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**KEFI Gold and Copper plc**

(“KEFI” or the “Company”)

**Significant Positive Turning Point in Ethiopian Conflict**

KEFI Gold and Copper (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 provide this positive update about the security situation in Ethiopia.

As previously reported, following the taking of office in October 2021, the democratically elected Ethiopian Government launched major military offensives in late November 2021 to drive rebel militias out of the neighbouring states they had recently occupied. Over the past few days, both sides in the conflict have reported that the rebel militias are withdrawing. The Government has publicly appealed to the local communities to treat the retreating rebels with dignity.

KEFI sees this as a very positive development, so soon after the Ethiopian Government’s re-appointment in October 2021, following the highly significant June 2021 elections. This turning point in the military conflict reinforces KEFI’s optimism that peace will soon be restored in Ethiopia and, to this end, we also note that diplomatic efforts have recently been intensified, with mediation now backed by the African Union, United Nations and major world powers.

KEFI’s project teams have remained on the ground throughout this period of broader national conflict, preparing for the launch of the Company’s Tulu Kapi Gold Project (the “Project”) in an appropriate safety-minded manner. At the same time, Project syndicate members have reaffirmed their intended Project participation as soon as compliance is demonstrated with normal conditions precedent, including the community and security aspects of World Bank IFC Performance Standards – also a condition of the mining licence.

Developments on the ground in recent days have largely driven the area of major conflict back to its origin in Tigray and helps to establish a promising scene for the hoped-for de-escalation, ceasefire and peaceful resolution for all Ethiopians. In KEFI’s view, there is little doubt that Ethiopia will then rapidly regain its long-standing position amongst the world’s top 10 growth countries and that the minerals sector will play an important role with the Company’s Tulu Kapi Gold Project as one of the first movers.

**Executive Chairman of KEFI, Harry Anagnostaras-Adams, commented:** “We are especially happy for our host country Ethiopia and its overwhelmingly peace-loving citizens.

“We deeply thank our personnel, our community and other stakeholders for working so tirelessly during the challenging times of 2021 in Ethiopia which now show real promise of being put behind us. It is also wonderful to hear that many of the Company’s Ethiopian friends and associates living in other countries are planning to spend Christmas in Ethiopia celebrating with their extended families the expected imminent resolution of the internal conflicts.

“In addition to our operations in Ethiopia, our team on the ground in Saudi Arabia has made significant progress in adding value to the Company’s assets this year, completing approximately 30,000 metres of drilling, along with a range of tasks within the Preliminary Feasibility Study. An updated Mineral Resource Estimate for our Hawiah Copper-Gold Project remains on track to be reported later this month.”

## Enquiries

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Further information can be viewed at [www.kefi-minerals.com](http://www.kefi-minerals.com)

## 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 in Ethiopia**

Ethiopia has for some years been undergoing a remarkable transformation both politically and economically. However 2021 has been a turbulent year for the country due to internal conflict due to military challenges to the Federal Government from rebel minorities.

The Tulu Kapi gold project in western Ethiopia has however continued progressing towards development, following a grant of a Mining Licence in April 2015.

The Company has refined contractual terms for project construction and operation, together with having assembled the full funding consortium and set the conditional terms for the development funding package of c.US\$356 million, to be triggered as soon as normal conditions are satisfied including security.

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 US\$800-900/oz, depending on the gold price impact on the royalty payable. 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 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 c.31.5% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, holds over 16 Exploration Licence (ELA) 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 mineral 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.