

29 September 2023

## **KEFI Gold and Copper plc**

("KEFI", or the "Company", or the "Group")

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

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 its unaudited interim results for the six months ended 30 June 2023.

The interim results for the Group encompass the activities of KEFI Minerals (Ethiopia) Ltd ("KME"), Tulu Kapi Gold Mines Share Company ("TKGM") in Ethiopia, and Gold & Minerals Ltd ("GMCO") in Saudi Arabia.

The Tulu Kapi Gold Project ("Tulu Kapi") is currently 95% beneficially owned by KEFI through KEFI's wholly owned subsidiary KME. The Hawiah Copper-Gold Project ("Hawiah"), the Jibal Qutman Gold Project ("Jibal Qutman") and other Saudi projects are held by GMCO in which KEFI currently has a 26.8% interest.

Both TKGM and GMCO are being developed by KEFI and its partners as separate operating companies so that each can build a local organisation capable of developing and managing long-term production and exploration activities, as well as fully exploit future development opportunities.

#### **Highlights**

- In Ethiopia, the Company plans to launch Tulu Kapi in Q4 2023. KEFI has now assembled, together with regional financiers, both the debt and equity development capital of US\$320 million, in addition to which the mining contractor is supplying the required US\$70 million mining fleet. TKGM is now essentially fully permitted, with funding assembled and ready for the final credit committee and board approvals of our banks and project investors.
- Final credit approval awaits from the Ethiopian central bank a formal confirmation of details of operation of offshore banking as has been agreed informally with TKGM and its project finance banks. This clarification complements and clarifies the policies and principles set out in recent published National Bank of Ethiopia Directives waiving strategic mining projects from foreign exchange control and capital controls.
- KME has lodged a formal protest with the Ethiopian Minister of Mines as a precursor to commencing administrative proceedings in respect of its long-standing proximal Exploration Licenses ("ELs") surrounding the Tulu Kapi Mining Licence area, in order to continue exploration programmes and community development which have always complemented Tulu Kapi. During an overhaul of the title-regulatory system in 2022, these ELs were over-pegged by a Hong Kong shell company owned by a British Virgin Islands shell company. We are confident that this situation can be resolved satisfactorily. KME has also lodged applications for additional exploration licences elsewhere in Ethiopia.

- In Saudi Arabia, GMCO discoveries, Jibal Qutman and Hawiah, are in advanced stages, and are enjoying positive regulatory support as preferred development plans are determined.
- In early 2023, KEFI announced an updated Hawiah Mineral Resource Estimate (“MRE”) of 29.0 million tonnes at 0.89% copper, 0.94% zinc, 0.67g/t gold and 10.1g/t silver and a maiden MRE for the nearby Al Godeyer Project.
- GMCO has one of the largest exploration teams in Saudi Arabia and holds 15 ELs, providing extensive potential for further discoveries near Jibal Qutman and Hawiah, as well as two other targeted project areas. GMCO has six drill rigs active, mainly conducting in-fill drilling, but also doing some extensional drilling on current resources and exploration drilling.
- Kefi's management considers the Company to have reached a key turning point with the imminent planned start of construction at Tulu Kapi. This is the beginning of a series of major steps the Company is planning with the key project development sequencing as follows:
  - 2023 launch Tulu Kapi open-pit in Ethiopia for first production end-2025;
  - 2024 launch Jibal Qutman Gold open-pit in Saudi Arabia for first production end-2025;
  - 2025 launch of the Hawiah Copper-Gold open-pit in Saudi Arabia for first production 2027; and
  - 2026 and thereafter launch of underground mine development at Tulu Kapi and at Hawiah for first production two years later.

### **Working Capital**

KEFI has working capital in place to underpin its planned runway to the intended closing of the Tulu Kapi project finance and launch in the coming months. This follows the Company’s repayment of all debts in June 2023 upon completing an equity placing that raised gross proceeds of £7.2 million via a £5.50 million Firm Placing, £0.70 million Conditional Subscription, £0.24 million Retail Offer and £0.75 million issue of Remuneration Shares in lieu of cash to senior executives. The issue of the Conditional Subscription, Retail Offer and Remuneration Shares were approved at the Company’s Annual General Meeting on 30 June 2023 and these shares have subsequently been issued.

### **Board and Management Team**

KEFI welcomed Non-Executive Director Dr Alistair Clark to the Board on the 1 July 2023, who is a pre-eminent authority on environmental, social, and corporate governance matters. From 2001 until 2021, Dr Clark was Managing Director, Environment and Sustainability Department, at the European Bank for Reconstruction and Development (“EBRD”). KEFI’s recently appointed Chief Operating Officer, Eddy Solbrandt, has assumed formal responsibility for all project development activities with operational line management of the Company’s majority-owned projects and provides support and advice for its minority-owned projects. The in-country project teams have been expanded under Managing Directors Theron Brand in TKGM in Ethiopia and Brian Hosking in GMCO in Saudi Arabia. General Manager Corporate Development, Rob Williams, has switched from part-time to full-time and

the Tulu Kapi Project development execution team is now being assembled within TKGM and Lycopodium. Investor relations arrangements have also been enhanced to capture the heightened interest from regional, corporate and sector specialist international investors.

### **Quarterly Webinar**

The Company will host its next quarterly investor webinar in London in late October 2023, the details of which will be announced in due course.

### **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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## Condensed interim consolidated statements of comprehensive income

(unaudited) (All amounts in GBP thousands unless otherwise stated)

		<b>Six months ended 30 June 2023 Unaudited</b>	Six months ended 30 June 2022 Unaudited
	Notes	<u>                    </u>	<u>                    </u>
Revenue		-	-
Exploration expenses		-	-
Gross loss		<u>                    </u>	<u>                    </u>
Administration expenses		(1,512)	(1,282)
Share-based payments		(62)	(182)
Share of loss from jointly controlled entity	11	(2,368)	(898)
Impairment in jointly controlled entity	11	(203)	(332)
Gain from dilution of equity interest in joint venture	11	1,169	286
Operating loss		<u>                    </u>	<u>                    </u>
Foreign exchange (loss)/gain		12	(16)
Finance expense		(452)	(470)
Loss before tax		<u>                    </u>	<u>                    </u>
Tax		-	-
Loss for the period		<u>                    </u>	<u>                    </u>
		<u>                    </u>	<u>                    </u>
Loss for the period		(3,416)	(2,894)
Other comprehensive loss:			
Exchange differences on translating foreign operations		-	-
Total comprehensive loss for the period		<u>                    </u>	<u>                    </u>
		<u>                    </u>	<u>                    </u>
Basic loss per share (pence)	4	(0.08)	(0.09)

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

## Condensed interim consolidated statements of financial position

(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	Unaudited 30 June 2023	Audited 31 Dec 2022
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment		115	125
Intangible assets	6	32,893	31,356
Investments in JV	11	-	-
		<u>33,008</u>	<u>31,481</u>
Current assets			
Financial assets at fair value through OCI		-	-
Trade and other receivables	5	1,067	463
Cash and cash equivalents		389	220
		<u>1,456</u>	<u>683</u>
Total assets		<u>34,464</u>	<u>32,164</u>
<b>EQUITY AND LIABILITIES</b>			
Issued capital and reserves attributable to owners of the parent			
Share capital	7	4,858	3,939
Deferred Shares	7	23,328	23,328
Share premium	7	48,248	43,187
Share options reserve	8	3,750	3,747
Accumulated losses		(52,056)	(48,781)
		<u>28,128</u>	<u>25,420</u>
Non-controlling interest		1,621	1,562
Total equity		<u>29,749</u>	<u>26,982</u>
Current liabilities			
Trade and other payables	9	4,715	4,002
Loans and borrowings	10	-	1,180
		<u>4,715</u>	<u>5,182</u>
Total liabilities		<u>4,715</u>	<u>5,182</u>
Total equity and liabilities		<u>34,464</u>	<u>32,164</u>

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

On 29 September 2023, the Board of Directors of KEFI Gold and Copper Plc authorised these unaudited condensed interim financial statements for issue.

**John Leach**

**Finance Director**

## Condensed interim consolidated statement of changes in equity

(unaudited) (All amounts in GBP thousands unless otherwise stated)

### Attributable to the equity holders of parent

	Share capital	Deferred shares	Share premium	Share options and warrants reserve	Accumulated losses	Total	NCI	Total equity
At 1 January 2022 Audited	<b>2,567</b>	<b>23,328</b>	<b>35,884</b>	<b>1,891</b>	<b>(42,731)</b>	<b>20,939</b>	<b>1,379</b>	<b>22,318</b>
Loss for the period	-	-	-	-	(2,894)	(2,894)	-	(2,894)
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(2,894)	(2,894)	-	(2,894)
Recognition of share-based payments	-	-	-	184	-	184	-	184
Cancellation & Expiry of options/warrants	-	-	-	(281)	281	-	-	-
Issue of share capital and warrants	1,372	-	7,747	1,978	-	11,097	-	11,097
Share issue costs	-	-	(444)	-	-	(444)	-	(444)
Non-controlling interest	-	-	-	-	(71)	(71)	71	-
At 30 June 2022 Unaudited	<b>3,939</b>	<b>23,328</b>	<b>43,187</b>	<b>3,772</b>	<b>(45,415)</b>	<b>28,811</b>	<b>1,450</b>	<b>30,261</b>
Loss for the year	-	-	-	-	(3,461)	(3,461)	-	(3,461)
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(3,461)	(3,461)	-	(3,461)
Recognition of share-based payments	-	-	-	182	-	182	-	182
Cancellation & Expiry of options/warrants	-	-	-	(207)	207	-	-	-
Non-controlling interest	-	-	-	-	(112)	(112)	112	-
At 1 January 2023 Audited	<b>3,939</b>	<b>23,328</b>	<b>43,187</b>	<b>3,747</b>	<b>(48,781)</b>	<b>25,420</b>	<b>1,562</b>	<b>26,982</b>
Loss for the period	-	-	-	-	(3,416)	(3,416)	-	(3,416)
Other comprehensive income	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	(3,416)	(3,416)	-	(3,416)
Recognition of share based payments	-	-	-	62	-	62	-	62
Cancellation & Expiry of options/warrants	-	-	-	(200)	200	-	-	-
Issue of share capital and warrants	919	-	5,513	-	-	6,432	-	6,432
Share issue costs	-	-	(311)	-	-	(311)	-	(311)
Warrants issued fair value	-	-	(141)	141	-	-	-	-
Non-controlling interest	-	-	-	-	(59)	(59)	59	-
At 30 June 2023 Unaudited	<b>4,858</b>	<b>23,328</b>	<b>48,248</b>	<b>3,750</b>	<b>(52,056)</b>	<b>28,128</b>	<b>1,621</b>	<b>29,749</b>

The following describes the nature and purpose of each reserve within owner's equity:

Reserve	Description and purpose
Share capital	amount subscribed for share capital at nominal value.
Deferred shares	under the restructuring of share capital, ordinary shares of in the capital of the Company were subdivided into deferred share.
Share premium	amount subscribed for share capital in excess of nominal value, net of issue costs.
Share options and warrants reserve	reserve for share options and warrants granted but not exercised or lapsed.
Foreign exchange reserve	cumulative foreign exchange net gains and losses recognized on consolidation.
Accumulated losses	cumulative net gains and losses recognized in the statement of comprehensive income, excluding foreign exchange gains within other comprehensive income.
NCI (Non-controlling interest)	the portion of equity ownership in a subsidiary not attributable to the parent company.

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

## Condensed interim consolidated statements of cash flows

(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	Six months ended 30 June 2023	Six months ended 30 June 2022
Cash flows from operating activities			
Loss before tax		(3,416)	(2,894)
Adjustments for:			
Share-based benefits		62	183
Fair value loss to derivative financial asset		-	-
Gain from dilution of equity interest in joint venture	11	(1,169)	286
Share of loss in joint venture		2,368	898
Impairment loss in joint venture		203	332
Depreciation		15	9
Finance expense		417	470
Foreign exchange gains/(losses) on financing activities		-	(66)
Foreign exchange (losses)/gains on operating activities		9	(16)
Cash outflows from operating activities before working capital changes		(1,511)	(798)
Interest paid		-	-
Changes in working capital:			
Trade and other receivables		40	(70)
Trade and other payables		1,122	(1,141)
Net cash used in operating activities		(349)	(2,009)
Cash flows from investing activities			
Purchases of plant and equipment		(3)	(4)
Proceeds from repayment of financial asset		-	-
Project evaluation costs	6	(1,567)	(2,041)
Advances to joint venture		(795)	(1,167)
Net cash used in investing activities		(2,365)	(3,212)
Cash flows from financing activities			
Proceeds from issue of share capital	7	2,228	8,000
Listing and issue costs	7	(311)	(444)
Financing transaction costs paid		-	(193)
Repayment short-term working capital bridging finance	10.2	(167)	(1,140)
Proceeds short-term working capital bridging finance	10.2	1,140	900
Net cash from financing activities		2,890	7,123
Net increase in cash and cash equivalents		176	1,902
Cash and cash equivalents:			
At beginning of period		220	394
Exchange differences		(7)	17
At end of period		389	2,313

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

# Notes to the condensed interim consolidated financial statements

For the six months to 30 June 2023 (unaudited) and 2022

(All amounts in GBP thousands unless otherwise stated)

## 1. Incorporation and principal activities

### Country of incorporation

The Company was incorporated in United Kingdom as a public limited company on 24 October 2006. Its registered office is at 27/28 Eastcastle Street, London W1W 8DH.

### Principal activities

The principal activities of the Group for the period are:

- To explore for mineral deposits of precious and base metals and other minerals that appear capable of commercial exploitation, including topographical, geological, geochemical and geophysical studies and exploratory drilling.
- To evaluate mineral deposits determining the technical feasibility and commercial viability of development, including the determination of the volume and grade of the deposit, examination of extraction methods, infrastructure requirements and market and finance studies.
- To develop, operate mineral deposits and market the metals produced.

## 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been applied consistently throughout the period presented in these condensed interim consolidated financial statements unless otherwise stated.

### Basis of preparation and consolidation

These condensed interim financial statements are unaudited.

The unaudited interim condensed consolidated financial statements for the period ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting. IFRS comprise the standard issued by the International Accounting Standard Board ("IASB"), and IFRS Interpretations Committee ("IFRICs") as issued by the IASB as adopted for use in the UK.

These unaudited interim condensed consolidated financial statements include the financial statements of the Company and its subsidiary undertakings. They have been prepared using accounting bases and policies consistent with those used in the preparation of the consolidated financial statements of the Company and the Group for the year ended 31 December 2022. These unaudited interim condensed consolidated financial statements do not include all the disclosures required for annual financial statements, and accordingly, should be read in conjunction with the consolidated financial statements and other information set out in the Group's annual report for the year ended 31 December 2022.

### Going concern

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The annual financial statements of Kefi Gold and Copper Plc for the year ended 31 December 2022 were prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Independent Auditors' Report on the Group's 2022 Annual Report was an unqualified audit opinion with a material uncertainty relating to going concern noted.

We draw attention to the financial statements, which indicate that the Group incurred a net loss of £3,416,000 (2022: loss of £2,894,000) during the period ended 30 June 2023 and, as of that date, the Group's current liabilities exceeded its current assets. As stated in this note events or conditions, along with other matters as set forth in this note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.



The assessment of the Group's ability to continue as a going concern involves judgment regarding future funding available for the development of the Tulu Kapi Gold project, exploration of the Saudi Arabia exploration properties and for working capital requirements. In considering the Group's ability to continue as a Going Concern, management have considered funds on hand at the date of approval of the financial statements, planned expenditures covering a period of at least 12 months from the date of approving these financial statements and the Group's strategic objectives as part of this assessment.

As at the date of approval of the financial statements, the Group expects to be able to obtain bridging short-term financing to fund activities until financial close of the Tulu Kapi project. The Group has previously been successful in arranging such funding when required and expects to be able to continue to do so. Financing will also be required to continue the development of the Tulu Kapi Gold Project through to production as set out in a company announcements 'Ethiopia Operational Update' dated 5 September 2023 and 'Tulu Kapi Project Update' dated 12 September 2023.

The Group's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. If sufficient additional capital is not raised, the going concern basis of accounting may not be appropriate, and the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

Notwithstanding the existence of material uncertainty that may cast significant doubt over the Group and Company's ability to continue as a going concern based on historical experience and ongoing proactive discussions with stakeholders, the Board has a reasonable expectation that the Group will be able to raise further funds to meet its obligations. Subject to the above, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

### 3. Operating segments

The Group has two distinct operating segments, being that of mineral exploration and development and corporate activities. The Group's exploration and development activities are in Ethiopia and Saudi Arabia held through jointly controlled entities in each jurisdiction with KEFI administration and corporate activities based in Cyprus.

Unaudited Six months ended 30 June 2023	Corporate	Ethiopia	Saudi Arabia	Total
	£'000	£'000	£'000	£'000
Operating loss (Excluding loss from jointly controlled entity)	(1,540)	(46)	-	(1,586)
Other finance costs	(453)	-	-	(453)
Foreign exchange profit	(759)	784	-	25
Gain on dilution of joint venture	-	-	1,169	1,169
Share of loss from jointly controlled entity	-	-	(2,368)	(2,368)
Reversal of impairment loss in joint venture	-	-	(203)	(203)
Loss before tax	(2,752)	738	(1,402)	(3,416)
Tax	-	-	-	-
Loss for the period	-	-	-	(3,416)
Total assets	974	33,490	-	34,464
Total liabilities	(4066)	(649)	-	(4,715)

Unaudited Six months ended 30 June 2022	Cyprus	Ethiopia	Saudi Arabia	Total
	£'000	£'000	£'000	£'000
Operating loss (Excluding loss from jointly controlled entity)	(1,129)	(48)	-	(1,177)
Other finance costs	(470)	-	-	(470)
Foreign exchange profit	365	(382)	-	(17)
Share of loss from jointly controlled entity	-	-	(898)	(898)
Reversal of impairment loss in joint venture	-	-	(332)	(332)

Loss before tax	(1,234)	(430)	(1,230)	(2,894)
Tax				-
Loss for the period				(2,894)
Total assets	1,949	30,462	-	32,411
Total liabilities	(957)	(1,193)	-	(2,150)

#### 4. Loss per share

The calculation of the basic and fully diluted loss per share attributable to the ordinary equity holders of the parent is based on the following data:

	<b>Six months ended 30 June 2023 Unaudited</b>	<b>Six months ended 30 June 2022 Unaudited</b>
	£'000	£'000
Net loss attributable to equity shareholders	(3,416)	(2,894)
Net loss for basic and diluted loss attributable to equity shareholders	(3,416)	(2,894)
Weighted average number of ordinary shares for basic loss per share (000's)	4,044,481	3,206,359
Weighted average number of ordinary shares for diluted loss per share (000's)	5,169,887	3,851,590
<b>Loss per share:</b>		
Basic loss per share (pence)	(0.08)	(0.09)

The effect of share options and warrants on the loss per share is anti-dilutive.

#### 5. Trade and other receivables

	<b>30 June 2023 Unaudited</b>	<b>31 Dec 2022 Audited</b>
	£'000	£'000
Account Receivable	645	-
Other receivables	62	122
VAT	345	341
Prepayments	15	-
	<u>1,067</u>	<u>463</u>

<sup>1</sup>These funds pertain to the June 2023 share placement and amount outstanding on the 30 June 2023 will be settled subsequent to the reporting date. This delay is attributable to the timing variance between the issuance of shares and the receipt of cash in the bank account.

#### 6. Intangible assets

	<b>Total exploration and project evaluation costs £ '000</b>
Cost	
At 1 January 2022 (Audited)	31,622
Additions	1,537
At 30 June 2023 (Unaudited)	<u>33,159</u>

Accumulated Impairment	
At 1 January 2023 (Audited)	266
At 30 June 2023 (Unaudited)	266
Net Book Value at 30 June 2023 (Unaudited)	32,893
Net Book Value at 31 December 2022 (Audited)	31,356

## 7. Share capital

	Number of shares 000's	Share Capital £'000	Deferred shares £'000	Share premium £'000	Total £'000
Issued and fully paid					
At 1 January 2022 (Audited)	3,939,123	3,939	23,328	43,187	70,454
Share Equity Placement 5 June 2023	785,714	786	-	4,714	5,500
Conditional Share Equity Placement 30 June 2023	98,325 <sup>1</sup>	98		590	688
Retail Share Equity Placement 30 June 2023	34,820 <sup>1</sup>	35		209	244
Share issue costs	-	-	-	(311)	(311)
Warrants issue fair value cost				(141)	(141)
At 30 June 2023 (Unaudited)	4,857,982	4,858	23,328	48,248	76,434

### Issued capital

On the 5 June 2023 the Company admitted 785,714,285 new ordinary shares of the Company at a placing price of 0.7 pence per Ordinary Share.

At the AGM on the 30 June 2023, shareholders approved the issue 133,145,208 new ordinary shares of 0.1p each at a price of 0.7p per share. 34,820,080 of these shares were placed with retail investors and the balance were issued to new and/or existing investors. <sup>1</sup>These shares were admitted for trading on the 3 July 2023.

Furthermore, following the AGM approval, the company also issued 107,142,857 new ordinary shares on July 3, 2023. These shares of 0.1p each, were placed at a price of 0.7p per share. See also Note 14.

## 8. Share Based Payments

### Broker Warrants

Pursuant to shareholder approval at the AGM, certain Broker commissions and fees were satisfied through the grant of 39,285,714 warrants granted to Tavira Securities. Each Broker Warrant entitles the Broker to subscribe for one new Ordinary Share at a price of 0.7 pence per share, exercisable for a period of three years from 3 July 2023.

Details of warrants outstanding as at 30 June 2023:

Grant date	Expiry date	Exercise price	Unaudited Number of warrants*
			000's
19 Sep 2018	20 Sep 2023	2.5p	2,000
20 Nov 2020	20 Nov 2023	1.60p	11,175
13 Jan 2022	13 Jan 2024	1.60p	393,097
18 May 2022	17 May 2024	1.60p	500,000
18 May 2022	17 May 2025	0.80p	75,000
30 June 2023	02 July 2026	0.70p	39,286
			1,020,558

The estimated fair values of the warrants were calculated using the Black Scholes option pricing model. The inputs into the model and the results are as follows:

Date	Closing share price at issue date	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividend yield	Discount factor	Estimated fair value
03 July 2023	0.58p	0.70p	100%	3yrs	5.5%	Nil	0%	0.36p

	Weighted average ex. price	Unaudited Number of warrants* 000's
Outstanding warrants at 1 January 2023	1.54p	986,272
- granted	0.70p	39,286
- cancelled/expired/forfeited	0.65p	(5,000)
- exercised		
Outstanding warrants at 30 June 2023	1.51p	<u>1,020,558</u>

These warrants were issued to advisers and shareholders of the Group.

### Share options reserve

Details of share options outstanding as at 30 June 2023:

Grant date	Expiry date	Exercise price	Unaudited Number of shares* 000's
01-Feb-18	31-Jan-24	4.50p	9,600
17-Mar-21	16-Mar-25	2.55p	92,249
			<u>101,849</u>

	30 June 2023 Unaudited	31 Dec 2022 Audited
Opening amount	3,747	1,891
Warrants issued costs	141	1,978
Share options charges relating to employees	12	74
Share options issued to directors and key management (Note 12.1)	50	292
Forfeited options		(147)
Exercised warrants	-	-
Expired warrants	(37)	-
Expired options	(163)	(341)
Closing Amount	<u>3,750</u>	<u>3,747</u>

	Weighted average ex. price	Unaudited Number of shares* 000's
Outstanding options at 1 January 2023	3.03p	108,599
- granted	-	-
- forfeited	-	-
- cancelled/expired	7.50p	(6,750)
Outstanding options at 30 June 2023	2.73p	<u>101,849</u>

The Company has not issued share options to directors, employees and advisers to the Group during the period.

The option agreements contain provisions adjusting the exercise price in certain circumstances including the allotment of fully paid Ordinary shares by way of a capitalisation of the Company's reserves, a subdivision or consolidation of the Ordinary shares, a reduction of share capital and offers or invitations (whether by way of rights issue or otherwise) to the holders of Ordinary shares.

The estimated fair values of the options were calculated using the Black Scholes option pricing model.

## 9. Trade and other payables

	30 June 2023 Unaudited	31 Dec 2022 Audited
	£'000	£'000
Accruals and other payables	2,242	2,427
Other loans	102	109
Payable to joint venture partner (Note 11 and Note 12.3)	1,776	1,169
Payable to Key Management and Shareholder (Note 12.3)	595	297
	<u>4,715</u>	<u>4,002</u>

## 10. Loans and Borrowings

### 10.1. Short-Term Working Capital Bridging Finance

	Currency	Interest	Maturity	Repayment
Unsecured working capital bridging finance	GBP	See Table below	On Demand	See Table below

The Group has the option to access working capital from certain existing stakeholders. This unsecured working capital bridging finance is short-term debt which is unsecured and ranked below other loans. Bridging Finance facilities bear a fixed interest rate and were set off in shares by the lenders participation in the Company placements. In the event the Group was unable to pay this finance it would be repaid after other debt securities have been paid, if any.

Unsecured working capital bridging finance	Balance 1 Jan 2023 Audited £'000	Drawdown Amount Unaudited £'000	Transaction Costs Unaudited £'000	Interest Unaudited £'000	Repayment Shares/Payment Netting <sup>1</sup> Unaudited £'000	Repayment Cash Unaudited £'000	Period Ended 30 June 2023 Unaudited £'000
Repayable in cash in less than a year	1,180	1,140	-	417	(2,570)	(167)	-

### 10.2. Reconciliation of liabilities arising from financing activities

Unsecured working capital bridging finance	Cash Flows					Balance 30 June 2023 Unaudited £'000
	Balance 1 Jan 2023 Audited £'000	Inflow Unaudited £'000	(Outflow) Unaudited £'000	Finance Costs Unaudited £'000	Shares/Payment Netting <sup>1</sup> Unaudited £'000	
	Short term loans	1,180	1,140	(167)	417	
	1,180	1,1140	(182)	417	(2,570)	-

<sup>1</sup>The lenders agreed to set off their short term loans owed by Company against amounts owed by the lenders as a result of their participation in the Company share placements during the year. The payment netting procedure was utilized to streamline the cash settlement process for participating in share placement and repaying bridging finance.

## 11. Joint venture agreements

KEFI is the operating partner with a 26.8% shareholding in GMCO with ARTAR holding the other 73.2%. KEFI provides GMCO with technical advice and assistance, including personnel to manage and supervise all exploration and technical studies. ARTAR provides administrative advice and assistance to ensure that GMCO remains in compliance with all governmental and other procedures. GMCO has five Directors, of whom two are nominated by KEFI. However, decisions about the relevant activities of GMCO require the unanimous consent of the five directors. GMCO is treated as a jointly controlled entity and has been equity accounted and has reconciled its share in GMCO's losses.

During 2023, the Company has diluted its interest in the Saudi joint-venture company Gold and Minerals from 30% to 26.80% by not contributing its full pro rata share of expenses to GMCO. Given that the carrying value of the GMCO assets in the Company accounts at the date of dilution was nil because the Company's has a policy of expensing all the costs related to GMCO to date. By diluting its interest to GMCO to 26.8% the Company was released from this liability. This resulted in a gain of £1,169,181. In accordance with the group's accounting policy gain of £1,169,181 was reported in the profit or loss during the six-month period ended 30 June 2023.

A loss of £2,571,000 was recognized by the Group for the period ended 30 June 2023 (2022: £1,230,000) representing the Group's share of losses for the period. As at 30 June 2023, KEFI owed ARTAR an amount of £ 1,776,000(2022: £nil).

	<b>Period Ended 30 June 2023 Unaudited</b>
Opening Balance	-
Additional Investment during the period	2,571
FX Gain on advances made to GMCO	-
Share of loss in joint venture	(2,368)
Additional impairment loss	(203)
Closing Balance	-

## 12. Related party transactions

The following transactions were carried out with related parties:

### 12.1. Compensation of key management personnel

The total remuneration of the Directors and other key management personnel was as follows:

	<b>Six months ended 30 June 2023 Unaudited £'000</b>	<b>Six months ended 30 June 2022 Unaudited £'000</b>
Directors' fees	258	265
Directors' other benefits	18	20
Share-based benefits to directors	34	96
Director's bonus	-	-
Key management fees	163	84
Key management other benefits	-	-
Share-based benefits to key management	6	33
Key management bonus paid in shares	-	-
	<u>479</u>	<u>498</u>

#### Share-based benefits

The Company has issued share options to directors and key management. On 27 March 2014, the Board approved a new share option scheme ("the Scheme") for directors, senior managers and employees. The Scheme formalised the existing policy

that options may be granted over ordinary shares representing up to a maximum of 10 per cent of the Group's issued share capital.

## 12.2. Transactions with shareholders and related parties

Name	Nature of transactions	Relationship	Transaction to period end 30 June 2023 Unaudited £'000	Transaction to period end 30 June 2022 Unaudited £'000
GPR Dehler	Receiving of management and other professional services	Key Management and Shareholder	163	84
Nanancito Limited/Mr. Nicoletto	Receiving of management and other professional services	Shareholder	141	97
			<u>304</u>	<u>181</u>

## 12.3. Payable to related parties

The Group			30 June 2023 Unaudited £'000	31 Dec 2022 Audited £'000
Name	Nature of transactions	Relationship		
Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR")	Finance	Jointly controlled entity partner	1,776	-
GPR Dehler	Fees for services	Key Management and Shareholder	219	85
Directors	Fees for services	Key Management and Shareholder	376	212
			<u>2,371</u>	<u>297</u>

## 13. Capital commitments

	30-Jun-23 Unaudited £'000	31-Dec-22 Audited £'000
Tulu Kapi Project costs <sup>1</sup>	167	461
Saudi Arabia Exploration costs committed to field work that has been recommenced	2,805	3,777

<sup>1</sup>Once the Company and its partners in Tulu Kapi Gold Mine Share Company Limited start development at the Tulu Kapi Gold Project (the "Project") the Company will have project capital commitments.

## 14. Events after the reporting date

On July 3, 2023, the Company issued 107,142,857 new ordinary shares at a placing price of 0.7 pence per Ordinary Share, following the Annual General Meeting held on June 30, 2023. The total number of shares issued on July 3, 2023, for services and obligations is outlined below:

	<b>2023</b>	
<b>Name</b>	<b>Number of Remuneration and Settlement Shares</b>	<b>Amount</b>
	<b>000</b>	<b>£'000</b>
For services rendered and obligations settled		
H Anagnostaras-Adams	26,429	185
J Leach	14,286	100
Other employees and PDMRs and Consultants to the Company	66,428	465
<b>Total share-based payments</b>	<b>107,143</b>	<b>750</b>