

7 May 2024

**KEFI Gold and Copper plc**

(“KEFI” or the “Company”)

**Tulu Kapi Gold Project Launch Update**

- ***Remaining finance syndicate approvals expected to be granted during May 2024***
- ***Project launch preparations progressing***
- ***Ethiopian gold sector taking off***

KEFI Gold and Copper (AIM: KEFI), is pleased to report good progress to schedule at the Company’s high-grade Tulu Kapi Gold Project in Ethiopia (“Tulu Kapi” or the “Project”). The remaining finance syndicate board processes are on track for final (conditional) approvals during May 2024, whilst Project launch preparations have commenced at Tulu Kapi.

Notably, these developments coincide with construction works commencing at another Ethiopian industrial scale gold-mine development, west of Tulu Kapi, and the commencement of a modernisation programme at the only pre-existing large Ethiopian gold mine, south of Tulu Kapi. Taken as a whole, these developments reflect the positive turnaround in Ethiopia over the past two years. On the back of wide-sweeping reforms, some of which were absolutely critical for the mining sector, as negotiated and previously reported by KEFI, the country is now striving hard to reclaim its previous long-standing ranking amongst the world’s top ten growth countries. Particularly important for KEFI is that Ethiopia’s top five gold development projects look likely to raise Ethiopia’s aggregate annual gold production from c.400,000 oz per annum at present to an estimated 1.5 million oz per annum within the next five years, which today would rank Ethiopia amongst Africa’s top ten gold producers.

KEFI recently reported (see announcement of 25 March 2024) the following:

- all of the required development budget of US\$320 million (exclusive of the historical equity investment of c.US\$100 million) has been assembled at the subsidiary level in the form of US\$190 million secured debt, US\$100 million Equity Risk Note (“ERN”) and US20-40 million share subscriptions to KEFI subsidiaries;
- the receipt of final approvals from the Federal Government of Ethiopia (co-shareholder in TKGM), Eastern and Southern Trade and Development Bank (“TDB”) (the lead lender of secured debt) and the lead-investor in the ERN (a multinational organisation which has operated in Ethiopia for decades); and
- approval processes having been triggered for the remaining parties, in particular the long-planned co-lender of secured project finance debt, Africa Finance Corporation (“AFC”) and investors in the ERN.

We are pleased to now report the following further progress:

Financing Progress:

- all syndicate parties have now either confirmed final (conditional) approval or that they target theirs this month;
- KEFI now targets an elevated beneficial interest in TKGM of 80%; and

- corporate activity is increasing in the Arabian Nubian Shield and KEFI has received expressions of interest from other parties to potentially participate should the opportunity arise in Ethiopia, either at Tulu Kapi or in other growth opportunities being considered.

#### Operational Progress:

- Jacques Kruger has been appointed as the new Project Development Manager and is working closely with Project Director Norman Green, the founder of Green Team International; and
- Simon Cleghorn, KEFI's original Resource Geologist and a core team member during our overhaul of the Project in 2014-2015, has rejoined the Company at the Executive Committee level after serving as Chief Geologist and Chief Operating Officer respectively at leading Kazakh mining groups, Eurasian Resources Group and JSC AK Altynamas.

#### Preparing for a safe construction programme at Tulu Kapi:

- dedicated policing has been formed for permanent presence around Tulu Kapi and the other strategic mining projects, reporting to the Prime Ministry to ensure safe working conditions for the community and any parties brought to site by the Company;
- whilst no-one is threatening the Project or Company, these precautionary measures are requirements for compliance with international standards and our arrangement is being formalised and signed off to satisfy all stakeholders of the commitment to safety and international standards by Government and the Project syndicate;
- independent international experts have already confirmed that Tulu Kapi Gold Mines Share Company's ("TKGM") Project launch plans, and the arrangements with Government, adhere to the leading international standards for environment, community and safety. This follows the equivalent reports late last year in respect of the technical aspects;
- these experts, including SLR for environment and social, Constellis for safety and security systems, and Behre Dolbear for technical matters and operational systems, oversee all critical aspects of Project implementation ensuring compliance and excellence;
- additional independent security experts are now being instructed to also monitor and report to their individual clients within the syndicate, as an added layer of due diligence; and
- these commitments and independent checks have allowed the syndicate parties to advance their processes and remain on track for completing final approvals this month, May 2024.

These activities are focused on the Tulu Kapi Project launching in mid-2024 for production in mid-2026.

#### **Harry Anagnostaras-Adams, KEFI Executive Chairman, commented:**

*"I am delighted with the continuing progress on subsidiary-level project financing for launch in mid-2024 of the high-grade Tulu Kapi Gold Project, the current Mineral Resources of which are 1.72 million ounces at 2.65 g/t. Following previously reported final approvals by syndicate leaders for project debt, equity risk notes and share subscriptions to subsidiaries, we can now report further progress with those outstanding syndicate partners, such that all final approvals are on track to be received this month.*

*"All very exciting. In the meantime, we will escalate community consultations and preparations. All stakeholders in the community will be invited to engage for briefings to understand our requirements on all matters, ranging from safety procedures and precautions, to environmental policies and programmes, to development projects for the community – all at the same time as constructing the gold mining and processing infrastructure.*

*“Closing this US\$320 million international project finance package will be a notable accomplishment in today’s tough capital market conditions for the junior mining sector and will be testament to KEFI’s persistence and hard-won position within Ethiopia, which itself has withstood the many widely publicised challenges in recent years. The timing of our launch is fortuitously coinciding with the improved conditions in Ethiopia and the increased gold price. The Standard and Poor’s consensus long term forecast for the gold price is now US\$1,965/oz and spot is higher.*

*“Combined open pit and underground production is targeted at +/- 200,000 oz p.a. of gold production which now represents an estimated gold export revenue of circa US\$400 million per annum (assuming a gold price of \$1,965/oz), which would today be Ethiopia’s largest single export generator and a significant economic engine for local and regional benefits.*

*“With projected all-in-sustaining costs of approximately US\$860/oz and break-even costs (after all debt-service) of approximately \$1,200/oz, this presents a solid position for generation of net cash flow to KEFI. With a now-targeted KEFI beneficial ownership 80%, this represents net cash flow entitlement to KEFI of approximately £63 million (US\$74 million) per annum over the first 9 years, commencing from H2 2026.”*

### **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. The person responsible for the release of this announcement is Harry Anagnostaras-Adams (Executive Chairman).

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