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KEFI Gold and Copper plc

("KEFI" or the "Company")

GMCO JV Arrangements in Saudi Arabia Facilitate Rapid Growth and Provide Funding Solutions

KEFI Gold and Copper Plc (AIM: KEFI), the gold and copper exploration and development company, which has focused on the Arabian-Nubian Shield since 2008, is pleased to announce an update regarding the Company's arrangements in the Kingdom of Saudi Arabia, where KEFI's minority-owned Gold & Minerals Ltd ("GMCO") joint venture is growing rapidly, whilst in Ethiopia KEFI continues its preparations to launch the high-grade Tulu Kapi Gold Project.

Background

The successful overhaul of the Saudi Arabian minerals sector has triggered an inrush of investors, miners and explorers. In the view of the board, the global interest in, and the growth momentum of the Arabian Nubian Shield, and Saudi Arabia in particular, surpasses that of any other region globally. KEFI and its partner ARTAR's foresight to have formed the GMCO joint venture in 2008 has provided a first mover advantage that has seen GMCO amass over 1,000 square kilometres of ground selected from GMCO's proprietary database, focusing on some of the most prospective exploration targets in Saudi Arabia.

This has already led to the discoveries of the Jibal Qutman Gold Project ("Jibal Qutman") and at Hawiah Copper-Gold Project ("Hawiah") in respect of which GMCO is rapidly advancing development studies, as well as the identification of additional satellite deposits currently undergoing further exploration. Elsewhere across GMCO's portfolio, which includes more targets selected from GMCO's proprietary database, earlier stage exploration is also underway which is expected to maintain a healthy project pipeline targeting a third discovery.

Accordingly, GMCO and its two shareholders are now focused on how to best position the joint venture for the next stage of its development within what is now considered by the KEFI directors as the world's highest-growth country for metals and mining resources, and already the world-leader for hydrocarbon natural resources. Some important decisions have been made.

Refinement of JV Arrangements

In order to facilitate maximum growth, KEFI and ARTAR have agreed to refine their GMCO shareholders agreement and respective working arrangements. As previously announced, extensive feasibility study and exploration work has been undertaken in 2023 in Saudi Arabia and is still ongoing. The gross cost of the programme in 2023 was c.£19 million and the Company will provide updates over the coming weeks and months with respect to the highly encouraging results that the directors expect to be achieved.

ARTAR funded £3.5 million of KEFI's pari passu 2023 contributions and continues to do so as GMCO pushes forward to define the preferred development scenario over coming months for its first discovery Jibal Qutman, as well as the resource upgrade and expansion at its second discovery Hawiah, as well as further resource expansion and discovery.

Additionally, the partners' respective shareholdings of GMCO are now being adjusted to the expected 75% ARTAR and 25% KEFI. KEFI formerly held 27% of GMCO.

These GMCO joint venture refinements continue a longstanding pattern of refinement and reinforcement of the relationship between KEFI and ARTAR in order to facilitate GMCO's progress. It also enables KEFI to allocate its capital principally to the finance-closing and launch in H1 2024 of its Ethiopian gold project at Tulu Kapi, whilst ARTAR supports GMCO's continued rapid progress.

To provide further flexibility for project financing across the portfolio of Saudi assets, licences for GMCO's exploration and mining project are being transferred from ARTAR's name directly into GMCO's. It is envisaged existing and future advanced projects will subsequently be transferred into separate subsidiaries to enable further flexibility on specific mining projects.

In addition, attractive development funding scenarios are available within Saudi Arabia for GMCO to consider, minimising the equity requirements for mining projects in general. As an illustration, the Company expects the project financing of GMCO's mine developments to be available along the following lines:

- up to 75% of costs (including both feasibility and development expenditures) potentially being provided as Shariah-compliant project loans at internationally low rates from the Saudi Industrial Development Fund; plus
- the remaining capital requirement of approximately 25% to be optimised by the GMCO partners who will ordinarily plan to fund it pari passu, or could potentially consider the range of mezzanine and equity finance now on offer in Saudi Arabia, if warranted at the time.

The mining sector in Saudi Arabia is particularly exciting and the GMCO joint venture is very well positioned for growth and value creation. Two Saudi Government announcements were made last week which were relevant for KEFI itself: the prioritisation of creating a Saudi metals and mining exchange and the offer of a 30-year tax holiday to companies moving their regional head office to Saudi Arabia. Both policy initiatives reinforce KEFI's commitment to Saudi Arabia for the long term and are being considered seriously.

At this stage, KEFI's beneficial interest in the mineral resources of GMCO's projects is similar (at 1.1 million gold ounce equivalent) to its planned c.70% interest in the Ethiopian Tulu Kapi Gold Project of 1.2 million oz), and KEFI's growth prospects are strong in both countries.

KEFI's Executive Chairman, Harry Anagnostaras-Adams commented: "KEFI is very fortunate to be a partner in GMCO. We have an excellent partnership with majority partner ARTAR and we are collectively and efficiently advancing our portfolio of mining assets in a location that is becoming one of the mining industry's top priorities.

"We have a head start on most parties now entering the Arabian Nubian Shield in both Saudi Arabia and Ethiopia. The arrangements announced today will reinforce both GMCO's and KEFI's position still further.

"KEFI expects to benefit from the ongoing GMCO success in exploration and development preparations, whilst also launching the Tulu Kapi project in Ethiopia, which the Company envisages will lead to a materially higher valuation being ascribed to the Company.

"Given the sizeable exploration expenditure during 2023, as well as ongoing drilling and studies, the Company has a substantial pipeline of results to report, which it will release as appropriate during the current quarter and beyond."

Webinar

Harry Anagnostaras-Adams, Executive Chairman, will provide a live presentation via the Investor Meet Company platform today, 18 January 2024, at 2pm GMT.

The presentation is open to all existing and potential shareholders. Questions can be submitted at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet KEFI via:

<https://www.investormeetcompany.com/kefi-gold-and-copper-plc/register-investor>

This investor webinar will commence with a presentation which will also be uploaded to the Company's website and will then move onto addressing questions as submitted.

Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Enquiries

KEFI Gold and Copper plc

Harry Anagnostaras-Adams (Managing Director)

+357 99457843

John Leach (Finance Director)

+357 99208130

SP Angel Corporate Finance LLP (Nominated Adviser)

+44 (0) 20 3470 0470

Jeff Keating, Adam Cowl

Tavira Securities Limited (Lead Broker)

Oliver Stansfield, Jonathan Evans

+44 (0) 20 7100 5100

IFC Advisory Ltd (Financial PR and IR)

Tim Metcalfe, Florence Chandler

+44 (0) 20 3934 6630

3PPB LLC International (Institutional IR)

Patrick Chidley

Paul Durham

+1 (917) 991 7701

+1 (203) 940 2538