

KEFI

GOLD + COPPER

Quarterly Webinar Presentation 13 October 2021



Tulu Kapi Process Plant 3-D Image of Final Design

Construction Schedule:

Q4-21: Final contracts for
plant & mine

Q1-22: Resettlement and
Procurement

Q2-22: Bulk Earth Works
Commence

Q3-22: Process Plant
Construction Start

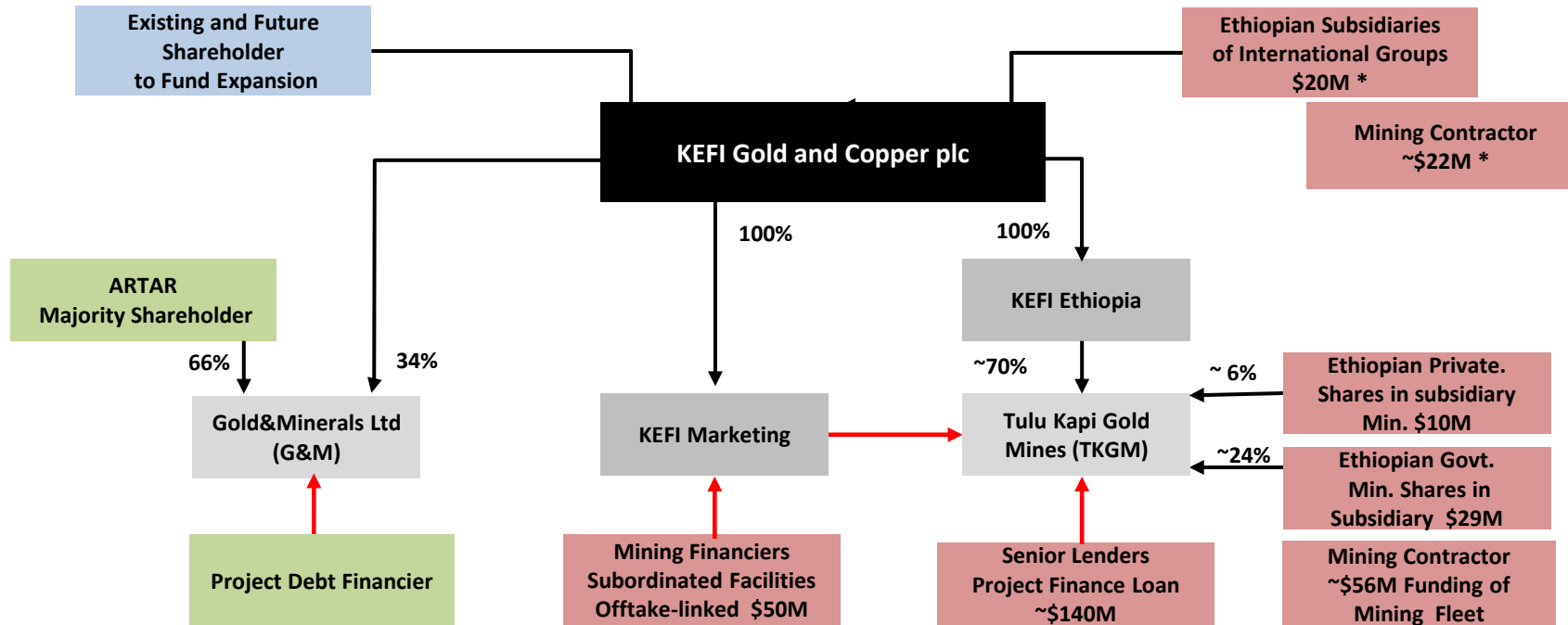
Q2-23: Pre-commission
Activities Start

Q3-23: Mining Commences

Q4-23: First Gold Production



Project Funding & Ownership Structure

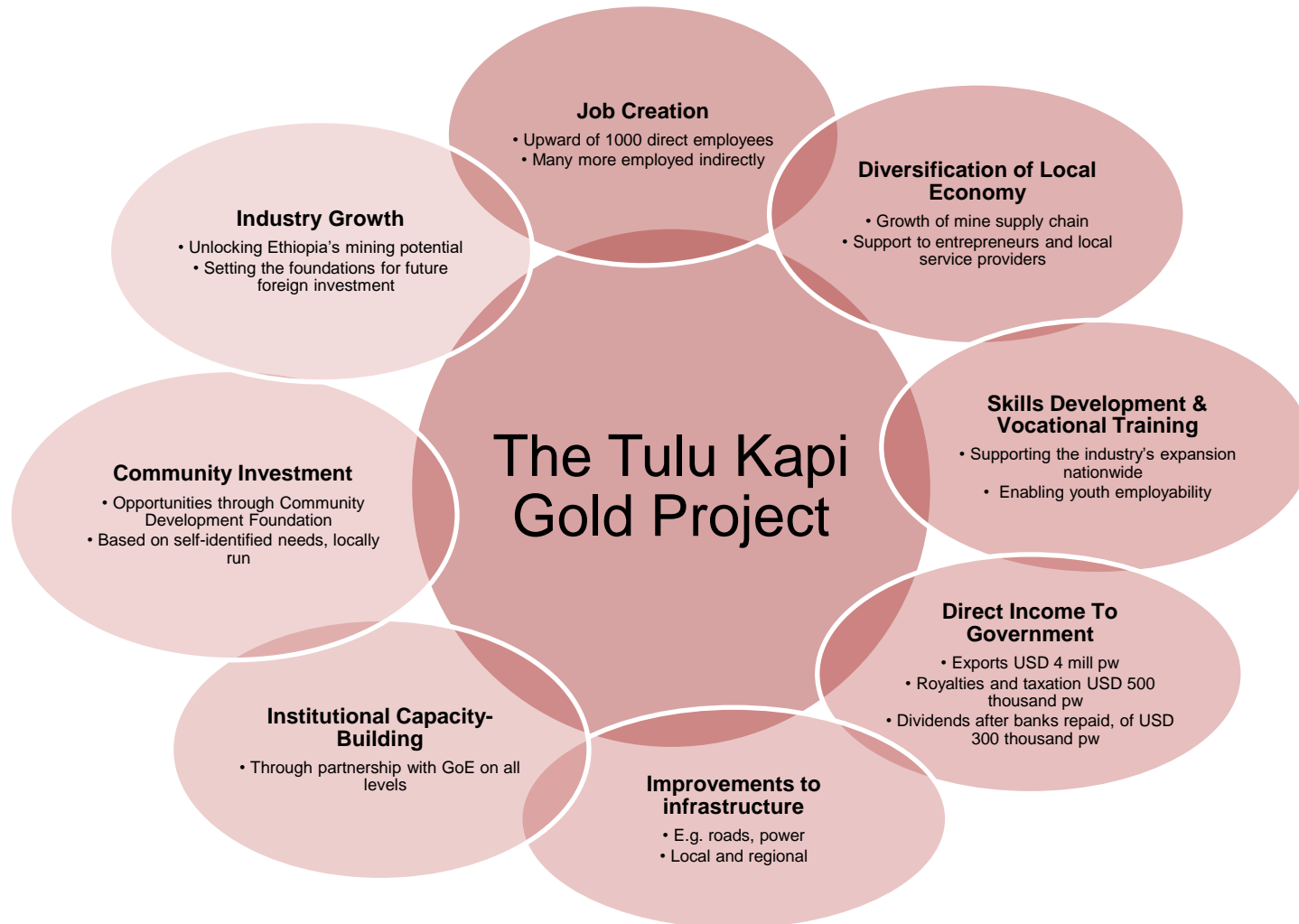


Ethiopia Project Finance excluding past investment of US\$70M: Based on Feasibility Studies and subject to final procurement confirmations, capital requirement in 2022-2023 is c.US\$356M and the conditionally arranged. **Project-Level Funding** provides c.US\$347M and the balance of US\$9M final equity to be subscribed when all syndicate has signed up.

* Subordinated convertible into KEFI at VWAP in 3 years US\$20M and Mining development costs payable in KEFI shares in 2 years US\$22M

Saudi Project Funding: Based on Internal Preliminary Economic Assessment and subject to Final feasibility Study, Project capital requirement in 2024-25 is c.US\$222M and the planned **Project-Level Funding** provides c.90% thereof.

Community Benefits Ethiopia's First Modern Mining Project



Job Creation:

Direct Employment:

- 100's of local jobs will start on community programs in the district around Tulu Kapi Project site;
- 1000 locals employed at site;
- The economic benefit of these jobs and local procurement, at minimum US\$50M pa or US\$1M pw, far exceeds the direct benefits to Government;

Indirect employment:

- Food, clothing, accommodation, training and other supplies/services for site work force will require support from 5-10 times as many locals as will be directly employed at site;
- The annual operating expenses are > US\$100M or US\$2M (ETB90M) per week, much of which will be within Oromia.

Diversification of Local Economy:

- Today's subsistence farming + coffee-growing will expand in scale and product-range to supply the Project;
- Micro-enterprise and micro-finance specialists will work with TKGM and the community to provide capital and training;
- Oromo Enterprises will have preferential supplier status , subject to price and quality competitiveness in open tendering.

Skills Development and Vocational Training:

- Local scholarships;
- Joint venture with Training Institutions and Foreign Specialist University and College, so that we focus on training the trainers and not just trainees;
- Focus on local youth and transportable skills training , not just for mining;
- Technical training also to be offered to artisanal mining sector despite no artisanal mining in Tulu Kapi, because the gold particles are microscopic and deep underground.

Direct Income to Government:

- Export of Gold and Silver, generating US\$4M per week revenue. Based on current statistics, this would be Ethiopia's largest single export generating enterprise;
- Royalties to federal and Regional Governments. Together with taxation levies, this will contribute significantly to Government ability to support its support for local, regional and national development and improvement programs;
- Shareholder dividends after all expenses and repayments to financiers.

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Improvements to Infrastructure:

Roads:

- Upgrade existing roads from bitumen to site;
- Build new shorter-distance all-weather access road to site;

Electricity:

- New 47 km connection to mains grid;
- In-built double-capacity required by Tulu Kapi Project, so that electrification of district surrounding the Project can be carried out over time.

Institutional Capacity Building:

- Educational institutions supported to expand to serve Project and indirectly stimulated new or expended enterprises;
- Offer technical and commercial collaboration to artisanal sector where complementary activities are feasible;

Community Investment:

Community Development Foundation:

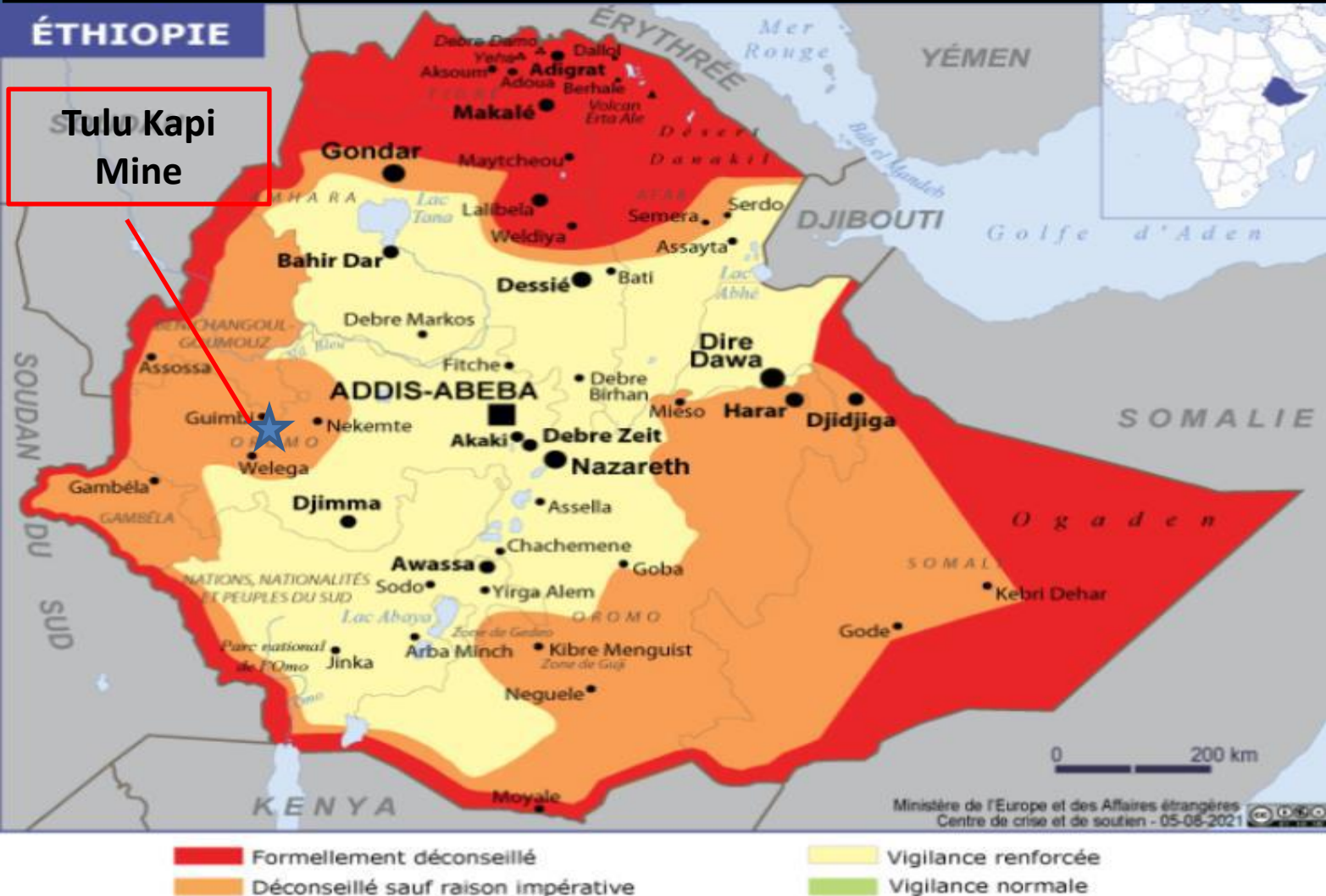
- to be managed by specialists and community leaders;
- To be directed at local needs as identified within the community;
- Focused on youth employment via transportable skills and sustainable enterprise.

Industry Growth:

- High impact demonstration effect internationally, as a first mover in Ethiopia;
- Adherence to highest local and international industry standards for environment , social and governance: transparency, World Bank IFC Performance Standards and Equator Principles;
- Contribution to consultative frameworks like Extractive Industries Transparency Initiative and Industry Associations.

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Ethiopia Security Risk Map

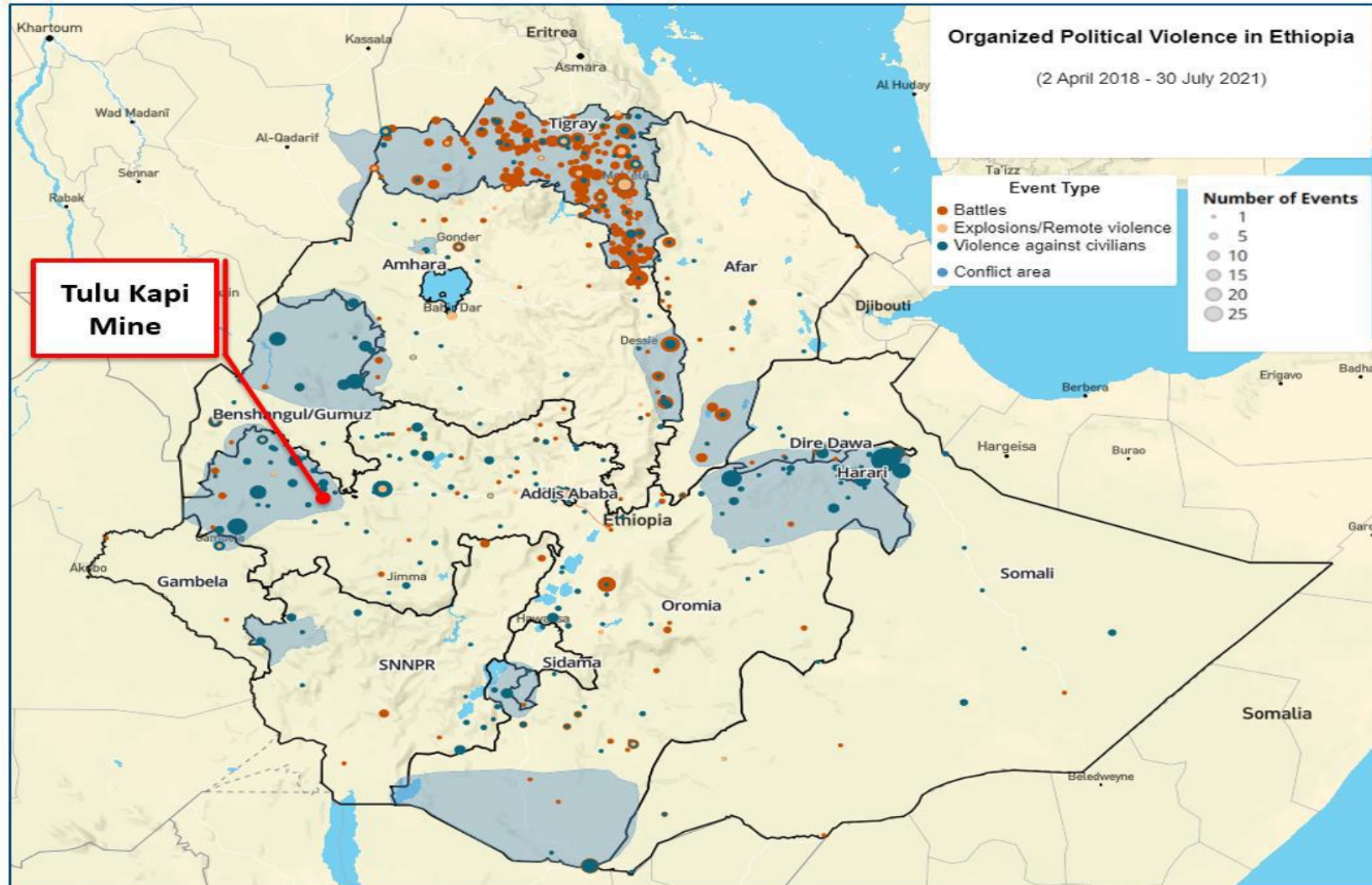


Published by French Ministry of Europe and Foreign Affairs.

Tulu Kapi is in West Wolega, not a red zone like many mining project sites in Ethiopia or elsewhere.

Nevertheless, The incident rate has increased in 2021, which has directly affected the Tulu Kapi Project.

Security Incident Rates in Ethiopia



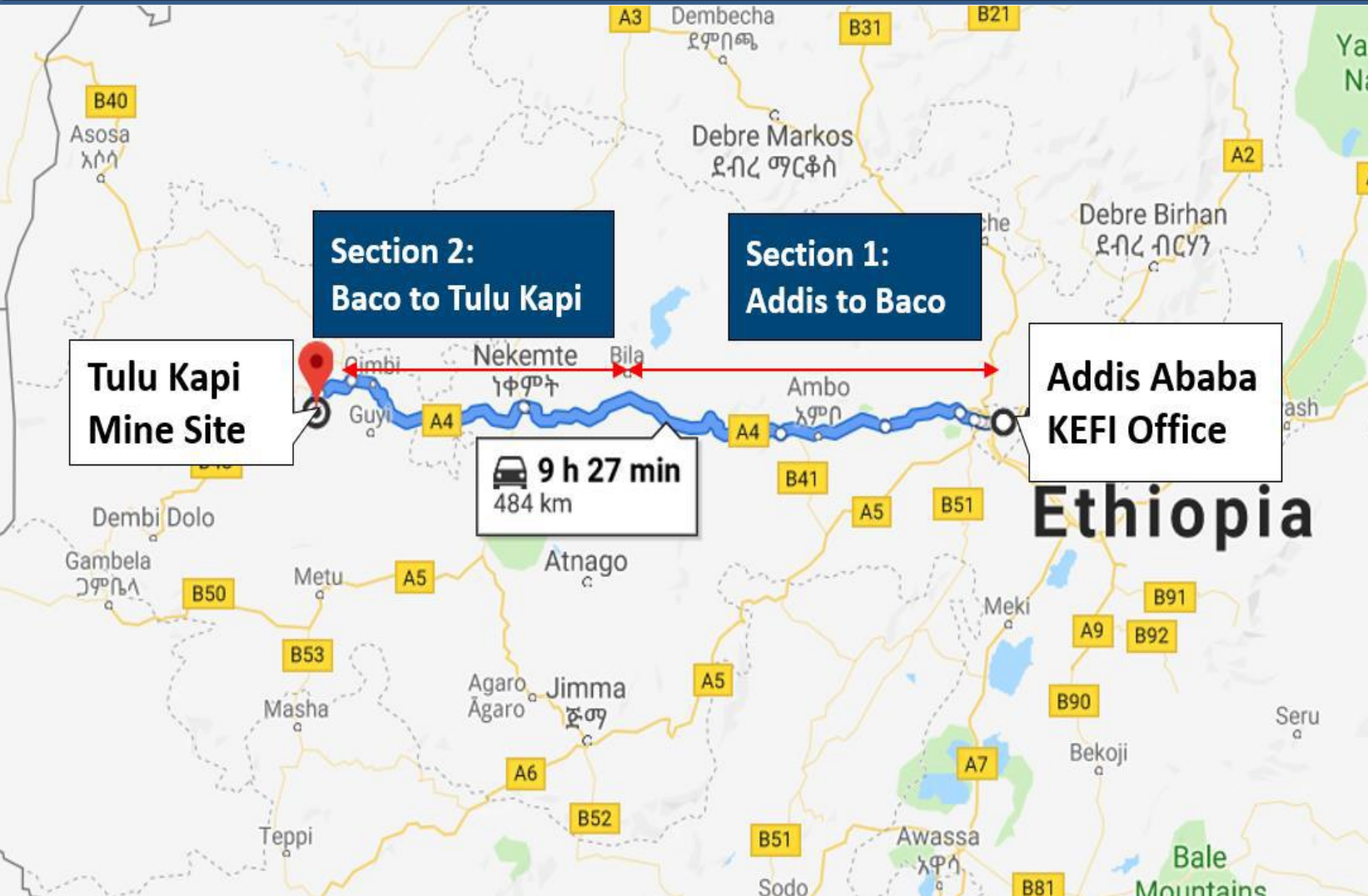
Prepared by TKGM:

West Wolega is now a higher risk zone in Ethiopia.

Changes and elevated precautions required before Project launch.

Expand teams, re-sequence site development, intensify community programmes.

Addis Ababa to Tulu Kapi Route



Prepared by
TKGM:

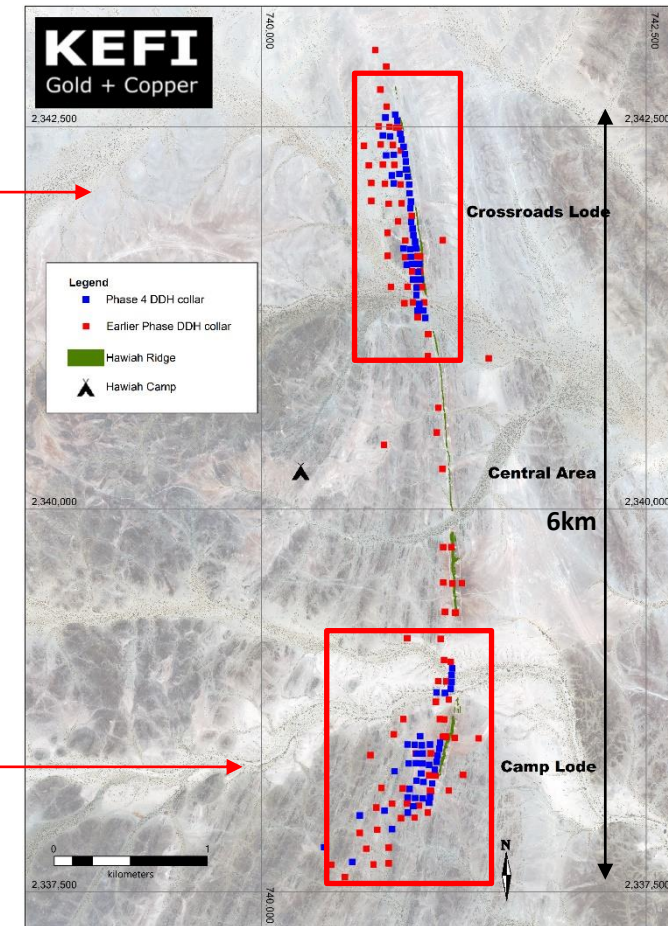
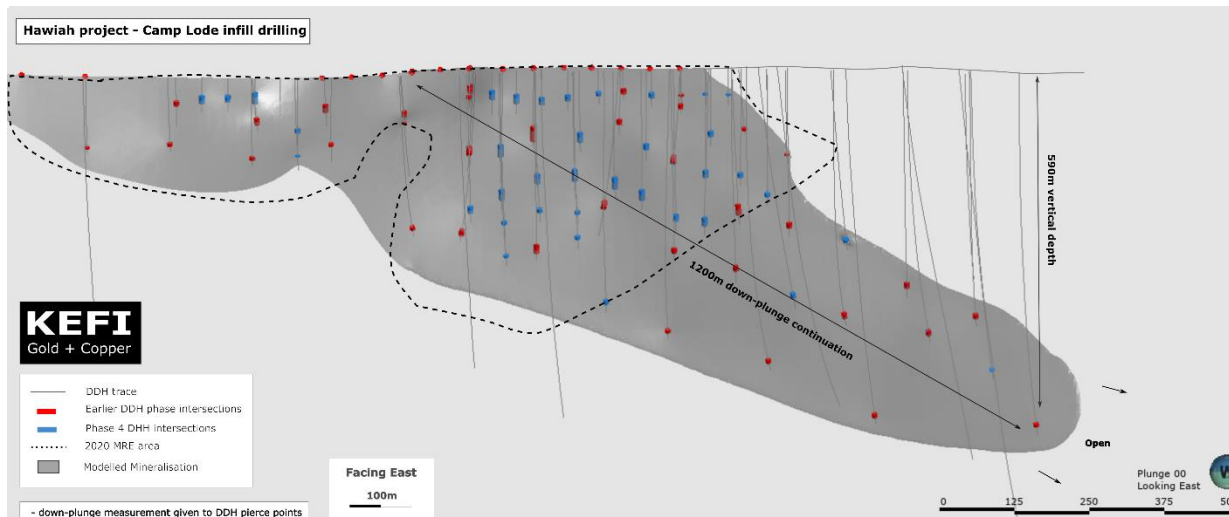
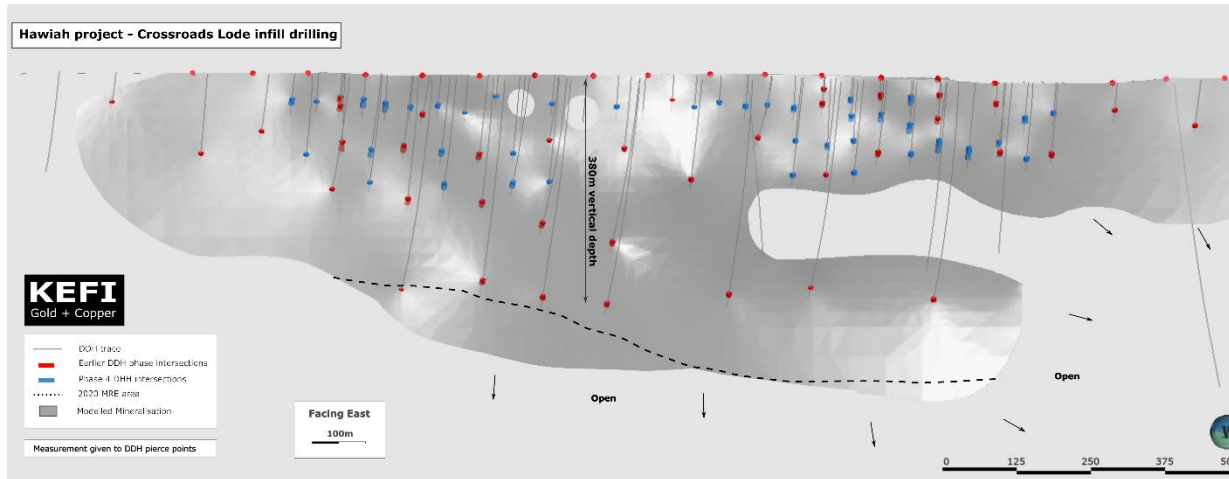
Route security
risk has
escalated.
Increased
incident rate in
2021.

Requires traffic
control, route
protection and
air travel.

Companies in Arabian Nubian Shield



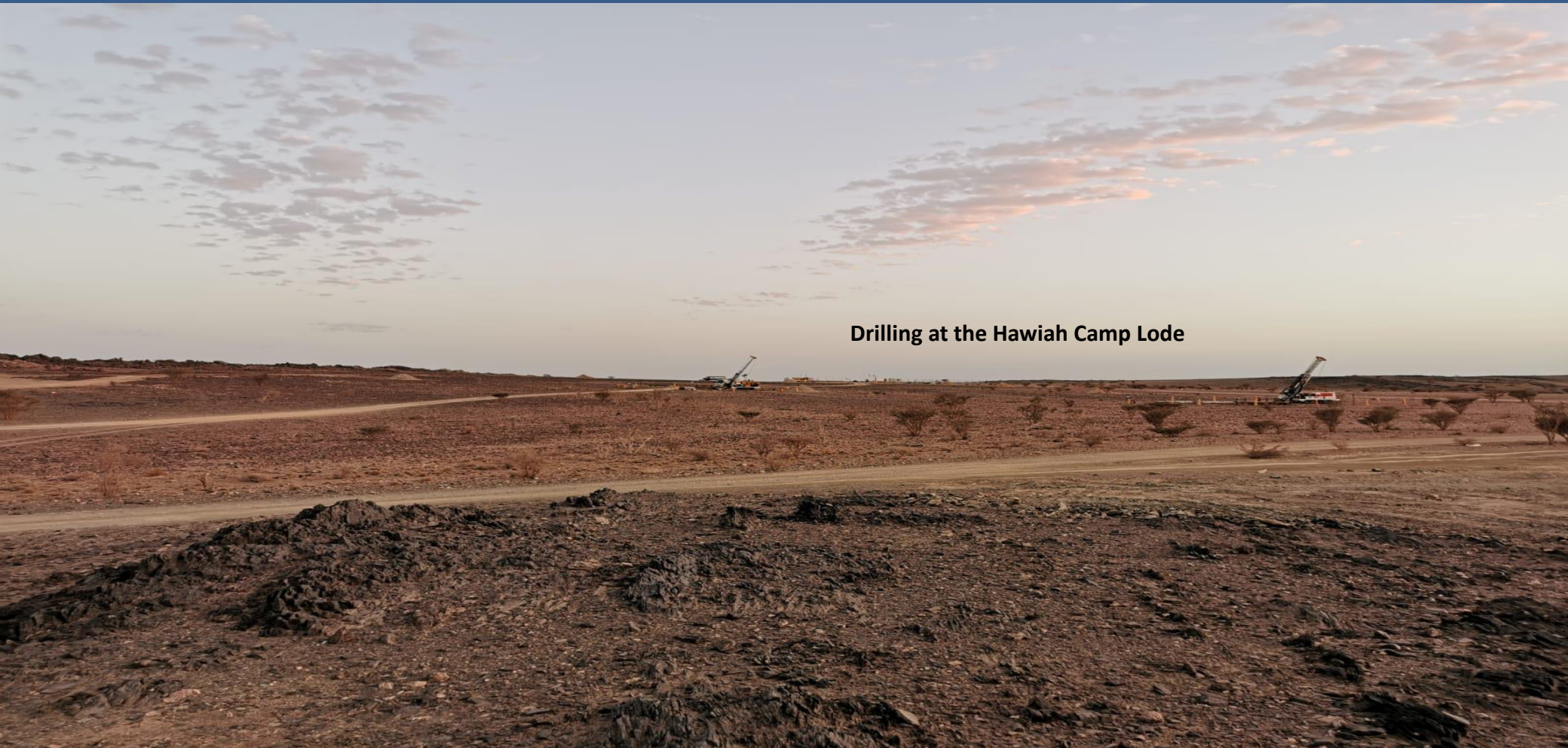
Hawiah Long Sections Looking East



For further information, refer to the KEFI announcement dated 24 August 2021

KEFI'S ADVANCED PROJECTS

	TULU KAPI	HAWIAH	JIBAL QUTMAN
PLANNED BENEFICIAL OWNERSHIP	APPROX TWO THIRDS	APPROX ONE THIRD	APPROX ONE THIRD
METALS	GOLD , SILVER	COPPER, GOLD, ZINC, SILVER	GOLD, SILVER
RESOURCES, GOLD EQUIVALENT	1,72 K OZ	1,949 K OZ	733 K OZ
UNEXPLORED POTENTIAL?	SIGNIFICANT	SIGNIFICANT	SIGNIFICANT
STATUS	PROJECT LAUNCH AWAITS SECURITY RECITIFICATION. THEN START DEVELOPMENT WITHOUT FURTHER DELAY AND START PRODUCTION 2023	PLAN TO SUBMIT MINING LICENCE 2022 TO START DEVELOPMENT 2023	MINING LICENCE APPLICATION AWAITS REGULATORY APPROVAL



Drilling at the Hawiah Camp Lode