

**30 June 2023**

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**AGM Statement**

KEFI (AIM: KEFI), the gold and copper exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is hosting its 2023 Annual General Meeting ("AGM") today at 9.00 a.m. BST in Cyprus. At the AGM, Harry Anagnostaras-Adams, Executive Chairman of the Company, will make the following statement:

"A profound change has occurred to the Company over the past eighteen months, due to the improvement in the local working environment in both Ethiopia (security) and Saudi Arabia (regulatory). Today we bring shareholders up to date and strive to convey a picture of where we are heading in the next year and beyond.

We will start by focusing on Ethiopia and the Tulu Kapi Gold Project where:

- In June 2022, we lifted the suspension on the Project and signed an Initial Umbrella Agreement with the principal project financiers to launch
- In April 2023 we signed the Final Umbrella Agreement, which formally enjoined the principal project contractors to the launch plan. We also proceeded to satisfy all three major conditions precedent for the project financing in June 2023, which were reliant on policy initiatives from the Ethiopian authorities
- We are now working concurrently through finance closing and launch procedures by having activated the following:
  - Formal confirmations of the details of regulatory changes made for us,
  - Submissions for final board and committee approval by all within the syndicate
- We can then proceed to:
  - Launch final preparations of the community for Project launch
  - Sign the Definitive Documentation between the respective syndicate counterparties, which has already been drafted
  - Place insurances and complete other administrative tasks
  - Draw down first capital, starting with project equity and then debt months later

We thus follow a clear roadmap and we will report the material milestones along the way. We have conditionally assembled 95% of the project funding requirement of US\$390 million, with the remainder also allocated with a specific set of parties and expected to simultaneously close their binding commitments alongside the others, for construction start in the fourth quarter of 2023.

We can now say that we successfully protected the project during the recent years of turmoil. Our actions on the ground, in the boardrooms and with the Government preserved and strengthened the project finance syndicate and allowed us to move forward now with confidence.

The end-result will be the launch of Ethiopia's first industrial-scale mining project, designed to be in compliance with World Bank IFC Performance Standards, creating direct and indirect employment for 5-10,000 people and having an estimated NPV of US\$243 million for KEFI's projected 74% beneficial interest. This assumes a gold price of US\$1,989/oz, being the spot as at 30 April 2023 and discounting at 8% of net estimated after tax cash flows for equity. This NPV is expected to see further improvements as we expand the resources above the base case development scenario.

Tulu Kapi is one of KEFI's three advanced projects, the other two being Jibal Qutman Gold ("Jibal Qutman") and Hawiah Copper-Gold ("Hawiah") in Saudi Arabia, conducted via the 27%-owned Gold and Minerals Limited ("GMCO") operating company. Both projects are GMCO's own discoveries and are enjoying very positive regulatory support as the preferred development plan is determined.

We have just announced a Pre-Feasibility Study and Associated Studies at Hawiah, which has offered an encouraging initial project NPV of US\$301 million. These results are preliminary and warrant refinement on all fronts, including resource upgrade, metallurgical testing, mine planning and process flow-sheet finalization. Significant upside remains as we expand the resource, which already ranks in the top 15% of VMS deposits globally. At Jibal Qutman we will shortly be reporting results on our recent 13,000m drilling programme, which has been designed to increase both resource and resource classification. This will provide significant input into optimizing the development concept so that we may finalise the Definitive Feasibility Study.

After many years of frustration, we believe we are now well placed to charge ahead. I am pleased to report that your Company has not only maintained its excellent record of safety and of tenure protection, but we have also drawn together first-tier partnerships, banking relationships and contractors into project-finance alliances in each of Ethiopia and Saudi Arabia.

Our operating alliances are with the following strong organisations:

- Partners:
  - in Ethiopia:
    - Federal Government of the Democratic Republic of Ethiopia
    - Oromia Regional Government
  - in Saudi Arabia: Abdul Rahman Saad Al Rashid and Sons Ltd ("ARTAR")
- Principal contractor:
  - for process plants in both Ethiopia and Saudi Arabia: Lycopodium Ltd ("Lycopodium")
  - for mining in Ethiopia: PW Mining
- Senior project finance lenders:
  - For Tulu Kapi:
    - Eastern and Southern African Trade and Development Bank Ltd ("TDB")
    - African Finance Corporation Limited ("AFC")
  - For Saudi Arabia:
    - Saudi Industrial Development Fund

KEFI plans minimal reliance on the stock markets for development funding.

*Conclusion*

Our host countries have turned markedly better for the minerals sector and for KEFI. We are preparing to construct Tulu Kapi, advancing development studies on Jibal Qutman and Hawiah and conducting reconnaissance over exploration targets in Ethiopia and Saudi Arabia.

As stated last year, along with my fellow Directors, I am very sensitive to the need to generate returns on investment. It is frustrating and disappointing that the pandemic and the geopolitics of both Ethiopia and Saudi Arabia delayed our progress in recent years. However, as foreshadowed last year, our operating environment has indeed turned for the better in both countries and we now progress on all fronts. The NPV to KEFI of the three advanced projects is estimated at £318 million (calculated as set out above for Tulu Kapi) which is c. 10 times the Company's current share market capitalisation. This is admittedly just one basis for estimate of intrinsic valuation as the projects are firmed up and implemented. However, it is a meaningful indicator that there is plenty of scope for share price rerating as the projects progress and de-risk.

The Directors are deeply appreciative of all personnel's tenacity, steadfast dedication and of the support the Company receives from shareholders and other stakeholders.

Lastly, I would like to welcome to the Board Dr Alistair Clark, a pre-eminent authority on environmental, social, and corporate governance matters. This is an important moment for KEFI to expand its capacities in that respect, with a large community programme being launched in Ethiopia."

## Enquiries

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