

20 August 2024

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**Tulu Kapi Operational Update**

***Significant Early Works progress ahead of financial close and full Project launch***

KEFI (AIM: KEFI), the gold and copper exploration and development company focused on the Arabian-Nubian Shield since 2008, is pleased to provide this operational update encompassing the activities of the Company, as well as wholly owned KEFI Minerals (Ethiopia) Ltd ("KME") and its 95%-owned subsidiary Tulu Kapi Gold Mines Share Company ("TKGM") in relation to the Company's Tulu Kapi Gold Project ("Tulu Kapi" or the "Project").

Early Works at Tulu Kapi are ramping up, as follows:

- Physical Activities:
  - Commencement of building construction camps, which follows on from the installation of security camps. Plus, the drilling of water wells, as well as geotechnical drilling to confirm foundation design of certain planned infrastructure
  - Principal contractor updating final infrastructure budget with international plant fabricators, to enable the execution of the fixed price construction agreement next month
  - Studies being undertaken to increase processing capacity by a minimum of 20% as we now look to incorporate the addition of underground mine development, having already set the open pit mining rate at above the nameplate capacity of the process plant. Studies suggest this increased capacity can be achieved within existing capex and opex forecasts
  - The Government has surveyed new host lands and will update the survey of existing properties of resettlers within the Tulu Kapi community, a precursor for paying compensation and starting Major Works on the land
  - The Tulu Kapi Charitable Foundation has distributed malaria medication in the district and is expanding medical facilities
  - The nearby company airstrip has been upgraded pending Major Works to build the on-site air-strip
  - Government security expanded around site and district. Private security contractors appointed for on-site and for communications and logistics control
  
- Financing Activities:
  - Second site visit by secured lenders has been prepared so that the second co-lender may proceed with its final credit approval during the next month, following that of the first co-lender already received

- Conditions precedent list no longer contains matters for negotiation, but has been reduced down to matters just requiring documentation finalisation and formal execution
- Local investors in Equity Risk Notes requested to formally resolve their level of participation by the end of August 2024 so that other regional investors know what is available for finalisation by them in September
- Political Risk Insurance confirmed for non-Ethiopian investors in preparation for finalising the equity investment syndicate structure in September

**Harry Anagnostaras-Adams, Executive Chairman of KEFI commented:** “KEFI is pressing ahead on the ground in Ethiopia as fast as permitted by land access. The situation has turned decidedly pro-mining with site activities made possible over the past two months with the deployment of large safety-protection forces. During the same period, the proclamation of national pro-development reforms is putting Ethiopia in the top 10 growth countries globally where it had been for nearly 20 years until recently.

“In these same two months, reforms have included the floating of the currency, the launching of the first IPO on the new Ethiopian Stock Exchange, the opening of foreign investment into the local financial sector, international creditor rescheduling and a major IMF financial support package.

“We are fortunate to have very supportive Government partners, financiers and contractors, and it is fortuitous that major economic reforms are being unveiled in Ethiopia as we launch our works. A nearby multi-million ounce gold mine has also started its initial site works.

“At the current all-time high gold price of US\$2,500 per ounce, the first full year net cash flow from Tulu Kapi operations is estimated at US\$196 million (£154 million), which is estimated as being more than sufficient to then be able to prepay all debt. This is based on the ‘bankable plans for the open pit with the plant to run at designed nameplate processing capacity.”

## Enquiries

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