

**25 October 2021**

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**Tulu Kapi Update**

KEFI (AIM: KEFI), the gold and copper exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to announce a positive resolution to the recent security situation at the Company's Tulu Kapi Gold project ("Tulu Kapi" or the "Project"). As announced on 29 September 2021 and on 18 October 2021, certain security issues had arisen during September 2021. These led the security authorities to request a suspension of site inspections and community consultations, and therefore KEFI and the Project company, Tulu Kapi Gold Mines Share Company ("TKGM"), to temporarily pause the finance finalisation and launch of the Project to ensure that these matters were satisfactorily addressed.

The particular company-specific issue, that can only now be reported following their safe release on 23 October 2021, was the abduction of four TKGM employees and contractors, captured during inspections of traffic routes for the Project. KEFI very much appreciates their safe and unharmed release without any conditions. All four are now reunited with their families.

We wish to express the Company's gratitude to all stakeholders involved in the incident's calm, disciplined and successful management. The welfare of our employees, contractors and their families is our first priority and we reiterate our request that the media respect the privacy of the individuals concerned and their families to avoid unnecessary further distress.

This incident reinforces the importance of safety for all stakeholders involved in the Project, the community, TKGM and its employees and contractors, the international financiers and other parties committed to the safety and success of the Tulu Kapi Project.

After informing the families of the release of the subject employees and contractors, TKGM immediately informed the security services, the President of Oromia, the Minister of Mines, our Government partners, the President of the Ethiopian Evangelical Church of Mekane Yesus, the community, contractors and financiers.

So as to waste no time in re-initiating the Project launching, TKGM has already arranged for the independent community liaison and field-safety advisers to attend our planning workshops next month to update the necessary steps for the Project's launch with all the Government agencies involved. The Company has remained eager to proceed with the Project as soon as possible, whilst also meeting the requirements to comply with appropriate security and other standards which we are now confident should prevent a recurrence of such an incident. To this end, other preparations such as legal documentation have, wherever unaffected by this incident, continued unabated. With this localised security issue now resolved and having been subsequently fully disclosed when it has become safe to do so, the Company looks forward to working with the Ministry of Mines to ensure that it is satisfied in all respects.

The Company will make further announcements as appropriate and remains optimistic that the Project in Ethiopia will still be launched this year albeit with duly refined and risk-managed arrangements to protect all people and capital involved, with the commissioning of production in 2023, ahead of development of the Hawiah project in Saudi Arabia.

**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.