

19 June 2023

KEFI Gold and Copper plc
(“KEFI” or the “Company”)

All Major Financing Conditions Precedent Now Met for Tulu Kapi

Strong Support from Ethiopian Government

KEFI Gold and Copper plc (AIM: KEFI), is pleased to report that all outstanding major financing conditions precedent requiring Ethiopian government input in relation to the Company’s Tulu Kapi Gold Project (“Tulu Kapi” or the “Project”) have now been met.

This significant development enables the Tulu Kapi individual syndicate members to now proceed to final committee and board reviews and approvals for the US\$390 million Project finance package as set out in the Final Umbrella Agreement described in the Company’s announcement of 27 April 2023.

US\$370 million of this package has already been covered by arrangements at the Project and subsidiary level with first-tier banks, contractors and investors including the Ethiopian Government itself at both the Federal and the Regional levels. The final US\$20 million of the financing package has also now been allocated to a specific set of parties, with a view to it being finalised and structured over the next few months as all the standard procedural conditions precedent are completed to enable funds flow, in particular the Government’s formalisation of the details of the agreements we have now reached and of the compensation packages for the individual households being resettled, in accordance with the strict requirements of the law and World Bank IFC Performance Standards.

Previously Outstanding Conditions Precedent

KEFI has now resolved all major conditions precedent that were remaining with the Ethiopian Government for the Project financing. Accordingly, details are now being checked by advisers to each syndicate member ahead of the signing of detailed binding definitive documentation in the near term.

The first major condition precedent was for the two banks in the funding syndicate to receive the same rights and protections in Ethiopia. This was achieved in March 2023 when Ethiopia granted African Finance Corporation country membership, a strategic initiative for Ethiopia and for the bank.

The second was the establishment of a permanent security force around Tulu Kapi to ensure that construction and the Project generally could proceed unhindered. This was achieved in April 2023 with the triggering of escalated security in Tulu Kapi’s surrounding areas by the relevant Government agencies.

The final material condition precedent was for clarification by the Ethiopian Central Bank of specific procedures for the Project, agreeing rights to international bank accounts. This was clarified last week.

These three critical recent breakthroughs in as many months will now be built into the syndicate’s detailed definitive documentation. The boards and committees of the Government agencies and the Project finance syndicate of banks, contractors and investors are now being updated on all details so that they may formally consider final approvals for Project launch.

Further Support from Ethiopian Government

The Ethiopian Government and its agencies have continued to show their support for the development of Tulu Kapi above and beyond meeting the afore-mentioned conditions precedent by undertaking several further recent initiatives:

- The Ethiopian Electricity Production Corporation has procured the major components for the Project's connection to the main power grid to ensure compliance with scheduled commissioning of the plant in 2025;
- The Ethiopian Roads Authority has reaffirmed the delivery schedule for the new all-weather access road;
- An MOU has been signed with the Regional Government to increase the aggregate Government equity investment in the Project, from US\$20 million to US\$30 million, as the Government is keen to preserve an equity interest of c. 25% alongside KEFI's c. 75%; and
- The Minister of Mines has circulated, for stakeholder comment, draft legislative reforms to encourage exploration and mining in Ethiopia. KEFI is actively involved in the various industry associations and is assisting where it can.

Harry Anagnostaras-Adams, Executive Chairman of KEFI, commented:

"Today's announced progress with the Ethiopian central bank is the third significant breakthrough in as many months. This set of supportive Government initiatives clears the way for the launch of Tulu Kapi and reinforces the recent turnaround of the working environment in Ethiopia.

"KEFI has assembled a first-class international project finance syndicate which is now focused on final definitive documentation for this US\$390 million transaction.

"Our take-off in Ethiopia coincides with that in Saudi Arabia. These are the two largest jurisdictions in the highly prospective Arabian Nubian Shield. Both countries are now proactively supportive and these continuing positive developments help to vindicate our longstanding focus there since 2008 and our tenacity to have successfully assembled three advanced projects and a world-class pipeline for future exploration.

"Also, having just effected a capital raising to extinguish all liabilities, we have cleared the way for us to implement the US\$390 million project finance package for our shovel ready 140,000 oz pa Ethiopian gold project."

Enquiries

KEFI Gold and Copper plc

Harry Anagnostaras-Adams (Executive Chairman)	+357 994 57843
John Leach (Finance Director)	+357 992 08130

SP Angel Corporate Finance LLP (Nominated Adviser and Joint Broker)	+44 (0) 20 3470 0470
Jeff Keating, Adam Cowl	

Tavira Financial Limited (Joint Broker)	+44 (0) 20 7100 5100
Oliver Stansfield, Jonathan Evans	

IFC Advisory Ltd (Financial PR and IR)	+44 (0) 20 3934 6630
Tim Metcalfe, Florence Chandler	

Further information can be viewed at <https://www.kefi-goldandcopper.com>