



**AKOBOMINERALS**



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## **Akobo Minerals completes its Segele scoping study**

### **Very favorable project economics and low production cost anticipated**

**Akobo Minerals continues to deliver on its timetable and promises. After 10 years of exploration work culminating in a JORC compliant Maiden Resource Estimate earlier this year, followed recently by grant of a large scale gold mining license, we now release our scoping study for the Segele deposit. The results are very encouraging and exceeds previous expectations;**

- **Key contributions from highly respected 3<sup>rd</sup> parties and peer reviewed by SRK**
- **Estimate of 243 USD per ounce for all in sustaining cost (AISC) vs 1.048 USD per ounce as mining industry average**
- **The estimated limited capital expenditure and very low production cost will lead to Segele becoming an exceptionally high margin operation**
- **Current mine plant can double capacity over time as more resources are discovered or extend the life of mine**
- **Expected mining operations to commence end 2022**

The scoping study indicates what the potential economics of mining the Segele deposit can look like. The study has been completed with contributions from highly respected geologists, engineers and ESG practitioners (SRK Consulting, Sazani Associates, Goshawk Network Technologies and Borrego Sun).

The result confirms that the mineralization at Segele can be mined and processed with an estimated All In Sustaining Cost ("AISC") of 243 USD per ounce, while the total life of mine operational expenditure, excluding royalties, is estimated at 137 USD per ounce. Total capital expenditure for setting up the mine plant to start production is estimated at 8million USD, equaling an average of 153 USD per ounce for the current resource estimate of 52.410 ounces. This average will go down as more resources are added over time.

Akobo Minerals is planning to mine the gold mineralisation using methods such as shrinkage stoping or similar. These rocks will be brought to surface using an incline shaft that will take 11 months to build. At peak production, just under 6,000 tonnes of rock per month will be mined and this material will be passed into an industry standard crushing and gravity circuit, with cyanidation where necessary. The company plans to purchase a plant capable of processing 20 tonnes per hour, but operated at 10 tonnes per hour initially – allowing for expansion. The plant is expected to extract 90% of all gold in the mineralization, this will be confirmed by the ongoing metallurgical testwork (see press release 30<sup>th</sup> August 2021).

The scoping study has focused only on the mineralization covered in the SRK mineral resource estimate (6<sup>th</sup> April 2021) allowing for an anticipated mine life of 27 months. Ongoing exploration has identified additional mineralization at depth which leaves open the opportunity to extend mine life.

As with all anticipated underground mining operations, not all ore can be mined or exploited and as such the scoping study estimates an extraction percentage 81%, the grade will be diluted by 5% and ore loss is expected to be 8%. These figures are in-line with or better than industry standards.

A sustainable natural resources management plan is planned alongside mining. Such a plan may allow Akobo Minerals to contribute to the United Nations Sustainable Development Goals.

The scoping study is the first phase in the process of developing a business plan for mining at Segele and has an accuracy of between 30 to 50%. Akobo Minerals has already begun a Prefeasibility study which typically has an accuracy of +/- 25%. The Prefeasibility study will involve a resource upgrade, selection of mining method, detailed plant design and it allows for publication of cash flow models and ore reserves.

#### Segele scoping study key metrics.

Metric	Figure	Notes
Inferred Mineral Resource	78ktonnes@ 20.9g/t 52,410oz	SRK MRE 6 <sup>th</sup> April 2021.
CAPEX	USD 8.042m	Factored, including USD 1.2m contingencies
Total LOM OPEX *	USD 87 / tonne	
Total LOM OPEX * (without royalties)	USD 137 / ounce	
Total LOM OPEX* (including royalties) <i>All in Sustaining Costs (AISC)</i>	USD 243 / ounce	Factored, 7% royalties at 20g/t and 1,500 USD/oz
Plant Head Grade	20g/t	Factored from dilution
Underground Development Time	12 months	Stoping commences in month 11
Production Rate	5,800 tonnes per month	At peak production
Metallurgical Recovery	90%	Assumption
Extraction Rate	81%	Assumption
Dilution	5%	Assumption
Ore Loss	8%	Assumption
Plant Throughput	10-20tph	
Study Accuracy	30-50%	

\* Life of mine opex



## Competent Person for Mineral Resources

This press release includes information from the Segele Mineral Resource Estimate released by Akobo Minerals AB on the 6th of April 2021 (“Announces encouraging Maiden Mineral Resource Estimate at Segele”). 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 (5/4/2021). All material assumptions and technical parameters underpinning the estimate are relevant and have not materially changed. The information in this press release 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.

## Competent Persons for Mining Engineering, Metallurgy and ESG (Environment, Social and Governance)

Competent persons for Mining Engineering, Metallurgy and ESG (Environment, Social and Governance) are as follows.

<b>Competent Person (Exploration Results)</b>	Dr Matthew Jackson BSc PhD MAusIMM(CP)	Akobo Minerals AB
<b>Competent Person (Mining Engineering)</b>	Prof Steven Rupprecht PhD (Mech Eng), (BSc Mining Eng.), Honorary Life Fellow SAIMM	Borrego Sun Pty Ltd
<b>Competent Person (Chemical Engineering)</b>	John Derbyshire BSc Eng (Chem), Pr Eng, FSAIMM	Goshawk Network Technologies CC
<b>Competent Person Environment, Social and Governance)</b>	Dr Cathryn MacCallum MSc(econ) CEnv, CSci FIMMM	Sazani Research and Development Ltd

The information in the press release to which this statement is attached that relates to the Segele Scoping Study is based on information compiled by the persons named above. All persons listed are Competent Persons who are Members or Fellows of The Australasian Institute of Mining and Metallurgy or a ‘Recognised Professional Organisation’ (RPO) included in a list posted on the ASX website from time to time. All persons listed above have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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’.

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## About Akobo Minerals

Akobo Minerals, is a Norway-based gold exploration company, currently with ongoing exploration in the Gambela region and Dima Woreda, southwest Ethiopia. The operations were established in 2009 by people with long experience from the public mining sector in Ethiopia and from the Norwegian oil service industry. Akobo Minerals holds an exploration license over key targets in the area. Economic mineralisation was discovered and the company is engaged in mining studies to advance the project to production, alongside exploration core drilling. Akobo Minerals is transforming its organisation to support an increased pace of core drilling. At both the key targets Segele and Joru the company has so far released exceptionally high-grade gold results including the Segele deposit with an Inferred Mineral Resource of 78ktons at 20.9g/t. Core-drilling and trenching at Joru have intersected both high-grade gold zones and large wide zones near surface. The company has an excellent partnership with national authorities and places ESG at the heart of its activities - a ground-breaking community program is being planned.



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