

20 May 2024

KEFI Gold and Copper plc

("KEFI" or the "Company")

Tulu Kapi Gold Project Launched

KEFI (AIM: KEFI), the gold and copper exploration and development company focused on the Arabian-Nubian Shield with a pipeline of projects in the Federal Democratic Republic of Ethiopia, and the Kingdom of Saudi Arabia, is pleased to advise the Board of Tulu Kapi Gold Mines ("TKGM") has formally launched the Project.

The TKGM Board includes representatives from both KEFI and the Ethiopian Federal and Oromia Regional Governments. This decision to launch Tulu Kapi follows deployment of dedicated site policing and the conditional confirmations that quickly ensued from all members of the Project's finance syndicate.

An updated corporate presentation will be uploaded to the company website and includes a summary of Early Works, Major Works, Key Milestones, Finance Plan and Key Economic Metrics which are summarised below.

Early Works until September 2024:

- Completion of preparation for community resettlement;
- Detailed engineering for procurement;
- Community consultations on social development plans; and
- Recruitment and other organisational development.

Concurrent closing of project financing:

- Independent monitoring over the next few months that Early Works' field activities progress on schedule under the newly established policing and related safety protection systems;
- Satisfaction of all other conditions precedent, all usual for such a transaction and mostly administrative;
- Execution of definitive detailed documentation; and
- Drawdown of financing syndicate equity-risk capital October 2024 to mid-2025 followed by debt capital.

Major Works from October 2024:

- Procurement and fabrication of plant internationally;
- Resettlement of community;
- Site earthworks;

- Grade-control drilling;
- Transportation to site and assembly of plant and associated infrastructure;
- Mining; and
- Definitive Feasibility Study (DFS) on underground mine.

Finance Plan includes:

- Debt Risk Capital:
 - US\$190 million secured debt from the development banks.
- Equity Risk Capital, excluding historical investment of c. US\$100 million sourced from KEFI's shareholders:
 - US\$110 million Equity Risk Note sourced by KEFI from Ethiopian subsidiaries of multinational corporations, repayable in cash or, at KEFI's election, with KEFI shares issued at market prices (VWAP) in the second year of production; and
 - US\$20 million TKGM share subscriptions from Federal and Regional Government.

Key Economic Metrics, using the same financial model and underlying metrics reported in the recent Quarterly Update - see announcement 13 May 2024:

- Employment: approximately 1,000 direct jobs and 5,000-10,000 indirect jobs;
- Foreign Direct Investment of approximately \$500 million including historical investment;
- At current gold price of c. US\$2,350/oz:
 - Hard currency exports of c. US\$377 million average per annum;
 - Royalties and taxes of US\$69 million average per annum; and
 - Operating expenditures c. US\$119 million average per annum, with preferential procurement locally, subject to quality and price.
- With AISC c. US\$887/oz (All-In-Sustaining Costs) and Break-Even Costs (including debt service) c \$1,315/oz, the project provides an attractive IRR to equity of +50%; whilst at gold price US\$1,550/oz, the IRR still remains +20% (noting that because of the lower impact of the gold-price-based royalties, AISC drops to US\$831/oz and Break-Even Cost drops to US\$1,091/oz).

Recently approved exemptions from exchange and capital controls facilitate that investors and other financiers are assured of unrestricted capital servicing.

Harry Anagnostaras-Adams, KEFI's Executive Chairman commented:

“Our launch timing is fortuitously coinciding with the improved conditions in Ethiopia and all-time high gold prices. Tulu Kapi’s high grade and high process recovery, combined with our project design, has resulted in a robust set of economics for long-term operations which should support further exploration and development along with good opportunities to continue supporting local social development projects such as the already provided local school and water supply. The returns for the capital investors and lenders are attractive and the recent exemptions from exchange controls has rendered the Ethiopian mining investment climate internationally competitive.

“We can now proceed to safely complete our Early Works on schedule and satisfy all conditions precedent to drawdown full project finance as outlined, thus enabling the Major Works to commence from October 2024. This deliberately sequenced and disciplined approach is commensurate with being a first mover adhering to the highest performance standards in respect of safety, social, environmental, technical and other aspects. We are determined to ensure that Tulu Kapi preserves its standing as a showcase project for an important new business sector for Ethiopia.

“We greatly appreciate the support of the community and all local and international stakeholders.”

INVESTOR BRIEFINGS AND WEBINAR

Harry Anagnostaras-Adams, Executive Chairman, will provide a live presentation and Webinar via the Investor Meet Company platform on Wednesday 22 May 2024 at 3pm BST.

The presentation is designed to provide, in particular, an operational update covering the three months to 31 March 2024 and more recent developments. This webinar will encompass the activities of the Company, as well as wholly-owned KEFI Minerals (Ethiopia) Ltd ("KME") and majority-owned Tulu Kapi Gold Mines Share Company in Ethiopia, and minority-owned Gold & Minerals Ltd ("GMCO") in Saudi Arabia. A Q1 2024 Quarterly Operational Update announcement was released on 13 May 2024.

The Webinar is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9am the day before the meeting or 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>

Investors who already follow KEFI on the Investor Meet Company platform will automatically be invited.

Additionally, research group Orior Capital has published a research report on KEFI, which is accessible from the KEFI website [here](#).

Enquiries

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