

5 October 2023

KEFI Gold and Copper plc

(“KEFI”, or the “Company”, or the “Group”)

Tulu Kapi Update

Ethiopian Central Bank Exemption from Exchange Controls Received

Required Operational Details Received

Outstanding Regulatory Issues Resolved

KEFI Gold and Copper plc (AIM: KEFI), the gold exploration and development company with projects in the Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to announce a number of important developments in relation to the Company’s Tulu Kapi Gold Project (“Tulu Kapi” or the “Project”).

KEFI is pleased to report the receipt of formal confirmation from the National Bank of Ethiopia (the Ethiopian central bank) of the details for the operation of offshore banking by the Company’s operating subsidiary Tulu Kapi Gold Mines Share Company (“TKGM”) and its project finance banks. This clarifies the operational details for the implementation of the policies set out in the recently published National Bank of Ethiopia Directives, waiving strategic mining projects from foreign exchange control and capital controls.

This is the last of many special permissions and policy changes agreed with the Ethiopian authorities over the years since KEFI assumed control of the Project, to allow modern project finance arrangements to be applied given there has been no industrial-scale mine development in Ethiopia for over 30 years. Tulu Kapi is now finally fully-permitted with only procedural administrative confirmations remaining.

With all matters of principle for the Project having now been resolved with the authorities, the Project finance banks can now proceed to final credit approval for the Project’s US\$190 million secured debt package. Upon approval, the Project’s detailed debt terms will have been resolved, as will the structure of the overall US\$390 million finance plan (secured debt component of US\$190 million, equity-risk-capital of US\$130 million and contractor supply of mining equipment of US\$70 million).

This is considered the pivotal formal step for Project launch and, upon receipt of final credit approvals, the procurement teams and the social performance teams will be mobilised so that all final details can be inserted into the detailed definitive documents covering the Project, which can then be signed by all the parties involved in the Project, which today would rank as the largest single export-generator for Ethiopia given its estimated annual revenues of c.US\$250 million. The Company expects full Project launch to commence in the current quarter as previously advised.

In addition to the historical KEFI investment of c.US\$90 million, and the planned secured debt and mining contractor components, the US\$130 million equity-risk component has been allocated within the project finance syndicate and comprises equity-risk notes to investors already active in Ethiopia

and share issues by TKGM and KEFI Minerals (Ethiopia) Limited to Federal and Regional Government. Bank credit approval will allow formal Board approvals to proceed for the equity component and, subject to final confirmations, all Project funding will have been secured.

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.

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