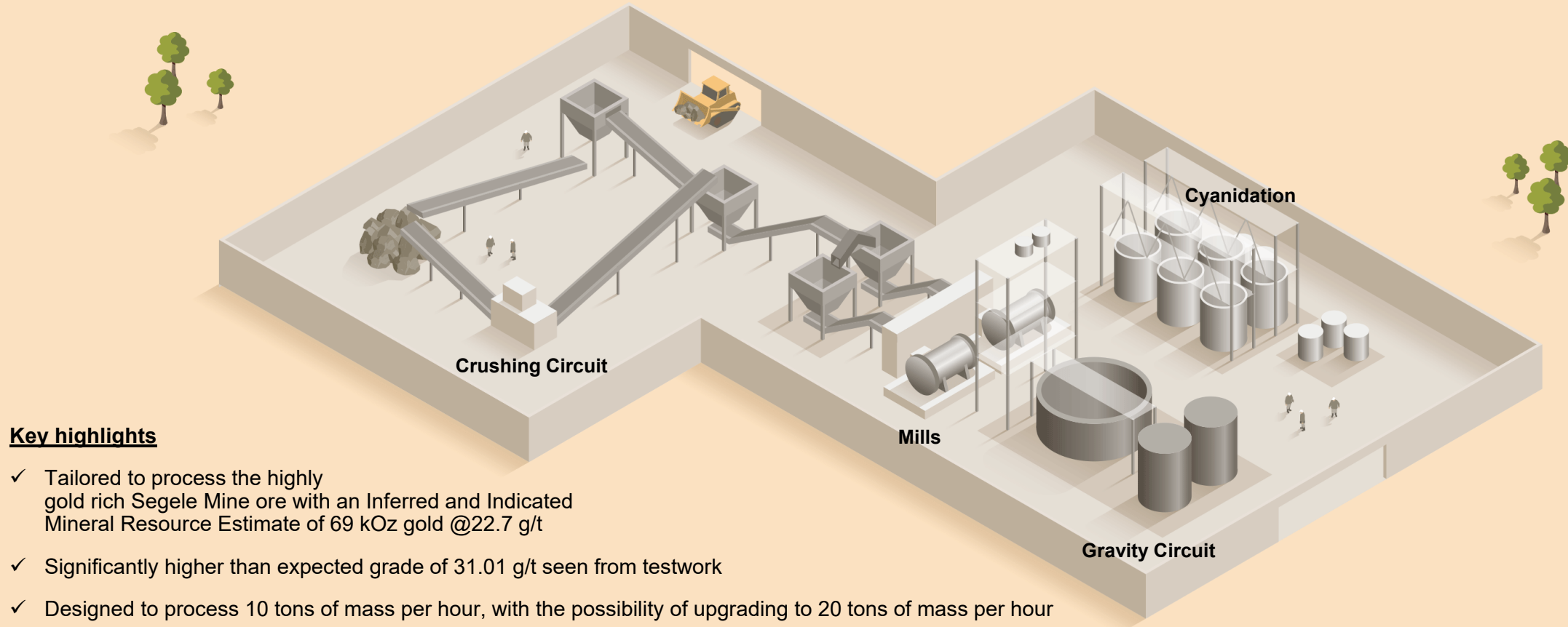
## Comments

- The ore will be accessed by an incline shaft, currently planned to be 290m in length, reaching a vertical depth of 160m below surface. Easily extendable to reach deeper ore at low incremental cost.
- Two smaller shafts “winzes” will be used to access the shallowest mineralisation early in the mine plan.
- The ore will be extracted using shrinkage stoping or cut and fill methods. These drilling and blasting systems create carefully designed caverns which are accessed from horizontal tunnels off the incline shaft
- The ore will be transported to surface using a small rail system using a simple winch to pull metal cars to surface
- Processing plant test work confirms that good recovery is possible from a very simple industry standard processing plant operations



# Signed contract for delivery of processing plant – a fundamental milestone

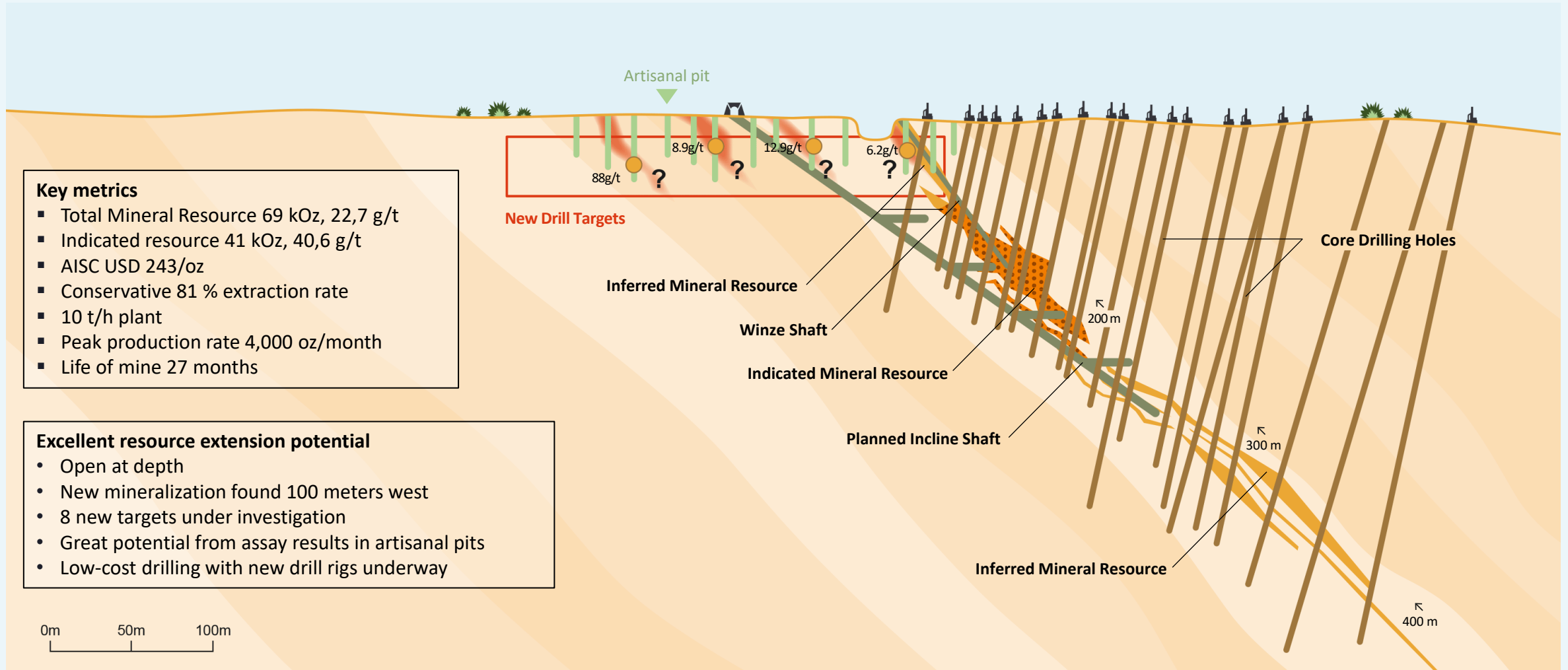
Commissioning expected to start end of Q1 2023



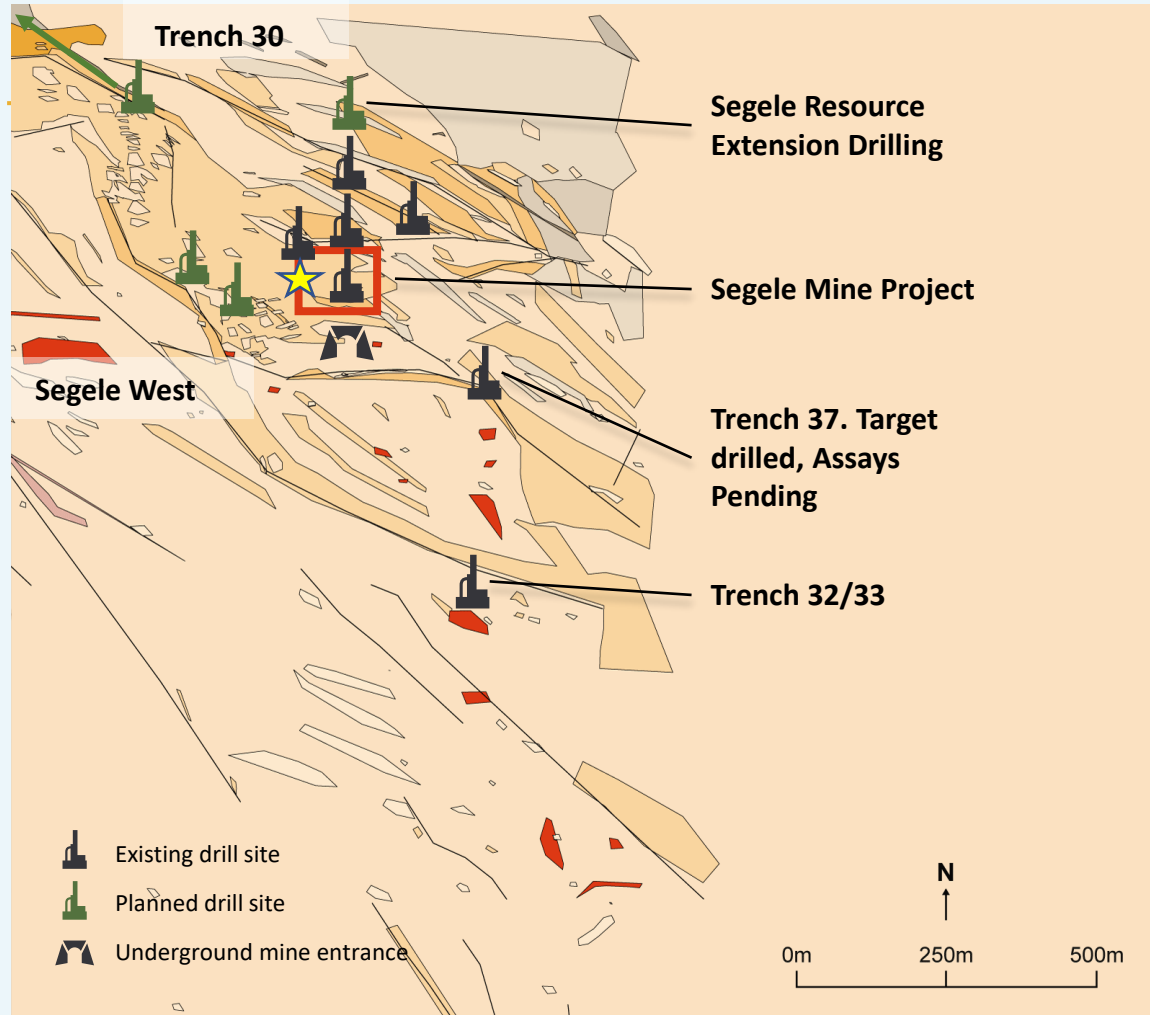
## Key highlights

- ✓ Tailored to process the highly gold rich Segele Mine ore with an Inferred and Indicated Mineral Resource Estimate of 69 kOz gold @22.7 g/t
- ✓ Significantly higher than expected grade of 31.01 g/t seen from testwork
- ✓ Designed to process 10 tons of mass per hour, with the possibility of upgrading to 20 tons of mass per hour
- ✓ Current dimensions able to process 4,000 ounces of gold per month

# The Segele deposit – successful extension drilling ongoing



# Great potential from identified exploration targets in the Segele area



## Comments

- ★ **Visible gold and new mineralisation style identified from geology section in the area**
  - Also provides an improved 3D geological model to place the resource into structural context to generate more targets.
  - Additional understanding of host rocks allows reinterpretation of holes already drilled
- **Two identified targets from follow-up of previous trenches – T32/T33 and T37**
  - 9 holes and 1000m of drilling completed
- **Several high priority targets have been identified from sampling of artisanal pits and visible outcrops of potential host rock, pyroxenite**



# Environment, Society and Governance





# Proposed Outputs and next steps

***Akobo Minerals recognizes the importance of sound ESG performance in meeting its strategic and operational goals. As such, we are in the process of developing and implementing a series of measures that will enable Akobo Minerals to comply with sound international industry practice (GIIP)***

## Sustainable Natural Resources Management Plan Deliverables



Development of a structure for managing sustainable use of the natural resources;



Enhanced environmental and socio-economic well-being of artisanal gold mining communities



Women and youth have improved technical skills, sustainable livelihood opportunities and financial resilience



Improved skills and competencies in sustainable agricultural and pastoralist practice



Delivery of sustainability awareness and education programme supporting healthy and sustainable life skills



Establishing a tree planting and ecosystem management scheme for carbon credits

## Environmental and Social Impact Assessment Completed

- Federal Government Approval Received
- All Environmental and Social Permits in place

## Future Milestones

- GAP Analysis to bring ESIA to IFC Performance Standards
- Finalization of closure plan
- Finalization of Environmental and Social Management Plan



**AKOBOMINERALS**

# Table of Contents

**I Introduction**

**II Operational update**

**III Financial update**

**IV Q & A**



# Income statement – Group

## INCOME STATEMENT – group of companies

Amount in SEK	2022-01-01- 2022-03-31	2021-01-01- 2021-03-31	2021-01-01- 2021-12-31
<b>Operating income</b>			
Cost of goods	-3 327	-	-
Other operating income	-	-	-
<b>Operating expenses</b>			
Raw materials and consumables	-	-	-
Other external expenses	-3 569 991	-308 382	-5 547 038
Personnel costs	-1 439 951	-1 233 149	-5 021 913
<b>Total operating expenses</b>	<b>-5 009 942</b>	<b>-1 541 531</b>	<b>-10 568 951</b>
<b>Result from financial items</b>			
Other interest income and similar profit/loss items	5 941 332	-	6 340 481
Interest expense and similar profit/loss items	-1 300 862	-1 435	-5 632 027
<b>Result after financial items</b>	<b>-372 799</b>	<b>-1 542 966</b>	<b>-9 860 497</b>
<b>Result for the year before tax</b>	<b>-372 799</b>	<b>-1 542 966</b>	<b>-9 860 497</b>
<b>Result for the year</b>	<b>-372 799</b>	<b>-1 542 966</b>	<b>-9 860 497</b>
<b>Attributable to the parent company's shareholders</b>	<b>-372 799</b>	<b>-1 542 966</b>	<b>-9 860 497</b>

## Comments to figures

### All P&L related to operations in Sweden and Norway

- Other expenses mainly relate to consulting services such as accounting, audit and legal
- Personnel costs are primarily salaries for fixed employees
- The result of SEK 372 799 for the period is primarily due to foreign exchange transactions and currency adjustments resulting in gains

### All operational costs in Ethiopia are capitalised

# Balance sheet – Group

## BALANCE SHEET – group of companies

Amount in SEK	2022-03-31	2021-12-31
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Capitalised expenditure for development and similar work	57 216 089	48 992 177
	<b>57 216 089</b>	<b>48 992 177</b>
<b>Tangible assets</b>		
Plant and machinery	1 335 652	1 105 506
Equipment, tools, fixtures and fittings	690 740	601 636
	<b>2 026 391</b>	<b>1 707 142</b>
<b>Total fixed assets</b>	<b>59 242 481</b>	<b>50 699 319</b>
<b>Current assets</b>		
<b>Current receivables</b>		
Trade receivables	0	0
Current tax assets	0	0
Other receivables	1 854 074	1 876 580
Prepaid expenses and accrued income	317 710	410 156
	<b>2 171 784</b>	<b>2 286 737</b>
<b>Cash and bank</b>	<b>20 609 896</b>	<b>33 367 571</b>
<b>Total current assets</b>	<b>22 781 680</b>	<b>35 654 308</b>
<b>TOTAL ASSETS</b>	<b>82 024 160</b>	<b>86 353 627</b>

## BALANCE SHEET – group of companies

Amount in SEK	2022-03-31	2021-12-31
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1 579 765	1 579 765
Share premium reserve	103 555 022	122 243 897
Balanced result	-27 198 373	-44 009 568
Result of the year	-372 799	
Equity attributable to the parent company's shareholders	77 563 615	79 814 094
<b>Total equity</b>	<b>77 563 615</b>	<b>79 814 094</b>
<b>Current liabilities</b>		
Trade payables	1 156 215	1 539 012
Current tax liability	115 450	
Other liabilities	2 628 187	2 815 555
Accrued expenses and deferred income	560 693	1 359 853
	<b>4 460 545</b>	<b>5 714 421</b>
<b>Provisions</b>		
Provisions	0	825 113
	<b>0</b>	<b>825 113</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>82 024 160</b>	<b>86 353 627</b>

- 21
- Strong cash position
  - No external debt
  - Fixed assets relate to operational activity in Ethiopia



# Cash flow – Group

## CASH FLOW – group of companies

Amount in SEK	2022-01-01- 2022-03-31	2021-01-01- 2021-12-31
<b>Cashflow from operating activities</b>		
Before changes in working capital	-5 009 942	-10,568,951
Changes in accounts receivables and other receivables	114 952	62,255
Changes in accounts payable and other liabilities	-1 263 055	3,243,765
<b>Cashflow from operating activities</b>	<b>-6 158 045</b>	<b>-7,262,931</b>
Investment in intangible non-current assets	-8 223 912	-22,453,059
Investment in tangible non-current assets	-319 249	-1,381,423
<b>Cashflow from investing activities</b>	<b>-8 543 161</b>	<b>-23,834,482</b>
Amortisation of loans	0	0
New shares issue*	0	50,877,441
Expenses related to share issue and IPO	1 848 000	-7,431,577
Change in provisions	-825 113	825,113
<b>Cashflow from financing activities</b>	<b>1 022 887</b>	<b>44,270,977</b>
<b>Cashflow for the period</b>	<b>-13 678 319</b>	<b>13,173,564</b>
Cash and cash equivalents at beginning of year	33 367 571	19,302,549
Translation difference in cash and cash equivalents	920 643	891,458
<b>Cash and cash equivalents at the end of the year</b>	<b>20 609 895</b>	<b>33,367,571</b>

## Comments to figures

- Cash flow from operating activities relate to operations in Sweden and Norway
- Change in working capital during the period relates to all entities
- Cash flow from investing activities relates to operational activities capitalised in Ethiopia
- Cash flow from financing activities of 1.8m SEK relates to a bridge loan between ARD and Akobo Minerals
- Translation differences relates to changes in foreign exchange on bank deposits

# Key metrics

SEGELE	2021				2022
	Q1	Q2	Q3	Q4	Q1
Metres drilled (RC+DDH)	670	-	1,292	5,420	4,410
Accumulated	5,061	5,061	6,353	11,773	16,183
Assays samples generated (incl QAQC)	132	-	283	2,051	2,274
Accumulated	2,168	2,168	2,451	4,502	6,776
Inferred Resources ounces	52,410	52,410	52,410	52,410	52,410
Avg grams per ton	20.9	20.9	20.9	20.9	20.9
JORU	Q1	Q2	Q3	Q4	Q1
Metres drilled (RC+DDH)	260	597	856	545	-
Accumulated	1,587	2,184	3,041	3,586	3,586
Assays samples generated (incl QAQC)	559	452	805	765	-
Accumulated	1,886	2,338	3,143	3,908	3,908
Inferred Resources ounces	n.a	n.a	n.a	n.a	n.a
Avg grams per ton	n.a	n.a	n.a	n.a	n.a
TRENCHING	Q1	Q2	Q3	Q4	Q1
Metres trenched			876	126	-
Accumulated	7,500	7,500	8,376	8,502	8,502
CORPORATE	Q1	Q2	Q3	Q4	Q1
Cash balance SEK	11,779,672	6,160,930	47,027,416	33,367,571	20,609,896
Share issue SEK			48,945,840		
Change cash SEK	-7,522,877	-5,618,742	-8,079,354	-13,659,845	-12,757,675
Employees in total end quarter	33	39	41	38	69
Ethiopia	31	36	38	34	41
Scandinavia	2	3	3	4	5
Gold price end quarter	1,707	1,770	1,728	1,829	1,932

# Company Highlights



**Potential to establish significant gold resources**

**Attractive and well-established mining jurisdiction**

**Experienced team and attractive corporate set-up**

**Strategy of high-impact exploration and boutique mining**





Q & A

