Various Questions Recently Received from Shareholders

Q. Why placing so soon after December 2021 one?

A. As announced in December, the vast majority of equity issued then was for the conversion of loans and advances. We would have raised more then, but it was the week before Christmas and in reality the capital markets had shut down for new investments.

Q. Why placing price of 0.8p given the share price prior to announcement?

A. The price at which placings can be undertaken are not just set with reference to the share price immediately prior to their closing. Throughout Q1 2022 the share price never closed above 0.85p and the VWAP for the quarter was 0.76p, so all things being equal, to raise £8M at 0.8p was intended to be very aggressive pricing by the company. Of course we know that in the couple of weeks prior to the announcement of the placing the shares picked up momentum, however the institutional investors we were talking to looked at the longer term share price picture and orders were placed on that basis at 0.8p. I am significant shareholder myself and would have preferred the price to be higher, but we had given the share price three months in 2022 to reflect the positive news and value created. And as mentioned previously we needed to raise cash given the composition of the December 2021 raise. To have waited any longer would have damaged various timetables on other fronts from where much more money was being contributed to the project development – to delay or undermine those negotiations and timetables would have done much damage to the interests of KEFI shareholders.

Q. What does it mean for value of KEFI going forward, is there still material upside?

A. There is still significant upside in KEFI across our portfolio of assets. If you just account for additional shares post the £8M raise and assume no further value is created with that money (which we think is unrealistic) and the £8M cash isn't added to the assets then our internal NPV is at 9p a share, so approximately 10x. If you take into account prevailing commodity prices we are 12p a share, so 15x. Upside potential remains on all our assets as well. So the prize and returns are still there and our ability to realise this value has been significantly derisked by the material cash we now have. We are working very hard to deliver this value for all shareholders.

Q: Are you likely to need more funds anytime soon?

We now have sufficient funds to meet our share of operations in Saudi and to reach financial close on Tulu Kapi on the outlined timetable.

Q: Why no retail offering as part of raise?

A: We tried to include a PrimaryBid offering to enable retail investors to participate, however they were unable to participate as the issue had warrants attached which PrimaryBid is unable to accommodate on their platform. We even offered to do a straight equity offering via PrimaryBid at the placing price and not including the warrants, but that also didn't work as the terms were different to the institutional placing.

It was important for KEFI to have the warrants (which have an exercise price double the placing price and an accelerator built in for early exercise) as they are expected to cover any further KEFI funding requirement of the $356M Tulu Kapi consortium. I am sure you understand that the Government, which is both our regulator and our partner plus our banks and contractors all need to see KEFI lining up all the $356M required, i.e. the complete package of contracting, debt and equity. And that is what we have done with the support of the institutional investors who have joined the KEFI share register in this placing.

Q: It seems every time we have a rise in the share price the company sees it as an opportunity to raise money! Surely it can be raised at not such a heavily discounted rate! And why do private investors never get the chance to buy and receive warrants attached!

A: We agree that the share dilution has been frustrating and we respect your comments absolutely. We released all our news in Q1 and reiterated these positive developments in the Q1 Operations Update on 1 April. But KEFI's market price unfortunately only responded after that. As regards the NPV/share, we have managed to double that to 12p per share over the past two years notwithstanding the share dilution.

We did intend to offer the placing terms to small shareholders via PrimaryBid but that was not feasible for regulatory reasons. And lastly, it is perhaps worth reiterating that KEFI's shareholders are providing little of the development capital which is mostly provided by other parties via structures designed to minimise dilution.

We do understand and share the frustration and it only serves to reinforce our determination to deliver on a mission to be producing c. 400,000 oz pa (c. half for KEFI beneficial interest) within 3-4 years with KEFI existing shareholders having had to invest so little of the +US$500M development capital.

Q: Why is the placing so large? Shareholders have been diluted so much between this and the December placing.

A: The Chairman's letter in the Notice of General Meeting issued today sets out the use of funds:

	£000's
Tulu Kapi, start low-cost/high-impact development to demonstrate security satisfactory for financial closing	2,927
Saudi Exploration, 2022 program: maiden resource at Hawiah's Al Godeyer satellite prospect, PEA for Hawiah, development planning Jibal Qutman	732
Administration: 2022 costs	859
General working capital	1,906

Repay advances	1,136
Cost of raising funds	440
Gross Proceeds	**8,000**

Q. Why are we funding more exploration around Tulu Kapi before the finance package is signed off? We could have raised when we had funding and the share price was much higher?

A: We are not funding Tulu Kapi exploration work yet, but are reinforcing our desire and commitment to do so, starting with small spending and building up judiciously. The reason for this is to minimize the risk of third parties trying to snatch those exploration properties.

Q. Why are we spending on Hawiah when we could be diluted less and raise at a higher price when Tulu Kapi supposedly gets signed off?

A: The Saudi JV is now as valuable to KEFI shareholders as the Ethiopian JV, after little contribution by KEFI shareholders in the past few years. This has opened many possibilities that will come to benefit KEFI shareholders, all of which we will pursue over the next few years

Q. Why have you used current metal prices in the NPV in the RNS to suggest that we are not being diluted when we are?

A: We are completely transparent about the measurements and the comparisons. We believe that any shareholder should know what the NPV is at current metal prices, especially when the pros and cons of dilution and financing techniques generally are under the spotlight.

Q. Are we still on track for June closure of the Tulu Kapi finance package?

A: We are because of the capital raise. Otherwise we would not have remained so because we could not proceed to do various tasks on the ground and we could not have demonstrated to the banks and others in the syndicate that the warrant-exercise proceeds were lined up with institutions to complete the package as has been agreed in the syndicate, subject to final pricing confirmations by the contractors which is in train.

Q. When will you take shareholder interests into account? Another massive placing after a happy clappy presentation.

A: We understand your frustration but, with respect, can only emphasise that all our efforts are to serve shareholders. That is what underlies our planning for KEFI to have a beneficial interest of near 200,000 oz gold or gold-equivalent production of 400,000 oz pa after having contributed a small fraction of the US$550M currently estimated to be required by to develop our 3 advanced projects. As regards presentations, we assume this refers to the quarterly webinar which delivered a summary and Q&A on

RNS's issued in Q1. We have always been advised to maintain schedule on webinars and the like but are always happy to reconsider their merit.

Q: Why did we have to raise so much at such a poor share price in the placing? Harry has consistently promised to wait for the share price to rise before completing the last piece of TK equity raise? What made him change his mind?

A: As we approach closing KEFI needs to spend some money on development tasks and we have to demonstrate to the syndicate that KEFI's shareholders are ready to fill the remaining piece after all parties have signed up. We therefore made this placing to institutional types and attached the warrants to bring in capital post-signing at double the placing price.

Q. Harry also promised to include current shareholders in a larger fundraise in a recent webinar, why were they not?

A: We are sorry that PrimaryBid could not work for shareholders. We had lined them up but it did not work due to regulatory restrictions on them. It should also be noted that only institutional shareholders could make the large commitments and plans required for development projects of the size we are planning, even though most development capital has been syndicated to other parties.

Q. Now there are 4 billion shares in issue are you still confident the share price will trigger the warrant exercise after TK financial closing and hence the final piece of Kefi money?

A: The intrinsic value of the shares is many times the share price, no matter how it is measured and after taking into account share dilution.

Q. Is there likely to be a share consolidation in the near future as when warrants and the convertible part of the consortium financing is added there will be over 5 billion shares in issue, not a realistic amount for a 'mid-cap company' that Harry insists he is building?

A: There is no such plan or perceived need, unless we consider listing or dual-listing on a main stock exchange board in London or elsewhere and it is a relevant factor for such a listing.