

30 September 2021

KEFI Gold and Copper plc

("KEFI" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

KEFI Gold and Copper plc (AIM: KEFI), the gold exploration and development company with projects in the Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to announce its unaudited interim results for the six months ended 30 June 2021.

The statement below encompasses the activities of the Company's subsidiary, KEFI Minerals (Ethiopia) Limited ("KME"), in Ethiopia, and KEFI's joint venture, Gold & Minerals Limited ("G&M"), in the Kingdom of Saudi Arabia.

Overview

The current climate of increased gold and copper prices means that the project economics for the Company's Tulu Kapi gold project in Ethiopia ("Tulu Kapi" or the "Project") have become even more attractive as have the potential values of our discoveries in Saudi Arabia with maiden resources now reported mainly for copper/gold at Hawiah as well as for zinc/silver and also for gold at Jibal Qutman.

During the period, the Company continued to advance its projects in the highly prospective Arabian Nubian Shield notwithstanding the logistical restrictions imposed to protect personnel and the wider community due to COVID-19.

Tulu Kapi Gold Project, Ethiopia

KEFI continued to oversee the physical preparations for full development to be triggered at financial closing, such as:

- Clearing of new host lands for community members to be resettled;
- Overseeing the early works programme of detailed engineering and procurement, by principal construction contractor Lycopodium;
- Supporting the planning and procurement programmes of mining services contractor Corica;
- Overseeing the 'new access road' and 'electricity connection' works contracts; under which surveys and procurement has been completed;
- Triggering compensation procedures for the first re-settlers at the Tulu Kapi electrical substation site; and
- Recruitment of further key personnel for the next stage of the Project.

Project Funding

The signing of detailed binding documentation and the launch of full Project development is expected during Q4 2021. All equity and debt funding would be committed and binding upon signing, and subject only to normal conditions for such a transaction. Debt disbursement would follow after subscription of equity-risk capital, as is normal in such projects, and the timing of receipt will be structured to meet Project requirements.

Upon financial completion and any remaining conditions precedent being satisfied, it is expected KEFI will have achieved the following:

- Fully-funded the development of Project company Tulu Kapi Gold Mines Share Company's ("TKGM") open-pit gold mine for start of production in mid-2023;
- Have reserves set aside for cost-overruns for production start-up or, if not needed, available to trigger initial stages of development of Tulu Kapi underground mine from late 2023;
- Retained ownership of c.70% of TKGM, versus originally estimated 45% ownership; and
- Successfully minimised ownership dilution at the KEFI level by (a) maximising subsidiary-level finance, and (b) arranging for KEFI-subsidary-level financing with conversion rights into KEFI shares to be based on the VWAP at the time of production (which the Company believes will be materially higher than at current levels), if not repaid beforehand.

It is expected that the non-KEFI shareholding in TKGM, of c.30%, will comprise Ethiopian Government and non-Government local organisations and these relationships will strongly reinforce the Project's very deliberate efforts to align at community and district levels and with government at all levels.

Advanced conditional approvals, which have already been received, account for c.63% of the US\$356 million aggregated funding sources and the remaining c.37% (c.US\$131 million) is expected to come from existing identified parties working alongside those who have already resolved their conditional approval. All parties have agreed to enter into binding documentation at the same time.

Contracts were issued and work started last year with the Ethiopian Electric Power Corporation and Ethiopian Roads Authority for Project offsite works. In respect of on-site works, the principal on-site contractors, Lycopodium Limited and Corica Mining Services Share Company, each the largest in Africa in their respective specialised contracting areas, have signed letters of intent and produced all-but agreed final forms of detailed documentation for execution at financial completion.

Gold & Minerals Limited Joint Venture (G&M), Saudi Arabia

KEFI's operations in Saudi Arabia are conducted through its 34% owned joint-venture company, Gold & Minerals Ltd ("G&M"), where KEFI is the operating partner. G&M has finished the Phase 4 drilling programme to support the goal of reporting an expanded and upgraded Mineral Resource.

The Preliminary Feasibility Study for the potential start of development of the Hawiah deposit in 2023 continues, and other recent activities have included the following:

- Completion of the Environmental and Social Baseline Study;
- Metallurgical testing progressing with reasonable recoveries so far being indicated for all principal metals, copper, gold, zinc and silver; and
- The 30 man base camp at Hawiah is now fully operational and plans are underway to increase camp capacity.
- Geo-hydrogeological studies are also in progress and a consultancy group are performing pump testing on a number of existing boreholes ahead of targeted pump testing and groundwater modelling.

Post Period End

On 29 September 2021 the Company reported that the preparations for the launch of the development phase of the Company's Tulu Kapi Gold project have identified a number of security concerns that have led KEFI and TKGM to temporarily delay the Project until these are satisfactorily addressed. The Ethiopian Ministry of Mines has been notified as have the other Government agencies, the Company's financing partners and the local community. All parties respect the need to ensure the security situation is completely ready for the Project construction to proceed and all continue to prepare for launch as soon as appropriate during Q4 2021.

In the meantime, the Company's Hawiah Copper-Gold Project ("Hawiah") in Saudi Arabia continues its fast-track programme to produce an expanded and upgraded Mineral Resource Estimate and Preliminary Feasibility Study for development.

Commenting, Mr Harry Anagnostaras-Adams, Executive Chairman of KEFI said, "During the first half of 2021 we made significant progress with both our Tulu Kapi and Hawiah projects despite the logistical restrictions imposed to protect personnel and the wider community due to COVID-19. Whilst it is disappointing that our Tulu Kapi Gold Project is temporarily paused whilst security concerns are addressed, we remain cautiously optimistic that detailed binding Project financing documentation can be signed, and Project development triggered during Q4 2021. In Saudi Arabia, our Hawiah Copper/Gold project continues its fast-track programme to produce an expanded and upgraded Mineral Resource Estimate and Preliminary Feasibility Study for development.

"KEFI has made significant advances with its projects in the highly prospective Arabian Nubian Shield during the first half of 2021 and despite recent challenges remains very well positioned to bring two significant projects into production."

Quarterly Webinar

The Company will host its quarterly investor webinar at 4.30pm London time on Wednesday 13 October 2021 which can be accessed via:

<https://webcasting.brrmedia.co.uk/broadcast/6153493e19e5bc59de7bb6ce>

Shareholders are encouraged to submit questions by emailing: questions@brrmedia.co.uk

The webinar will subsequently be available on the Company's website at:

<http://www.kefi-minerals.com/news/webcasts>.

Market Abuse Regulation (MAR) Disclosure

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Enquiries

KEFI Gold and Copper plc

Harry Anagnostaras-Adams (Executive Chairman) +357 99457843

John Leach (Finance Director) +357 99208130

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

Jeff Keating, Adam Cowl

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

Oliver Stansfield, Jonathan Evans

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

Tim Metcalfe, Florence Chandler

Condensed interim consolidated statements of comprehensive income

(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	Six months ended 30 June 2021 Unaudited	Six months ended 30 June 2020 Unaudited
Revenue		-	-
Exploration expenses		(21)	(18)
Gross loss		(21)	(18)
Administration expenses		(1,191)	(1,580)
Share-based payments		(484)	(76)
Share of loss from jointly controlled entity	11	(618)	(587)
Reversal of impairment loss in jointly controlled entity	11	567	-
Gain from dilution of equity interest in joint venture	11	-	1,037
Operating loss		(1,747)	(1,224)
Foreign exchange (loss)/gain		(57)	362
Finance expense		(419)	(192)
Loss before tax		(2,223)	(1,054)
Tax		-	-
Loss for the period		(2,223)	(1,054)
Loss for the period		(2,223)	(1,054)
Other comprehensive loss:			
Exchange differences on translating foreign operations		-	-

Total comprehensive loss for the period		<u><u>(2,223)</u></u>	<u><u>(1,054)</u></u>
Basic loss per share (pence)	4	(0.10)	(0.08)

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

Condensed interim consolidated statements of financial position
(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	Unaudited 30 June 2021	Audited 31 Dec 2020
ASSETS			
Non-current assets			
Property, plant and equipment		102	35
Intangible assets	6	26,353	24,510
Investments in JV		-	-
		<u>26,455</u>	<u>24,545</u>
Current assets			
Financial assets at fair value through OCI		-	54
Trade and other receivables	5	226	448
Cash and cash equivalents		948	1,315
		<u>1,174</u>	<u>1,817</u>
Total assets		<u><u>27,629</u></u>	<u><u>26,362</u></u>
EQUITY AND LIABILITIES			
Issued capital and reserves attributable to owners of the parent			
Share capital	7	2,153	2,138
Deferred Shares	7	23,328	23,328
Share premium	7	33,201	33,118
Share options reserve	8	1,565	1,273
Accumulated losses		(39,967)	(37,824)
		<u>20,280</u>	<u>22,033</u>
Non-controlling interest		1,316	1,204
Total equity		<u>21,596</u>	<u>23,237</u>
Current liabilities			
Trade and other payables	9	3,770	3,125
Loans and borrowings	10	2,263	-
		<u>6,033</u>	<u>3,125</u>
Total liabilities		<u>6,033</u>	<u>3,125</u>
Total equity and liabilities		<u><u>27,629</u></u>	<u><u>26,362</u></u>

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

On 30 September 2021, the Board of Directors of KEFI Gold and Copper Plc authorised these unaudited condensed interim financial statements for issue.

John Leach

Finance Director

Condensed interim consolidated statement of changes in equity
(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Attributable to the equity holders of parent					Total	NCI	Total equity	
	Share capital	Deferred shares	Share premium	Share options and warrants reserve	Accumulated losses				
At 1 January 2020 Audited	1,149	23,328	25,452	1,118	-	34,640	16,407	1,075	17,482
Loss for the period	-	-	-	-	-	(1,054)	(1,054)	-	(1,054)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(1,054)	(1,054)	-	(1,054)
Recognition of share based payments	-	-	-	336	-	-	336	-	336
Cancellation & Expiry of options/warrants	-	-	-	(606)	606	-	-	-	-
Issue of share capital and warrants	719	-	4,441	402	-	-	5,562	-	5,562
Share issue costs	-	-	(445)	-	-	-	(445)	-	(445)
Non-controlling interest	-	-	-	-	-	(79)	(79)	79	-
At 30 June 2020 Unaudited	1,868	23,328	29,448	1,250	(35,167)	20,727	1,154	21,881	21,881
Loss for the year	-	-	-	-	-	(2,666)	(2,666)	-	(2,666)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(2,666)	(2,666)	-	(2,666)
Recognition of share-based payments	-	-	-	(283)	-	-	(283)	-	(283)
Expired warrants	-	-	-	(59)	59	-	-	-	-
Issue of share capital and warrants	270	-	3,615	365	-	-	4,250	-	4,250
Share issue costs	-	-	55	-	-	-	55	-	55
Non-controlling interest	-	-	-	-	-	(50)	(50)	50	-
At 1 January 2021 Audited	2,138	23,328	33,118	1,273	(37,824)	22,033	1,204	23,237	23,237
Loss for the period	-	-	-	-	-	(2,223)	(2,223)	-	(2,223)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(2,223)	(2,223)	-	(2,223)
Recognition of share based payments	-	-	-	484	-	-	484	-	484
Cancellation & Expiry of options/warrants	-	-	-	(192)	192	-	-	-	-
Issue of share capital and warrants	15	-	83	-	-	-	98	-	98
Non-controlling interest	-	-	-	-	-	(112)	(112)	112	-
At 30 June 2021 Unaudited	2,153	23,328	33,201	1,565	(39,967)	20,280	1,316	21,596	21,596

The following describes the nature and purpose of each reserve within owner's equity:

Reserve	Description and purpose
Share capital	amount subscribed for share capital at nominal value.
Deferred shares	under the restructuring of share capital, ordinary shares of in the capital of the Company were sub-divided into deferred share.
Share premium	amount subscribed for share capital in excess of nominal value, net of issue costs.
Share options and warrants reserve	reserve for share options and warrants granted but not exercised or lapsed.
Foreign exchange reserve	cumulative foreign exchange net gains and losses recognized on consolidation.
Accumulated losses	cumulative net gains and losses recognized in the statement of comprehensive income, excluding foreign exchange gains within other comprehensive income.
NCI (Non-controlling interest)	the portion of equity ownership in a subsidiary not attributable to the parent company.

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

Condensed interim consolidated statements of cash flows
(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	Six months ended 30 June 2021	Six months ended 30 June 2020
Cash flows from operating activities			
Loss before tax		(2,223)	(1,054)
Adjustments for:			
Share-based benefits		484	76
Fair value loss to derivative financial asset		-	3
Gain from dilution of equity interest in joint venture	11	-	(1,037)
Share of loss in joint venture		618	587
Reversal of impairment loss in joint venture		(567)	-
Depreciation		7	1
Finance expense		390	192
Foreign exchange gains/(losses) on financing activities		200	(380)
Foreign exchange (losses)/gains on operating activities		11	11
Cash outflows from operating activities before working capital changes		(1,080)	(1,601)
Interest paid		-	-
Changes in working capital:			
Trade and other receivables		50	(216)
Trade and other payables		135	1,337
Net cash used in operating activities		(895)	(480)
Cash flows from investing activities			
Purchases of plant and equipment		(74)	(3)
Proceeds from repayment of financial asset		54	-
Project evaluation costs	6	(1,408)	(1,778)
Advances to joint venture		(251)	(207)
Net cash used in investing activities		(1,679)	(1,988)
Cash flows from financing activities			
Proceeds from issue of share capital	7	345	4,841
Listing and issue costs	7	-	(185)
Financing transaction costs paid		-	(192)
Proceeds short term working capital bridging finance		1,873	-
Net cash from financing activities		2,218	4,464
Net increase in cash and cash equivalents		(356)	1,996
Cash and cash equivalents:			
At beginning of period		1,315	150
Exchange differences		(11)	(11)
At end of period		948	2,135

The notes are an integral part of these unaudited condensed interim consolidated financial statements.

Notes to the condensed interim consolidated financial statements

For the six months to 30 June 2021 (unaudited) and 2020 (All amounts in GBP thousands unless otherwise stated)

1. Incorporation and principal activities

Country of incorporation

The Company was incorporated in United Kingdom as a public limited company on 24 October 2006. Its registered office is at 27/28 Eastcastle Street, London W1W 8DH.

Principal activities

The principal activities of the Group for the period are:

- To explore for mineral deposits of precious and base metals and other minerals that appear capable of commercial exploitation, including topographical, geological, geochemical and geophysical studies and exploratory drilling.
- To evaluate mineral deposits determining the technical feasibility and commercial viability of development, including the determination of the volume and grade of the deposit, examination of extraction methods, infrastructure requirements and market and finance studies.
- To develop, operate mineral deposits and market the metals produced.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been applied consistently throughout the period presented in these condensed interim consolidated financial statements unless otherwise stated.

Basis of preparation and consolidation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom ("UK-adopted IFRS"), with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted IFRS in its consolidated financial statements from 1 January 2021. There was no impact on the Group from this transition, nor any changes in accounting policy. These condensed consolidated financial statements have been prepared in accordance with UK-adopted IFRS.

These condensed interim consolidated financial statements ("the statements") are unaudited and include the financial statements of the Company and its subsidiary undertakings. They have been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements of the Company and the Group for the year ended 31 December 2020. These statements do not include all of the disclosures required for annual financial statements, and accordingly, should be read in conjunction with the financial statements and other information set out in the Company's 31 December 2020 Annual Report. The accounting policies are unchanged from those disclosed in the annual consolidated financial statements.

Going concern

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The annual financial statements of Kefi Gold and Copper Plc for the year ended 31 December 2020 were prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006. The Independent Auditors' Report on the Group's 2020 Annual Report was unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The Independent Auditors' Report contained a material uncertainty related to going concern."

We draw attention to the financial statements, which indicate that the Group incurred a net loss of £2,223,000 (2020: loss of £1,054,000 during the period ended 30 June 2021 and, as of that date, the Group's current liabilities exceeded its current assets by £4,859,000. As stated in this note events or conditions, along with other matters as set forth in this, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The assessment of the Group's ability to continue as a going concern involves judgment regarding future funding available for the development of the Tulu Kapi Gold project, exploration of the Saudi Arabia exploration properties and for working capital requirements. In considering the Group's ability to continue as a Going Concern, management have considered funds on hand at the date of approval of the financial statements, planned expenditures covering a period of at least 12 months from the date of approving these financial statements and the Group's strategic objectives as part of this assessment.

As at the date of approval of the financial statements, the Group expects to be able to obtain short-term bridging finance to fund activities until financial close. The Group has in the past arranged funding facility options that it has been able to drawdown and use when funding has been necessary. The Group has successfully used this type of funding in the past. The Group is managing payables through continuing negotiation with its management and suppliers, with the support of its Corporate Broker whilst it focuses on completing the project financing at Tulu Kapi. Financing will also be required to continue the development of the Tulu Kapi Gold Project through to production.

The Group's ability to continue as a going concern is contingent on raising additional capital and/or the successful exploration and subsequent exploitation of its areas of interest through sale or development. If sufficient additional capital is not raised, the going concern basis of accounting may not be appropriate, and the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

The Board are cognisant of the potential impacts of COVID-19 on the Group. To date, there has been little impact of COVID-19 on the Group's operations and, whilst the potential future impacts are unknown, the Board has considered the operational disruption that could be caused by factors such as illness amongst our workforce and potential disruptions to supply chain, factoring in these potential impacts and reasonably mitigating actions to forecasts and sensitivity scenarios.

Notwithstanding this as a result of historical and ongoing proactive discussions with stakeholders, the Board has a reasonable expectation that the Group will be able to raise further funds in order to meet its obligations. Subject to the above, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

New and amended standards adopted by the Company

The following new standards and interpretations became effective on 1 January 2021 and have been adopted by the Group.

- Amendments to Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable

3. Operating segments

The Group has only one distinct operating segment, being that of mineral exploration. The Group's exploration activities are located in Ethiopia, Saudi Arabia through the jointly controlled entity and its administration and management is based in Cyprus.

<u>Unaudited Six months ended 30 June 2021</u>	Cyprus	Ethiopia	Saudi Arabia	Total
	£'000	£'000	£'000	£'000
Operating loss (Excluding loss from jointly controlled entity)	(1,660)	(36)	-	(1,696)
Other finance costs	(419)	-	-	(419)
Foreign exchange profit	(204)	147	-	(57)
Share of loss from jointly controlled entity	-	-	(618)	(618)
Reversal of impairment loss in joint venture	-	-	567	567
Loss before tax	(2,283)	111	(51)	(2,223)
Tax				-
Loss for the period				(2,223)
Total assets	828	26,801	-	27,629

Total liabilities	(5,372)	(578)	(80)	(6,030)
Depreciation of property, plant and equipment	-	(7)	-	(7)

<u>Unaudited Six months ended 30 June 2020</u>	Cyprus	Ethiopia	Saudi Arabia	Total
	£'000	£'000	£'000	£'000
Operating loss (Excluding loss from jointly controlled entity)	(1,666)	(8)	-	(1,674)
Other finance costs	(192)	-	-	(192)
Foreign exchange loss	259	103	-	362
Share of loss from jointly controlled entity	-	-	(587)	(587)
Gain from Dilution of equity interest in joint venture	1,037	-	-	1,037
Loss before tax	(562)	95	(587)	(1,054)
Tax				-
Loss for the period				(1,054)
Total assets	5,404	14,770	-	20,174
Total liabilities	(3,340)	(231)	(43)	(3,614)
Depreciation of property, plant and equipment	-	(1)	-	(1)

4. Loss per share

The calculation of the basic and fully diluted loss per share attributable to the ordinary equity holders of the parent is based on the following data:

	Six months ended 30 June 2021 Unaudited £'000	Six months ended 30 June 2020 Unaudited £'000
Net loss attributable to equity shareholders	(2,223)	(1,054)
Net loss for basic and diluted loss attributable to equity shareholders	(2,223)	(1,054)
Weighted average number of ordinary shares for basic loss per share (000's)	2,145,425	1,401,656
Weighted average number of ordinary shares for diluted loss per share (000's)	2,283,973	1,462,687
Loss per share:		
Basic loss per share (pence)	(0.10)	(0.08)

The effect of share options and warrants on the loss per share is anti-dilutive.

5. Trade and other receivables

	30 June 2021 Unaudited £'000	31 Dec 2020 Audited £'000
Share Placement	-	232
Other receivables	19	38
VAT	207	178
	226	448

6. Intangible assets

**Total exploration
and project
evaluation costs
£ '000**

Cost	
At 1 January 2020 (Audited)	24,776
Additions	1,843
At 30 June 2021 (Unaudited)	26,619
Accumulated Impairment	
At 1 January 2021 (Audited)	(266)
At 30 June 2021 (Unaudited)	(266)
	26,353
Net Book Value at 30 June 2021 (Unaudited)	26,353
Net Book Value at 31 December 2020 (Audited)	24,510

7. Share capital

	Number of shares 000's	Share Capital £'000	Deferred shares £'000	Share premium £'000	Total £'000
Issued and fully paid					
At 1 January 2021 (Audited)	2,137,927	2,138	23,328	33,118	58,584
Share Equity Placement 12 April 2021	15,000	15	-	83	98
At 30 June 2021 (Unaudited)	2,152,927	2,153	23,328	33,201	58,682

Issued capital

During April 2021, the Company issued 15,000,000 new ordinary shares of 0.1p each in the capital of the Company at a price of 0.65p per share. Company received notice from a warrant holder to exercise warrants over a total of 15,000,000 new Ordinary Shares.

8. Share Based Payments

8.1. Warrants

Details of warrants outstanding as at 30 June 2021:

Grant date	Expiry date	Exercise price	Unaudited Number of warrants* 000's
19 Sep 2018	20 Sep 2023	2.5p	2,000
02 Aug 2019	02 Aug 2022	2.5p	19,500
6 Jan 2020	06 Jan 2023	1.25p	7,450
29 May 2020	29 May 2023	0.65p	5,000
20 Nov 2020	20 Nov 2023	1.60p	11,175
			45,125
		Weighted average ex. price	Unaudited Number of warrants* 000's
Outstanding warrants at 1 January 2021		1.56p	60,125
- granted			-
- exercised		1.60p	(15,000)
- cancelled/expired/forfeited			-
Outstanding warrants at 30 June 2021		1.86p	45,125

These warrants were issued to advisers and shareholders of the Group.

8.1. Share options reserve

Details of share options outstanding as at 30 June 2021:

Grant date	Expiry date	Exercise price	Unaudited Number of shares* 000's
12-Jan-16	11-Jan-22	7.14p	4,088
23-Feb-16	22-Feb-22	12.58p	176
05-Aug-16	05-Aug-22	10.20p	883
21-Mar-17	20-Mar-23	7.50p	7,024
01-Feb-18	31-Jan-24	4.50p	11,400
17-Mar-21	16-Mar-25	2.55p	119,747
			<u>143,318</u>

	30 June 2021 Unaudited	31 Dec 2020 Audited
Opening amount	1,273	1,118
Warrants issued costs	-	769
Share options issued to employees	136	21
Share options issued to directors and key management	348	30
Forfeited Options	-	-
Expired Options	(192)	-
Expired Warrants	-	(665)
	<u>1,565</u>	<u>1,273</u>

	Weighted average ex. price	Unaudited Number of shares* 000's
Outstanding options at 1 January 2021	7.35p	25,482
- granted	2.50p	119,747
- cancelled/expired/forfeited	22.44p	(1,911)
Outstanding options at 30 June 2021	2.91p	<u>143,318</u>

The Company has issued share options to directors, employees and advisers to the Group.

On 17 March 2021, 119,747,339 options were issued. The Options expire after 4 years and, in normal circumstances, vest in three equal instalments, the first after one year, the second after two years and the third after three years from the date of grant.

The option agreements contain provisions adjusting the exercise price in certain circumstances including the allotment of fully paid Ordinary shares by way of a capitalisation of the Company's reserves, a subdivision or consolidation of the Ordinary shares, a reduction of share capital and offers or invitations (whether by way of rights issue or otherwise) to the holders of Ordinary shares.

The estimated fair values of the options were calculated using the Black Scholes option pricing model. The inputs into the model and the results are as follows:

Date	Closing share price at issue date	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividend yield	Discount factor	Estimated fair value
17-Mar-21	2.05p	2.55p	89.27%	4yrs	0.281%	Nil	0%	1.21p

9. Trade and other payables

	30 June 2021 Unaudited £'000	31 Dec 2020 Audited £'000
Accruals and other payables	1,539	1,510
Other loans	125	134
Payable to joint venture partner (Note 11 and Note 12.3)	80	-
Payable to Key Management and Shareholder (Note 12.3)	2,026	1,481
	<u>3,770</u>	<u>3,125</u>

10. Loans and Borrowings

10.1 Short-Term Working Capital Bridging Finance

	Currency	Interest	Maturity	Repayment
Unsecured working capital bridging finance	GBP	See Table below	On Demand	See Table below

The Group has the option to access working capital from certain existing stakeholders for up to GBP £1.5 million. This unsecured working capital bridging finance is short-term debt which is unsecured and ranked below other loans. Bridging Finance facilities bear a fixed interest rate of 25% and are repayable at the earlier of a capital raise or 30 November 2021. In the event the Group was unable to pay this finance it would be repaid after other debt securities have been paid, if any. Management expects that the company would meet its contractual obligation on any such bridging finance on a timely basis going forward.

Unsecured working capital bridging finance	Balance 1 Jan 2021 Audited £'000	Drawdown Amount Unaudited £'000	Transaction Costs Unaudited £'000	Interest Unaudited £'000	Repayment Shares Unaudited £'000	Repayment Cash Unaudited £'000	Period Ended 30 June 2021 Unaudited £'000
Repayable in cash in less than a year	-	1,873	-	390	-	-	2,263

10.2 Reconciliation of liabilities arising from financing activities

	Cash Flows					
	Balance 1 Jan 2021	Inflow	(Outflow)	Finance Costs	Shares	Balance 30 June 2021
	Audited £'000	Unaudited £'000	Unaudited £'000	Unaudited £'000	Unaudited £'000	Unaudited £'000
Unsecured working capital bridging finance						
Short term loans	-	1,873		390	-	2,263
	-	- 1,873		390	-	2,263

11. Joint venture agreements

KEFI is the operating partner with a 34% shareholding in G&M with ARTAR holding the other 66%. KEFI provides G&M with technical advice and assistance, including personnel to manage and supervise all exploration and technical studies. ARTAR provides administrative advice and assistance to ensure that G&M remains in compliance with all governmental and other procedures. G&M has five Directors, of whom two are nominated by KEFI. However, decisions about the relevant activities of G&M require the unanimous consent of the five directors. G&M is treated as a jointly controlled entity and has been equity accounted and has reconciled its share in G&M's losses.

During 2019, the Company has diluted its interest in the Saudi joint-venture company Gold and Minerals from 40% to 34% by not contributing its pro rata share of expenses to G&M. Given that the carrying value of the G&M assets in the Company accounts at the date of dilution was nil because the Company's has a policy of expensing all the costs related to G&M to date. By diluting its interest to G&M to 34% the Company was released from this liability. This resulted in a gain of £1,037,000. In accordance with the group's accounting policy gain of £1,037,000 was reported in the profit or loss during the six month period ended 30 June 2020.

A loss of £618,000 was recognized by the Group for the period ended 30 June 2021 (2020: £587,000) representing the Group's share of losses for the period. As at 30 June 2021, KEFI owed ARTAR an amount of £80,000 (2020: £247,000). Shortly after 30 June 2021 KEFI transferred cash advance to Gold and Minerals of £185,000.

	Period Ended 30 June 2021 Unaudited
Opening Balance	-
Cash advanced during the period	251
FX Loss on advances made to G&M	(200)
Share of loss in joint venture	(618)
Reversal of an impairment loss	567
Closing Balance	-

12. Related party transactions

The following transactions were carried out with related parties:

12.1 Compensation of key management personnel

The total remuneration of the Directors and other key management personnel was as follows:

	Six months ended 30 June 2021 Unaudited £'000	Six months ended 30 June 2020 Unaudited £'000
Directors' fees	240	212
Directors' other benefits	17	26
Share-based benefits to directors	211	35
Directors bonus	-	106
Key management fees	491	481
Key management other benefits	6	11
Share-based benefits to key management	137	22
Key management bonus paid in shares	-	-
	1,102	893

Share-based benefits

The Company has issued share options to directors and key management. On 27 March 2014, the Board approved a new share option scheme ("the Scheme") for directors, senior managers and employees. The Scheme formalised the existing policy that options may be granted over ordinary shares representing up to a maximum of 10 per cent of the Group's issued share capital.

Executive Bonus Plan

On 7 June 2021 the Company entered into a related party transaction with executive directors Harry Anagnostaras-Adams and John Leach whereby certain cash bonuses will be paid on the achievement of defined and specific milestones in relation to the Tulu Kapi project.

12.2 Transactions with shareholders and related parties

Name	Nature of transactions	Relationship	Transaction to period end 30 June 2021 Unaudited £'000	Transaction to period end 30 June 2020 Unaudited £'000
Winchcombe Venture Limited	Receiving of management and other professional services	Key Management and Shareholder	377	323
Nanancito Limited/Mr.Nicoletto	Receiving of management and other professional services	Key Management and Shareholder	257	169

634

492

12.3 Payable to related parties

The Group			30 June 2021	30 Dec 2020
Name	Nature of transactions	Relationship	Unaudited £'000	Audited £'000
Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR")	Finance	Jointly controlled entity partner	80	-
Winchcombe Ventures Limited	Fees for services	Key Management and Shareholder	547	280
Nanancito Limited	Fees for services	Key Management and Shareholder	1,201	1,073
Directors	Fees for services	Key Management and Shareholder	278	128
			2,106	1,481

13. Capital commitments

	30 June 2021	31 Dec 2020
	Unaudited £'000	Audited £'000
Tulu Kapi Project costs	951	558
Saudi Arabia Exploration costs committed to field work that has been recommenced	1,184	1,406

Summary of estimated future but not yet contractually committed project development cost:

Once the Company and its partners in Tulu Kapi Gold Mine Share Company Limited start development at the Tulu Kapi Gold Project (the "Project") the Company will have project capital commitments. The following table summarizes the 24-month development Project estimated future capital commitments shown on an undiscounted basis.

	30 June 2021	30 June 2021
	Unaudited £'000	Unaudited £'000
On site Infrastructure	102,920	141,000
Mining	21,168	29,000
Off-site Infrastructure	14,599	20,000
Owner's Costs (community, working capital, management, spares, contingency reserves)	48,175	66,000
Interest during grace and other finance effects	21,168	29,000
Mine capex paid per tonne in cash	40,876	56,000
Cost overrun facility	10,949	15,000
¹ Total of not Contracted Project Capital Costs	259,854	356,000

¹The disclosed project capital costs above are based on estimates available at the date of the report. These estimated project capital costs are subject to change.

²USD/GBP rate used 1.37

14. Events after the reporting date

On 29 September 2021 the Company reported that the preparations for the launch of the development phase of the Company's Tulu Kapi Gold project have identified a number of security concerns that have led KEFI and TKGM to temporarily delay the Project until these are satisfactorily addressed. The Ethiopian Ministry of Mines has been notified as have the other Government agencies, the Company's financing partners and the local community. All parties respect the need to ensure the security

situation is completely ready for the Project construction to proceed and all continue to prepare for launch as soon as appropriate during Q4 2021.

In the meantime, the Company's Hawiah Copper-Gold Project ("Hawiah") in Saudi Arabia continues its fast-track programme to produce an expanded and upgraded Mineral Resource Estimate and Preliminary Feasibility Study for development.