

**16 November 2020**

**KEFI Gold and Copper plc  
("KEFI" or the "Company")**

**Oversubscribed Firm Placing to raise approximately £3 million**

**Conditional Subscription for cash, settlement of debt and accrued fees**

KEFI (AIM: KEFI), the gold exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to announce a firm oversubscribed placing to raise gross proceeds of £2,976,000 (the "Firm Placing"), through the issue of 186,000,000 new KEFI ordinary shares of 0.1p each ("Placing Shares") at a price of 1.60 pence per share (the "Placing Price") with both existing and new shareholders.

The Firm Placing was arranged by Brandon Hill Capital Limited (the "Broker"), as agent of the Company pursuant to the terms of a Placing Agreement. The Company intends to seek admission to trading on AIM for the Firm Placing Shares on or around 20 November 2020.

Conditional on shareholder approval at a General Meeting of the Company, the date of which is to be confirmed, the Company has raised a further £278,000 through a subscription for cash by certain existing shareholders including RAB Capital who will continue to hold more than 10% of the Company. Also, certain directors and managers of the Company have elected to receive shares in lieu of directors fees and salaries of £491,729, in aggregate, and certain project contractors and third party creditors have elected to receive shares in settlement of outstanding invoices and debts of £452,028, in aggregate. Following the issuance of these shares at the Placing Price, the Company will have no material outstanding debts to third party creditors.

**Use of Placing proceeds**

The Placing is being undertaken to:

- Fund a further resource drilling and exploration at the Company's Hawiah copper-gold project, which continues to gather momentum following encouraging drilling results in the recent drill programme and to maintain its current 34% participation in Gold & Minerals Limited ("G&M"), the Company's joint venture in Saudi Arabia; and
- for the provision of general working capital for the Company pending funds becoming available from project equity subscriptions in Tulu Kapi Gold Mines Share Company as the Company looks to finalise its funding consortium for the Tulu-Kapi gold project this quarter.

**Harry Anagnostaras-Adams, Executive Chairman of KEFI, commented:**

*"I am very encouraged with the support given to the Firm Placing by both existing and new investors, including RAB Capital who have participated and will retain a shareholding of over 10% in the Company. The Firm Placing, in what continue to be difficult times globally as a result*

of the COVID-19 pandemic, provides KEFI with the required funds to further progress its projects.

*“We believe that the Firm Placing is in the best interests of all of our shareholders and the proceeds will enable us to maximise the value of both Tulu Kapi and Hawiah for them.*

*“As reported earlier this month, the next stage of the Hawiah exploration programme has commenced as planned and the initial results are very encouraging. As previously reported, a doubling of the resource at Hawiah is expected to increase the post-tax NPV of the project from US\$96 million to US\$362 million. The funds from the Placing will also allow work to commence on the studies required for the completion of a Preliminary Feasibility Study during 2021, and further exploration of the surrounding area, which represents a separate and potentially even larger-scale target.*

*“As regards the Company's flagship Tulu Kapi Gold Project, we have recently assembled the full consortium and set the conditional terms for the independently reviewed development funding package of c.US\$221 million for this project in a manner that enables KEFI to increase its beneficial ownership from c.45% to c.65% of the project. The planned development also expects targeted production to increase from the originally proposed 140,000oz per annum to 190,000 oz per annum. These two recent developments would see KEFI effectively doubling its beneficial interest in net annual steady state gold production to circa 124,000 oz per annum following the targeted production start-up in Q4 2022.*

*“Our progress and the outlook for both our Tulu Kapi and Hawiah projects are ever more compelling for KEFI and its shareholders and I look forward to reporting further progress in due course.”*

#### **Details on the Firm Placing and Further Shares**

The Firm Placing is conditional, inter alia, on the admission of the Firm Placing Shares to trading on AIM becoming effective ("First Admission"), which is expected to take place on or around 20 November 2020.

The subscription for cash, settlement of debt and accrued director's fees ("Further Shares") requires shareholder approval at a General Meeting of the Company which is anticipated to be held in mid December 2020. The Further Shares are conditional, inter alia, on First Admission becoming effective, the passing of the resolutions to be proposed at the General Meeting and the admission of the Further Shares to trading on AIM becoming effective in mid-December 2020 ("Second Admission").

Shareholders are reminded that because the issue of the Further Shares are conditional, among other things, on the passing of the resolutions to be proposed at the General Meeting, should the resolutions not be passed, the issue of the Further Shares will not proceed.

#### **Placing Agreement and Issue of Warrants**

The Company has appointed the Broker as its agent pursuant to the terms of a placing agreement executed on or about today's date (the "Placing Agreement"). The Company has agreed to pay the Broker certain commissions and fees, some of which will be satisfied through the issue of 3,408,000 KEFI ordinary shares (the "Broker Shares") and the grant of

11,175,000 warrants over KEFI ordinary shares (the “Warrants”) in connection with its appointment.

The Broker Shares and Warrants will be issued, subject to shareholder approval at the General Meeting, at Second Admission.

The Warrants will be issued in certificated form and will not be admitted to trading on AIM. The Warrants will be transferable in accordance with the terms of a warrant instrument to be entered into by the Company. Any shares issued pursuant to the Warrants will, when issued, be admitted to trading on AIM. Each Warrant will entitle the Broker to subscribe for one new KEFI ordinary share at a price of 1.6 pence per share. The Warrants will be exercisable for a period of 3 years from the date of Second Admission.

Under the terms of the Placing Agreement, the Company has given certain customary warranties, indemnities and undertakings to the Broker in connection with the Placing relating to the Company and its affairs.

#### **Conditional Subscription for cash, Settlement of debt and accrued directors’ fees**

Subject to shareholder approval at a General Meeting to be arranged, the Company is intending to also issue a further 76,359,847 new KEFI ordinary shares of 0.1p each (“Further Shares”) at the Placing Price as follows:

- 17,375,000 ordinary shares as a further direct cash subscription of £278,000 with the Company, also at the Placing Price (the “Direct Subscription Shares”), which includes a subscription by major shareholder RAB Capital PLC to ensure they remain over 10% of the enlarged share capital;
- 28,251,750 ordinary shares which the Company has agreed to issue to project contractors and other third parties in settlement of outstanding invoices and debt of £452,028 (the “Settlement Shares”); and
- 30,733,097 ordinary shares representing an aggregate value of £491,729 which are intended to be granted to certain directors and management of the Company in lieu of accrued cash fees and salaries (the “Remuneration Shares”).

The number of Remuneration Shares intended to be granted to each KEFI director or manager and their resulting shareholdings are set out below:

<b>Name</b>	<b>Number of existing ordinary shares in KEFI</b>	<b>Percentage of existing issued share capital</b>	<b>Number of Remuneration Shares</b>	<b>Number of ordinary shares in KEFI on Second Admission</b>	<b>Percentage of total share capital on Second Admission</b>
H Anagnostaras-Adams	25,981,312	1.4%	6,250,000	32,231,312	1.5%
J Leach	14,525,743	0.8%	4,000,000	18,525,743	0.9%
Norman Ling	2,295,486	0.1%		2,295,486	0.1%
Mark Tyler	2,000,000	0.1%		2,000,000	0.1%

Richard Robinson	1,000,000	0.1%		1,000,000	0.0%
Adam Taylor	-				0.0%
Other employees and PDMRs	65,342,216	3.5%	20,483,097	85,825,313	4.0%

Following the issuance of the Further Shares, the Company will have no material outstanding creditors or loans.

A circular convening a general meeting to approve the issue of the Further Shares will be sent to shareholders shortly.

### General Meeting

The Company intends to convene a General Meeting in mid-December 2020 to seek authority to allot the Further Shares and the Broker Shares on a non-pre-emptive basis. A circular convening the General Meeting will be sent to shareholders shortly and a further announcement will be made in due course. It is important that shareholders lodge their votes in advance of the General Meeting through submission of their Proxy votes.

### Total Voting Rights

Application will be made to London Stock Exchange for Admission of the First Placing Shares to trade on AIM ("Admission") and it is expected that Admission will become effective and that dealings in the Placing Shares will commence at 8.00 a.m. on or around 20 November 2020. Following Admission of the Placing Shares, the total issued share capital of the Company will consist of 2,061,565,471 ordinary shares each with voting rights. The Company does not hold any ordinary shares in treasury. Therefore, the total number of voting rights in the Company will be 2,061,565,471 and this figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

### Market Abuse Regulation (MAR) Disclosure

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 ("MAR"). IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

### Enquiries

#### KEFI Gold and Copper plc

Harry Anagnostaras-Adams (Managing Director)

+357 99457843

John Leach (Finance Director)

+357 99208130

**SP Angel Corporate Finance LLP (Nominated Adviser and Joint Broker)** +44 (0) 20 3470 0470

Jeff Keating, Adam Cowl

**Brandon Hill Capital Ltd (Joint Broker)** +44 (0) 20 7936 5200

Oliver Stansfield, Jonathan Evans

**IFC Advisory Ltd (Financial PR and IR)** +44 (0) 20 3934 6630

Tim Metcalfe, Florence Chandler

## **Notes to Editor**

### **KEFI Gold and Copper plc**

KEFI is focused primarily on the advanced Tulu Kapi Gold Project development project in Ethiopia, along with its pipeline of other projects within the highly prospective Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi generates cash flows for capital repayments, further exploration and expansion as warranted and, when appropriate, dividends to shareholders.

### **KEFI Minerals in Ethiopia**

Ethiopia is currently undergoing a remarkable transformation both politically and economically.

The Tulu Kapi gold project in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

The Company has now refined contractual terms for project construction and operation, together with assembling the full funding consortium and set the conditional terms for the development funding package of c.US\$221 million.

Estimates include gold production of c.190,000oz pa. All-in Sustaining Costs (including operating, sustaining capital and closure but not including leasing and other financing charges) remain c. US\$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz.

All aspects of the Tulu Kapi (open pit) gold project have been reported in compliance with the JORC Code (2012) and subjected to reviews by appropriate independent experts.

A Preliminary Economic Assessment has been published that indicates the economic attractiveness of mining the underground deposit adjacent to the Tulu Kapi open pit, after the start-up of the open pit and after positive cash flows have begun to repay project debts. An area of over 1,000 square kilometres adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans.

### **KEFI Minerals in the Kingdom of Saudi Arabia**

In 2009, KEFI formed Gold & Minerals Limited ("G&M") in Saudi Arabia with local Saudi partner, ARTAR, to explore for gold and associated metals in the Arabian-Nubian Shield. KEFI has a 34% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, holds over 16 Exploration Licence (EL) applications pending the introduction of the new Mining Law. ELs are renewable for up to three years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) lease within the area.

The Kingdom of Saudi Arabia has announced policies to encourage minerals exploration and development, and KEFI Minerals supports this priority by serving as the technical partner within G&M. ARTAR also serves this government policy as the major partner in G&M, which is one of the early movers in the modern resurgence of the Kingdom's minerals sector.