

13 February 2024

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**Tulu Kapi Gold Project Update**

***Ethiopia - All Stakeholders Step Up Preparations for the US\$320 million Tulu Kapi Gold Project***

KEFI (AIM: KEFI), the gold and copper exploration and development company, is pleased to provide an update on project launch preparation activities at the high-grade Tulu Kapi Gold Project ("Tulu Kapi" or the "Project") in Ethiopia following several days of meetings with senior representatives of the Tulu Kapi stakeholders at Mining Indaba 2024 in Cape Town, South Africa.

**Project Launch Update**

As previously reported, the three critical conditions precedent set by the Project lenders were formally achieved in October 2023 (see announcement dated 5 October 2023). This led to final credit committee approval by the lead-lender (see announcement dated 10 January 2024).

The Company can now report that all the other parties in the funding syndicate, have advised they will this month go to their respective committees to approve the proposed transaction.

The Ethiopian Federal Government also attended and reaffirmed its equity capital investment has been fully documented, committed and already partly invested.

The contractors in the syndicate have all reaffirmed their intention and readiness to enter into the already-drafted definitive documentation to enable full Project launch in H1 2024 as previously outlined.

The Company is pleased with the long-standing collaboration with all parties involved and the current intensification of effort flowing from the Government's key positive actions towards the end of 2023. The priority is to continue demonstrating safety whilst we implement the remaining, mainly administrative, tasks which are expected to be successfully and swiftly completed. We will provide regular updates.

**Community and Physical Preparations**

Whilst we await the drawdown of the US\$320 million Project funding, KEFI has started the requisite low-cost launch-preparations to enable the Project to move forward safely and efficiently. These include:

- Personnel being dispatched into the field to brief the community and carry out required site works;
- Dismantling the old exploration camp (on the planned open pit) and installing new communication and staging bases along our transport route as part of the upgrading of safety systems; and
- Works by contractors. including:
  - process-plant contractor completing Front End Engineering and Design;
  - mining contractor establishing its local corporate entity and clearing its work rosters with the department of labour;
  - electricity contractor procuring all (and taken delivery of most) of the equipment required for connection to the mains grid; and
  - road contractor completing upgrades to some bridges on existing routes, as well as the surveys of the new additional all-weather access road.

## **Project Financing at the Project and Subsidiary Level**

The long-agreed US\$320 million financing plan (excluding the mining fleet provided by the contractor and excluding historical expenditures of approximately US\$100 million) has been refined as follows:

- The debt portion of US\$190 million remains from lead-lender Southern and Eastern Africa Trade and Development Bank and co-lender Africa Finance Corporation;
- The US\$40 million from share issues by KEFI subsidiaries remains from the Federal and Regional Government;
- The US\$70 million Equity Risk Notes remain largely from local subsidiaries of multinational corporations who have been given Government permission to invest local currency and be repaid in hard currency, repayable in cash or equity at KEFI's election as from year 4 at then market prices; and
- Having received the recent clarifications, the subsidiary-level equity-ranking product-linked funding piece of US\$20 million can now also be finalised. Discussions have already commenced with well-known industry-specialist financiers. We have deliberately withheld commitments on this until now, when the rest of the funding package is clear.

The principal Project contractors are Lycopodium Limited (process plant design and construction), PW Mining (mining services), Ethiopian Electric Power Company and Ethiopian Roads Authority.

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

"This multi-party subsidiary-level financing is now advancing on the back of the Government commitments finally received in October, triggering the lead-lender to quickly process its approval in December 2023 and now all other stakeholders triggering their respective flow-on processes.

"This ramp-up of activities by all stakeholders coincides with a take-off of mineral sector activities in Ethiopia and in our other host country, Saudi Arabia.

"Whilst Tulu Kapi will be the first internationally financed bankable project development in Ethiopia, many other projects' exploration and related activities are now being remobilised in the country, including Allied Gold, SunPeak, Akobo Gold and privately-owned conglomerate Midroc, which is now drilling-out its proposed second mine, already being the operator of the Lege Dembe Mine developed by the Ethiopian Government in the 1980's."

### **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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