

**16 August 2022**

**KEFI Gold and Copper plc**

(“KEFI” or the “Company”)

**Regulatory Progress in Ethiopia and Saudi Arabia**

**Investor Webinar midday London Wednesday 24 August 2022**

KEFI (AIM: KEFI), the gold 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 on the activities of KEFI Minerals (Ethiopia) Ltd (“KME”) and Tulu Kapi Gold Mines Share Company (“TKGM”) in Ethiopia, and Gold & Minerals Ltd (“G&M”) in Saudi Arabia.

An Investor Webinar will be held on Wednesday 24 August 2022 at 12.00 midday London time (see details below). A presentation will be uploaded to the website on Monday 22 August 2022, which will be presented at the webinar by senior operational executives.

**Highlights**

During July and August 2022, continued regulatory progress has enabled KEFI with its preparations for project financings and development of its portfolio of assets in Ethiopia and Saudi Arabia. Notable developments are summarised below.

**Ethiopia:**

- In July 2022 the Ministry of Mines endorsed historical investment of c. US\$80 million to 31 December 2020 to enable the registration of KEFI’s past equity investments and confirm the TKGM capital structure for our co-investors into TKGM;
- In August 2022 the Ethiopian Prime Ministry endorsed that both proposed TKGM project finance banks, being East Africa Trade and Development Bank (“TDB”) and Africa Finance Corporation (“AFC”), are permitted to proceed with the proposed combined c. US\$200M funding package with the same rights and protections;
- Independent reports and advice were received from SLR Consulting and Constellis, in relation to social licence and security respectively, in August 2022. These reports were compiled after consulting the relevant Ethiopian authorities and were supportive of TKGM’s proposed community and security plans for the Project launch;
- Throughout the period, KEFI continued detailed reporting to the Ministry of Mines, with whom we reaffirmed plans for Project launch in October 2022.

**Saudi Arabia**

- The Ministry of Industry and Mines confirmed in August 2022 that the Jibal Qutman Gold Project should be fast-tracked to development, having cleared the blockages which hindered progress since a mining licence application was submitted in 2015. First gold production from Jibal Qutman is targeted for 2024, around the same time as applies to Tulu Kapi in Ethiopia;
- An additional exploration licence was granted within the Wadi Bidah Mineralisation Belt (“WBMB”) at Abu Salal South in August 2022, reinforcing the growth potential of our large Hawiah Copper-Gold discovery and the adjacent Al Godeyer prospects.

- Jabal Hillit and Qunah “Al Qassim” exploration licences were awarded in July 2022, situated approximately 30km apart, and straddling the prospective Ad Dawadimi and Afif terranes in the eastern portion of the Arabian Shield in Saudi Arabia;
- In August 2022, the Jadib Al Qahtanah exploration licence was awarded, 45km east of the Nahad Ad Dahab mine, the principal historic Saudi gold and silver mine;
- So far during 2022 we have had more licences granted than in the previous 14 years in Saudi Arabia, testament to the regulatory overhaul in the country as well as our leading position in the sector. Please see RNS of 12 July 2022 and 3 August 2022 for further details, including some impressive field sampling results.

### **KEFI Group**

- KEFI has been rapidly expanding its resource base for two years and regulatory progress during July and August reinforces that momentum. KEFI’s beneficial interest in gold-equivalent mineral resources has grown from 1.2 million ounces in mid-2020 to 2.1 million ounces at the end of 2021, with further growth underway in 2022 and anticipated in the coming years;
- Having three advanced projects in two countries has now placed the Company in a stronger diversified position, with all three also receiving higher regulatory support;
- In April 2022 KEFI also significantly de-risked the parent company balance sheet by raising £8 million of equity to repay liabilities and reinforce project momentum. The Company today has cash at bank and working capital facilities to execute on its development plans as outlined.
- The corporate equity issues over the past year have also seen a number of institutional investors join the register;
- The overall finance plan remains in accordance with previous guidance (see Finance Director Report of 2021 Annual Report) with all three projects involving project finance syndication, mostly at project level.

### **Investor Webinar**

The Company will provide a presentation and live webinar via the Investor Meet Company platform on Wednesday 24 August 2022 at 12.00 midday London time.

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>

The webinar will subsequently be available on the Company’s website at:  
<http://www.kefi-minerals.com/news/webcasts>.

### **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

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

KEFI is focused primarily on the advancement of its three development projects in Ethiopia and Saudi Arabia, plus its pipeline of highly prospective exploration projects in these two large jurisdictions of the under-explored Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi in Ethiopia and Jibal Qutman in Saudi Arabia will, between them, generate cash flows for capital repayments, further organic growth and dividends to shareholders.

Both TKGM and G&M are technically guided and supported by KEFI so that each of these operating joint venture companies as soon as possible builds the local organisational structure suitable for long term production as well as exploration and future development opportunities.

### **KEFI Gold and Copper 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. No other mining project of this scale in Ethiopia has been brought to Tulu Kapi's stage of advancement during recent years and Tulu Kapi will be the first industrial scale mine development in Ethiopia in over 30 years. It has taken years of extensive technical re-design of the project, years of overhaul by the Ethiopian authorities of financial policies which previously hindered mining project finance and the patient and cautious traversing by the Company of recent well-publicised events within the country. The project has imposed many demands on a regulatory system which the Ethiopian Government continues to upgrade, determined to build a modern minerals sector. KEFI is honored to play its part in this process and has assembled a first-tier syndicate of international industry expert management, contractors, banks and investors.

The Company has now refined contractual terms for project construction and operation. Estimates include open pit gold production of c. 140,000oz pa for a 7-year period. All-in Sustaining Costs (including operating, sustaining capital, royalties and closure but not including leasing and other financing charges) remain c. US\$800-1000/oz depending on the gold price. 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.

KEFI remains keen to re-commence its exploration of the additional prospects it has successfully identified within the Tulu Kapi district exploration area from within which the mining licence was duly excised as a result of the successful discovery of the Tulu Kapi deposit. Whilst most historical drilling was naturally of the Tulu Kapi deposit, there was significant work done on many further prospects which await follow-up.

Whilst awaiting regulatory permission to re-activate the Company's Ethiopian exploration, which is critical for long term planning for all stakeholders in the community as well as the Company, the exploration focus has been successfully switched to Saudi Arabia.

#### **KEFI Gold and Copper 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 c. 30% interest in G&M.

ARTAR, on behalf of G&M, and G&M directly held over 16 Exploration Licence (EL) applications pending the introduction of the new Mining Law. These new regulations have recently been proclaimed and G&M has had seven new licences issued in the past nine months – more licence grants than in the previous 14 years and all highly prospective and strategically important for G&M, ELs are renewable for up to five years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) licence within the area.

In addition, G&M has a Mining Licence Application over the Jibal Qutman Gold Project which recent informal indications by the authorities provide some confidence that the licence will be granted shortly.