

**20 October 2022**

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**Significant Progress in Ethiopia**

**Investor Webinar**

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 update on the recent significant progress of the Company's Tulu Kapi Gold Project ("Tulu Kapi" or the "Project").

Following a thorough review of the Project on the back of updated supplier pricing, the Company can confirm that Tulu Kapi's estimated capital requirement (excluding the mining fleet provided by the contractor) has increased 7% to US\$320 million from US\$300 million to first production (see 2021 Annual Report page 6). This is a direct result of cost inflation witnessed across the globe. The Company is pleased to report that several Project financing syndicate members, party to the Umbrella Agreement and associated documents (see announcement 30 June 2022), have indicated a willingness to increase their investment, thereby ensuring that the Project will be funded under the previously reported financing structure.

In addition, the Company is pleased to report that a historically key condition precedent has now been waived by the relevant syndicate member – in that it is no longer necessary to await that party's agreement with the Government on a particular policy matter, because of the significant progress made and good relationship between parties.

Accordingly, the final proposed Project finance plan has now been circulated for formal sign off by all the syndicate members, who have been kept apprised throughout the process and continue to express their support. Given the time taken to successfully resolve this situation between the individual syndicate member and the Government, the broader syndicate approval of the final finance plan is now expected mid-November 2022, rather than the previously reported end of October 2022. In the meantime, we have commenced working on satisfying the previously reported and normal conditions precedent to full project launch including key field activities with the community and completing formal documentation and Government procedures for funds drawdown in the normal sequence.

**Harry Anagnostaras-Adams, Executive Chairman of KEFI Gold and Copper, commented:**

"I am pleased to report on the continued progress at Tulu Kapi. The fact that there have been increases to the ultimate capex figure required to first production should come as little surprise given the inflationary factors witnessed across the globe. That certain partners within the financing syndicate are looking to increase their participation to address this increase shows the spirit and goodwill within the financing syndicate to close on the funding.

"Tulu Kapi will be Ethiopia's showcase 21<sup>st</sup> century mining project, designed to the highest international standards for social, environmental and governance performance. Tulu Kapi will likely be Ethiopia's largest single export generator and generate direct and indirect employment for 5-10,000 people.

“The heightened capital figure of US\$320 million includes financing costs, contingency, cost overrun and working capital provisions, which are not expected to be fully absorbed by the development of the Tulu Kapi open pit. Accordingly, subject to senior lenders’ approval in due course, some of these funds are likely to be able to be deployed in developing the Tulu Kapi underground mine once the open pit has started, ensuring earlier production from the underground and improved economics from the Project.

“The Ethiopian Government and specifically the Ministry of Mines have been appraised of all these developments and have reaffirmed their continued support for the full Project launch by the end of 2022, when all conditions precedent should have been satisfied. We look forward to making further announcements in due course.”

### **Investor Webinar**

The Company will provide a presentation and live webinar via the Investor Meet Company platform on Wednesday 26 October 2022 at 16.30 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, ultimately, 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 construction and operation of the open pit mine. Management has also developed preliminary plans to develop the underground mine once open-pit production has started and to produce.

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. The underground project is defined based on internal PEA-level analyses which have yet to be subjected to DFS-level investigation and independent review, which is planned to be carried out during the construction of the open pit.

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 ten new licences issued in the past twelve 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.