

18 March 2025

KEFI Gold and Copper plc

("KEFI" or the "Company")

**Co-Lenders' Boards and Committees Approve Project
Community Supports Resettlement Plans**

KEFI (AIM: KEFI) the gold and copper exploration and development company focused on the Arabian-Nubian Shield, is delighted to report that following the recent confirmation of credit committee approvals (see RNS announcement 11 March 2025), the Company has now been advised that both banks have also processed Board approvals for the Tulu Kapi project.

Therefore, both of our co-lending-banks have now received support from all their respective committees and Boards to proceed. This is subject to formal updates of prior approvals and to all documentation reflecting the expanded \$240 million offering, and the satisfaction of standard conditions previously reported for a transaction of this nature (see below).

Equally important, on the ground, we can now report that the community is supporting and agreeing to the resettlement plans and compensation surveys, as explained by Government authorities for individual households within the large mining licence area. This follows our earlier report on settling the first compensation sum for the initial construction camp area.

All other preparations are on track.

KEFI Founder and Executive Chairman, Harry Anagnostaras-Adams, commented, "After a decade of preparing Tulu Kapi and overcoming various external challenges, we're pleased to have secured Tier 1 support from the Government, industry specialists, and financial institutions to initiate development. This comes at a time when gold prices are at record highs, with projections indicating net cash flow surpassing the total project finance debt of \$240 million in the first year alone.

"Of course, the support of the Tulu Kapi community is by far the most important foundation for our Project. Their continued support is very pleasing to witness. The community will have an important role to play in establishing Tulu Kapi as a 21st century-standard gold mine and one of Ethiopia's flagship developments."

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Notes to Editor

KEFI Gold and Copper plc

KEFI is focused primarily on the development of the Tulu Kapi Gold Project in Ethiopia and its pipeline of highly prospective exploration projects in the Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi will generate cash flows for capital repayments, further exploration and dividends to shareholders.

Background on the Project Economic Metrics:

Tulu Kapi has particularly robust economic metrics, based largely on lack of overburden, high grades and high recoveries. It will be a huge boost for the community, region, country and, of course, the Company. It has been a long time in the making, necessitating extensive regulatory reform and completion of other sensitive behind the scenes preparations for this first internationally project financed mining project in Ethiopia. It has taken much patience and support from the Government.

Development capex has been “banked” (project-financed) against the open-pit 1m oz Ore Reserves (15.4Mt at 2.1 g/t, with pit shells, mine plans and reserves derived using a now overly conservative gold price assumption of \$1,250/oz). The project lenders’ base case financial model also assumes only the open pit ore is processed at average 2Mtpa from mine output starting at 2.5Mtpa. Ore Reserves and mine plans will be refined with in-fill-grade-control drilling during Tulu Kapi’s construction as part of the “Operational Readiness Program”.

KEFI’s business plan goes beyond what is today “bankable”. It involves early underground development underneath the planned open pit to establish underground drilling platforms to extend the existing 220K oz of Indicated Resource (1.2Mt at 5.7g/t), as the deposit is open down plunge with the last drill intercept being 90m at 2.8 g/t, within which there are several high-grade mineable zones. KEFI’s long-standing estimate is for potential +1Moz underground ore. KEFI’s Preliminary Economic Assessment reflects that it will introduce initial underground production and recover approximately 200Koz (1.5Mt at 4g/t), from already reported Indicated Resource, after mine dilution. This will supplement the open pit ore during the first 7 production years and, by running the plant at 2.4Mtpa, the Business Plan Model shows +7 years of production at an average of 167Koz pa generating estimated net cash flow to shareholders over that period of \$1.1-1.6 billion, i.e. after all cash outflows and at gold prices of \$2,400-3,000/oz (representing S&P Global average consensus forecasts and current spot). On the same basis, Production Year 1 net operating cash flow is estimated at \$231-304 million. This compares with project finance debt of \$240 million.

The detailed assumptions underlying the cash flow modelling can be found in the Project Overview sections of the KEFI website. See <https://www.kefi-goldandcopper.com/files/files/KEFI-Tulu-Kapi-Gold-Project-Overview-March25.pdf>

Remaining Steps to Full Project Funding Sign Off

Having now received credit committee and Board clearances from the co-lending banks, the next steps are:

- Updating of all banking details and arrangements for latest approvals and associated plans;
- Receipt of the remaining Government confirmations on various well understood and already discussed issues, including Parliamentary Ratification that both of our banks have the same Country Membership protections in Ethiopia – this has been done for one bank and for the other it is in advanced process after having been approved at Ministerial level;
- Last-minute certifications of security, community readiness and the project financial model; and
- Formal signing of detailed definitive documentation reflecting all the above

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