

## **Q&A between an international mining investors' platform and KEFI's Chairman**

**Q: You recently announced that the company has raised £8M. What are you going to use these funds for?**

The capital raising is a part of an inflection point for the company as a whole. Up until a few months ago, we were struggling to get going in Ethiopia where we have our flagship project Tulu Kapi, and we had yet to pass the milestone of being able to get going quickly in Saudi Arabia, because we were waiting on some drilling results and regulatory outcomes.

As of the beginning of the year, the Saudi regulatory system has been unblocked for us and we have been issued licences. Plus we were able to report a very large increase in resources in our Saudi project, so we can move into development phase. But at the same time, over in Ethiopia, the country has turned a corner and security is not the problem that it was until the end of last year.

So this particular capital raising in that context means a couple of things. One is that we speed up our activities in both countries.

And secondly, it's a very important part of a bigger package in that coupled together with its associated warrants, the capital raising is actually up to \$29M. That \$29M, coupled with the rest of the development package that we've set up for the Ethiopian project – which is \$356M altogether in Ethiopia, means that we've now filled all the roles in the syndicate. In a nutshell, the capital raising will enable us to go flat out in both countries.

**Q: Please give an overview of KEFI's operations in both Ethiopia and Saudi Arabia.**

We went there because of the geology of the Arabian-Nubian Shield, which straddles both of those countries. It's familiar geology to our exploration team in that it's the same geology as in Australia where gold and a lot of other minerals come from. And that part of Australia has gone through a transformational explosion of growth over the last 50 years. So that's going to happen in the Arabian-Nubian Shield, but it won't take 50 years because people have learned a lot of lessons and it will take a lot less time. That's the opportunity. That's what attracted us.

We're a first-mover in both Ethiopia and Saudi Arabia in a number of senses. We've established a very strong platform in both countries with strong local partners and strong financiers working in collaboration with us, and strong contractors. And now, because of the change in the political backdrop in both countries, we've got a very strong pipeline of three advanced projects, which we can bring on stream in a sequence over the next few years. And that will take us to being a mid-cap. Approximately, this will be a combined 400,000 ounces a year of gold and gold equivalent.

**Q: You recently announced that development activities at your flagship Tulu Kapi Gold Project have recommenced. Please talk us through some of the milestones that have led to this decision.**

First of all, the project has always been what we would regard as a fairly clean showcase project. It has no legacy issues. There's no artisanal mining. It's in a fairly quiet part of the country from a security point of view and community relations point of view. Its economics have always been robust. It's a high-grade gold and high-grade underground mine. And in the country, we align ourselves with a strong partnership with the government. And we've arranged a bespoke finance and contracting syndicate that is familiar with the country.

The thing that's changed is that the country was in some turmoil for the past few years until the end of last year. Now, the government is working very hard to reclaim Ethiopia's position as a strong development country. Up until a few years ago, it had been in the top 10 growth countries of the world for nearly 20 years in a row. So it's back on the development path and that's the key thing that's changed. Not the project, not us, but the country's political stability.

**Q: Now that the security situation in Ethiopia has improved dramatically, what are the next steps for Tulu Kapi?**

We still need to formally receive a few regulatory confirmations and approvals from the government. Furthermore, we have to demonstrate on the ground several months of activity without interruption or any incident of a security nature, and that's just part of the due diligence framework around the project.

Using some of the capital we've just raised, we will bring forward more development tasks with the community and on the ground. So rather than just talking about the conditions at the project, people can witness that we've kicked off the project launch with particular activities, showing good progress and without any problems. These are the key milestones coming up, leading to full financial closing and full project launch for construction targeted, for the end of June this year.

**Q: What are the challenges of operating in Saudi Arabia, and how is the operational environment changing for the better?**

The Saudi government has made it a priority that the mineral sector becomes the third pillar of their economy. And therefore, as of the end of last year, mining and exploration licences started flowing. We received our first few and we've been told we'll be getting more.

So for example, we made a gold discovery about eight years ago at a place called Jibal Qutman and we applied for a mining licence. But only now is it moving to be granted. And it appears it'll be granted certainly this year and perhaps very soon. We've also been granted other exploration licences.

The main change in Saudi Arabia is that the welcome mat for the industry to do its work has truly been laid out. And that's been quite a dramatic change. The potential's always been there. The prospectivity

has always been there. We've been convinced that we would be able to get going eventually, but it actually seems to be now happening. The industry cannot perform without the Government providing a welcoming environment in every sense.

**Q: In January, you released a mineral resource estimate for the Hawiah deposit in Saudi Arabia. Please can you explain more about that?**

Hawiah is situated in a Volcanogenic Massive Sulphide (VMS) belt, which typically yields clusters of this type of base and precious metals deposits. There's a lot of surface evidence to suggest that theoretical possibility at Hawiah, but no one had actually done the modern work to establish its potential. So it was really up to us to create walk up drill targets, and we've just declared resources which are more than worthwhile for development. Hawiah is now the third-largest base metals deposit in Saudi Arabia. It's in the top 10 to 20% of VMS deposits in the world already, but we've only just started. We're still drilling and the resource is likely to continue to grow.

And in addition to that, we've been granted licences for a site 12km away where we've discovered what appears to be a direct analogue. We are onto something that's going to grow a lot further and it's already significant and economic for development. Hawiah is of a scale which is already starting to be larger than Tulu Kapi, although Tulu Kapi is ready for construction and is our main priority today. But clearly Hawiah is going to dwarf it in scale as we continue to drill.

**Q: Finally, from an investor's perspective, what are KEFI Gold and Copper's key strengths?**

We have a clear focus on one of the most prospective parts of the world with a demonstrated record of resilience and tenacity, of discovery, and of establishing a strong platform of partners, contractors, banks, and now a strong platform of projects to develop. We're a mid-cap in the making with a very clear roadmap to achieving that over the next three or four years.