

30 September 2024

KEFI Gold and Copper plc

(“KEFI”, or the “Company”, or the “Group”)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

KEFI Gold and Copper plc (AIM: KEFI), the gold exploration and development company with projects in the Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to announce its unaudited interim results for the six months ended 30 June 2024.

The interim results for the Group encompass the activities of KEFI Minerals (Ethiopia) Ltd (“KME”), Tulu Kapi Gold Mines Share Company (“TKGM”) in Ethiopia, and Gold & Minerals Ltd (“GMCO”) in Saudi Arabia.

The Tulu Kapi Gold Project (“Tulu Kapi”) is currently 95% beneficially owned by KEFI through KEFI’s wholly owned subsidiary KME. The Hawiah Copper-Gold Project (“Hawiah”), the Jibal Qutman Gold Project (“Jibal Qutman”) and other Saudi projects are held by GMCO in which KEFI currently has a 24.75% interest.

Both TKGM and GMCO are being developed by KEFI and its partners as separate operating companies so that each can build a local organisation capable of developing and managing long-term production and exploration activities, as well as fully exploit future development opportunities.

Highlights

KEFI is swiftly advancing its Early Works at Tulu Kapi in Ethiopia, benefiting from the overtly supportive local community. The lack of legacy social or environmental issues at Tulu Kapi, such as those often associated with artisanal mining found in other mining regions, has simplified the task at hand for our Company. The general country environment has also become increasingly development-focused and pro-mining in particular, with significant site activities commencing over the past two months due to the deployment of extensive safety-protection forces. During this time, Ethiopia has introduced national pro-development reforms, positioning the country once again among the top 10 globally for growth, a status it held for nearly two decades.

Recent reforms in Ethiopia include the floating of the currency, the launch of the first IPO on the new Ethiopian Stock Exchange, the opening of the local financial sector to foreign investment, the rescheduling of international debt, and the implementation of a significant IMF financial support package.

Recent reforms for the mining industry spearheaded by KEFI include exemption from exchange and capital controls, capital ratios of up to 80:20 for mining, market-based interest rates and specialised security deployment for strategic mining projects. KEFI is positioned to launch the first Ethiopian listed securities in the Ethiopian mining sector.

In Saudi Arabia, the joint venture has made two core discoveries, which continue to grow in size, as well as several satellite discoveries. To support the next phase of GMCO’s development, the local leadership team has been expanded and feasibility studies for the Jibal Qutman Gold and Hawiah Copper-Gold projects are being refined and re-focused, while GMCO’s regional exploration efforts are being further elevated.

As previously reported this quarter, we remain on track with our high-grade Tulu Kapi project in Ethiopia, our flagship and most advanced venture. Thanks to the Ethiopian Government’s substantial efforts to ensure safe and internationally compliant development, the Tulu Kapi funding package can now progress towards project launch. The Early Works programme was launched in Q2-2024 to demonstrate readiness for Major Works and the next steps are to finalise second bank credit approval, sign the definitive detailed financing agreements, drawdown the equity funding and then launch Major Works – all targeted within Q4-2024.

Other than completing the Early Works programme generally, the current focus is particularly on:

- Reinforcing our social licence to operate at site via an intense consultative process to demonstrate our readiness on the ground for Major Works;

- the co lender’s credit approval which now includes a discussion in respect increasing the financing amounts on offer;
- the book build for the issuance of the Equity Risk Notes to local subsidiaries of multinational corporations and local sophisticated investor; and
- preparing for possible additional stock exchange listing of KEFI or regional listing of the Ethiopian subsidiary, to follow the launch of Major Works at Tulu Kapi.

Our patient work with the local and regional finance community is working well in mitigating against an over-reliance on development support from what has been a cyclically weak stock market for the junior mining sector during much of the past decade. The current record gold prices could begin to put the investment spotlight onto our sector.

Working Capital

The Company successfully raised gross proceeds of approximately £5.0 million, comprising £4.5 million from the placing and £495,916 from the retail offer in March 2024. Additionally, the Company issued remuneration shares to certain KEFI directors valued at £500,000 in lieu of cash for accrued fees and, during May 2024, the Company issued shares totalling £1.4 million to key advisers in recognition of their services in supporting various value-enhancing initiatives following the launch of the Early Works programme at the Company’s Tulu Kapi Gold Project.

Board and Management Team

After appointing in 2023 independent Non-executive Director of the Company Dr Alistair Clark, a world-recognised social and environmental expert, the Company also recently appointed Mr Addis Alemayehou as an independent Non-executive Director of the Company with effect from the closing of the Company’s Annual General Meeting (“AGM”) held on 22 July 2024. Addis is a senior figure in the Ethiopian business community, including a prominent role advising major international corporations with long-standing operations therein.

Mark Tyler, a non-executive director of the Company, retired from the Company at the conclusion of the AGM.

The senior project planning and finance teams are unchanged, the project management team in Ethiopia has been expanded with Early Works and most recruitment will trigger with the launch of Major Works.

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)

+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

3PPB LLC International (Non-UK IR)

Patrick Chidley

+1 (917) 991 7701

Paul Durham

+1 (203) 940 2538

Condensed interim consolidated statements of comprehensive income

(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	Six months ended 30 June 2024 Unaudited £'000	Six months ended 30 June 2023 Unaudited £'000
Revenue		-	-
Exploration expenses		-	-
Gross loss		-	-
Administration expenses		(3,283)	(1,512)
Share-based payments		-	(62)
Share of loss from jointly controlled entity	11	(2,239)	(2,368)
Reversal of impairment/(Impairment) in jointly controlled entity	11	64	(203)
Gain from dilution of equity interest in joint venture	11	833	1,169
Operating loss		(4,625)	(2,976)
Foreign exchange (loss)/gain		(4)	12
Finance expense		(1,470)	(452)
Loss before tax		(6,099)	(3,416)
Tax		-	-
Loss for the period		(6,099)	(3,416)
Loss for the period		(6,099)	(3,416)
Other comprehensive loss:			
Exchange differences on translating foreign operations		-	-
Total comprehensive loss for the period		(6,099)	(3,416)
Basic loss per share (pence)	4	(0.10)	(0.08)

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

Condensed interim consolidated statements of financial position

(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	Unaudited 30 June 2024 £'000	Audited 31 Dec 2023 £'000
ASSETS			
Non-current assets			
Property, plant and equipment		142	100
Intangible assets	6	36,264	34,716
Investments in JV	11	-	-
		<u>36,406</u>	<u>34,816</u>
Current assets			
Financial assets at fair value through OCI		-	-
Trade and other receivables	5	1,155	528
Cash and cash equivalents		982	192
		<u>2,137</u>	<u>720</u>
Total assets		<u>38,543</u>	<u>35,536</u>
EQUITY AND LIABILITIES			
Issued capital and reserves attributable to owners of the parent			
Share capital	7	6,059	4,965
Deferred Shares	7	23,328	23,328
Share premium	7	54,169	48,922
Share options reserve	8	1,989	3,675
Accumulated losses		(60,839)	(56,483)
		<u>24,706</u>	<u>24,407</u>
Non-controlling interest		1,832	1,709
Total equity		<u>26,538</u>	<u>26,116</u>
Current liabilities			
Trade and other payables	9	9,029	7,307
Loans and borrowings	10	2,976	2,113
		<u>12,005</u>	<u>9,420</u>
Total liabilities		<u>12,005</u>	<u>9,420</u>
Total equity and liabilities		<u>38,543</u>	<u>35,536</u>

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

On 29 September 2024, the Board of Directors of KEFI Gold and Copper Plc authorised these unaudited condensed interim financial statements for issue.

John Leach

Finance Director

Condensed interim consolidated statement of changes in equity

(unaudited) (All amounts in GBP thousands unless otherwise stated)

Attributable to the equity holders of parent

	Share Capital	Deferred shares	Share premium	Share options and warrants reserve	Accumulated losses	Total	NCI	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2023 Audited	3,939	23,328	43,187	3,747	(48,781)	25,420	1,562	26,982
Loss for the period	-	-	-	-	(3,416)	(3,416)	-	(3,416)
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(3,416)	(3,416)	-	(3,416)
Recognition of share-based payments	-	-	-	62	-	62	-	62
Cancellation & Expiry of options/warrants	-	-	-	(200)	200	-	-	-
Issue of share capital and warrants	919	-	5,513	-	-	6,432	-	6,432
Share issue costs	-	-	(311)	-	-	(311)	-	(311)
Warrants issued fair value	-	-	-	(141)	141	-	-	-
Non-controlling interest	-	-	-	-	(59)	(59)	59	-
At 30 June 2023 Unaudited	4,858	23,328	48,389	3,468	(51,915)	28,128	1,621	29,749
Loss for the year	-	-	-	-	(4,480)	(4,480)	-	(4,480)
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(4,480)	(4,480)	-	(4,480)
Recognition of share-based payments	-	-	-	207	-	207	-	207
Issue of share capital and warrants	107	-	643	-	-	750	-	750
Share issue costs	-	-	(110)	-	-	(110)	-	(110)
Non-controlling interest	-	-	-	-	(88)	(88)	88	-
At 1 January 2024 Audited	4,965	23,328	48,922	3,675	(56,483)	24,407	1,709	26,116
Loss for the period	-	-	-	-	(6,099)	(6,099)	-	(6,099)
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(6,099)	(6,099)	-	(6,099)
Recognition of share-based payments	-	-	-	-	-	-	-	-
Cancellation & Expiry of options/warrants	-	-	-	(1,866)	1,866	-	-	-
Issue of share capital and warrants	1,094	-	5,760	-	-	6,854	-	6,854
Share issue costs	-	-	(333)	-	-	(333)	-	(333)
Warrants issued fair value	-	-	(180)	180	-	-	-	-
Non-controlling interest	-	-	-	-	(123)	(123)	123	-
At 30 June 2024 Unaudited	6,059	23,328	54,169	1,989	(60,839)	24,706	1,832	26,538

The following describes the nature and purpose of each reserve within owner's equity:

Reserve	Description and purpose
Share capital	amount subscribed for share capital at nominal value.
Deferred shares	under the restructuring of share capital, ordinary shares of in the capital of the Company were sub-divided into deferred share.
Share premium	amount subscribed for share capital in excess of nominal value, net of issue costs.
Share options and warrants reserve	reserve for share options and warrants granted but not exercised or lapsed.
Foreign exchange reserve	cumulative foreign exchange net gains and losses recognized on consolidation.
Accumulated losses	cumulative net gains and losses recognized in the statement of comprehensive income, excluding foreign exchange gains within other comprehensive income.
NCI (Non-controlling interest)	the portion of equity ownership in a subsidiary not attributable to the parent company.

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

Condensed interim consolidated statements of cash flows

(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000
Cash flows from operating activities:			
Loss before tax		(6,099)	(3,416)
Adjustments for:			
Share-based benefits		-	62
Gain from dilution of equity interest in joint venture	11	(833)	(1,169)
Share of loss in jointly controlled entity		2,239	2,368
Impairment loss in jointly controlled entity		(64)	203
Depreciation		9	15
Finance expense		1,304	417
Exchange differences		5	2
Cash outflows from operating activities before working capital changes		<u>(3,439)</u>	<u>(1,511)</u>
Interest paid		(746)	-
Changes in working capital:			
Trade and other receivables		(627)	40
Trade and other payables		2,540	1,122
Net cash used in operating activities		<u>(2,272)</u>	<u>(349)</u>
Cash flows from investing activities:			
Purchases of plant and equipment		(51)	(3)
Proceeds from repayment of financial asset		-	-
Project exploration and evaluation costs	6	(1,625)	(1,567)
Advances to jointly controlled entity		-	(795)
Net cash used in investing activities		<u>(1,676)</u>	<u>(2,365)</u>
Cash flows from financing activities:			
Proceeds from issue of share capital	7	2,654	2,228
Listing and issue costs	7	(334)	(311)
Bank short term loan		413	-
Repayment short-term working capital bridging finance	10.2	(1,595)	(167)
Proceeds short-term working capital bridging finance	10.2	3,600	1,140
Net cash from financing activities		<u>4,738</u>	<u>2,890</u>
Net increase in cash and cash equivalents		790	176
Cash and cash equivalents:			
At beginning of period		<u>192</u>	<u>220</u>
At end of period		<u>982</u>	<u>389</u>

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements

For the six months to 30 June 2024 (unaudited) and 2023

(All amounts in GBP thousands unless otherwise stated)

1. Incorporation and principal activities

Country of incorporation

The Company was incorporated in United Kingdom as a public limited company on 24 October 2006. Its registered office is at 27/28 Eastcastle Street, London W1W 8DH.

Principal activities

The principal activities of the Group for the period are:

- To explore for mineral deposits of precious and base metals and other minerals that appear capable of commercial exploitation, including topographical, geological, geochemical and geophysical studies and exploratory drilling.
- To evaluate mineral deposits determining the technical feasibility and commercial viability of development, including the determination of the volume and grade of the deposit, examination of extraction methods, infrastructure requirements and market and finance studies.
- To develop, operate mineral deposits and market the metals produced.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been applied consistently throughout the period presented in these condensed interim consolidated financial statements unless otherwise stated.

Basis of preparation and consolidation

These condensed interim financial statements are unaudited.

The unaudited interim condensed consolidated financial statements for the period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting. IFRS comprise the standard issued by the International Accounting Standard Board ("IASB"), and IFRS Interpretations Committee ("IFRICs") as issued by the IASB as adopted for use in the UK.

These unaudited interim condensed consolidated financial statements include the financial statements of the Company and its subsidiary undertakings. They have been prepared using accounting bases and policies consistent with those used in the preparation of the consolidated financial statements of the Company and the Group for the year ended 31 December 2023. These unaudited interim condensed consolidated financial statements do not include all the disclosures required for annual financial statements, and accordingly, should be read in conjunction with the consolidated financial statements and other information set out in the Group's annual report for the year ended 31 December 2023.

Going concern

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The annual financial statements of Kefi Gold and Copper Plc for the year ended 31 December 2023 were prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Independent Auditors' Report on the Group's 2023 Annual Report was an unqualified audit opinion with a material uncertainty relating to going concern noted.

We draw attention to the interim financial statements, which indicate that the Group incurred a net loss of £6,099,000 (2023: loss of £3,416,000) during the period ended 30 June 2024 and, as of that date, the Group's current liabilities exceeded its current assets. As stated in this note events or conditions, along with other matters as set forth in this note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The assessment of the Group's ability to continue as a going concern involves judgment regarding future funding available for the development of the Tulu Kapi Gold project, exploration of the Saudi Arabia exploration properties and for working capital requirements. In considering the Group's ability to continue as a Going Concern, management have considered funds on hand at the date of approval of the financial statements, planned expenditures covering a period of at least 12 months from the date of approving these financial statements and the Group's strategic objectives as part of this assessment.

As at the date of approval of the financial statements, the Group expects to be able to obtain financing to fund activities until financial close of the Tulu Kapi project. The Group has previously been successful in arranging such funding when required and expects to be able to continue to do so. Financing will also be required to continue the development of the Tulu Kapi Gold Project through to production as set out in a company announcement 'Tulu Kapi Operational Update' dated 20 August 2024.

The Group's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. If sufficient additional capital is not raised, the going concern basis of accounting may not be appropriate, and the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

Notwithstanding the existence of material uncertainty that may cast significant doubt over the Group and Company's ability to continue as a going concern based on historical experience and ongoing proactive discussions with stakeholders, the Board has a reasonable expectation that the Group will be able to raise further funds to meet its obligations. Subject to the above, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

3. Operating segments

The Group has two distinct operating segments, being that of mineral exploration and development and corporate activities. The Group's exploration and development activities are in Ethiopia and Saudi Arabia held through jointly controlled entities in each jurisdiction with KEFI administration and corporate activities based in Cyprus.

Unaudited Six months ended 30 June 2024	Corporate	Ethiopia	Saudi Arabia	Total
	£'000	£'000	£'000	£'000
Operating loss (Excluding loss from jointly controlled entity)	(3,212)	(71)	-	(3,283)
Other finance costs	(1,470)	-	-	(1,470)
Foreign exchange (loss)/profit	(232)	228	-	(4)
Gain on dilution of joint venture	-	-	833	833
Share of (loss)/Profit from jointly controlled entity	-	-	(2,239)	(2,239)
Reversal of impairment loss in jointly controlled entity	-	-	64	64
Loss before tax	(4,914)	157	(1,342)	(6,099)
Tax	-	-	-	-
Loss for the period	-	-	-	(6,099)
Total assets	1,268	37,275	-	38,543
Total liabilities	(10,964)	(1,041)	-	(12,005)

Unaudited Six months ended 30 June 2023	Cyprus	Ethiopia	Saudi Arabia	Total
	£'000	£'000	£'000	£'000
Operating loss (Excluding loss from jointly controlled entity)	(1,528)	(46)	-	(1,574)
Other finance costs	(452)	-	-	(452)
Foreign exchange profit	(772)	784	-	12
Gain on dilution of jointly controlled entity	-	-	1,169	1,169
Share of loss from jointly controlled entity	-	-	(2,368)	(2,368)
Reversal of impairment loss in jointly controlled entity	-	-	(203)	(203)
Loss before tax	(2,752)	738	(1,402)	(3,416)

Tax				-
Loss for the period				(3,416)
Total assets	974	33,490	-	34,464
Total liabilities	(4,066)	(649)	-	(4,715)

4. Loss per share

The calculation of the basic and fully diluted loss per share attributable to the ordinary equity holders of the parent is based on the following data:

	Six months ended 30 June 2024 Unaudited	Six months ended 30 June 2023 Unaudited
	£'000	£'000
Net loss attributable to equity shareholders	(6,099)	(3,416)
Net loss for basic and diluted loss attributable to equity shareholders	(6,099)	(3,416)
Weighted average number of ordinary shares for basic loss per share (000's)	5,561,263	4,044,481
Weighted average number of ordinary shares for diluted loss per share (000's)	5,825,698	5,169,887
Loss per share:		
Basic loss per share (pence)	(0.10)	(0.08)

The effect of share options and warrants on the loss per share is anti-dilutive.

5. Trade and other receivables

	30 June 2024 Unaudited	31 Dec 2023 Audited
	£'000	£'000
Upfront Service Fee	665	-
Other receivables	35	124
VAT	455	404
	<u>1,155</u>	<u>528</u>

6. Intangible assets

	Total exploration and project evaluation costs £ '000
Cost	
At 1 January 2024 (Audited)	34,982
Additions	1,548
At 30 June 2024 (Unaudited)	<u>36,530</u>
Accumulated Impairment	
At 1 January 2024 (Audited)	266
At 30 June 2024 (Unaudited)	<u>266</u>

Net Book Value at 30 June 2024 (Unaudited)	36,264
Net Book Value at 31 December 2023 (Audited)	<u>34,716</u>

7. Share capital

	Number of shares 000's	Share Capital £'000	Deferred shares £'000	Share premium £'000	Total £'000
Issued and fully paid					
At 1 January 2024 (Audited)	4,965,125	4,965	23,328	48,922	77,215
Share Equity Placement 8 March 2024	750,000	750	-	3,750	4,500
Share Equity Placement 26 March 2024	165,986	166	-	830	996
Share Equity Placement 28 May 2024	177,982	178	-	1,180	1,358
Share issue costs	-	-	-	(333)	(333)
Warrants issue fair value cost	-	-	-	(180)	(180)
At 30 June 2024 (Unaudited)	6,059,093	6,059	23,328	54,169	83,556

Issued capital

On the 8 March 2024 the Company admitted 750,000,000 new ordinary shares of the Company at a placing price of 0.6 pence per Ordinary Share.

On the 26 March 2024 the Company admitted 165,986,055 new ordinary shares of the Company at a placing price of 0.6 pence per Ordinary Share. Shares valued at £495,916 were placed with retail investors, while £500,000 worth of shares were issued to settle remuneration.

On the 28 May 2024 the Company admitted 177,981,851 new ordinary shares of 0.1p each at a price of 0.763p per share. These shares were issued to certain key advisers to the Company in consideration for their services.

8. Share Based Payments

Warrants

Pursuant to shareholder approval at the AGM, certain placement Broker commissions and advisory services were satisfied through the grant of 49,900,000 warrants. Each Warrant entitles the Broker and Adviser to subscribe for one new Ordinary Share at a price of 0.6 pence per share, exercisable for a period of three years from 26 March 2024.

Details of warrants outstanding as at 30 June 2024:

Grant date	Expiry date	Exercise price	Unaudited Number of warrants*
			000's
18 May 2022	17 May 2025	0.80p	75,000
30 June 2023	02 July 2026	0.70p	39,286
26 March 2024	26 March 2027	0.60p	49,900
			<u>164,186</u>

The estimated fair values of the warrants were calculated using the Black Scholes option pricing model. The inputs into the model and the results are as follows:

Date	Closing share price at issue date	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividend yield	Discount factor	Estimated fair value
26 March 2024	0.57p	0.60p	90%	3yrs	5.5%	Nil	0%	0.36p

	Weighted average ex. price	Unaudited Number of warrants* 000's
Outstanding warrants at 1 January 2024	1,51p	1,007,383
- granted	0.60p	49,900
- cancelled/expired/forfeited	1.60p	(893,097)
- exercised		-
Outstanding warrants at 30 June 2024	0.72p	<u>164,186</u>

These warrants were issued to advisers and shareholders of the Group.

Share options reserve

Details of share options outstanding as at 30 June 2024:

Grant date	Expiry date	Exercise price	Unaudited Number of shares* 000's	
17-Mar-21	16-Mar-25	2.55p	92,249	
12-Sep-23	11-Sep-30	0.60p	8,000	
			<u>100,249</u>	
			30 June 2024	31 Dec 2023
			Unaudited	Audited
Opening amount			3,675	3,747
Warrants issued costs			180	110
Share options charges relating to employees			-	42
Share options issued to directors and key management (Note 12.1)			-	81
Forfeited options			-	36
Exercised warrants			-	-
Expired warrants			(1,664)	(178)
Expired options			(202)	(163)
Closing Amount			<u>1,989</u>	<u>3,675</u>
			Weighted average ex. price	Unaudited Number of shares* 000's
Outstanding options at 1 January 2024			2.58p	109,849
- granted			-	-
- forfeited			-	-
- cancelled/expired			4.50p	(9,600)
Outstanding options at 30 June 2024			<u>2.49p</u>	<u>100,249</u>

The Company has not issued share options to directors, employees and advisers to the Group during the period.

The option agreements contain provisions adjusting the exercise price in certain circumstances including the allotment of fully paid Ordinary shares by way of a capitalisation of the Company's reserves, a subdivision or consolidation of the Ordinary shares, a reduction of share capital and offers or invitations (whether by way of rights issue or otherwise) to the holders of Ordinary shares.

The estimated fair values of the options were calculated using the Black Scholes option pricing model.

9. Trade and other payables

	30 June 2024 Unaudited £'000	31 Dec 2023 Audited £'000
Accruals and other payables	3,301	2,877
Other loans	99	100
Payable to jointly controlled entity (Note 11 and Note 12.3)	5,071	3,728
Payable to Key Management and Shareholder (Note 12.3)	558	602
	<u>9,029</u>	<u>7,307</u>

10. Loans and Borrowings

10.1. Short-Term Working Capital Bridging Finance

	Currency	Interest	Maturity	Repayment
Unsecured working capital bridging finance	GBP	See Table below	On Demand	See Table below
Ethiopian Bank Short term Loan	ETB	20%	March 2025	See Table below

The Group has the option to access working capital from certain existing stakeholders. This unsecured working capital bridging finance is short-term debt which is unsecured and ranked below other loans. Bridging Finance facilities bear a fixed interest rate and were set off in shares by the lenders participation in the Company placements. If the Group is unable to repay this financing, it will only be repaid after any other debt securities have been settled, if applicable.

Unsecured working capital bridging finance	Balance 1 Jan 2024 Audited £'000	Drawdown Amount Unaudited £'000	Transaction Costs Unaudited £'000	Interest Unaudited £'000	Repayment Shares/Payment Netting¹ Unaudited £'000	Repayment Cash Unaudited £'000	Period Ended 30 June 2024 Unaudited £'000
Repayable in cash in less than a year	2,113	3,600	-	1,304	(2,113)	(2,341)	2,563
Ethiopian Bank Loan	-	413	-	-	-	-	413
Total	2,113	4,013	-	1,304	(2,113)	(2,341)	2,976

10.2. Reconciliation of liabilities arising from financing activities

Unsecured working capital bridging finance	Cash Flows					
	Balance 1 Jan 2024 Audited £'000	Inflow Unaudited £'000	(Outflow) Unaudited £'000	Finance Costs Unaudited £'000	Shares/Payment Netting¹ Unaudited £'000	Balance 30 June 2024 Unaudited £'000
Short term loans	2,113	4,013	(2,341)	1,304	(2,113)	2,976
	2,113	4,013	(2,341)	1,304	(2,113)	2,976

¹ The lenders agreed to set off their short term loans owed by Company against amounts owed by the lenders as a result of their participation in the Company share placements during the year. The payment netting procedure was utilized to streamline the cash settlement process for participating in share placement and repaying bridging finance.

11. Joint venture agreements

KEFI is the technical partner with a 24.75% shareholding in GMCO with ARTAR holding the other 75.25%. KEFI provides GMCO with technical advice and assistance, including personnel to manage and supervise all exploration and technical studies. ARTAR provides administrative advice and assistance to ensure that GMCO remains in compliance with all governmental and other procedures. GMCO has five Directors, of whom two are nominated by KEFI. GMCO is treated as a jointly controlled entity and has been equity accounted. KEFI has reconciled its share in GMCO's losses.

During the current year, all relevant activities of GMCO required the unanimous consent of its five directors. Under terms of the original GMCO shareholders agreement, if a shareholder's ownership stake falls below 25%, the remaining shareholder has the right, but not the obligation, to acquire the interest at fair value. "Fair value" is determined as an estimate of the price the transferring party would have received if it had sold all its shares in GMCO in an arm's length exchange, driven by typical business considerations.

Amendments to the shareholders' agreement provide flexibility in the event a shareholder stake falls below the 25% threshold. These amendments include adjustments to the composition of GMCO's board based on shareholding percentages and amendment to the process for nominating and appointing the Managing Director/Chief Executive Officer. In addition, indemnification and reimbursement clauses were added for parties undertaking sole risk projects, with guidelines for compensating GMCO for costs incurred in such endeavours, as well as a framework for continuing projects independently.

The Company elected not to contribute its pro rata share of joint venture expenditure during the period (KEFI share being £832,983) and thus KEFI's interest reduced from 26.8% to 24.75% under the dilution provisions of the joint venture agreement. The carrying value of GMCO in the accounts of KEFI is nil (due to KEFI's conservative policy of expensing GMCO costs when incurred) and this release from liability resulted in a gain of £832,983 in the profit and loss statement.

Management conducted a review to determine whether it still retained significant influence over GMCO and concluded that this remained the case. GMCO is still a jointly controlled entity of KEFI, supported by factors including KEFI's continued significant shareholding, representation on the Board of Directors, active involvement in policy-making processes, and other relevant considerations.

A loss of £2,239,000 was recognized by the Group for the period ended 30 June 2024 (2023: £2,571,000) representing the Group's share of losses for the period. As at 30 June 2024, KEFI owed ARTAR an amount of £ 5,070,000 (2023: £1,776,000).

	Period Ended 30 June 2024 Unaudited
Opening Balance	-
Additional Investment during the period	1,342
FX Gain on advances made to GMCO	-
Profit on Dilution	833
Share of loss in jointly controlled entity	(2,239)
Additional impairment loss	64
Closing Balance	-

12. Related party transactions

The following transactions were carried out with related parties:

12.1. Compensation of key management personnel

The total remuneration of the Directors and other key management personnel was as follows:

	Six months ended 30 June 2024 Unaudited £'000	Six months ended 30 June 2023 Unaudited £'000
Directors' fees	272	258
Directors' other benefits	22	18
Share-based benefits to directors	-	34
Director's bonus	285	-
Key management fees	174	163
Key management other benefits	-	-
Share-based benefits to key management	-	6
Key management bonus	50	-
	<u>803</u>	<u>479</u>
<u>Share-based benefits</u>		

The Company has issued share options to directors and key management. On 27 March 2014, the Board approved a new share option scheme ("the Scheme") for directors, senior managers and employees. The Scheme formalised the existing policy that options may be granted over ordinary shares representing up to a maximum of 10 per cent of the Group's issued share capital.

12.2. Transactions with shareholders and related parties

Name	Nature of transactions	Relationship	Transaction to period end 30 June 2024 Unaudited £'000	Transaction to period end 30 June 2023 Unaudited £'000
GPR Dehler	Receiving of management and other professional services	Key Management and Shareholder	224	163
Nanancito Limited/Mr. Nicoletto	Receiving of management and other professional services	Shareholder	-	141
			<u>224</u>	<u>304</u>

12.3. Payable to related parties

The Group			30 June 2024 Unaudited £'000	31 Dec 2023 Audited £'000
Name	Nature of transactions	Relationship		
Payable to Key Management and Shareholders	Fees for services	Key Management and Shareholders	558	602
			<u>558</u>	<u>602</u>

13. Capital commitments

	30-Jun-24 Unaudited £'000	31-Dec-23 Audited £'000
Tulu Kapi Project costs ¹	1,237	776
Saudi Arabia Exploration costs committed to field work that has been recommenced	4,867	5,113

¹ Once the Company and its partners in Tulu Kapi Gold Mine Share Company Limited start development at the Tulu Kapi Gold Project (the "Project") the Company will have project capital commitments.

14. Contingent Liability

14.1 Performance-Based Short-Term Incentive Plan (STI)

The Company has implemented a performance-based short-term incentive plan (STI) approved by the Remuneration Committee and the Board. This plan is designed to align with the Company's strategic objectives and to appropriately recognise and reward employee contributions as the Company and its projects advance. The STI plan supersedes any previously communicated incentives and is contingent upon the achievement of specified milestones related to the Company's projects.

STI Bonuses

The STI plan outlines three specific bonuses, each contingent upon the successful achievement of key milestones associated with the Tulu Kapi Gold Project. The bonuses are allocated as follows:

Directors and Key Management Personnel ¹	STI Bonus 1 ¹	STI Bonus 2 ¹	STI Bonus 3 ¹	
	£'000	£'000	£'000	Total
Executive Chairman ²	400	400	400	1,200
Finance Director ²	400	200	200	800
PD MR and Other Managers	500	750	800	2,050
Total	1,300	1,350	1,400	4,050

- STI Bonus 1: Payable upon the granting of credit approvals by the lenders to the Tulu Kapi Gold Project¹.
- STI Bonus 2: Payable upon project finance lenders permitting debt disbursement to commence for Tulu Kapi, and no earlier than 12 months after STI Bonus 1 has been earned¹.
- STI Bonus 3: Payable upon the commencement of production at Tulu Kapi, and no earlier than 12 months after STI Bonus 2 has been earned¹.

¹ Recipients may elect to receive the STI Bonus in either shares or cash. If taken in shares, the issue price will be based on the VWAP (Volume Weighted Average Price) for the month following the achievement of the relevant milestone. If taken in cash, the timing of the payment is subject to cash availability as determined by the Board, but in any event, no later than 6 months after the relevant milestone is achieved.

² Except in cases of change of control or cessation of employment in the designated role, the payment of STI Bonuses 1, 2, and 3 is also contingent on the Company's share price meeting specific conditions:

- STI Bonus 1: The closing mid-price of the Company's shares must be above 1.5p for five consecutive trading days.
- STI Bonus 2: Additionally, the closing mid-price of the Company's shares must be above 2.5p for five consecutive trading days.
- STI Bonus 3: Additionally, the closing mid-price of the Company's shares must be above 3.0p for five consecutive trading days.

Any shares issued as payment for the STI Bonus, except in cases of change of control or cessation of employment in the designated role, will be subject to a 12-month lock-in period. Any cash-paid STI bonus must be covered by the Tulu Kapi project finance package.

The STI plan represents a contingent liability as defined under IFRS, where the obligation is dependent on the occurrence of uncertain future events related to the Company's performance and project milestones. These potential obligations are recognised only if and when the specified milestones are achieved, and the respective conditions are met. At this stage, the Company has no present obligation, and thus no provisions have been recognised in the financial statements. The contingent liabilities will be reassessed regularly, and any changes will be disclosed accordingly.

15. Events after the reporting date

During July and August 2024, after the end of the reporting period, the Ethiopian Birr experienced a major devaluation against all major foreign currencies. This devaluation is considered a non-adjusting event as it reflects conditions that arose after the reporting period.

The Group's subsidiary in Ethiopia holds assets and liabilities denominated in Ethiopian Birr, and the devaluation may have an impact on the subsidiary's financial position and results. As of the reporting date, management is in the process of assessing the financial implications, including the potential impact on the Group's consolidated financial statements. The

full extent of the impact is not yet quantifiable, and appropriate measures are being considered to mitigate any adverse effects.