

**21 June 2021**

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**Operational Update**

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 pleased to provide an operational update.

**Ethiopia**

Today is election day in Ethiopia. These are widely regarded as the most important elections in the country's history. The electioneering atmosphere in the lead-up around the country has been one of vibrant, but peaceful campaigning, reflecting very positively on the reforms over recent years. Ethiopia remains amongst the highest growth countries in Africa and the world, whilst it continues to push its agenda of liberal and democratic reform.

*Tulu Kapi Project Finance*

The Tulu Kapi Gold Project (the "Project" or "Tulu Kapi") remains on track with previous guidance and KEFI, through its subsidiary Tulu Kapi Gold Mines Share Company ("TKGM"), has presented its Project finance syndicate and submitted its Project finance plan to the Ethiopian central bank ("National Bank of Ethiopia", or "NBE") for permission that it may proceed as outlined. This follows a long, thorough and rigorous due diligence process by the Senior Lenders.

Whilst the NBE conducts its review, the other outstanding administrative details are being progressed with the various Ethiopian Government agencies including, the Ministry of Mines and Petroleum ("MOMP"), Ministry of Finance, Ethiopian Roads Authority and Ethiopian Electricity Power Corporation. These are normal compliance procedures to enable KEFI/TKGM and its syndicate of financiers and contractors to proceed to financial closing, which includes, *inter alia*, execution of detailed documentation, subscription of the asset-level equity funds and triggering full development, with debt funds to be disbursed later this year in compliance with the Senior Lenders specified conditions.

These procedural matters include requests for finalising confirmations of registration of historic investment, establishment of correspondent bank account arrangements, confirmation of construction schedules for road and electricity, and various other administrative matters already agreed in principle.

Starting full development of the Project is the highest priority for KEFI and the Ethiopian Government. All key stakeholders are pushing hard to finalise preparations and the Company has undertaken to the MOMP that, upon timely receipt of these confirmations, KEFI will push to financial closing by the end of July 2021, or as near as possible thereto given the local document registration procedures and the COVID-affected limitations of syndicate parties' physical locations.

### *Recent Tulu Kapi Project Activities*

KEFI continues to oversee the physical preparations for full development to be triggered at financial closing, such as:

- Clearing of new host lands for community members to be resettled;
- Overseeing the early works programme of detailed engineering and procurement, by principal construction contractor Lycopodium;
- Supporting the planning and procurement programmes of mining services contractor Corica;
- Overseeing the 'new access road' and 'electricity connection' works contracts; under which surveys and procurement has been completed;
- Triggering compensation procedures for the first resettlers at the Tulu Kapi electrical substation site; and
- Recruitment of further key personnel for the next stage of the Project.

### **Saudi Arabia**

#### *Hawiah Gold Project*

KEFI's operations in Saudi Arabia are conducted through its 34% owned joint-venture company, Gold & Minerals Ltd ("G&M"), where KEFI is the operating partner.

G&M are working to finish the Phase 4 drilling programme in Q3 2021 with the goal of reporting an expanded and upgraded Mineral Resource. With Ramadan having ended, drilling since late May 2021 has been 24/7 with three rigs on site.

The Preliminary Feasibility Study for the potential start of development of the Hawiah deposit in 2023 continues, and other recent activities have included the following:

- Completion of the Environmental and Social Baseline Study;
- Metallurgical testing progressing with reasonable recoveries so far being indicated for all principal metals, copper, gold, zinc and silver; and
- Completion of the exploration camp construction.

### **Enquiries**

#### **KEFI Gold and Copper plc**

Harry Anagnostaras-Adams (Executive Chairman) +357 99457843

John Leach (Finance Director) +357 99208130

**SP Angel Corporate Finance LLP (Nominated Adviser and Joint Broker)** +44 (0) 20 3470 0470

Jeff Keating, Adam Cowl

**Brandon Hill Capital Ltd (Joint Broker)** +44 (0) 20 7936 5200

Oliver Stansfield, Jonathan Evans

**IFC Advisory Ltd (Financial PR and IR)** +44 (0) 20 3934 6630

Tim Metcalfe, Florence Chandler

## **Notes to Editor**

### **KEFI Gold and Copper plc**

KEFI is focused primarily on the advanced Tulu Kapi Gold Project development project in Ethiopia, along with its pipeline of other projects within the highly prospective Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi generates cash flows for capital repayments, further exploration and expansion as warranted and, when appropriate, dividends to shareholders.

### **KEFI in Ethiopia**

Ethiopia is currently undergoing a remarkable transformation both politically and economically.

The Tulu Kapi gold project in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

The Company has now refined contractual terms for project construction and operation, together with assembling the full funding consortium and set the conditional terms for the development funding package of c.US\$221 million.

Estimates include gold production of c.190,000oz pa. All-in Sustaining Costs (including operating, sustaining capital and closure but not including leasing and other financing charges) remain c. US\$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz.

All aspects of the Tulu Kapi (open pit) gold project have been reported in compliance with the JORC Code (2012) and subjected to reviews by appropriate independent experts.

A Preliminary Economic Assessment has been published that indicates the economic attractiveness of mining the underground deposit adjacent to the Tulu Kapi open pit, after the start-up of the open pit and after positive cash flows have begun to repay project debts. An area of over 1,000 square kilometres adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans.

### **KEFI in the Kingdom of Saudi Arabia**

In 2009, KEFI formed Gold & Minerals Limited ("G&M") in Saudi Arabia with local Saudi partner, ARTAR, to explore for gold and associated metals in the Arabian-Nubian Shield. KEFI has a 34% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, holds over 16 Exploration Licence (ELA) applications pending the introduction of the new Mining Law. ELs are renewable for up to three years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) lease within the area.

The Kingdom of Saudi Arabia has announced policies to encourage mineral exploration and development, and KEFI Minerals supports this priority by serving as the technical partner within G&M. ARTAR also serves this government policy as the major partner in G&M, which is one of the early movers in the modern resurgence of the Kingdom's minerals sector.