

**27 June 2022**

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**Response to press reports**

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, notes recent local press reports inaccurately referring to a loss of the Company's Tula Kapi licence.

The Company received a Reminder of Deadline letter late on 24 June from the Minister of Mines referring to a new deadline of 30 June 2022 by which the Company is required to demonstrate the availability of project funding and to check compliance as regards the environment, duties and taxes, land rent, and exploration reports.

The Company remains confident of its compliance with all regulatory requirements and also remains confident in its ability to achieve its plan as set out in its announcement dated 15 June 2022, including the signing of the Umbrella funding Agreement by the end of June 2022 which will demonstrate the full funding and any attaching remaining conditions.

**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.

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## **Notes to Editor**

### **KEFI Gold and Copper PLC**

#### **Mission**

The mission of KEFI is to discover and acquire economic gold and copper mineralisation and follow through with cost-effective responsible exploration, mine development and production in compliance with local laws and international best practice.

Our geological region of focus is the Arabian-Nubian Shield, due to its outstanding prospectivity for gold and copper.

Our activities provide a strong project pipeline covering the spectrum from our Tulu Kapi Gold Project at the funding stage in Ethiopia, to our Hawiah Copper-Gold and Jibal Qutman Gold Projects at the feasibility study stage in Saudi Arabia, and to walk-up drill targets in both countries.

Since incorporation 16 years ago, KEFI has invested some £72 million in these activities and today the Company sits with advanced projects that have project NPV's that are already multiples of the amount invested. KEFI has a leading position in the two countries that contain the majority of the Arabian-Nubian Shield. We now have three advanced projects in these now strongly pro-development countries and are focused on a sequential mine development path to build a mid-tier mining company over the next few years.

#### **Approach**

KEFI was launched in 2006 as a £2.5 million initial public offering ("IPO") on the AIM Market of the London Stock Exchange and was then led by exploration specialists. The 2014 acquisition of the Tulu Kapi Gold Project triggered the appointment of management with track records in developing and operating mines in Africa. KEFI partners with appropriate local organisations, such as Abdul Rahman Saad Al Rashid and Sons Limited ("ARTAR") in the Kingdom of Saudi Arabia in our Gold and Minerals Limited ("G&M") joint venture and with the Federal Government and the Oromia Regional Government in Ethiopia for our TKGM joint venture.

Our community plans are in accordance with the International Finance Corporation (World Bank) Performance Standards and Equator Principles. Operationally, we align with industry specialists such as Lycopodium Limited ("Lycopodium") - our principal process plant contractors in both Ethiopia and Saudi Arabia.

Some elements of Tulu Kapi's development commenced in Q4-2019 and were stalled repeatedly by civil disturbance. These have now re-started and full construction is planned to begin in October 2022 once the local dry season begins. Annual gold production remains projected at 140,000 ounces from the Tulu Kapi open pit to increase to c.190,000 ounces when the underground mine starts up a few years later.

In Saudi Arabia, we now have two development projects in progress after being held up for many years awaiting a regulatory overhaul. We look to develop our Jibal Qutman Gold Project (“Jibal Qutman”) and then to follow with the startup of the Hawiah Copper-Gold Project (“Hawiah”). Both projects are now in the feasibility study stage and are projected, between them, to add similar scale of gold-equivalent production to that projected for Tulu Kapi in Ethiopia. Copper will provide the majority of Hawiah’s revenue.

We have also registered applications in Saudi Arabia for exploration of prospects selected from our proprietary database, covering four major new project areas and aggregating more than 1,000 square kilometres.

### **Timing**

KEFI’s objective is to have three projects in production by 2026 at a net production rate of c.4,000 gold-equivalent ounces (KEFI beneficial interest 200,000 oz gold-equivalent).

The potential net operating cash flow from these projects is currently estimated to exceed £137 million (US\$185 million) per annum. The next few years will be focused on multi-pronged development and exploration during which our cash flow production should commence and escalate.

The operating environment for KEFI has improved considerably in recent times. Since H1-2020, the estimated net present value (“NPV”) of our assets has tripled to £348 million (c.9 pence per share, based on today’s issued capital) due to exploration and permitting success in Saudi Arabia and an expected greater equity interest in Tulu Kapi. KEFI’s current market capitalisation is c.£30 million (at 0.7 pence per share).