

16 November 2021

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**Tulu Kapi Gold Project Site Preparations Recommence**

KEFI (AIM: KEFI) is pleased to report that following permission from the security authorities site preparations for project launch have recommenced for the Tulu Kapi Gold Project ("Tulu Kapi" or the "Project"), majority-owned via KEFI subsidiary Tulu Kapi Gold Mines Share Company ("TKGM"). This includes district inspections by assessors for the financing syndicate and consultations with the community.

As a prelude to the next stage of community preparations, it is pleasing to report TKGM's new binding agreement with the Ethiopian Evangelical Church of Mekane Yesus ("EECMY"). EECMY will be one of KEFI's long-term partners in TKGM and also will support our community projects. KEFI is greatly honoured to welcome EECMY and we look forward to collaborating with EECMY in overseeing the various community-based programmes in a manner which respects the local rules and regulations, the 21<sup>st</sup> century international standards for modern gold production such as World Bank IFC Performance Standards and also the highest moral codes of conduct. Whilst the EECMY investment into TKGM is not playing a major role in the total project finance package, EECMY's role is significant for TKGM's social licence. For instance, the Tulu Kapi community will potentially significantly benefit from EECMY's micro-finance institution in Ethiopia.

We remain focused on starting mining and plant commissioning in late 2023. The Project launch schedule is expected to trigger certain community steps in December 2021, with full launch within the following months. In the meantime, as announced on 4 November 2021, the Ethiopian Ministry of Mines recently confirmed that the mining licence is in good standing to 2035 subject to KEFI's confirmation of project finance procurement by 31 January 2022, which remains on track.

The Company is confident that the security situation at the Project has now been addressed and, whilst it has no direct impact on TKGM's operations, remains optimistic that the current broader conflicts within the country will be resolved peacefully. To this end, we note that an African Union-appointed mediator has been accepted by both sides in the political and military national conflict and that he has begun to engage during the past week, notably with the support of the United Nations, European Union and other major world powers.

The Company will report further material developments and make further progress reports as appropriate.

**Enquiries**

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## **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 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\$356 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 US\$800-900/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 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 (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.