KEFI

GOLD + COPPER

# 2024 Annual Report

Focused on Gold and Copper in the Arabian-Nubian Shield

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**Note: All $ figures in this report are US$**

# Mission, Approach and Timing

### Mission

The mission of KEFI Gold and Copper PLC ("KEFI" or the "Company") is to discover and acquire economic mineralisation, particularly gold, copper and other critical minerals, and follow through with cost-effective responsible exploration, mine development and production in compliance with local laws and international best practice.

Our geological region of focus is the Arabian-Nubian Shield, due to its outstanding prospectivity. KEFI's three advanced projects are in the two countries that contain the majority of the Arabian-Nubian Shield.

Our activities generated a strong project pipeline covering the spectrum from our Tulu Kapi Gold Project ("Tulu Kapi") at the funding stage in Ethiopia, to our Jibal Qutman Gold Project ("Jibal Qutman") and Hawiah Copper-Gold Project ("Hawiah") at the feasibility study stage in Saudi Arabia and to walk-up drill targets in both countries.

Our mission has taken us to the stage of focusing primarily on Tulu Kapi - closing the financing and commencing full development of our flagship project.

### Approach

KEFI was launched as a spin-off from Atalaya Mining PLC in 2006 as a £2.5 million initial public offering ("IPO") on the AIM Market of the London Stock Exchange. Whilst Atalaya was focused on copper production in Spain and exploration in Cyprus, KEFI has focused on prospecting in frontier markets and specifically the Arabian-Nubian Shield since 2008. The 2014 acquisition of Tulu Kapi triggered KEFI's appointment of a management team with a track record of successfully financing, developing and operating mines in Africa and elsewhere, and a prospecting team focused on making discoveries in Saudi Arabia.

KEFI emphasises the building of strong regional alliances, illustrated by our partnerships with:

- The Federal Government and the Oromia Regional Government in Ethiopia for our Tulu Kapi Gold Mines S.C. ("TKGM")subsidiary; and
- Abdul Rahman Saad Al Rashid and Sons Company Limited ("ARTAR") in the Kingdom of Saudi Arabia in our Gold and Minerals Co. Limited ("GMCO") joint venture.

We also have developed important relationships with major regional banks such as Eastern and Southern African Trade and Development Bank ("TDB") and Africa Finance Corporation ("AFC")

Our community relationships are founded on the principles of International Finance Corporation (World Bank) Performance Standards and Equator Principles, as are our environmental standards. Operationally, we align with industry specialists such as Lycopodium Limited ("Lycopodium"), which has supported us for process plant design in both Ethiopia and Saudi Arabia and BCM Group, our mining services contractor for Tulu Kapi in Ethiopia. We prioritise respecting our relationships, people generally and the environment above all else.

KEFI adheres to the highest principles of ethical and transparent behaviour. Geological reporting is in accordance with the JORC Code, the internationally recognised Australian standard for reporting of Mineral Resources and Ore Reserves.

### Timing

The governments of our two host countries have implemented positive regulatory changes and promoted fast-track growth of their mining sectors. This has transformed our ability to make progress on the ground.

Between now and 2027, KEFI will focus on achieving a carefully sequenced multi-pronged development of the group's three advanced projects, concurrently with the advancement of the large exploration pipeline. Along with our Saudi partner, we are currently conducting a strategic review of GMCO and of our shareholding therein. (GMCO holds the development exploration assets assembled in the Kingdom of Saudi Arabia).

We are confident in our mission and approach and the recent sharp improvement of in-host-country conditions indicate that our timing may be quite propitious. Fortunately, this has been further enhanced by all-time record gold and copper prices.

# Executive Chairman's Report

KEFI's key focus over the past year has been to complete the steps required to bring Tulu Kapi into production in Ethiopia. This process has required assembling, preserving through in-country challenges, working with, and occasionally refining the Project Syndicate which is comprised of a number of stakeholders including community, government, contractors, lenders and equity providers. We are now very close to completing this process, closing the c.$320 million project finance package and deploying substantial capital into developing Tulu Kapi.

On the other side of the Red Sea, our GMCO joint venture is now well-established as the leading private sector explorer/developer in the fast-emerging Saudi mining sector and its growth has coincided with the Saudi Government's widely publicised recent initiatives to welcome international expertise.

In late 2024, KEFI and our partner ARTAR decided to undertake a strategic review of GMCO and of KEFI's 15% shareholding in GMCO in light of its next stage of aggressive growth that included further building the GMCO leadership team and progressing development of Hawiah and Jibal Qutman. We believe there is great value in developing these projects and the substantial exploration potential. Unfortunately, during recent years the cost of raising sufficient funds via the issue of KEFI equity to maintain its interest was deemed to not be in the best interest of KEFI shareholders. This was due to the disconnect between the KEFI's current market capitalisation and the Board's considered view of the inherent value of KEFI's minority shareholding in GMCO and of KEFI's majority-owned flagship Tulu Kapi Project. This assessment will be kept under review as we trigger full launch of Tulu Kapi development and offers for the GMCO shareholding are evaluated. We are also seeing in international stock markets an increased capital allocation to the mining sector which, if it continues, will also potentially lower the cost of capital for KEFI.

The Company has received significant interest in its GMCO shareholding and GMCO's Saudi portfolio and is continuing discussions prior to finalising with its Saudi majority partner, ARTAR, the course of action deemed to provide the greatest value to KEFI.

GMCO continues to progress towards initially mining the oxidised gold portions of the Jibal Qutman and Hawiah deposits, as well as undertaking exploration programs over 14 recently granted Exploration Licences ("ELs") and a new 50/50 Joint Venture with Australian major mining group Hancock Prospecting.

Despite the exciting potential of GMCO's assets, KEFI's clear and immediate priority for its equity capital is to invest in our Ethiopian projects. At a gold price of $3,000/ounce, Tulu Kapi's net operating cash flow after royalties and taxes for the first full year of production is estimated at c.$304 million. This would be more than sufficient cash flow to repay the planned $240 million debt in the first full year of operation.

### Ethiopia - Tulu Kapi (KEFI beneficial interest targeted at circa 80%)

Ethiopia is demonstrating a clear determination to expedite its economic recovery after the damage of the internal conflicts of 2020-2021 and, once again, be among the world's top 10 growth countries, as it was for nearly 20 years up to 2017. A key part of the Ethiopian Government's strategy to achieve this strong growth is for the mining sector to increase from 1% of GDP today to 10% of GDP ten years from now. During 2025, gold for the first time ranks as Ethiopia's largest single export sector.

Tulu Kapi is designed to the highest international standards and will generate significant local and regional benefits. A similar gold project has also recently been launched in Ethiopia by Canadian company Allied Gold. Local conglomerate MIDROC operates the +100,000 ounce per year Lega Dembe Gold Mine and has two less advanced similar-scale projects. Ethiopia's mining sector is coming alive for gold and other minerals and metals.

There is significant potential to increase Tulu Kapi's current Ore Reserves of 1.05 million ounces of gold and Mineral Resources of 1.7 million ounces. Tulu Kapi is a high-grade (2.7g/t Resource) and high-recovery (94% metallurgical recovery) gold project in a quiet rural district, with a supportive community and no environmental or social legacy issues. Our fiscal arrangements are reasonable, clear and protected in a bilateral agreement with Government.

Economic projections for Tulu Kapi based on the open pit mine and an initial contribution from the underground mine indicate the following returns assuming a gold price of $3,000/ounce:

- Average EBITDA of $387 million per annum in the first 3 years of the project (KEFI's now planned c. 80% interest being c.$310 million per annum) For good order, it should be noted that this ownership calculation is at the TKGM level and we expect that mining contractor BCM will have the right to convert into equity at the parent company at future share prices;
- All-in Sustaining Costs ("AISC") of $960/ounce (note that royalty costs vary with the gold price); and
- All-in Costs ("AIC") of $1,206/ounce.

The assumptions underlying these projections are detailed in the footnotes to the table on page 23 of this Annual Report.

KEFI's business plan goes beyond the open-pit development and includes our intention to trigger early underground work to extend the existing underground Indicated Resource of 220,000 ounces (1.2 million tonnes ("Mt") at 5.7g/t). The Preliminary Economic Assessment ("PEA") estimates recovering about 200,000 ounces (1.5Mt at 4g/t) underground, supplementing open pit ore for the first seven years. The deposit is open down plunge with a last drill intercept of 90m at 2.8g/t, containing high-grade zones. KEFI estimates at least 1-million-ounce potential for underground ore.

Excluding the down-plunge potential of the underground, the 'Business Plan Model' projections show that running the plant at 2.3 million tonnes per annum results in over seven years of production averaging 164,000 ounces per year, generating a net cashflow to project shareholders of $1.1 to $1.6 billion at gold prices of $2,400 to $3,000/ounce over the initially defined life of the project. It is worth noting that on this basis net operating cash flow in the first full year of production is estimated at $231 to $304 million, compared to project finance debt of $240 million.

In Ethiopia, our focus is now on successfully closing the $320 million project finance package and the full launch of developing Tulu Kapi. Successful implementation of our plans will result in Tulu Kapi reaching full gold production in late 2027.

### Saudi Arabia – GMCO Overview

GMCO has, since its formation in 2008, focused on discovery of economic mineralisation in the Kingdom of Saudi Arabia, particularly gold and copper. GMCO has developed into arguably the most successful explorer in the Kingdom.

Jibal Qutman and Hawiah are enjoying positive regulatory support as we assess the choices of development plans. Substantial drilling programmes at both projects over the past year have better defined the known Mineral Resources as well as discovering nearby deposits. Given the expected expansion in resources, the ongoing development feasibility studies are focused on establishing the optimal start-up strategies (Stage 1 development) for both projects whilst defining the ultimate potential scale (Stage 2 development).

During the past two years, the Saudi Government has been implementing positive regulatory changes and providing incentives to fast-track the growth of their mining sectors. This has transformed GMCO's ability to make progress on the ground. GMCO has been granted more than 14 ELs recently along with being selected as one of six companies awarded exploration funding subsidies by the Government. We have also been awarded a strategic minerals belt exploration licence in joint venture with major Australian group Hancock Prospecting.

### Saudi Arabia – Hawiah (15% KEFI Current beneficial interest)

GMCO first focused on the Wadi Bidah Mineral Belt ("WBMB") and Hawiah in particular, shortly after launching our exploration programs. Regulatory overhauls allowed us to start drilling in 2019. Three VMS discoveries have been announced since then - Hawiah plus its discoveries at Al Godeyer and Abu Salal. We consider it likely that an expanding cluster of VMS deposits will be identified as we explore the expanded Hawiah Copper-Gold Project. The WBMB has also recently attracted extensive pegging around GMCO's tenements by the exploration joint venture of Government-controlled Ma'aden and Ivanhoe Electric.

GMCO drilling confirmed the Hawiah deposit in 2019 and it now ranks in the:
- top three base metal projects in Saudi Arabia; and
- top 15% VMS projects worldwide.

Our drilling since 2019 has delineated a Mineral Resource Estimate ("MRE") of 36.2Mt at 0.82% copper, 0.85% zinc, 0.64g/t gold and 10.0g/t silver.

Recent exploration has discovered two potential satellite orebodies near the proposed Hawiah processing plant. The nearby Al Godeyer deposit was discovered in 2022 and an initial MRE was estimated in 2023. Drilling at Abu Salal, approximately 50km south of Hawiah, intercepted sulphide mineralisation containing copper, gold, zinc and silver in multiple horizons in early 2024.

In addition, the granting to GMCO of the Umm Hijlan Exploration Licence ("EL") in early 2025 has almost doubled the targeted strike length of the Hawiah mineralised system. Drilling teams have already been mobilised.

Over the coming year, Hawiah development studies will be progressed in conjunction with drilling programmes to upgrade and expand the GMCO's copper-gold zinc-silver Mineral Resources in this major VMS district.

The new joint venture between GMCO/ARTAR and Hancock Prospecting will focus on a the recently granted 910km$^2$ EL over the adjacent Wadi Shwas Mineral Belt parallel to and geologically analogous with the WBMB.

### Saudi Arabia – Jibal Qutman (15% KEFI Current beneficial interest)

The aim is for Jibal Qutman's initial development to be triggered during 2025 focusing on open pit mining the oxide ore and Carbon-In-Leach ("CIL") processing.

Jibal Qutman is GMCO's first discovery in Saudi Arabia with initial development studies completed in 2015. Following a long hiatus whilst tenure security and regulatory reform were sorted out, drilling re-started in 2022. In early 2025, an increased Jibal Qutman MRE was released of 37.0Mt at 0.76g/t gold, containing 902,000 ounces of gold, 30.5Mt at 0.76g/t of gold (including 748,000 ounces in the Indicated category).

Systematic exploration is ongoing across the expanded Jibal Qutman tenure to identify further resource potential and confirm structural controls on recently identified higher-grade gold mineralisation. Drilling to date has focused only on an 8km long section of the original Jibal Qutman EL. The full 35km mineralised strike length remains to be tested.

### Summary and Conclusion

KEFI's targeted beneficial interest in Tulu Kapi has an NPV at construction start of $1,069 million or £804 million (see footnotes to the table on page 23 for assumptions and further information). This valuation indicator is approximately 16 times KEFI's current share market capitalisation of c. £50 million ($66 million). The Directors consider this a conventional industry measure of potential value once the projects have been successively de-risked.

Going forward, one would normally expect that as milestones are achieved, the Company's share price should redress the gap between our stock market capitalisation and the Company's underlying intrinsic value. As we move forward to production and profit-generation, we will concurrently explore the pipeline of targets we have cherry-picked since 2008, as well as consider other opportunities that will take advantage of, and add value to, our hard-earned, early-mover position in the Arabian Nubian Shield.

We are indeed at an opportune moment, made possible by our team's hard work, your support and patience as shareholders and now we are seizing the opportunities presented by the positive turnarounds in our host countries and the strengthening of metal prices. Together with my fellow Directors, I am committed to generating returns on investment. Management's personal alignment with shareholders is illustrated by my having formed and initially funded Atalaya Mining and consequently its then subsidiary KEFI during 2003-2005 and, since assuming executive duties at KEFI in 2014, taking much of my remuneration in shares. Atalaya now has a stock market capitalisation of c.£600 million which we expect will be surpassed by that of KEFI within a few years.

By emphasizing joint ventures and project-level development financing, we have reduced the pressure on KEFI shareholders to provide funding. In fact, at Tulu Kapi, the development capital is planned at the project or subsidiary level from regional investors, bankers, contractors, and other syndicate parties. We have also recently introduced Tier 1 institutional investors to the KEFI share register, as part of corporate organizational development.

KEFI's directors are deeply appreciative of our personnel's tenacity, as well as the support the Company receives from our shareholders, in-country partners, lenders, contractors, host communities and other stakeholders. It is certainly overdue for all stakeholders to share the success that the Company has worked for.

We have continued to build our team as we progress into developing Tulu Kapi. Operational management was installed at project company TKGM, with Simon Cleghorn as Managing Director and Theron Brand as Finance Director. Our Group Chief Operating Officer Mr Eddy Solbrandt leads KEFI's development team. Nearly all personnel are based in Ethiopia whilst Financial control and Compliance is based in Cyprus overseen by Financial Controller Laki Catsamas.

I welcome Mr Addis Alemayehou who became an independent Non-Executive Director in July 2024. Addis is based in Ethiopia and is the Chairman of Kazana Group, a diversified investment firm. He is well known for having launched several ventures in Ethiopia. His appointment is also part of our ongoing commitment to maximise local participation in both management and financing at all levels of our projects. Conversely, KEFI and I have been honoured by the Ethiopian Government appointing me as Honorary Consul to Cyprus, focused on developing economic ties between the two countries and starting with a focus on inviting Cyprus's world-class pharmaceutical industry to establish in Ethiopia.

We will further build the team and systems as KEFI moves towards production and as we expand our project pipeline, which we are well-positioned to do. KEFI's Arabian-Nubian Shield platform is second to none.

**Harry Anagnostaras-Adams**
**Executive Chairman**
**5 June 2025**

# Finance Director's Report

During the past year, the primary focus has been on advancing the funding package and the regulatory and other preparations for the development of Tulu Kapi as well as moving Jibal Qutman and Hawiah towards development. The Ethiopian and Saudi Arabian Governments have made changes that have facilitated and expanded financing options in each country. The Ethiopian Government has removed various obstacles to financing by providing key approvals and policy changes. Similarly, the Saudi Government's policies have attracted significant capital investment into its mineral exploration and mining sector from both domestic and international investors. That is expected to also happen in Ethiopia.

Ethiopia has shown support for the Project by making security commitments, regulatory concessions, and other initiatives to ensure the Project proceeds according to international standards. The Tulu Kapi funding syndicate consists of leading banks, contractors of process plants and mining, and other specialists, all of whom are at advanced stages of their respective approval processes. KEFI has structured its development funding at the subsidiary level in both Ethiopia and Saudi Arabia to maximise local stakeholder alignment and minimise reliance on weak stock markets for financing.

### Alliancing Strategy

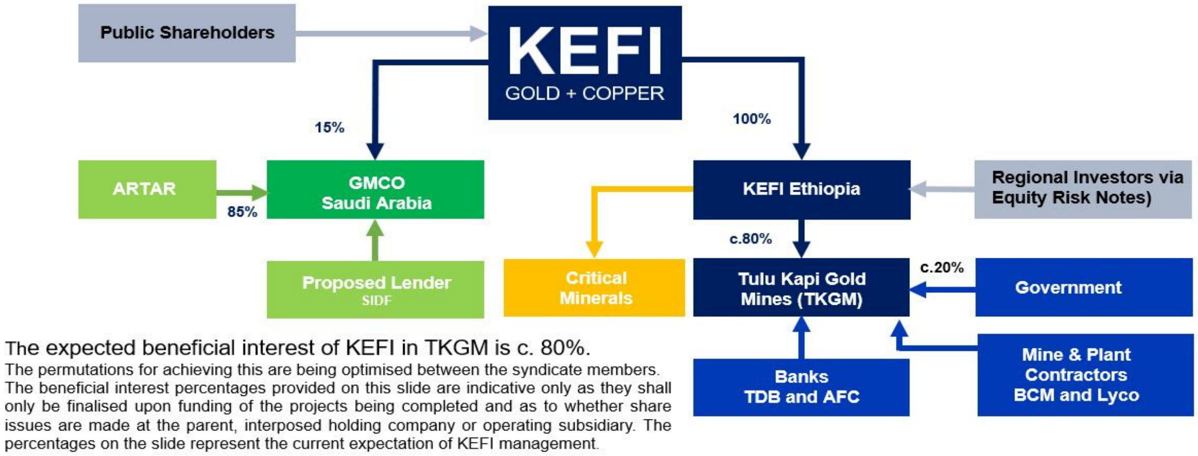
A notable reason for our solid position in the region is our alliancing strategy. Our operating alliances are with the following strong organisations:

- Partners:
  - in Ethiopia:
    - Federal Government of the Democratic Republic of Ethiopia
    - Oromia Regional Government
  - in Saudi Arabia: Abdul Rahman Saad Al Rashid and Sons Company Ltd ("ARTAR")
- Principal contractors:
  - for process plants in both Ethiopia and Saudi Arabia: Lycopodium
  - for mining in Ethiopia: BCM Group
- Senior project finance lenders:
  - For Tulu Kapi:
    - East and Southern African Trade and Development Bank Ltd ("TDB")
    - African Finance Corporation Limited ("AFC")
  - For Saudi Arabia:
    - Saudi Industrial Development Fund
- KEFI's public shareholder base:
  - KEFI's initial public offering in 2006 was sponsored by Atalaya and UK-based retail investors. The weakness of the sector, combined with our in-country challenges, until recently attracted limited and short-lived Western institutional investor involvement in KEFI;
  - the recent improvement in the gold price, combined with the positive turnaround in host country conditions and KEFI's own solid progress on the ground, now make it possible to introduce a set of institutional investors to the KEFI share register – an important requirement for the long-term as we move into development and production; and
  - as a result of our investor relations program, several prominent investment institutions are now KEFI shareholders including Ruffer Gold Fund, Konwave Gold Equity Fund, Phoenix Gold Fund, Premier Miton and RAB Capital.

### Financing Tulu Kapi Project Development

Tulu Kapi has particularly robust economic metrics, based largely on lack of overburden, high gold grades and high gold recoveries. As the first internationally project financed mining project in Ethiopia, it has taken many years to complete extensive regulatory reform. The patience and support of the Ethiopian Government is much appreciated.

TKGM is structured as a public-private partnership with Ethiopia's Federal and Regional Governments.




*Syndicate Structure of Partners, Regional Investors Banks and Contractors*

Current cost estimates (including finance costs and working capital) for the development of Tulu Kapi are c.$320 million, last updated in late 2022. The funding offers and commitments are conditional on finalising the cost estimates at signing of detailed definitive documentation and project launch. While cost-inflation appears to have decreased within the international gold industry, pricing will be updated to lock-in fixed-price lump sum contracts where possible prior to full project launch after which the final finance arrangements will be refined accordingly.

The $320 million funding package (excludes the mining fleet provided by the mining contractor and TKGM's historical equity investment of c.$100 million) is now expected to be sourced from:

- $240 million of debt from TDB and AFC;
- $10 million invested by KEFI as part of its historical investment;
- $45 million of Equity Risk Notes in the form of a bespoke arrangement with mining contractor BCM Group and as Gold-Linked Preference Shares ("EthioPrefs") for local qualified investors;
- $20 million of Government share investment into TKGM; and
- Fees and costs to be paid for in KEFI shares at closing.

In March 2025, our co-lending-bank AFC received support from all their respective committees and Boards to proceed. Following Ethiopian Parliamentary Ratification of AFC's Country Membership in May 2025, co-lender TDB is updating its formal approvals reflecting the expanded $240 million offering. The next steps are:

- Updating of all banking details and arrangements for latest approvals and associated plans;
- Formal receipt of the remaining Government confirmations on various well understood and already discussed issues;
- Up to the minute certifications of security, community readiness and project financial model;
- Finalising the US$-linked 'EthioPrefs' to be issued by a newly formed Ethiopian holding company designed for qualified Ethiopian and, potentially, other African investors later. Listing of the EthioPrefs on the newly launched Ethiopian Securities Exchange is expected to also follow at a later date; and
- Finalising arrangements with the BCM Group, the recently appointed mining contractor, which has confirmed its intention to subscribe to $23 million of a bespoke Equity Risk Note comprising an equity-risk ranking debt note with limited rights to convert into KEFI shares at the share market prices prevailing once operations have commenced.

After approval by all syndicate members, we can then proceed to trigger Major Works by:

- Signing the definitive documentation between the respective syndicate counterparties;
- Placing insurances and complete other administrative tasks;
- Drawing down first capital, starting with project equity and then debt months later;
- Commencing staged resettlement of approximately 350 households near Tulu Kapi; and
- Beginning procurement of plant and mining fleet as well as tendering by local sub-contractors.

### GMCO Ownership and Strategic Review

In order to maintain rapid progress on GMCO's projects in Saudi Arabia, ARTAR sole-funded GMCO's exploration activities during 2024. KEFI's net share of this expenditure totalled £3.7 million.

Given the disparity between KEFI's market capitalisation at that time, the Board's assessment of the intrinsic value of KEFI's minority shareholding in GMCO, and KEFI's majority-owned flagship Tulu Kapi Project, it was determined that raising sufficient funds through the issuance of KEFI equity to maintain our interest in GMCO would not serve the best interests of KEFI shareholders. Consequently, rather than contributing £6.8million to address the outstanding exploration liabilities, KEFI elected to reduce its stake in GMCO from 25% to 15%.

While ARTAR has the right to buy-out KEFI at fair market value, and while KEFI has the right to seek acquirers of its GMCO shareholding, we are examining a number of scenarios to optimise the future GMCO ownership structure for mutual benefit and to reciprocate ARTAR's continued support of the joint venture relationship. This much-appreciated support from ARTAR reflects the strong partnership relationship and the priority given to production start-up.

GMCO partners KEFI and ARTAR are currently conducting a strategic review. KEFI has received significant interest in its Saudi portfolio and is discussing with ARTAR to determine the best course of action to provide the greatest value to KEFI and the joint venture.

### Financing Working Capital for KEFI's Activities to Date

KEFI has funded all activities since it was formed through equity capital raised at then prevailing share market prices.

Importantly, this strategy has allowed KEFI to avoid imposing debt-repayment risk on top of the inherent risks associated with exploration, permitting, and other initial phases of project development, particularly in frontier mining markets. However, we have occasionally utilised short-term unsecured advances organised by our Corporate Broker to provide working capital while awaiting the accomplishment of short-term business goals.

The Directors underscore the challenges of managing working capital within the context of high-growth and high-risk exploration activities in the Going Concern Note of the Financial Statements, which shareholders are advised to review.

### Material Accounting Policy

KEFI expenses all investment in GMCO in Saudi Arabia as part of its conservative accounting approach, but we will review this upon Definitive Feasibility Studies being approved by the GMCO Board. KEFI's carrying value of the investment in KEFI Minerals (Ethiopia) Limited ("KME"), which holds the Company's share of Tulu Kapi is only £31.4 million as at 31 December 2024. It is important to note KEFI's planned c.80% beneficial interest in the underlying valuation of Tulu Kapi is c.£804 ($1,069) million based on project NPV at a gold price of $3,000/ounce and including the initial underground mine.

J Leach

***John Leach***
***Finance Director***
5 June 2025

# Board of Directors – KEFI Gold and Copper PLC

**Harry Anagnostaras-Adams – Managing Director and Executive Chairman**

Mr Anagnostaras-Adams (B. Comm, MBA) founded KEFI, was inaugural Chairman and has been Executive Chairman since 2014. Mr Anagnostaras-Adams is the Chairman of the Physical Risks Committee. He holds a Bachelor of Commerce (Finance and Systems) from the University of New South Wales, Australia and a Master of Business Administration from the Australian Graduate School of Management. He qualified as a Chartered Accountant while working with PricewaterhouseCoopers.

Mr Anagnostaras-Adams also founded AIM and TSX-listed Atalaya Mining PLC (previously EMED Mining Public Ltd) which is now a major European copper producer and Venus Minerals PLC which is exploring for copper in Cyprus. Mr Anagnostaras-Adams has previously served as the Managing Director of Atalaya Mining PLC, ASX and AIM-listed, Devex Limited (later Gympie Gold Limited), Executive Director of investment company Pilatus Capital Ltd., General Manager of the resources investment group Clayton Robard Limited Group, Senior Investment Manager of Citicorp Capital Investors Australia Ltd. and serves (or has served) as a Non-Executive Director of many other public and private companies across a range of industries. He has led or supported many successful natural resource investment companies and start-ups in gold, natural gas, industrial minerals.

**John Leach – Finance Director**

Mr Leach was appointed Non-Executive Director and part-time Finance Director in December 2006 with responsibility for oversight of the Company's finance and accounting functions. In August 2016, he assumed a full-time role as Finance Director as part of the Company's transition towards gold production.

Mr Leach holds a Bachelor of Arts (Economics) and a Master of Business Administration. Mr Leach qualified as a Chartered Accountant in both Australia and Canada and a Fellow of the Australian Institute of Directors. He has over 30 years' experience in senior financial and executive director positions within the mining industry internationally. Mr Leach has served on the Board of AIM and TSX-listed Atalaya Mining PLC (2007 to 2014) and is a former Chairman of the boards of Pan Continental Oil & Gas NL (2017), Resource Mining Corporation Limited (2006 to 2007) and served on the Board of Gympie Gold Limited (1995 to 2003).

**Addis Alemayehou, Non-Executive Director**

Appointed to Board on 22 July 2024.

Mr Addis Alemayehou serves as the Chairman of Kazana Group, a diversified investment firm dedicated to early-stage, high-impact, tech-driven, and climate-smart initiatives, aiming to generate mass employment in Africa. Renowned for launching transformative ventures in Ethiopia, Mr Alemayehou established Kana TV, the country's first dubbed television station; Afro FM, Ethiopia's inaugural English-language radio station; and 251 Communications, a leading communications company. He also provides advisory services to global institutions on investment opportunities in East Africa. Currently, Mr Alemayehou is a Board Member of Dangote Industries Ethiopia.

**Alistair Clark, Non-Executive Director**

Appointed to Board on 1 July 2023.

Dr Alistair Clark was Managing Director, Environment and Sustainability Department at the European Bank for Reconstruction and Development ("EBRD") from 2001 to 2021. Alistair obtained his PhD from Imperial College, London and was recently a Non-Executive Director of UK Export Finance and Chair of the Export Guarantees Advisory Council.

**Richard Robinson – Non-Executive Independent Director**

Appointed to Board on 22 August 2019.

Mr. Richard Robinson holds a Master of Mineral Economics Queen's University (Can); B. Computer Science University of Natal (South Africa) and has been involved for over 40 years in the international gold, platinum, base metals and coal industries. He spent over 20 years at Gold Fields of South Africa Ltd where he had executive responsibility for gold operations, gold exploration, international operations, the base metals and coal operations, and all the group commercial activities. His experience also includes being Managing Director of Normandy LaSource SAS, Non-Executive Chairman of the private Swiss multinational Metalor Technologies International SA and Non-Executive Director of Recylex SA.

# Organisational Development

KEFI's senior management team is drawn from leading mining jurisdictions internationally and is well placed to further drive KEFI's organisational development over the next three years. As a result, KEFI is poised to become a leading producer in the highly prospective Arabian-Nubian Shield with significant organic growth potential.

Alongside the executive directors, the following long-standing international specialists comprise the KEFI senior management team:

- Eddy Solbrandt, German - Chief Operating Officer - founder of GPR Dehler, an independent, international management consultancy which specialises productivity improvement for mining companies worldwide including leading African miners such as Anglo-Gold Ashanti;
- Norman Green, Namibian - Head of Projects – founder of Green Team International, a longstanding project management consultancy to the extractive industries with an exemplary record of project developments in Africa in particular; and
- Rob Williams, Australian – General Manager – Corporate Development – longstanding project planning, management and oversight roles in organisations such as BHP and Coffeys as well as with the Executive Chairman in successful start-ups in Europe and Australia.

As the Group advances into development, operational readiness and production operations in more than one site, the governance processes involve bespoke teams designed around the priorities of the day. These teams include officers from our partners and specialist advisers from the external consulting groups with whom we maintain active working relationships. The bases for such reviews will be Addis Ababa and Riyadh given the site of operations and the role of regional partners and other capital providers.

Group Financial Controller is Laki Catsamas based in Nicosia, Cyprus.

Our senior executive team is presently almost entirely dedicated to development and support of the majority-owned organisation in Ethiopia. We currently employ 59 people in Ethiopia – ten of whom are expatriates. Many more specialist experts support the in-country team from their international locations, as we prepare for construction.

TKGM's management team has been expanded with the appointment of Simon Cleghorn as Managing Director, Theron Brand as Finance Director, Jacques Kruger as Project Manager. Country Director for Ethiopia is Abera Mamo and Ethiopian Development Manager is Dr Kebede Belete.

GMCO has a large exploration team and recently appointed a development-focused CEO to lead the development chapter about to begin. The team is being assembled accordingly and details will be provided in due course. GMCO's Board includes the ARTAR CEO and CIO, KEFI Chairman, former Deputy Minister of Mines and former CEO of Centerra.

As part of organisational development plans, KEFI, TKGM and GMCO have assembled respective recruitment plans and introduced senior executive remuneration packages with both short-term and long-term incentives tied to business milestones. The KEFI arrangements are reviewed by the Board with external independent advice. The ethos will remain to provide higher potential returns to management based on the level of risk they assume as regards their level of remuneration and, of course, the higher the returns successfully generated for shareholders.

*Meeting in KEFI Minerals (Ethiopia) office in Addis Ababa*

# Environmental, Social and Governance Responsibility

KEFI recognises the pivotal role of corporate social responsibility ("CSR") in achieving its objectives. Understanding, reporting on, and enhancing CSR metrics are essential for advancing our operations to benefit both our employees and the broader community.

### Health and Safety

Mining activities inherently entail risks, and it is our duty to minimise these risks as much as possible. Health and safety are paramount in achieving this goal. We continue to work diligently on maintaining formal training systems and robust reporting procedures to identify areas for improvement across all our operations.

We recognise the significance of safety for our employees, contractors, communities, operating companies, financiers and other parties invested in our success.

*Hawiah teams at safety meeting.*

### Environment

There are no artisanal miners on or in the vicinity of our Tulu Kapi Mining Licence. This is a huge environmental and social advantage over many other mining locations in Africa.

Despite being in the early stages, KEFI is dedicated to adhering to stringent local and international environmental standards as we explore and develop our projects.

### Social Licence

KEFI regards social licence as fundamental to our business. Without the trust and support of host communities and key stakeholders, would not be possible to achieve our objectives. This is particularly true in the minerals sector, especially when advancing projects from exploration to development and into production.

We prioritise supporting the communities where we operate, viewing ourselves as a compassionate corporate citizen. We have a history of contributing locally and are committed to fostering an environment that focuses on the well-being of our employees and their communities. Our joint ventures in Ethiopia and Saudi Arabia have long-standing relationships with their communities, earning trust through responsible corporate citizenship.

In addition to contributing to community development funds, we have established charitable endowments and engage in infrastructure development and training programs. We also collaborate with local authorities to enhance infrastructure, such as roads and airstrips, for the benefit of the community beyond the project's lifespan.

In Ethiopia:

- TKGM has already provided the following to the:
    - Community: direct and indirect employment positions, school, roads, bridges, fresh water supply;
    - District: preferential procurement from local suppliers of accommodation, food and materials; and
    - Region: funding for the establishment of infrastructure in new host lands for resettled households.

- TKGM plans to provide the following once the project is fully launched and developed:
    - Community: approximately 1,000 employment positions, scholarships and training;
    - District: preferential procurement of supplies for an operation which will generate a high economic and employment multiplier effects throughout the surrounding district;
    - Region: new road and electrification to be brought to Tulu Kapi; and
    - Federal: largest single exporter at $300-400 million per annum at current gold prices, largest royalty payer, taxes.

*Tulu Kapi Community Resettlement Process, March 2025.*

In Saudi Arabia:

- GMCO has provided the following:
    - Over 150 direct and indirect local employment positions in the community;
    - Preferential procurement from local suppliers for accommodation, water, fuel and food;
    - Graduate recruitment and skills training for six Saudi nationals; and
    - Active engagement with the local IMARA and government authorities on matters of local and community interest.
- GMCO plans to provide the following once the Hawiah and Jibal Qutman Projects are fully launched and developed:
    - Over 1,000 direct and indirect employment positions;
    - Active training and skills development for Saudi Nationals in line with the goals of the Saudi Vision 2030;
    - Preferential procurement and supplier contracts for ongoing operations; and
    - Regional development of road, water, electrification and health care to nearby villages and development.

### Reporting Standards

Transparency and adherence to international standards are central to our operations.

TKGM, like KEFI, complies with leading international standards for social and environmental aspects, including World Bank IFC Principles and Equator Principles. Our Environmental and Social Impact Assessment, along with baseline studies, are readily available, showcasing our commitment to responsible practices.

Once development begins, we will commence external reporting the following functions and activity sets:


### Resettlement Action Plan

The Resettlement Action Plan ("RAP") outlines the framework and approach for Tulu Kapi's resettlement program, ensuring compliance with Ethiopian legislation and international standards.

As Tulu Kapi Gold Project progresses from exploration to establishing a functioning mine, there will be a need to compensate, resettle and relocate households, along with churches, cemeteries, and burial sites.

The need for land access to construct Tulu Kapi has necessitated the creation of the RAP. This plan adheres to Ethiopian legislation regarding land acquisition, expropriation, and compensation processes and follows the IFC's Performance Standards on Environmental and Social Sustainability. The RAP has been developed through ongoing consultations with external advisors and stakeholders.

The implementation of the resettlement program will align with the construction schedule of Tulu Kapi, with affected persons phased according to construction priorities. Compensation payments, according to construction phase allocation, will be made to landholders, who will then have maximum of 120 days to vacate the land. The Government of Ethiopia and TKGM aim to provide various forms of support throughout the resettlement process.

TKGM is collaborating with external agencies to design transitional assistance packages for each resettling household, aiming to maintain community cohesion. Additionally, TKGM will support the government in land use planning, infrastructure development, and livelihood restoration.

Recognising both positive and negative impacts on the community, TKGM aims to bring long-term benefits to the Tulu Kapi area and West Wollega.

*Construction of new main access road to Tulu Kapi - January 2025.*

Key components of the RAP include identifying project impacts and affected populations, public consultation frameworks, legal frameworks for land acquisition and compensation, development assistance, organisational responsibilities, grievance redress mechanisms, and monitoring and evaluation frameworks, along with a resettlement budget and implementation schedules.

Aligned with IFC guidance, the RAP views resettlement as an opportunity to improve the livelihoods of affected people. Consultation and participation of affected individuals are integral to the planning process, ensuring mitigation measures are in place and maximising the benefits of resettlement.

The first phase of RAP implementation started in early 2025. In March 2025, KEFI reported that the community is supporting and agreeing to the resettlement plans and compensation surveys, as explained by Government authorities for individual households within the Mining Licence area. This followed settling the first compensation sum for the initial construction camp area.

### Corporate Governance

The Directors of the Company have elected to follow the main principles of the QCA Corporate Governance Code (the "QCA Code"), which identifies ten principles that focus on the pursuit of medium to long-term value for shareholders without stifling the entrepreneurial spirit which the Company has so carefully created:

1. **Business Model & Strategy:** The Board must be able to express a shared view of the Company's purpose, business model and strategy. In this regard, KEFI's Board reviews and approves annual reports, plans and budgets plus monthly progress reports.
2. **Understanding Shareholder Needs and Expectations:** The directors must develop a good understanding of the needs and expectations of the Company's shareholder base. In this regard, KEFI's Chairman regularly consults the largest shareholders conducts a quarterly Webinar providing live Question and Answer session for all shareholders.
3. **Considering Wider Stakeholder and Social Responsibilities:** The QCA Code states that long-term success relies upon good relations with a range of different stakeholder groups both internal and external. The Board needs to identify the Company's stakeholders and understand their needs, interests and expectations. In this regard, an example of KEFI conduct is that operating subsidiary TKGM is member of the TKGM-Government Task Force for oversight of Project co-ordination and progress.
4. **Risk Management:** The Board needs to ensure that the Company's risk management framework identifies and addresses all relevant risks to execute and deliver the Company's strategy. In this regard, KEFI's own risk assessments are supplemented by independent risk reviews by independent experts across a wide range of topics,

including security, environmental, social, cost-control and schedule control.

5. **Well-functioning Board of Directors:** The Board must be maintained as a well-functioning, balanced team led by the Chair. The Board should have an appropriate balance between executive and non-executive directors and have at least two independent non-executive directors.
6. **Appropriate Skills and Experience of the Directors:** The Board must have an appropriate balance of skills and experience and not be dominated by one person or group of people. KEFI’s Board includes individuals with extensive experience in mining and African business building, operations, financing and government relations.
7. **Evaluating Board Performance:** The QCA Code states that the Board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and individual directors. In this regard, an initiative that emerged from such a review was to ensure that at least one KEFI non-executive director sits in on the Board meetings of joint venture operating companies to reinforce full transparency through to the parent from the subsidiary structures.
8. **Corporate Culture:** The Board should promote a corporate culture that is based on ethical values and behaviours. In this regard, KEFI’s Chairman in Ethiopia was elected the Chairman of the International Progress Association for Mining in Ethiopia, in our view, reflecting the well-established standing of Tulu Kapi as a project in the country and also the recognition of our commitment to the highest ethical values and behaviour.
9. **Maintenance of Governance Structures and Processes:** The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its size and complexity. In this regard, TKGM’s Social Performance Team is being further expanded to a full-staffing level and stationed at Tulu Kapi to be able to continuously consult the community in a systematic manner as development launches, with reports being provided through to the rest of the organisation.
10. **Shareholder Communication:** The QCA Code states a healthy dialogue should exist between the Board and all its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. In this regard, it is relevant that all KEFI shareholder resolutions have received overwhelming approval of more than 85% at the general meetings.

Full details of the governance charters and other disclosures can be found on the Corporate Governance page of Company’s website.

# History of KEFI's Progress

KEFI's Mission at its IPO in December 2006 was to discover +1-million-ounce gold (or gold-equivalent) deposits. Rapid prospect and regulatory assessments in several countries led KEFI to focus on the underexplored Precambrian Arabian-Nubian Shield in Saudi Arabia in 2008 and Ethiopia in 2013 and divest its interests elsewhere.

In Turkey, KEFI was successful in the discovery of epithermal gold at its Yatiktas and Derenin Tepe prospects. Yatiktas was sold to Koza Gold with a 2.5% NSR and Derenin Tepe was sold to Ariana Resources with a 2% NSR. The Artvin porphyry copper-gold VMS project and the Bakir Tepe copper-gold VMS project were successfully joint ventured with Centerra Gold and subsequently divested.

In Ethiopia, KEFI identified the potential of the +1-million-ounce gold deposit at Tulu Kapi that had been evaluated by Nyota Minerals PLC in 2012. This asset was acquired 100% by KEFI in 2013-2014 for £6 million in shares, enjoining Nyota shareholders with KEFI shareholders. KEFI proceeded to completely overhaul the development approach and work with Ethiopian Government to progress the project to the funding stage.

Since 2008, KEFI and GMCO have:

- Built an impressive portfolio of exploration properties
- At Jibal Qutman:
  - discovered several gold deposits by 2013;
  - released a maiden MRE and initial Preliminary Economic Assessment ("PEA") in 2015;
  - re-attained the key three adjacent ELs in 2022 which have potential to make this project a multi-million ounce gold project;
  - published an updated MRE in 2025; and
  - the DFS for Stage 1 is in preparation.
- At Hawiah:
  - drill-confirmed the Hawiah copper-gold VMS deposit in 2019;
  - released a maiden MRE and initial PEA in 2020;
  - acquired the adjacent Al-Godeyer ELs in late 2021;
  - published an updated MRE and commenced feasibility studies in 2022, 2023 and 2025;
  - secured the substantial Umm Hijlan licence in 2025, approximately doubling the known mineralised strike length and which hosts the outcropping Mamilah orogenic gold trend; and
  - now assessing alternative development scenarios before triggering Stage 1 development.

KEFI shareholders have provided £88 million of equity funding since the initial IPO and the Company has now assembled three advanced development projects with NPV's well in excess of that investment and a large pipeline of other projects.

# Ethiopia - Overview

The Federal Democratic Republic of Ethiopia is a major economic and political power within the East African region, as well as hosting the headquarters for the African Union and many international political and non-government organisations.

Until a few years ago, Ethiopia was one of the world's top-ten growth countries for nearly 20 years running and now, having overcome its recent security issues, is demonstrating a clear determination to expedite the economic recovery and the pursuit of its economic objectives. Whilst the Company always maintains a strictly apolitical stance, we remain of the strong belief that Ethiopia's transformative strategies are overwhelmingly positive and auger well for the outlook for the country, our sector, and our Company.

Organised as a Parliamentary republic, Ethiopia is composed of 10 governing regions alongside two chartered cities (Addis Ababa and Dire Dawa), which are in turn composed of 68 districts. Regional divisions are strongly associated with the country's 7 major ethnic groups, particularly those of the Oromia and Amhara regions which together account for more than 60% of the country's population. The population is approximately 135 million and has an average age of 20 years.

Political transformation is indeed occurring at a rapid pace. After toppling the socialist-military regime in 1991, the Tigray-based political party dominated the coalition party and thus the Federal Government, effectively leading the country until 2018. Change within the ruling coalition party in 2018 led to the election of Prime Minister Dr. Abiy Ahmed, who has led significant changes in politics and economic direction and systems.

In November 2020 the Federal Government enforced law and order by taking military and police action in Tigray to preserve compliance with the constitution of Ethiopia. These security programmes and the global COVID pandemic strained Ethiopia's social cohesion and economic performance. However, the security situation has improved enormously in Ethiopia following the end of the civil war in the country's northern regions during December 2021 and the lifting of the national state of emergency in February 2022.

#### Ethiopia's Mining Sector

Less than 1% of Ethiopia's GDP is from the mining sector, but the Government's 10-year target is 10%. If operating today, Tulu Kapi would be the largest single export generator in Ethiopia. And, if the top four gold projects are producing in five years, their combined exports would rival total exports from Ethiopia today.

Tulu Kapi has been one of the country's first large-scale mining project for some 30 years to progress through Government approvals and is designed to the highest international standards. It therefore is imposing many demands on a regulatory system which the Ethiopian Government is upgrading, under strong Ministerial leadership, determined to build a modern minerals sector. Other major mining projects are also now being initiated such as Allied Gold's Kurmuk Gold Project.

The Government is continually improving the country's mining regulatory framework. Recent initiatives include the digitisation of the EL application lodgement system plus other policy precedents brought to the Government's attention by the private sector, such as:

- Specialist internationally accredited contractors being allowed to operate in Ethiopia;
- Whilst we are still resolving the detailed operating arrangements, bank accounts have been permitted for us in major international financial centres to allow mining project finance; and
- Permissible capital ratios now cater for the capital-intensity and project-debt-gearing of mining.

# Ethiopia – Tulu Kapi Gold Project

Tulu Kapi is a fully permitted, low-cost, initially open-pit and then also underground, gold mine. The Ethiopian Government has demonstrated itself to be very supportive of Tulu Kapi and has made many security commitments, regulatory concessions, and taken other initiatives to allow the project to proceed in accordance with the highest international standards.

Tulu Kapi's gold production is currently estimated to average c. 164,000 ounces per annum over the first seven years of mining the open pit and underground. The estimated AISC of $960/ounce is lower than the industry average (note that the AISC includes royalty costs which vary with the gold price).

All aspects of the Tulu Kapi (open pit) gold project have been reported in compliance with the JORC Code and subjected to reviews by appropriate independent experts. These plans now also reflect duly updated construction and operating terms with project contractors.

Ore Reserves of 1.05 million ounces and Mineral Resources of 1.7 million ounces have significant upside potential, particularly extending the current high-grade Resources under the planned open pit. There are also potential satellite gold deposits within a 50km radius of Tulu Kapi, including the Guji-Komto Project which has drilling indicating shallow open-cut resources of +0.5 million ounces of gold.

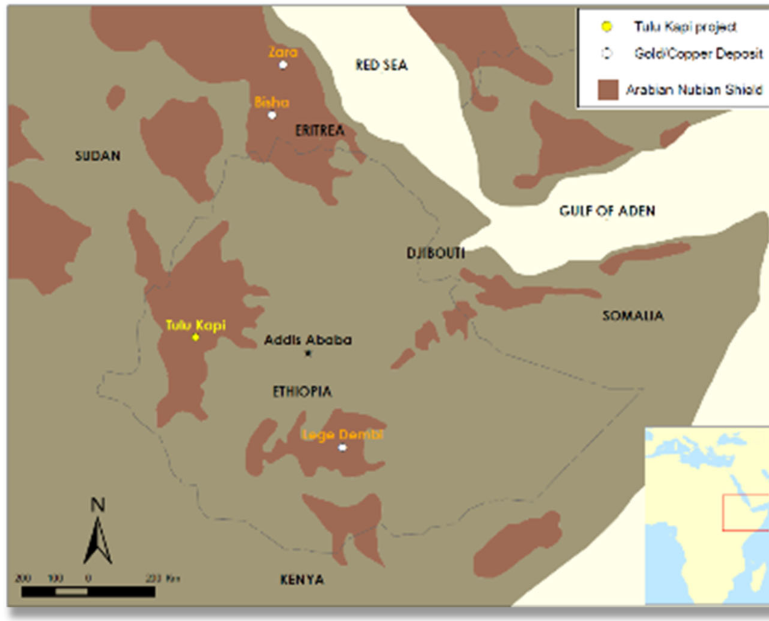
### Tulu Kapi - Background

Tulu Kapi is located c.360km due west of Ethiopia's capital, Addis Ababa. A main road to Addis Ababa has now been sealed to within 12km of Tulu Kapi.

The altitude of the project area is between 1,600m and 1,765m above sea level. The climate is temperate with annual rainfall averaging about 150cm.

The surface topography around Tulu Kapi is hilly with deeply dissected river valleys. Subsistence farmers primarily grow coffee, crops and fruit.

The Tulu Kapi gold deposit was discovered and mined on a small scale by an Italian consortium in the 1930s. Nyota Minerals Limited acquired the project in 2009 and then undertook extensive exploration and drilling which culminated in an initial DFS in December 2012. KEFI acquired 75% of the Share Capital of Nyota in December 2013 and the remaining 25% in September 2014.




*Location of Tulu Kapi in Ethiopia.*

### Tulu Kapi – Permits and Mining Agreement

The Tulu Kapi Mining Agreement between the Ethiopian Government and KEFI was formalised in April 2015. The terms of the Mining Agreement include:

- 20-year (renewable) Mining Licence covering an area of $7km^2$, with full permits for the development and operation of the Tulu Kapi Gold Project.
- Fiscal arrangements:
  - 5% Government free-carried interest;
  - Royalty of 7%;
  - Income tax rate for mining of 25%;
  - Historical and future capital expenditure is tax deductible over four years; and
  - Stabilisation of fiscal arrangement to protect KEFI in case of future legislative changes.
- Government undertaking to facilitate international financing arrangements for Tulu Kapi in this new sector.

Attachments to the Mining Agreement include the Environmental and Social Impact Assessment, the Development and Production Work Programme and the Community Resettlement Action Plan.

### Tulu Kapi – Project Launch Preparations

In collaboration with the regulatory agencies at all four levels of the Ethiopian Government, TKGM is implementing a staged project launch. Administrative procedures are proceeding in parallel with detailed definitive agreements being finalised:

- Government field support and the administrative confirmations required were recently presented by the Company to the highest levels of Federal and Regional Government with the follow-through in process;
- Refreshed contractual confirmations for process plant and mining services are in train, so that signings can occur with up-to-date fixed-price and other relevant components;
- First community compensation has been paid, establishing important precedents and allowing construction of the initial construction camp;
- Local Government is carrying out the Community Property Survey so as to set the full community resettlement budget in order to avoid any misalignment after major works are launched;
  - Activities taken recently to reduce construction schedule risk:
  - Alternative access road from highway to site, now over 50% complete, to improve efficiency and security;
  - Initial construction camp now being built;
  - Increased water supply being installed for community and works.

Following the signing of detailed definitive documentation and full launch of the project, our schedule is to commence commissioning gold production in mid-2027.

*Above and below, temporary construction camp being installed in March 2025.*

A practical Relocation Action Plan (“RAP”) has been finalised through continuous consultation with external stakeholders. The resettlement program plans to relocate 358 households, totalling 1,774 individuals, in accordance with Ethiopian legislation on public land acquisition, expropriation, and compensation. TKGM collaborates closely with all government levels, using the IFC’s Performance Standards on environmental and social sustainability as the guideline for best international practices.

Following the IFC's guidelines, this RAP views resettlement as an opportunity to improve the livelihoods of affected people. It ensures that all those identified and confirmed as affected will be consulted and involved in the planning to mitigate adverse effects and enhance the benefits of resettlement.

The first phase of RAP implementation started in early 2025. Host lands had been identified and surveyed by the Woreda, and consultations with the community regarding these lands had begun.

The resettlement program will align with the mine's construction schedule, phasing the resettlement based on infrastructure priority areas. Compensation payments will follow Ethiopian land expropriation laws and regulations with landholders receiving payments according to their phase allocation. The Government and TKGM plan to support all individuals in the resettlement program throughout its implementation.

TKGM, in collaboration with the Government and external agencies, is designing transitional assistance packages for each resettling household to maintain social links and community cohesion. TKGM will fully support the Government in developing land use plans, infrastructure, and other preparations at each site. Additionally, TKGM has partnered with external specialists to execute the project's Livelihood Restoration Plan.

*Community Briefings at Tulu Kapi, March 2025.*

KEFI has also established The Tulu Kapi Charitable Endowment ("TKCE") and will fund this by way of allocating a percentage of revenue from gold production. The TKCE operates independently of the company and decides on which community projects in relation to skills. health and community development to support.

#### Tulu Kapi - Geology

The Tulu Kapi region has typical Precambrian geology containing metasediments, metavolcanics and intrusive rocks.

Gold at the Tulu Kapi deposit is hosted in quartz-albite alteration zones as planar stacked lenses that dip 30° to the northwest in a syenite pluton. Gold mineralisation extends over a 1.5km by 0.5km zone and is open at depth (+550m). The mineralisation is characterised by a simple mineralogy comprising gold, silver, pyrite and minor sphalerite and galena. The gold is free milling with metallurgical recoveries averaging 93% for oxide and sulphide ore in the planned open pit.

At depth beneath the main body of mineralised syenite there is a zone that is characterised by significantly higher gold grades, with occasional coarse visible gold, more base metal sulphides.

### Tulu Kapi – Resources and Reserves

The Tulu Kapi Mineral Resources total 20.2Mt at 2.65g/t gold, containing 1.72 million ounces. As summarised in the table below, c. 94% of the Mineral Resources are in the Indicated category.

| Resource Category | Area | Tonnes (millions) | Gold (g/t) | Contained Gold (million ounces) |
|---|---|---|---|---|
| Indicated | Above 1,400m RL | 17.7 | 2.49 | 1.42 |
| Inferred | | 1.3 | 2.05 | 0.08 |
| **Sub-Total** | | **19.0** | **2.46** | **1.50** |
| Indicated | Below 1,400m RL | 1.1 | 5.63 | 0.20 |
| Inferred | | 0.1 | 6.25 | 0.02 |
| **Sub-Total** | | **1.2** | **5.69** | **0.22** |
| Indicated | Overall | 18.8 | 2.67 | 1.62 |
| Inferred | | 1.4 | 2.40 | 0.10 |
| **Total** | | **20.2** | **2.65** | **1.72** |

***Note: Resources were estimated using cut-off grades of 0.45g/t gold above 1,400m RL and 2.50g/t gold below 1,400m RL. For further information, see KEFI announcement dated 4 February 2015.***

The Mineral Resources were split above and below the 1,400m RL to reasonably reflect the portions of the resource that may be mined via open pit and underground mining methods, respectively.

The Tulu Kapi Ore Reserves were based on the Indicated Resource above 1,400m RL and total 15.4Mt at 2.12g/t gold, containing 1.05 million ounces. As detailed in the table below, the high-grade portion of the Ore Reserve contains nearly all the contained ounces and totals 12.0Mt at 2.52g/t gold, containing 0.98 million ounces. This split shows that 78% of the ore tonnes and 93% of the contained gold is contained in the higher-grade zones of the Ore Reserve which are processed preferentially.

| Reserve Category | Cut-off (g/t gold) | Tonnes (millions) | Gold (g/t) | Contained Gold (million ounces) |
|---|---|---|---|---|
| Probable - High grade | 0.90 | 12.0 | 2.52 | 0.98 |
| Probable - Low grade | 0.50 - 0.90 | 3.3 | 0.73 | 0.08 |
| **Total** | | **15.4** | **2.12** | **1.05** |

***Note: Mineral Resources are inclusive of Ore Reserves.***

The above Mineral Resources and Ore Reserves were estimated using the guidelines of the JORC Code.

### Tulu Kapi - Definitive Feasibility Study and Subsequent Optimisation

The Tulu Kapi Definitive Feasibility Study ("2015 DFS") completed in 2015 evaluated a conventional open-pit mining operation with a 1.2Mtpa carbon-in-leach ("CIL") processing plant.

Lycopodium completed in 2016 a Front-End Engineering Design Study ("FEED Study") for the design and construction of an integrated 1.5Mtpa ore processing facility. Lycopodium then prepared the 2017 DFS Update which incorporated due diligence and refinements since the 2015 DFS.

KEFI has continued to engage with the key stakeholders in Tulu Kapi to optimise project development plans. Whilst Mineral Resources, Ore Reserves and the mine plan have remained essentially unchanged, the planned processing plant was expanded to a nameplate of 1.9-2.1 Mtpa, in order to increase early cash flows by reducing stockpiles. Cost estimates were updated by suppliers in late 2022 and further improvements were made to the project development plans.

### Tulu Kapi – Financial Modelling

Tulu Kapi's 2025 Lenders' Base Case is predicated on the 2015 DFS and subsequent work in relation to developing an open-pit mining operation with a CIL processing plant. This conservative development scenario has been analysed and approved by the Independent Technical Adviser for the Secured Lenders and provides a sound foundation for assessing the project's debt capacity. These refinements were the product of collaboration between the KEFI project management team, its specialist advisers and the project contractors.

The 2025 Lenders' Case does not include potential additional revenue flowing from developing an underground mine below the open pit, optimising process plant throughput or refinancing the funding package once open-pit production has settled down.

In order to more reasonably present to shareholders and partners KEFI's actual business plans, the 2025 Owners' Business Plan overlays key planning assumptions onto the 2025 Lenders' Case. The following important factors are modelled in the 2025 Owners' Business Plan:

- Underground Mine:
  - Based on current Indicated Resources of 1.1Mt at 5.6g/t gold, containing 0.2 million ounces;
  - Developed during first two years of mining the open pit; and
  - In-fill drilling from underground for initial underground Ore Reserves and detailed stope design.
- Simulate initial underground production of c.200,000 ounces over Production Years 3 to 7 (1.5Mt at 4.1 g/t gold) based on the internal PEA.
- Refinancing of the higher-cost initial development finance at the start of Production Year 3.
- Recognise revenue from silver of 1 ounce silver per 2 ounces gold based on assay results.
- Processing plant throughput increased by 20% above the contracted minimum or "name-plate" processing rate. These are PEA-level analyses for reasonable approximations subject to full DFS and operational-level planning in due course.

The Owners' Business Plan gold production totals approximately 1.2 million ounces gold over the life of the project, comprising approximately 1.0 million ounces from the open-pit mine and 200,000 ounces from the initial underground operation. Average production in the first seven years is estimated at 164,000 ounces per annum, with production peaking at 227,000 ounces in production year 4.

Summarised below are 2025 Owners' Business Plan scenarios at gold prices reflecting Standard & Poor's long-term gold average analyst forecast (c.$2,400/ounce) and current spot (c.$3,000/ounce).

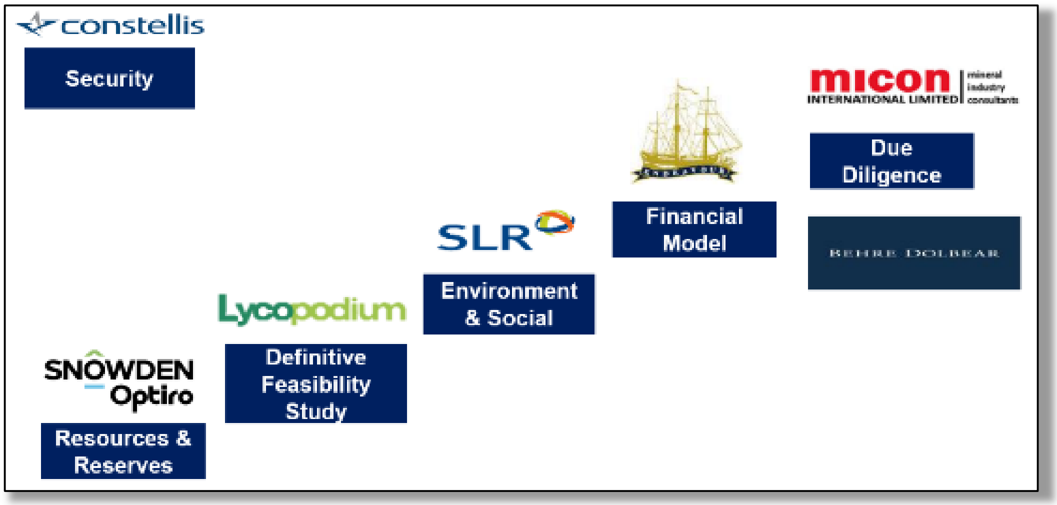
*Summary of key parameters and financial outcomes of 2025 Owners' Business Plan (100% of Tulu Kapi Project)*

| Gold price scenario | $/ounce | 2,400 | 3,000 |
|---|---|---|---|
| **Operating parameters** | | | |
| Tonnes processed | Mt pa | 2.3 | 2.3 |
| Head grade | g/t | 2.3 | 2.3 |
| Recovery | % | 93.8% | 93.8% |
| Annual gold production | Ounces pa | 164,000 | 164,000 |
| Waste-to-ore | Ratio | 6.8 | 6.8 |
| **Cash cost metrics** | | | |
| All-in Sustaining Costs ("AISC") | $/ounce | 918 | 960 |
| All-in Costs (incl. initial capex) | $/ounce | 1,164 | 1,206 |
| Break-even cost (repays all debt) | $/ounce | 1,474 | 1,651 |
| **NPV, IRR and valuation** | | | |
| Leveraged IRR at construction start | % | 64.7 | 89.0 |
| Leveraged $NPV_5$ at construction start | $M | 690 | 1,069 |
| Leveraged $NPV_5$ at production start | $M | 887 | 1,315 |
| EBITDA, average of first 3 years | $M | 283 | 387 |

***Notes:***

- *These management estimates are not presented in accordance with IFRS. Some terms, such as EBITDA and AISC, are unaudited projections of the conventional industry reporting conventions such as IFRS measures.*
- *Further information on the Tulu Kapi DFS optimisation and Owners' Business Plan is available in the Tulu Kapi Gold Project Overview published in March 2025 and available on KEFI's website. The numbers in the table above are sourced from Table 1 of this Overview.*
- *AISC include all operating costs, maintenance capital and royalties.*
- *Royalties increase with the gold price and therefore so does AISC.*
- *Operating parameters are for the first seven years of gold production.*
- *All-in-Costs stated after the plant residual value estimated at $150 million.*
- *Break-even cost is after everything including debt repayment and taxation.*

Shown below are the leading industry experts who have been involved the various Tulu Kapi studies:




**Tulu Kapi – Development Overview**

Tulu Kapi is planned to be a conventional open-pit mining operation with a CIL processing plant. The mine will be connected to Ethiopia's electricity grid via a new 47km long, 132 kV dedicated power line relatively close to Ethiopia's major hydro power-generation source. An emergency diesel power plant will also be installed to provide emergency backup power to critical process equipment in the event of a grid power failure.

Tulu Kapi is permitted for development and operation. The work currently being undertaken should ensure construction can proceed quickly and efficiently once funding is in place. Ancillary licences and permits are expected to be dealt with expeditiously in the normal manner as development progresses. The implementation plans have been agreed on a base schedule of 24 months with incentive arrangements to encourage faster start-up.

Our development plan includes a fixed price, lump-sum processing plant "design and supply contract" with Lycopodium and a warranted ore processing rate of 1.9-2.1 million tonnes per annum. The plant assembly aspect of the development is planned as a reimbursable cost-based arrangement.

The mining services agreement with BCM Group is a conventional schedule of rates agreement under which the African mining services specialist provides the mining equipment, systems and operators and gets paid for performing according to the KEFI/TKGM plans and directions.

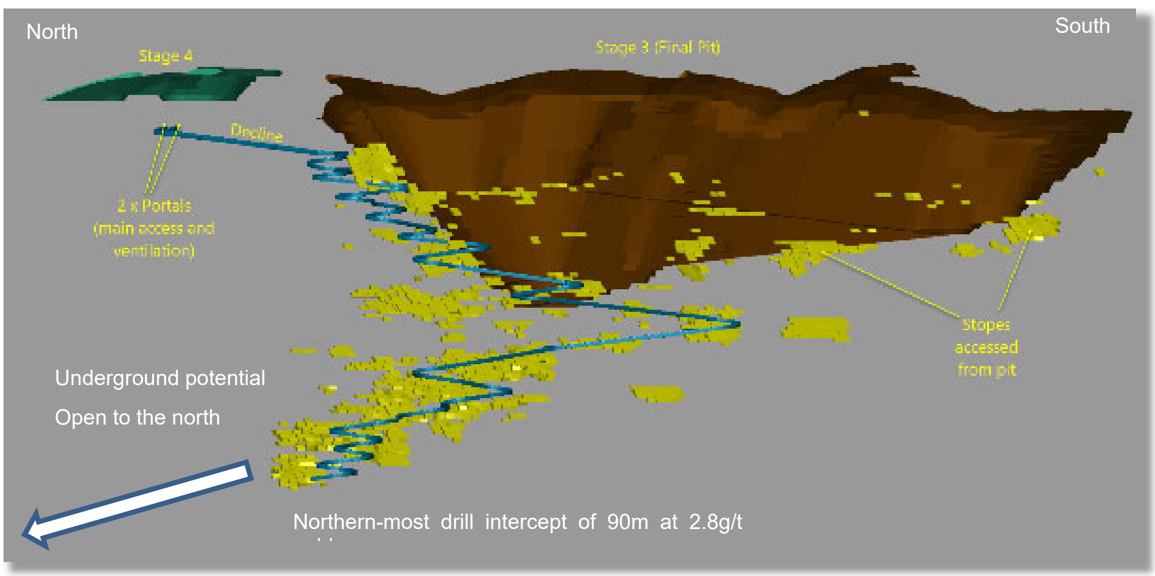
The current cost (including finance costs and working capital) to develop Tulu Kapi is estimated to be $320 million as summarised below:

| $ millions | |
|---|---|
| 36 | Mining (excluding mining fleet provided by the contractor) |
| 161 | Processing plant |
| 20 | Infrastructure |
| 15 | Bulk earthworks |
| 28 | Social and environment |
| 32 | Owners' costs and working capital |
| 28 | Finance costs |
| **320** | **Total development costs** |

The above estimates were last updated in late 2022 and are in the process of being updated to lock-in fixed-price lump sum contracts prior to full project launch.

### Tulu Kapi – Underground Mine Potential

The Tulu Kapi orebody is amenable to underground mining as the ground conditions are good with gold grades increasing and ore lenses thickening with depth. Gold mineralisation remains open along strike, down plunge and at depth. Notably, the most northerly hole drilled into the deepest portion of the deposit intersected 90m at 2.8g/t gold and demonstrates that the deposit remains open down plunge.




*View looking east, showing planned open pit and conceptual underground mine design.*

An internal PEA of Tulu Kapi's underground mining potential was completed in March 2016. The PEA considered the gold mineralisation below the base of planned open pit, which is c. 1,450m RL (i.e. 50m higher than the 1,400m RL division for the 2015 Mineral Resource Statement). It also considered mining economic lenses above 1,450m RL but outside of the planned open pit.

The Business Plan is to extend the mine below the planned open pit using underground methods to extract the existing Indicated Resource of 1.08Mt at 5.63g/t for 220,000 ounces of contained gold below 1,450m RL. There remains substantial potential below this resource as the deepest drill intercept of 90m at 2.8g/t gold.

Based on the current resource, a study undertaken in 2022 determined that 1.5Mt at 4.1g/t (c. 200,000 ounces) is mineable. The cost of mining (excluding processing, site administration etc) was estimated to be approximately $130 million which compares with its revenue contribution of $480 million assuming a gold price of $2400/ounce.

The PEA has been supplemented with updated preliminary underground mine plans which have been integrated into a combined production profile. At this early stage of planning for the underground mine, key features of the combined production profile are that:

- Currently identified ore from the underground mine will increase overall gold recovered by c. 200,000 ounces to c. 1.2 million ounces;
- Processing plant throughput is optimised to approximately 20% above nameplate capacity which lifts annual production; and
- Subject to the results of a full DFS, underground mine development is targeted to commence in the first half of open-pit operations.

Subject to the results of planned drilling to extend resources at depth, targeted to make a larger contribution than is currently assumed in financial modelling. As the deposit remains open, KEFI has identified the potential for exploration to triple the current 330,000 ounce underground MRE to c. 1 million ounces.

# Ethiopia - Exploration Potential

Regional exploration is at an early stage, but significant potential has already been identified for further gold orebodies to be discovered near Tulu Kapi.

The Komto-Guji structure strikes over 9km and has potential for 0.3 to 0.5 million ounces of gold oxide mineralisation in shallow open pits that may be processed by heap leach, or at the Tulu Kapi processing plant.

The Tulu Kapi gold district has enormous potential and is clearly a multi-million-ounce gold system.

In late 2024, KEFI was awarded 100% of the Konso EL which is located The Konso Project is c. 635km southwest of Addis Ababa. Konso was previously explored by the Ethiopian Geological Survey and by global major Vale, prior to its country exit in 2012. These historic programmes identified large zones of copper (plus nickel / cobalt / platinum group metals) and tantalum (plus lithium) now warranting follow-up exploration, focusing initially on copper and tantalum based on their long term economic outlook.

# Saudi Arabia - Overview

Saudi Arabia is the largest country in the Middle East and the Kingdom was founded in 1932, uniting the four regions into a single state and has since effectively been an absolute monarchy governed along Islamist lines. The population is approximately 37 million and with an average age of 32 years.

GMCO's growth has coincided with the Saudi Government's widely publicised recent initiatives to welcome international expertise and fast-track the growth of its mining sector. GMCO is fully committed to the Saudi Vision 2030 and the development of skills within Saudi Arabia. To this end GMCO is classified as a High Green company on the Saudi Nitaqat Program.

**Saudi Arabia's Mining Sector**

The Kingdom of Saudi Arabia is a country with a long history of gold and copper mining that dates back over 3,000 years. Exploration for gold was deregulated for foreign investment in 2006.

Despite making two significant discoveries in Saudi Arabia since entering the country in 2008, our progress in the country accelerated since early 2022 due to regulatory overhauls.

The country's prospectivity for further discovery is widely recognised and the international mining industry is mobilising at the invitation of the Government. The new mining law that came into effect in 2021 targets the exploitation of the Kingdom's mineral resources and the development of its mineral-based manufacturing industry.

Saudi Arabia created the Ministry of Industry and Mineral Resources to intensify efforts to expand the minerals sector, which is now officially proclaimed to become the third pillar of the Saudi economy. A mining fund has been established by the state, to provide development finance for the sector as well as support geological survey and exploration programs.

The Kingdom's competitive Licensing Rounds are a continuation of the Government's efforts towards unlocking the country's vast mineral resources by fast-tracking exploration activity. These Rounds are designed to enable the Kingdom to identify the most suitable exploration partners for long-term growth and investment in the Saudi mining sector.

Such initiatives auger well for GMCO, because we are one of very few long-standing active explorers and we have developed a huge database since 2008, which can be applied when new areas become available for EL Applications.

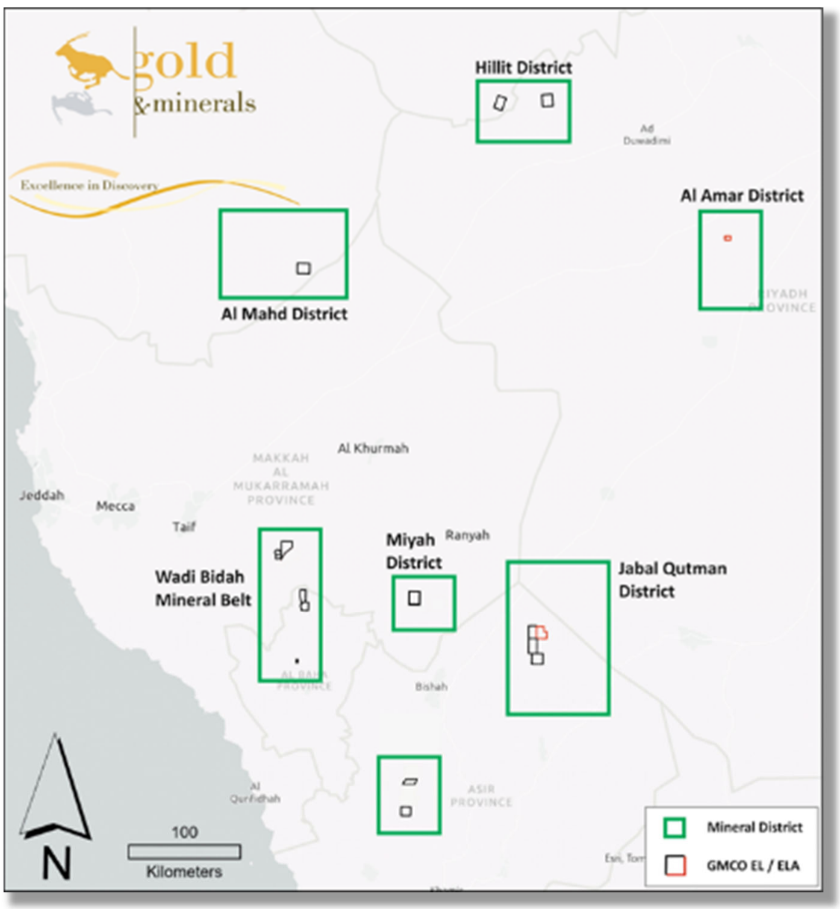
**Saudi Arabia – GMCO's Exploration and Development**

GMCO's rate of successful discovery, despite limited ground access until 2022, is testament to Saudi prospectivity. GMCO discovered the Hawiah VMS deposit in 2019 and the nearby Al Godeyer VMS deposit in 2022. Drilling during 2024 based on geological modelling and interpretation has discovered a similar VMS copper-gold-zinc-silver system at Abu Salal located around 50km south of Hawiah.

Following the award of fifteen ELs since the beginning of 2022, GMCO now holds a total of sixteen ELs covering an area of more than 1,000km$^2$. This demonstrates the overhauled regulatory regime and the seriousness of Saudi Arabia's commitment to the development of its minerals sector.

The recently granted ELs are designed to establish additional resources near our existing discoveries and explore within four highly prospective regions. EL applications have often been made by ARTAR on behalf of GMCO so as to expedite the process. ARTAR has a legal commitment to transfer its licences into GMCO at any time.

Saudi Arabia is indeed fast-tracking its exploration and mining sector with GMCO at the forefront. We expect significant progress over the coming weeks and months, which will reinforce the value being created through GMCO's aggressive and technically leading-edge exploration programme, for the past few years running at the rate of over $20 million per annum.




***Location of GMCO ELs and ELAs in Saudi Arabia.***

Key commercial advantages for GMCO in Saudi Arabia are:

- the GMCO joint venture relationship bringing together complementary skills and capacities;
- a country under-explored for minerals with only a few companies historically exploring for gold and copper;

- the Precambrian ANS rocks are very prospective for gold and copper;
- exploration and operating costs are low by industry standards, benefitting from low energy and labour costs;
- Saudi Industrial Development Fund potentially provides loans for up to 75% of the capital cost of mine development at attractive interest rates; and
- a new Mining Law implemented in 2021 which has facilitated faster EL processing times.

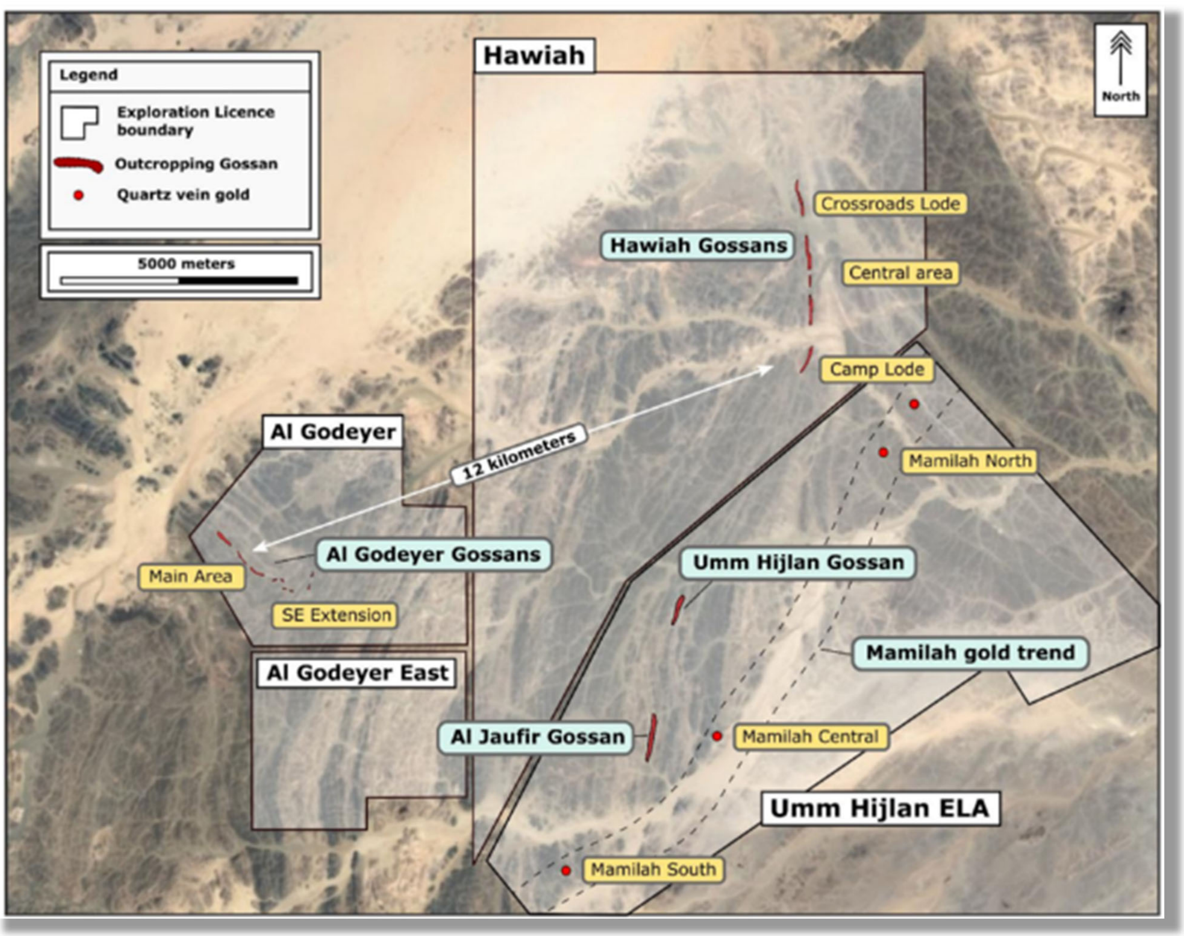
Going forward the Company's Saudi assets are expected to have relatively short approval, financing and development schedules given:

- GMCO's long-established proprietary database and successful exploration teams;
- there is often no need to resettle communities or high-security security protocols for operations; and
- established in-country capital markets and funding options.

## Saudi Arabia - Hawiah Copper-Gold Project

GMCO commenced drilling at Hawiah in September 2019 and quickly confirmed a large-scale VMS style of deposit underlying the outcropping 4.5km long gossanous ridge. Whilst mineralisation is continuous across the 4.5Km strike length, two distinct massive sulphide 'lodes' have been delineated (Camp and Crossroads Lodes), representing areas of greater sulphide thickness. The polymetallic massive sulphide mineralisation comprises copper, gold, zinc and silver with intercepts of up to 5% copper equivalent.

VMS deposits are well understood to form in clusters, and Hawiah is no exception. Key gossans identified near the Hawiah deposit are shown in the diagram below.




*Plan showing the Exploration Licences comprising the Hawiah Copper-Gold Project with key gossans.*

Exploration commenced at the nearby Al Godeyer Project in early 2022 and drilling under gossan quickly confirmed similar copper-gold mineralisation to the Hawiah VMS deposit.

The recently granted Umm Hijlan EL adjoins the original Hawiah EL consolidates a 210km$^2$ strategic licence area for GMCO and offers the prospect of adding significant additional oxide and sulphide resources. The Umm Hijlan EL has already been demonstrated to contain the southern strike continuation of the main Hawiah VMS system. The strike length of known gossans on the Umm Hijlan EL is similar to the length of gossans on the Hawiah EL.

In early 2025, KEFI announced the following:

- Hawiah MRE of 36.2Mt at 0.82% copper, 0.85% zinc, 0.64g/t gold and 10.0g/t silver; and
- Al Godeyer MRE of 2.0Mt at 0.93% copper, 0.53% zinc, 1.21g/t gold and 7.4g/t silver.

The above estimates increased the resource tonnage and upgraded the resource classification for both the main Hawiah deposit and the nearby Al Godeyer deposit.

The combined Hawiah Project Resources now total 38.2Mt (84% Indicated Resources), of which 14.7Mt report to Open-Pit Scenarios. With 85% (32Mt) of the Project's Mineral Resources now in the Indicated Resource category, further work is likely to define substantial Ore Reserves to provide the firm basis for a long-life mine with potential for lower cost open-pit development during the early years of the Project.

Planned drilling of the recently granted Umm Hijlan EL is targeted to quickly define further nearby resources along strike of the Hawiah deposit.

Overall, the results of the updated MRE, combined with the prospectivity of the expanded licence holdings, provide a solid foundation for long-term development planning for what was already the third largest base metals development project in Saudi Arabia.

#### Hawiah Deposit - Geology and History

The Hawiah deposit sits at the northern end of the prospective WBMB. The north trending, 120km long and 20km wide WBMB is comprised of Precambrian Shield rocks is subdivided into three groups. These three groups represent a back-arc volcanic progression, plunging west, from mafic volcanic to bimodal epiclastic. The numerous deposits of the WBMB are thought to have been mined since A.D.725 as evidenced from radio-carbon dating of charcoal recovered from the slag dumps in the district. Ancient mining activity was directed towards gold recovery from gossans and vein deposits. These ancient workings were not deep enough to exploit unoxidised massive sulphides.

Modern exploration in the Wadi Bidah region began in 1936 with the Saudi Arabian Mining Syndicate. The first documented exploration at Hawiah was in the 1980s by the Bureau de Recherches Geoligiques et Miniere ("BRGM") of France. Hawiah's silicified and gossanous ridgeline was originally mapped and trenched by the BRGM which identified its near-surface gold-bearing potential.

GMCO's reconnaissance team identified that the prominent 4.5km long, approximately north-south trending ridgeline represents the leached gossanous cap of a VMS deposit. The Hawiah EL contains bimodal mafic and felsic volcanics and volcaniclastics units with outcropping stratiform VMS mineralisation situated on the eastern limb of a broad, south-plunging regional anticline.

GMCO has undertaken a sequential exploration program of mapping, rock chip sampling, trenching and geophysics since 2014. This work led to GMCO commencing drilling at Hawiah in 2019. A total of 375 diamond drillholes, 114 reverse circulation drillholes and 56 trenches have provided the data for the 2025 Hawiah MRE.

*Diamond drilling at Hawiah during 2023.*

Diamond drilling has shown that the unweathered subsurface extension of the ridgeline is comprised of massive sulphide hosted within a greenschist altered volcanic package. This package near surface has been subject to variable supergene alteration as a result of rock-groundwater interactions. This has resulted in three weathering/alteration domains across the length of the ridgeline:

- **Oxide** (0-40m depth) – preferentially enriched in gold
- **Transitional** (40-80m depth) – preferentially enriched in copper
- **Fresh** (>80m depth) – representing ~88% of the 2025 Hawiah MRE

Drillhole spacing in the Oxide and Transition domains is typically 50m. Spacing within the Fresh domain is typically 30-80m (Indicated classification) and approximately 120m (Inferred classification).

*Drillers commemorating hole HWD_222 reaching the targeted end-of-hole depth of 1,000m in the Crossroads area of Hawiah.*

*Diamond drill core logging racks at Hawiah.*

### Hawiah Deposit - Mineral Resource Estimates

Since the commencement of major exploration works at Hawiah in early 2019, KEFI has announced the following MREs in accordance with the JORC Code:

- 19.3 million tonnes at 0.87% copper, 0.81% zinc, 0.56 g/t gold and 10.25 g/t silver (August 2020)
- 24.9Mt at a 0.90% copper, 0.85% zinc, 0.62 g/t gold and 9.81 g/t silver (December 2021)
- 29.0 Mt at 0.89% copper, 0.94% zinc, 0.67 g/t gold and 10.1 g/t silver (December 2022)
- **36.2Mt at 0.82% copper, 0.86% zinc, 0.64g/t gold and 10.0g/t silver (February 2025)**

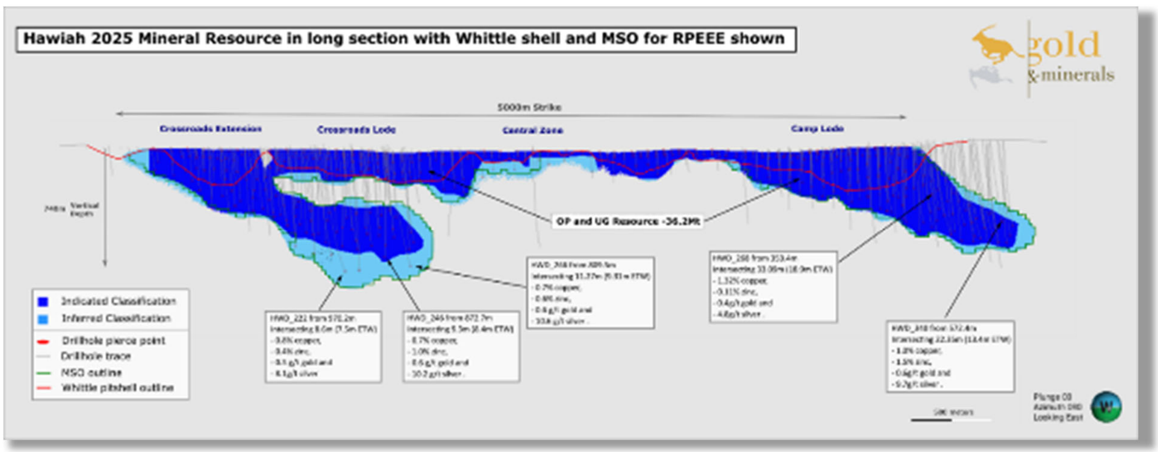
The 2025 Hawiah MRE represents a significant increase in tonnage from 29.0Mt to 36.2Mt and small decreases in grades to 0.82% copper to 0.86% zinc, 0.64g/t gold and 10.0 g/t silver. The additional resource tonnage is largely driven by the expansion of the Crossroads Lode at depth.

The 2025 Hawiah MRE is classified as:

- **Indicated - Open Pit -** 12.7Mt at 0.85% copper, 0.83% zinc, 0.81g/t gold and 10.8g/t silver
- **Indicated - Underground -** 17.8Mt at 0.85% copper, 0.91% zinc, 0.56g/t gold and 9.9g/t silver
- **Inferred - Open Pit -** 0.01Mt at 1.18% copper, 1.14% zinc, 0.65g/t gold and 9.6g/t silver
- **Inferred - Underground –** 5.7 Mt at 0.69% copper, 0.74% zinc, 0.51g/t gold and 8.4g/t silver

Based on the 2025 MRE, the Hawiah deposit is estimated to contain a total of 297,000 tonnes of copper, 310,000 tonnes of zinc, 745,000 gold ounces and 11.6 million silver ounces.

Hawiah Open Pit Indicated Resources have increased by 3.5Mt to 12.7Mt. This continues to demonstrate a robust case for a lower cost open-pit development during the early years of the Project, further strengthening the economic case.

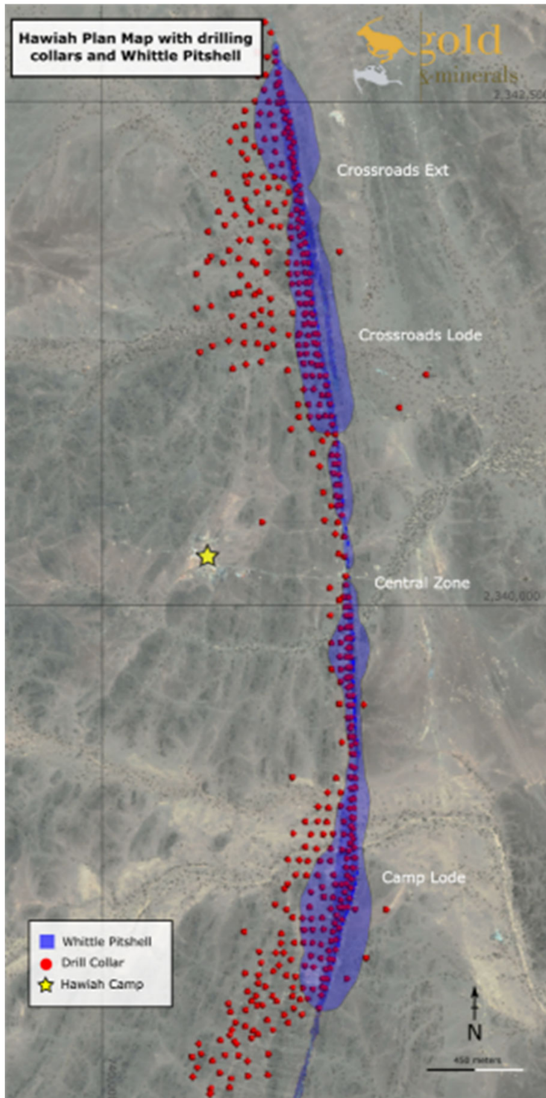



*Long section of Hawiah deposit displaying resource classification and the open pit locations.*

Mineralisation modelled comprises a continuous subvertical tabular layer for approximately 4.5km along north to south strike at outcrop. Localised minor pinch outs occur, which are not significant. Two major zones (lodes) of down-dip extent have been defined (the Camp Lode in the south and the Crossroads Lode in the north) which plunge approximately 25° to the south for 1.7km (Camp) and 1.8km (Crossroads) to approximately 740m vertical depth below surface.

The mineralised layer normally has a thickness of between 1m and 15m and thins towards the edges of the lodes. The central portions of the deposit between the main lodes extends vertically to between 100m and 200m.

Further information on the 2025 Hawiah MRE is detailed in KEFI's announcement "**Substantial Increases to Mineral Resource Estimates at Hawiah Project**" dated 18 February 2025.




*Collar locations of diamond and RC drilling across the Hawiah deposit.*

**Hawiah Project- Development Studies**

The initial PEA is available in KEFI's announcement "**Preliminary Economic Assessment Confirms Hawiah as a High Priority Project**" dated 22 September 2020.

The outcomes of the Hawiah Pre-Feasibility Study ("PFS") on the open-pit and associated studies on the underground mine were published on 28 June 2023 (see announcement "**Positive PFS and Associated Studies for Hawiah Copper-Gold Project**").

These preliminary internal studies on the Hawiah deposit (Al Godeyer was not included) were merely intended to test the merits of ongoing work programmes and were based on spot metal prices as at 30 April 2023 and an assumed mining rate starting at 2 million tonnes per annum ("Mtpa").

The development concept is still being finalised, and a likely scenario is that initial open pit mining will be followed by, and complemented by, underground mining. Mining optimisation studies will in due course consider a range of scenarios including various production rates and the ideal timing for starting-up the underground operation.

Initial metallurgical testwork has been completed for the transitional and fresh (sulphide) and oxide mineralisation at Hawiah. This testwork comprised flotation and cyanide leach methods. Further test work is ongoing.

Metallurgical test results indicate that a conventional processing flowsheet provides good recovery to a c.25% copper concentrate and a c.50% zinc concentrate along with gold doré. However, other processing flowsheets remain under consideration.

Whilst the primary focus of the PFS was on the relatively close-to-surface portion of the MRE in the Indicated Resource category, complementary studies on the Inferred Resource, reported for the deeper part of the orebody have allowed a positive internal preliminary assessment to be made of Hawiah's economic potential prior to the 2025 Hawiah MRE being finalised.

Further resource growth is expected to improve the economics to eventually be reported in the DFS.

#### Hawiah Project – Al Godeyer Satellite Deposit

VMS deposits are well understood to form in clusters, and Hawiah is no exception. A number of gossans have been identified in the areas immediately surrounding the Hawiah deposit. No drilling of potential "blind targets" on the ELs has been undertaken.

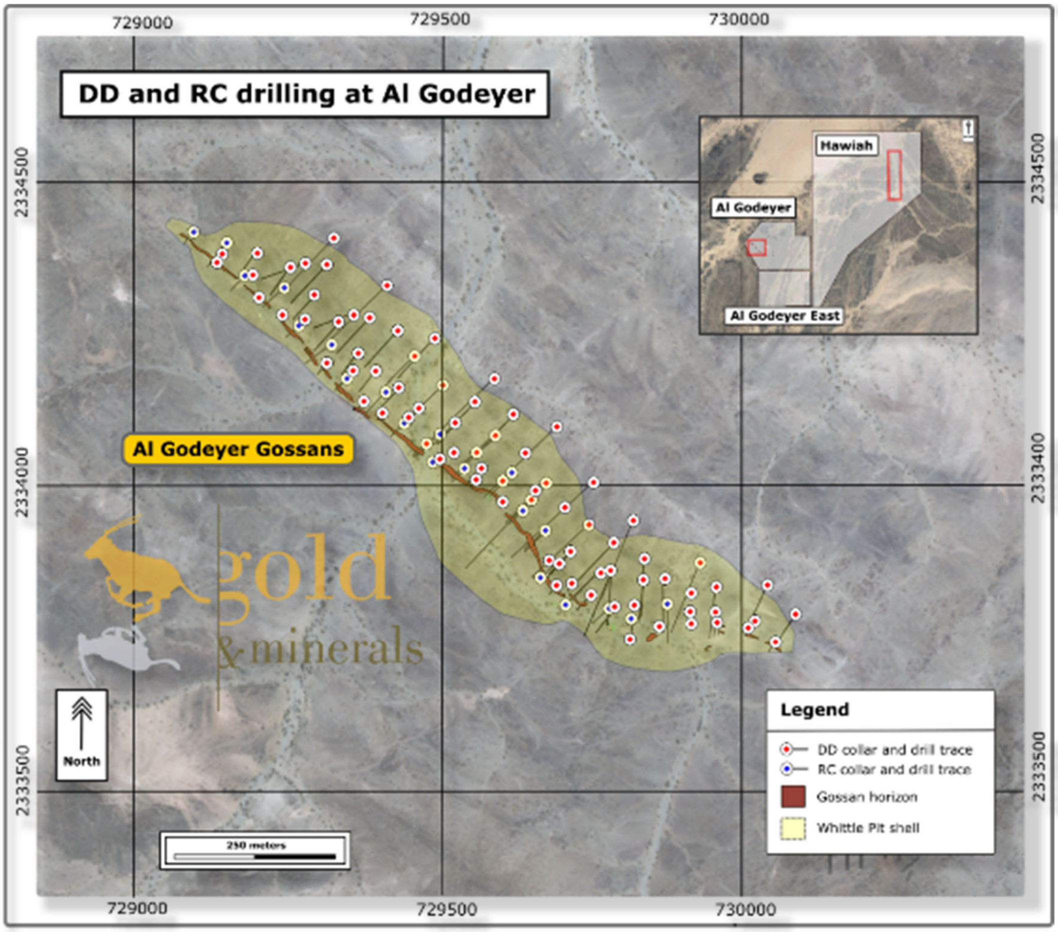
GMCO commenced drilling at Al Godeyer in March 2022 and quickly confirmed that VMS style mineralisation underlies the gossanous ridgeline at the surface. A total of 16 diamond drillholes, 19 reverse circulation drillholes and 25 trenches have led to the definition of a copper-zinc-gold-silver massive sulphide lode that remains open at depth and along strike to the southeast.

This area then underwent infill and expansion drilling to upgrade the Resource classification and expand the open-pit amenable resources. This drilling comprised an additional 60 holes.

The deposit comprises three weathering/alteration domains; Oxide, Transitional, and Fresh, within which different resulting facies are described. The oxide and transition domains typically show supergene gold enrichment and copper depletion. The fresh mineralised domain appears to be a dominantly pyritic stratiform semi-massive to massive sulphide body.

Initial metallurgical test work has been completed for the Oxide mineralisation at Al Godeyer. This test work comprised comminution, cyanide leach, thickening and filtration testwork. Further testwork which including flotation test work on Transition and Fresh Ore has commenced and will be followed by Albion amenability testwork.

The central portion of the Al Godeyer deposit is the thickest and contains mineralisation elevated in gold, copper, zinc and silver, which extends 300m to 400m along strike and extends to at least 200m below surface. The northwest and southeast areas have not been tested below the Oxide and Transition domains.




*Location of diamond and RC drillholes at Al Godeyer.*

Drilling spans over 1,250m of strike length at a drill spacing of approximately 50m or less for Indicated classification and 100m or less for areas reporting to Inferred classification.

KEFI has announced the following Al Godeyer MREs in accordance with the JORC Code:

- 1.35Mt at 0.6% copper, 0.54% zinc, 1.4g/t gold and 6.6g/t silver (April 2023); and
- 2.0Mt at 0.93% copper, 0.53% zinc, 1.21g/t gold and 7.4g/t silver (February 2025).

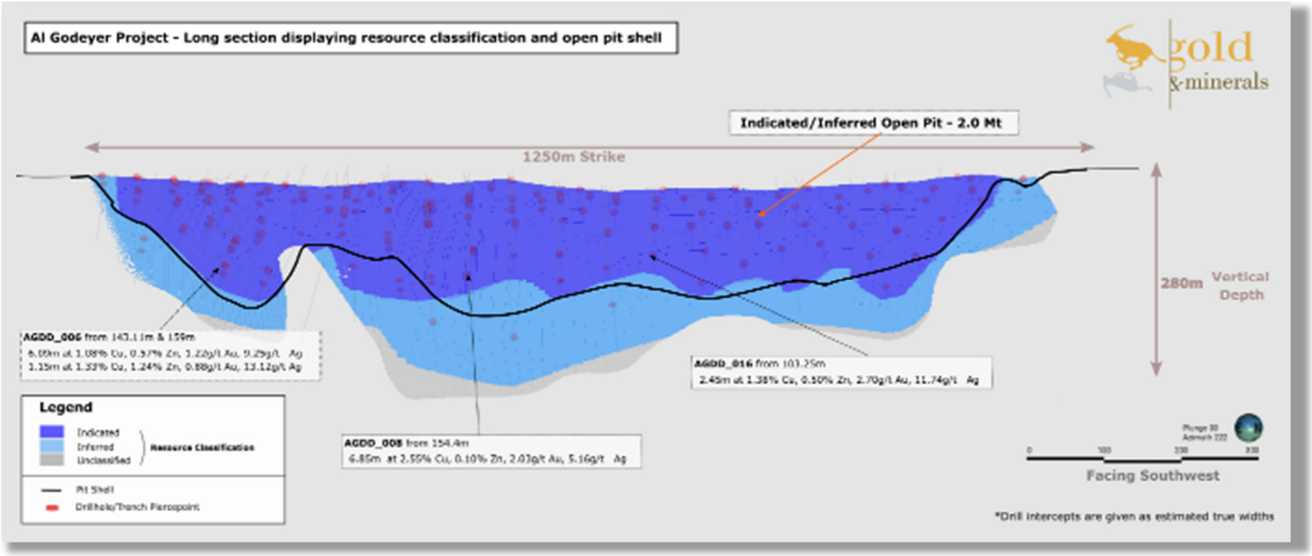
The 2025 Al Godeyer MRE upgraded 1.88Mt (94%) of the resource to the Indicated Resource category (previously all in the Inferred Resource category).

Based on the 2025 MRE, the Al Godeyer deposit is estimated to contain a total of 18,500 tonnes of copper, 10,600 tonnes of zinc, 77,900 gold ounces and 0.5 million silver ounces.

Further information on the 2025 Al Godeyer MRE is in the announcement "**Substantial Increases to Mineral Resource Estimates at Hawiah Project**" dated 18 February 2025.

Located only 12km from the proposed Hawiah processing plant, there is excellent potential for Al Godeyer to provide additional near-surface ore.

The deepest massive sulphide intersection at Al Godeyer is at a vertical depth of 200m where 3.3m true width of massive sulphide was intersected. The average true width of Al Godeyer is 4.5m with the widest intersection of 7.5m found at a depth of 20m. The Al Godeyer deposit remains open at depth.




*Long section displaying resource classification of Al Godeyer MRE and open pit shell.*

Exploration elsewhere within the Al Godeyer and Al Godeyer East ELs is still at an early stage.

#### Hawiah Project - Exploration Potential

The Hawiah massive sulphide deposit remains open along strike and down-plunge. The deposit is a near-vertical tabular structure that has been drill-intercepted over more than four kilometres strike length, with a deepest mineralised intercept of 740 metres below surface.

The massive sulphides at Hawiah show evidence of being mechanically transported from the source vent structures. Breccia clasts of sulphides, sedimentary structures and the lack of hydrothermal alteration in the immediate footwall rocks under the sulphides indicates that the areas of the deposit drilled to date likely formed on the flank of a laterally extensive, linear rift. Massive sulphides are interpreted to have accumulated in extensional rifts parallel to these rift sites, with evidence of secondary mineralising enrichment post deposition. This indicates exploration still has not identified the core of the system. This is significant, as increased proximity to the source of the mineralising system typically results in higher grades and widths. Further exploration will seek to locate this core 'vent-proximal' portion of the deposit.

Hawiah's status has recently been further highlighted by the granting of ELs, contiguous to GMCO's within the Wadi Bidah, to the Saudi Government-controlled company (Ma'aden) and its local exploration joint venture with Ivanhoe Electric, which has announced that the Wadi Bidah is one of the top four priority targets for their proprietary deep-probing geophysical survey technology (the "Typhoon" electromagnetic "EM" method).

Recent GMCO drilling has discovered a similar VMS mineralised system at Abu Salal. Located approximately 50km south of Hawiah, drilling at Abu Salal has intercepted massive and semi-massive sulphide mineralisation containing copper, gold, zinc and silver in multiple horizons across a 2,600m strike length, with true widths of up to 11m. Assays of Abu Salal's sulphide mineralisation has returned multiple grade intervals of comparable to those at GMCO's Hawiah discovery.

The Al Godeyer and Abu Salal discoveries have confirmed that the large Hawiah deposit itself is only the first in a cluster of deposits as often occurs with this style of mineralisation and has confirmed proof of concept in our understanding of regional geology and genesis of this style of VMS deposits

*Safety meeting prior to maiden drilling programme at Abu Salal*

#### Hawiah Project – Outlook

Hawiah already ranks as the third largest base-metal development project in the now burgeoning Saudi Arabian minerals sector.

Hawiah is a larger development project than our Jibal Qutman discovery and entails underground and open-pit mining, coupled with technically more advanced processes to treat the polymetallic orebody comprising copper, gold, zinc and silver. Additional metallurgical testwork studies are ongoing to assess and optimise various processing and mining options.

The recent EL grant is considered likely to lead to significant resource extension along strike of the now well-understood mineralised system. A later intrusive also presents an additional target.

## Jibal Qutman Gold Project

The Jibal Qutman Gold Project is located in the central southern region of the Arabian Shield approximately 110km east-northeast from Bisha City in Asir Province, Kingdom of Saudi Arabia.

KEFI completed a PFS on the Jibal Qutman Project in 2014 which demonstrated a profitable open pit, CIL operation.

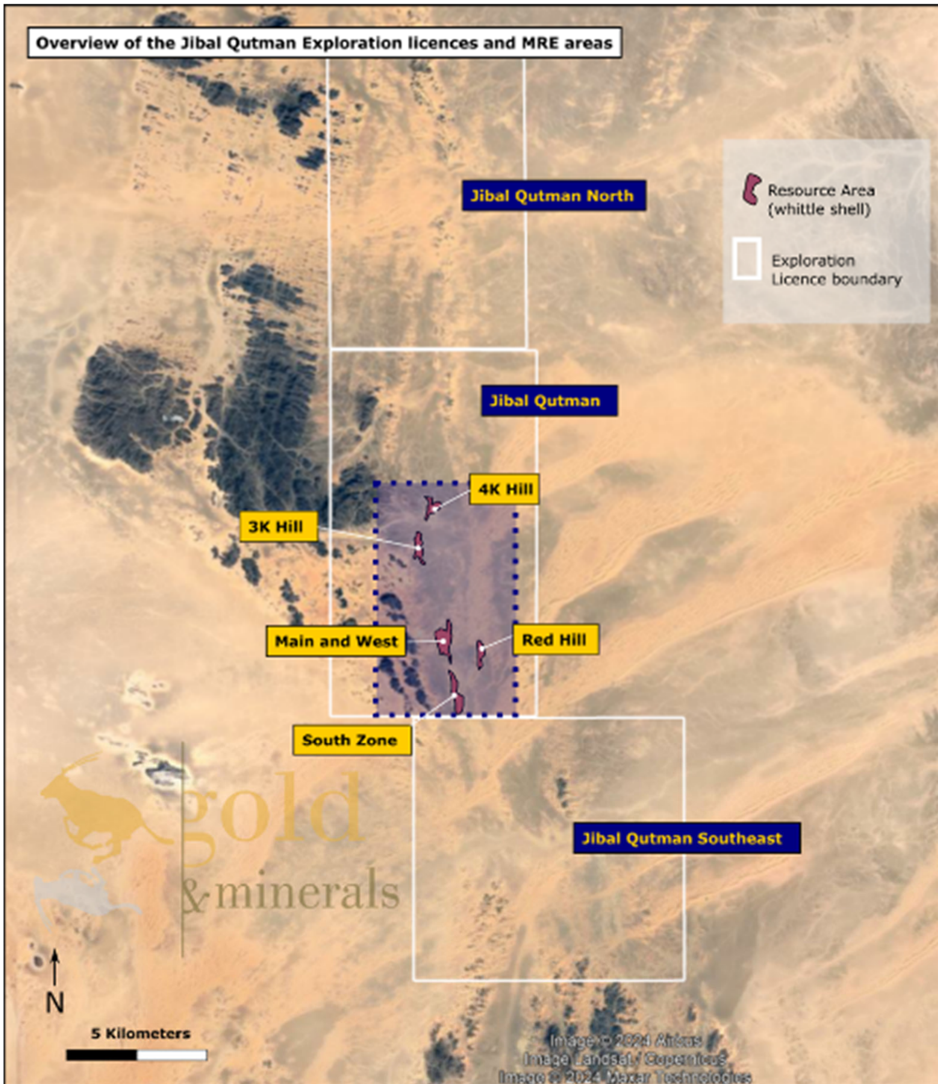
In mid-2022, formal notification was received from the Saudi authorities that land access issues which halted our mine development application in 2016 were resolved. This enabled GMCO to commence the work required to complete a DFS, with site activities resuming in late 2022.

Gold mineralisation extends for approximately 7km along strike, concentrated in seven discrete zones which outcrop at surface. Near-surface mineralisation occurs intermittently over 500m at the widest zone, comprising a closely stacked series of discrete mineralised zones varying in width from metre-scale to 15m and extending to a depth of approximately 150m below surface.

Jibal Qutman's 2025 MRE provides the basis for a long-life mine as substantial Ore Reserves are likely to flow from the 83% (30.5Mt) of the MRE now in the Indicated category.

With the gold price recently above $3,000/ounce and with low-cost local development capital, fast tracking an (initially) oxides-focused open-pit, CIL operation at Jibal Qutman is becoming very attractive.

The three Jibal Qutman ELs cover an area of over 270km$^2$. The ELs cover 35km strike length of the prospective Nabitah-Tathlith Fault Zone, a 300km-long structure with over 40 gold occurrences and ancient gold mines.




*Overview of Jibal Qutman Exploration Licences.*

Drilling has identified gold resources in seven zones - 4K Hill, Pyrite Hill, 3K Hill, Main and West, Red Hill and South Combined. All zones dip moderately to steeply (~35° to 80°) towards the east, except the Pyrite Hill Zone which dips to the west.

#### Jibal Qutman - Exploration

JQ is located in the Asir Terrane, forming part of the Arabian Shield, and the project area is predominantly composed of volcanic, sedimentary and intrusive rocks of Neoproterozoic age. Orogenic events during the convergence of East and West Gondwana amalgamated the terranes, forming fault-bounded micro-plates. The Asir terrane is cut by the major north-south trending Nabitah-Tathlith fault zone. The mineralisation at Jibal Qutman is one of many quartz-vein-hosted gold occurrences in the fault zone.

Recent work to better understand the structural controls has identified that higher-grade gold deposits are located near the intersection of northwest trending faults and the main north-south trending fault. Focusing on these cross structures is now integral to the systemic exploration being undertaken across the three contiguous Jibal Qutman ELs.

Exploration has primarily focused on the 8km long section of the original Jibal Qutman EL. Systemic exploration of the full 35km mineralised strike length has barely commenced but has already yielded a discovery at the Asfingia prospect where initial drilling intercepted near-surface gold over a 350m strike length with intercepts including:

- JQD_232: 13.9m (9.2m estimated true width (“ETW”) at 7.9g/t gold from 53.6m (including 1.2m at 66.6g/t gold)
- JQD_265: 25.5m (15.5m ETW) at 1.9g/t gold from 86.0m (including 7.4m at 5.2g/t gold)

*Jibal Qutman - Drilling at Red Hill*

Scout drilling drone surveying, geological mapping, trenching and geophysical surveying programmes are being undertaken across Jibal Qutman. These programmes are expected to identify further drill targets to further define the structural framework of the area and assist in target delineation.

Geochemical surface programmes are now underway to highlight additional blind targets masked by alluvial cover. This will be coupled with the recently completed licence wide drone magnetic survey, which has been used to assist in the structural framework delineation, to create a powerful vectoring dataset to guide more advanced exploration works and further resource expansion.

*Jibal Qutman - Trenching at Red Hill*

#### Jibal Qutman - Mineral Resource Estimate

The shear-hosted orogenic gold deposits at Jibal Qutman are comprised of a weathered oxide zone and lower un-weathered fresh orebody.

In 2015, KEFI published a maiden Jibal Qutman MRE of 28.4 million tonnes at 0.80g/t gold, containing 733,000 ounces, including 18.0Mt at 0.86g/t of gold, containing 498,000 ounces in the Indicated category.

In February 2025, KEFI published an updated Jibal Qutman MRE of 37.0Mt at 0.76g/t gold, containing 902,000 ounces of gold, including 30.5Mt at 0.76g/t of gold, containing 748,000 ounces in the Indicated category (83% of total MRE). Oxide

Resources now total 13.2Mt at 0.75g/t gold, containing 318,000 ounces.

The 2025 Jibal Qutman MRE was based on a total of 1,154 drillholes amounting to 95,096m of RC and diamond drilling, in addition to trench and channel sampling, which were all completed by GMCO since 2012.

Drillhole spacing is on grids of approximately 50m by 50m to approximately 25m by 25m, through the central part of the deposits, and approximately 100m by 50m to 100m by 100m at the peripheries.

The three zones providing the most ounces are Main and West (292,000 ounces), South Combined (243,000 ounces) and Red Hill (183,000 ounces).

Further information on the 2025 Jibal Qutman MRE is detailed in KEFI's announcement "**Material Upgrade to Jibal Qutman Gold Project Mineral Resources**" dated 26 February 2025.

#### Jibal Qutman - Feasibility Studies

All of these Jibal Qutman resources are targeted for mining via open-pit methods.

Completed in 2015, an internal PEA evaluated the development of an initial operation focused on the oxides at Jibal Qutman predicated on a gold price of $1,200/ounce. This approach remains the likely plan

And metallurgical and other studies have provided the basis for Stage 1 development of Jibal Qutman to commence during 2025 focused on the oxide ore with CIL processing. These studies have been conducted over the past two years and refined since GMCO's development leadership was installed in mid-2024 to:

(a) optimise Stage 1 development plans; and
(b) consider longer-term potential after the results of exploration along more of the mineralised strike length and once the metallurgical flow-sheet for the sulphides is optimised.

Stage 1 development plans are likely to be announced in 2025 once finalised and reviewed with the relevant Government authorities.

#### Jibal Qutman - Outlook

GMCO is working towards selecting the preferred Jibal Qutman development approach while aggressively testing our recent breakthroughs in the geological understanding of the mineralised system.

Project financing for Jibal Qutman (as for other projects) is expected to be sourced at least partly within Saudi Arabia, which has low-cost debt finance with a mandate to invest in the country's mineral resources. GMCO has initiated discussions with the Saudi Investment Development Fund and other local development finance institutions regarding project funding to be finalised once the Mining Licence has been awarded. At the same time, there is no historical specialist mining finance experience or expertise in Saudi Arabia. Therefore it is expected that specialist mining finance ranging from equity, through streaming, mezzanine debt and such like could be also sourced from outside Saudi Arabia.

*Drone Operators at Jibal Qutman.*

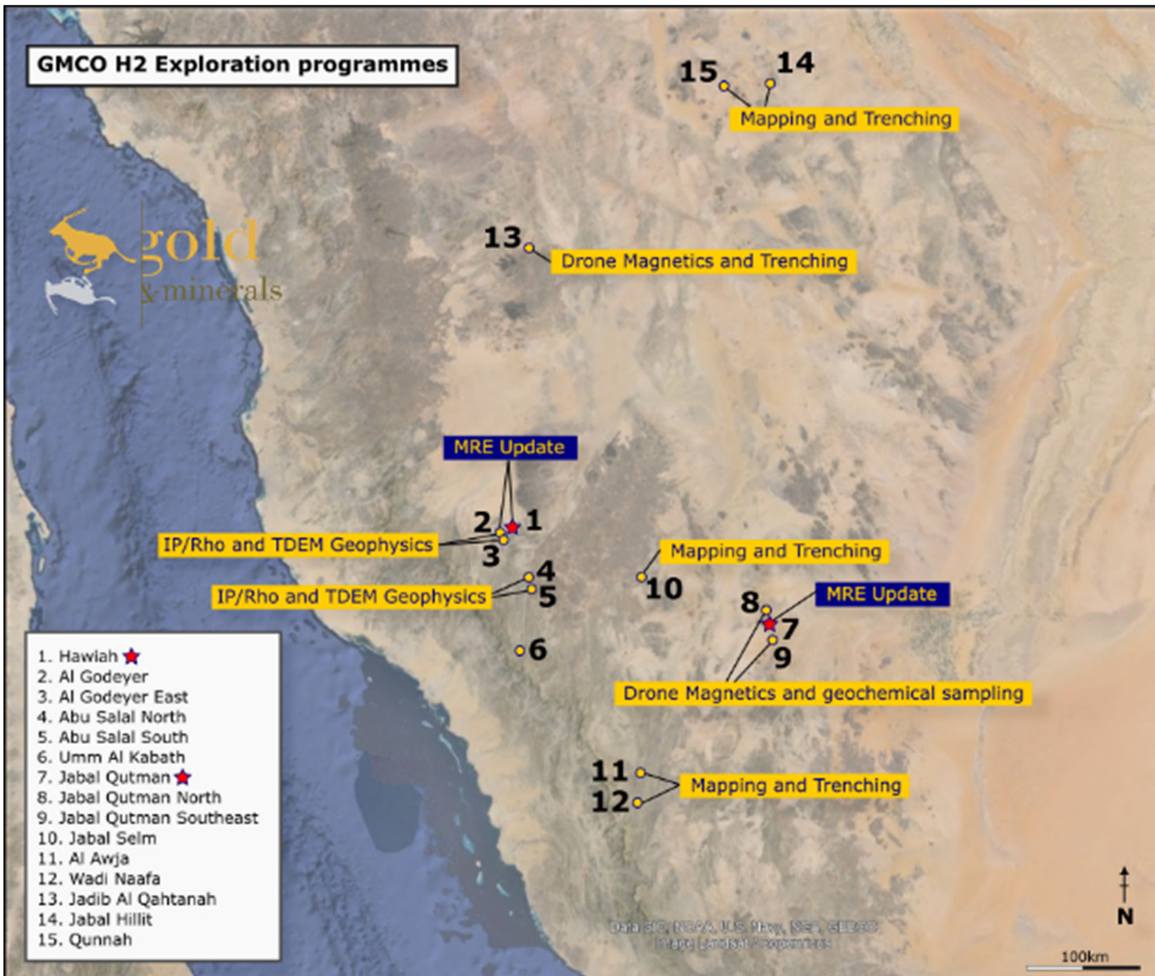
*Drilling at Jibal Qutman.*

# Saudi Arabia - Exploration Portfolio

Following the expansion of GMCO's exploration portfolio to fifteen ELs covering an area of more than 1,035km$^2$, regional exploration teams have commenced exploring the new ELs. As was the case at Jibal Qutman and Hawiah, many of these ELs have abundant evidence of historical workings and surface expression of mineralisation.

Exploration programmes during H2-2024 included:

- IP/Rho* and TDEM geophysical surveys at Al Godeyer and Al Godeyer East to extend the known mineralised horizons;
- IP/Rho and TDEM geophysical surveys at Abu Salal to build on the successful 2023/24 scout drilling programme which confirmed VMS mineralisation at depth; and
- Trenching and mapping programmes at Wadi Na'afa, Al Awja, Jabal Selm, Jadib al Qahtanah Jabal Hillit and Qunnah.




*Map showing the GMCO Exploration Licence locations and H2-2024 exploration.*

Strategic discussions are also regularly conducted with regional investors and licence holders to continually examine other opportunities and potential synergies.

# Glossary and Abbreviations

| | |
|---|---|
| AIC | All-in Costs |
| AISC | All-in Sustaining Costs |
| Arabian-Nubian Shield or ANS | The Arabian-Nubian Shield is a large area of Precambrian rocks in various countries surrounding the Red Sea |
| ARTAR | Abdul Rahman Saad Al Rashid & Sons Company Limited |
| BRGM | Bureau de Recherches Géologiques et Minières – the Geological Survey of France |
| c. | Circa |
| CIL | Carbon in Leach |
| DFS | Definitive Feasibility Study |
| EL | Exploration Licence |
| ELA | Exploration Licence Application |
| Epithermal | Hydrothermal mineral deposit formed within about 1 km of the Earth's surface and in the temperature range of 50 to 200 degrees Celsius, occurring mainly as veins |
| FEED | Front-End Engineering Design Study |
| GMCO | Gold and Minerals Co. Limited |
| g/t | Grams per tonne |
| Gossan | An iron-bearing weathered product overlying a sulphide deposit |
| Hawiah | Hawiah Copper-Gold Project |
| IFC | International Finance Corporation |
| IPO | Initial Public Offering |
| Jibal Qutman | Jibal Qutman Gold Project |
| JORC | Joint Ore Reserves Committee |
| JORC Code | 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves |
| KEFI | KEFI Gold and Copper PLC |
| KME | KEFI Minerals (Ethiopia) Limited |
| LOM | Life of mine |
| M | Million |
| m | Metres |
| Massive sulphide | Rock comprised of more than 40% sulphide minerals |
| MA | Mining Agreement |

| | |
|---|---|
| ML | Mining Licence |
| MRE | Mineral Resource Estimate |
| Mt | Million tonnes |
| Mtpa | Million tonnes per annum |
| NSR | Net Smelter Return |
| oz | Troy ounce of gold |
| PEA | Preliminary Economic Assessment |
| PFS | Pre-Feasibility Study |
| Precambrian | Era of geological time before the Cambrian, from approximately 4,600 to 542 million years ago |
| RC drilling | Reverse Circulation drilling. Percussion drilling method. Reverse circulation is achieved by blowing air down the rods, the differential pressure creating air lift of the water and cuttings up the "inner tube", which is inside each rod. |
| RL | Relative Level |
| Tulu Kapi | Tulu Kapi Gold Project |
| TKCE | Tulu Kapi Charitable Endowment |
| TKGM | Tulu Kapi Gold Mines Share Company Limited |
| VMS deposits | Volcanogenic massive sulphides; refers to massive sulphide deposits formed in a volcanic environment with varying base metals (copper, lead and zinc) often with significant additional gold and silver |
| VWAP | Volume weighted average price |
| WBMD | Wadi Bidah Mineral District |

# Competent Person Statement

KEFI reports in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code").

The information in this annual report that relates to exploration results, Mineral Resources and Ore Reserves is based on information compiled by Mr Jeffrey Rayner. He is exploration adviser to KEFI, the Company's former Managing Director and a Member of the Australian Institute of Geoscientists ("AIG"). Mr Rayner is a geologist with sufficient relevant experience for Group reporting to qualify as a Competent Person as defined in the JORC Code. Mr Rayner consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The Mineral Resources and Ore Reserves in this report have been previously released as follows:

| Date of Release | Project | Subject | Competent Persons |
|---|---|---|---|
| 22 April 2015 | Tulu Kapi | Probable Ore Reserves | Frank Blanchfield<br>Sergio Di Giovanni |
| 4 February 2015 | Tulu Kapi | Mineral Resource | Simon Cleghorn<br>Lynn Olssen |
| 6 May 2015<br>26 February 2025 | Jibal Qutman | Mineral Resource | Jeffrey Rayner<br>Jeremy Witley |
| 22 August 2020<br>6 January 2022<br>9 January 2023<br>18 February 2025 | Hawiah | Mineral Resource | Robert Goddard and Mark Campodonic<br>Robert Goddard and Mark Campodonic<br>Jeremy Witley<br>Jeremy Witley |

KEFI confirms that it is not aware of any new information or data that materially affects the information in the above releases and that all material assumptions and technical parameters, underpinning the estimates continue to apply and have not materially changed. KEFI confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

# Directors, Secretary and Advisers

**Directors**

Harry Anagnostaras-Adams, Executive Chairman

John Leach, Finance Director

Addis Alemayehou Non-Executive (Appointed 22 July 2024)

Alistair Clark, Non-Executive

Mark Tyler, Non-Executive (Resigned 22 July 2024)

Richard Robinson, Non-Executive

**Company Secretary**

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United Kingdom

**Auditors**

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**Nominated Adviser**

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**Share Registrar**

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Farnham GU9 7DR
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# Consolidated Financial Statements

Year ended 31 December 2024

**CONTENTS**

# Group Strategic Report

## For the year ended 31 December 2024

**KEFI Gold and Copper PLC Company number: 05976748**

The directors present their Group Strategic Report for the year ended 31 December 2024.

## Principal Activity and Strategic Approach

KEFI Gold and Copper PLC ("KEFI" or the "Company") or together with its subsidiaries ("the Group") was incorporated on 24 October 2006 and was admitted to AIM in December 2006 with an initial market capitalisation of £2.7 million at the placing price.

The principal activities of the Group are to:

- Explore for mineral deposits of precious and base metals and other minerals that show potential for commercial exploitation;
- Evaluate mineral deposits and determine their viability for commercial development; and
- Develop those mineral deposits and market the metals produced.

The Board's strategic focus is to maximize shareholder value through the development of a strong portfolio of minerals projects at various stages from exploration through to production, while at the same time managing the significant risks faced by companies in the evaluation, exploration, and development of such projects.

Our risk management approach is based on discovering and exploiting mineral wealth through multiple ventures within a focused framework, thus increasing the odds of success. We continuously monitor and review our investment strategies and are quick to relinquish licences which we believe will be uneconomic. We introduce partners in certain circumstances to minimise risk and broaden the human and financial resources available.

The Group has to date financed its activities mainly through periodic equity capital raisings, cash advances and convertible debt.

The Corporate Head Office of the Group is in Nicosia, Cyprus, and provides corporate and management and support services to the overseas operations. East African operations are managed out of Addis Ababa, Ethiopia. The Saudi Arabia operations are managed out of Riyadh. Most of the KEFI-incurred personnel and associated costs are re-charged to the appropriate subsidiary.

The Group intends to deliver on its strategic aims using the following approach:

- Define additional reserves and resources in Saudi Arabia and Ethiopia;
- Secure funding for each suitable project;
- Develop profitable metals production; and
- Maintain strong environmental, social and governance standards and practices.

## Review of Operations

KEFI continues to advance its strategic objectives in the Arabian-Nubian Shield, with significant progress at the Tulu Kapi Gold Project in Ethiopia and ongoing developments in Saudi Arabia via its 15%-owned joint venture, Gold and Minerals Company (GMCO). At Tulu Kapi, major works have commenced, including the government-funded construction of a new main access road, de-risking the project timeline. Financing efforts are ongoing and are nearing completion, with project debt finance increased to US$240 million in February 2025. The equity arrangements are progressing with US$320 million capital requirement now tentatively covered by the US$240 million project debt portion, complemented by the planned US$80 million equity capital portion. This comprises the $20 million commitment of Government, the US$23 million commitment of the mining contractor, the targeted US$22 million contribution of the local institutional investors in-principle, the development costs already incurred and the expected ability to pay some success fees and bonuses in KEFI shares. In Saudi Arabia, GMCO's strategic review focuses on the Jibal Qutman Gold and Hawiah Copper-Gold projects, with updated Mineral Resource Estimates (MREs) expected in 2025.

KEFI has achieved substantial operational milestones in Ethiopia and Saudi Arabia during the reporting period. In Ethiopia, the Tulu Kapi Gold Project has advanced through the initiation of Major Works and progress in Early Works, with financing arrangements approaching completion, subject to final approvals and documentation. In Saudi Arabia, the strategic review of the GMCO joint venture reflects significant interest and potential, underpinned by the high-value Hawiah Copper-Gold project. Together, these efforts reinforce KEFI's position as a leading player in the Arabian-Nubian Shield, laying a solid foundation for future growth and shareholder value.

**Ethiopia**

KEFI owns 95% of Ethiopian-based Tulu Kapi Gold Mines Share Company ("TKGM"), owner of the Tulu Kapi Gold Project in Ethiopia. The Government of Ethiopia is entitled to a 5% free carried interest and a 7% royalty on gold production.

The Ethiopian Government, through the Ethiopian Electricity Power Corporation and the Ethiopian Roads Authority, is facilitating the Tulu Kapi Gold Project by connecting the site to the national power grid and major highway - investments that support the project's targeted production in 2027 and will increase the government's equity stake in the TKGM project.

The Tulu Kapi Gold Project, KEFI's flagship asset in Ethiopia, has seen notable advancements in both physical development and project financing, positioning it as a cornerstone of the company's growth strategy.

**Development Progress:**

- Major Works Initiation: The year marked the commencement of certain Major Works, including the construction of a new main access road linking the highway to the Tulu Kapi site. This government-funded infrastructure project is a pivotal step, significantly de-risking the overall development schedule by enhancing site accessibility and logistical efficiency.
- Early Works Advancement: Early Works are progressing effectively, encompassing critical preparatory activities:
    - Security Enhancements: All required security inspections have been successfully completed by government agencies and private contractors, with no further inspections currently needed prior to investment approval. Independent monitoring will continue throughout the project's lifecycle, ensuring sustained safety and compliance.
    - Local Stakeholder Engagement: Extensive consultations, including numerous large and small group briefings, have been conducted with local stakeholders. These efforts have been met with positive reception, with communities expressing strong support for the launch of Major Works, reinforcing KEFI's social license to operate.
    - Community Resettlement Preparations: Preparations for community resettlement are underway, with the layout of a temporary construction camp requiring compensation for a small portion of the required land. This process has fostered understanding and alignment among stakeholders, laying the groundwork for smooth project execution.

**Saudi Arabia**

In the Kingdom of Saudi Arabia, KEFI holds its shareholding through Gold and Minerals Co. Limited ("GMCO"), our joint venture with Abdul Rahman Saad Al Rashid and Sons Company Limited ("Artar"). KEFI holds a **15% interest in GMCO joint venture**, reduced from 25% the previous year, which is currently undergoing a strategic review.

- Focus Areas: The strategic review centers on:
    - Staged Development Plans: Detailed planning for the Jibal Qutman Gold and Hawiah Copper-Gold projects, aimed at advancing these assets toward production in a phased and cost-effective manner.
    - Transaction Scenarios: Short-listing potential deals with third parties, reflecting significant external interest in the GMCO joint venture and its assets.
- Market Interest: The review highlights the growing attention on GMCO, as noted during discussions ahead of the Future Minerals Forum in Riyadh, positioning KEFI to capitalize on strategic opportunities in the Kingdom.

**Environmental and Social Impact**

The Group continues to meet all environmental obligations across its tenements. Progressive rehabilitation of disturbed areas has occurred in accordance with licence conditions and will continue to occur in the future.

The Group recognises and responds to the growing expectations from the community, regulators and industry leaders for more open community engagement and stakeholder consultation. The Group engages with local stakeholders, including government, pastoral leaseholders, and local community as an integral part of the exploration process (More information is available in the Environmental, Social and Governance section of report in pages 12 to 16).

## Progress Report

Overall, the rate of progress during 2024 exceeded previous years because in both Ethiopia and Saudi Arabia, conditions in the mineral sector have markedly improved for the sector and for KEFI.  We have launched Early Works for the Tulu Kapi Gold Project in Ethiopia to commission production mid-2026; and our Saudi joint venture invests heavily in advancing development studies on Jibal Qutman Gold Project and Hawiah Copper-Gold Project

Control over cash management is continuous, including the periodic review of the Group's cash flow needs through cash flow projections, appraisal of technical reports monitoring the marketplace, and the Group's physical presence in each of the countries in which it operates. The Board of Directors holds meetings on a regular basis to review the on-going situation and believe that no changes are required to the current overall strategy. Further information is set out in Note 2 of the Financial Statements (Going Concern). During the period under review, the Company raised additional equity funds to finance activities and strengthen the balance sheet.

Progress over the last year and plans for next against our strategic objectives are noted below:

### 1. Define Additional Reserves and Resources

*2024 Progress*

- In Ethiopia, the focus was on preparing the launch of Tulu Kapi and reconnaissance of other opportunity in gold and critical materials
- In Saudi Arabia, the resource base expanded to circa.3 Moz gold-equivalent. Jibal Qutman and Hawiah progressed to feasibility.

*2025 Focus*

- Expand exploration in both Ethiopia and Saudi Arabia, including new gold and criticals materials targets.
- Finalize development plans for Jibal Qutman and Hawiah.

### 2. Secure Funding for Each Suitable Project

*2024 Progress*

- Tulu Kapi financing advanced: USD 240M in project debt.
- Progress made with the equity capital requirements $80 million.

*2025 Focus*

- Finalize equity component and execute documentation for full financing.
- Arrange development financing in Saudi Arabia via SIDF and other sources.

### 3. Develop Profitable Metals Production

*2024 Progress*

- Tulu Kapi: Early works began (access road, site security, plant procurement, community readiness).
- Saudi Arabia: Definitive Feasibility Study advanced at Jibal Qutman and Hawiah; Hawiah shows strong economics

*2025 Focus*

- Tulu Kapi: Finalize major works, resettlement, plant construction; production targeted 2027.
- Saudi Arabia: Advance Jibal Qutman development, prepare Hawiah, and review GMCO JV.

### 4. Environmental, Social and Governance (ESG) Commitment

*2024 Progress*

- Maintained compliance with all social, environmental, and international standards.
- Conducted community consultations and independent monitoring at Tulu Kapi.

*2025 Focus*

- Sustain rigorous ESG implementation across all projects.
- Implement Tulu Kapi Resettlement Action Plan.
- Uphold the QCA Corporate Governance Code and maintain trust with local communities, while preparing to align with the updated QCA Code applicable from FY2025.

# Group Strategic Report (continued)

## For the year ended 31 December 2024

**5. Visual Summary of Strategic Objectives**

| Strategic Pillar | | 2024 Progress | 2025 Focus |
|---|---|---|---|
| **Resources & Reserves** | | 3Moz gold-equivalent in Saudi; Ethiopian oxide targets defined | Expand opportunities, including critical materials |
| **Project Financing** | | $240M project debt advanced + $80M equity arranged for Tulu Kapi | Final equity round |
| **Production Development** | | Early works at Tulu Kapi; preparation of DFS for Hawiah & Jibal Qutman | Begin TKGM construction |
| **ESG Compliance** | | Stakeholder consultations, compliance upheld | Implement RAP, maintain international standards |

## Results

The focus during the year has been preparation for the funding and development of the Tulu Kapi Gold Project in Ethiopia ("Tulu Kapi" or the "Tulu Kapi project") with our partner, the Government of Ethiopia, selected contractors, and preferred project financiers. The activity levels resulted in similar administrative expenditure and project transaction expenses in comparison to the previous year.

The directors consider that the projects in the Licence areas in Saudi Arabia have not yet met the criteria for capitalization. These criteria include, among other things, the completion of feasibility studies to provide confidence that mineral deposits identified are ready for development.

**Cash Flow**

Group net cash in the 12 months to 31 December 2024 decreased by £0.01 million (2023: £0.03 million). During the year the group received net cash placements of £4.4 million (2023: £2.5 million) and bridging loans of £4.7 million (2023: £2.6 million). The total net cash from financing was £6.8 million (2023: £5.1 million). The cash outflow during the period was £6.8 million (2023: £5.1 million), of which £2.8 million (2023: £1.8 million) was used in operating activities and a further £4 million (2023: £3.3 million) used mainly on exploration and evaluation activities.

**Balance sheet**

The Group's Non-current assets of £38.4 million relate to the capitalised exploration and mine development costs of the Tulu Kapi Gold project in Ethiopia. During the year, this increased by approximately £3.6 million because of evaluation capital expenditure during the year. The £3.7 million capital expenditure is directly associated with the TKGM gold exploration project costs and capitalized as intangible exploration and evaluation costs. Such exploration and evaluation expenditure include internal costs that are directly attributable to the project and services rendered by external consultants to ensure technical feasibility and commercial viability of the TKGM project. In accordance with the group's policy, expenses incurred in Saudi Arabia are not capitalised until the project completes a satisfactory Definitive Feasibility Study Under the group's established policy. Therefore, all costs associated with the Saudi Arabian project are expensed. The Group had total liabilities of £6.5 million (2023: £9.4 million). The decrease was primarily due to decreased funding for Saudi projects as our Saudi JV interest reduced and the December share placement.

## Results (continued)

**Operating Expenses**

| | Year Ended 31.12.24 £'000 | Year Ended 31.12.23 £'000 |
|---|---|---|
| Exploration expenditure | - | - |
| Administrative expenses, mainly on project development preparations | (6,232) | (3,441) |
| Investigatory, pre-decisional project finance transaction costs | (260) | (115) |
| Share based payments | (35) | (159) |
| Share of loss from jointly controlled entity | (3,650) | (4,963) |
| Reversal of Impairment of jointly controlled entity | 217 | 453 |
| Gain from dilution of equity interest in joint venture | 6,813 | 1,156 |
| Foreign exchange gain/(loss) | 331 | 173 |
| Interest cost | (2,410) | (1,000) |
| Loss for the year | (5,226) | (7,896) |

The results for the year are set out in the consolidated statement of comprehensive income on page 78.

The activities for the year have resulted in the Group's loss before tax of £5.2 million (2023 £7.9 million). No dividends were declared or paid during the year by the Board of Directors (2023: nil). The reduction in losses was primarily driven by a £6.8 million dilution gain from the reduction in our ownership share of the Saudi Arabian jointly controlled entity. However, the year also saw a significant rise in legal expenses and an increase in advisory payments, which were essential for facilitating the company's transition into the development phase.

During 2024, the Ethiopian Birr (ETB) experienced a significant devaluation against major currencies, including a depreciation of approximately 60% against the British Pound (GBP). This devaluation began in July 2024 when the National Bank of Ethiopia implemented a market-based foreign exchange system, initially announcing a 30% devaluation which subsequently increased throughout the year.

Despite this substantial currency movement, the Group maintains most of its funds in its functional currency, GBP, which has effectively insulated the Group from significant foreign exchange losses or gains related to the ETB devaluation. The Group continues to monitor currency movements in Ethiopia and will adjust risk management strategies as necessary to mitigate potential future impacts.

**Funding**

During the year, the Company raised gross proceeds of £12.3 million through placements to support working capital, pay for goods and services, and repay debt. This was achieved by issuing 2,082,463,573 new ordinary shares at an average price of 0.59 pence per share, as detailed below:

- 889,526,540 new ordinary shares to raise gross cash of approximate £5.1 million.
- 1,192,937,033 new ordinary shares to certain project contractors, repay advances and other third parties in settlement of outstanding invoices of approximate raise £7.2 million (before expenses).

# Group Strategic Report (continued)

For the year ended 31 December 2024

## Results (continued)

**Funding**

The details of 2024 placing are as follows:

| Issued | Placement price (pence) | Number of Ordinary Shares | £'000 |
|---|---|---|---|
| 08 March 2024 (2) | 0.6 | 377,792 | 2,267 |
| 08 March 2024 (1) | 0.6 | 454,861 | 2,729 |
| 26 March 2024 (2) | 0.6 | 83,333 | 500 |
| 28 May 2024 (2) | 0.76 | 177,982 | 1,358 |
| 03 Dec 2024 (2) | 0.55 | 553,830 | 3,046 |
| 03 Dec 2024 (1) | 0.55 | 434,655 | 2,390 |
| Gross placement raised before expenses | | | 12,290 |
| Less Share Issue Costs | | | (570) |
| Less Warrants issue costs | | | (104) |
| | | | 11,616 |

(1) In cash

(2) Settlement of liabilities: Settling in full the cash amount owed of £7.2 million by way of the issue of new ordinary shares in KEFI Gold and Copper Plc

## Principal risks and uncertainties

The Group's operations are exposed to a variety of risks, many of which are outside of the Group's control. The Group has put in place controls to minimise these risks where possible. We align with large industry specialists such as those we have selected as our principal project contractors for TKGM, which is KEFI'S first development project. We also engage leading independent industry specialist advisers to ensure compliance with the largest international standards and techniques. Furthermore, we encourage and reinforce alignment with local stakeholders at every reasonable opportunity.

## Principal risks and uncertainties (continued)

## Risk Analysis Board Report

### 1. Exploration Industry Risk

*Description:*

Mineral exploration is inherently speculative and involves high risk, with limited success rates for individual targets. Even with discoveries, development into production can take years, during which economic viability may change. Substantial investment is required for drilling, metallurgy, and infrastructure. Additionally, government actions—such as licence non-renewal or legal changes—can adversely impact operations.

*Mitigation:*

- Employ up-to-date exploration techniques and qualified personnel.
- Develop and regularly review a robust exploration plan with the executive committee.
- Target and acquire attractive prospective areas.
- Maintain proactive, cooperative relationships with governments and ensure compliance with all permitting and title requirements.
- For development-stage projects like Tulu Kapi, perform detailed feasibility studies and secure development financing to reduce exploration risk.

### 2. Political Risk

*Description:*

Operations are exposed to political and economic uncertainties, including changes in government policy, security threats (e.g., civil unrest, terrorism), and regulatory risks like currency controls, nationalisation, and taxation changes.

*Mitigation:*

- Maintain permanent, locally staffed management teams in Ethiopia and Saudi Arabia.
- Foster robust relationships with local authorities.
- Engage in scenario planning to anticipate and respond to potential disruptions.

### 3. Community Relations Risk

*Description:*

Positive relationships with local communities are essential for securing and maintaining a social licence to operate. Community opposition can affect permitting, increase costs, and delay projects.

*Mitigation:*

- Engage in continuous consultation and employ locally aware staff.
- Focus on sustainable job creation, skills transfer (education/training), and infrastructure development.
- Intensify engagement efforts as projects transition into development (e.g., Tulu Kapi).

## Principal risks and uncertainties (continued)

## Risk Analysis Board Report

**4. Retention of Key Personnel**

*Description:*

The successful execution of the Group's strategic objectives is contingent upon the recruitment and retention of high-calibre personnel. A failure to maintain key staff may disrupt operations and negatively impact long-term growth.

*Mitigation:*

- Implement competitive remuneration packages and career development opportunities.
- Establish a structured succession planning framework to ensure continuity.
- Promote an inclusive and professionally stimulating working environment.

**5. Strategic Partner Risk**

*Description:*

Strategic partnerships are instrumental in delivering both financial and operational value. However, reliance on third-party entities introduces counterparty risk, which could impair project outcomes if not effectively managed.

*Mitigation:*

- Conduct comprehensive due diligence prior to partner selection.
- Foster robust governance frameworks and regular joint reviews.
- Diversify strategic relationships to mitigate dependency risks.

**6. Financial Risks**

*Description:*

The Group is exposed to multiple financial risks including foreign currency fluctuations and funding availability. Significant devaluation of the Ethiopian Birr in 2024 highlights the volatility of operating in emerging markets.

*Mitigation:*

- Maintain reserves in stable currencies such as GBP.
- Employ natural hedging through USD-denominated debt and revenue.
- Pursue diversified funding sources, including equity, debt, and strategic investors.

**7. Environmental and Regulatory Compliance Risk**

*Description:*

The Group's activities are subject to evolving regulatory landscapes, especially regarding environmental compliance in Ethiopia and Saudi Arabia. Failure to meet these standards could result in project delays, legal penalties, or reputational harm.

*Mitigation:*

- Engage dedicated environmental compliance teams.
- Conduct regular Environmental and Social Impact Assessments (ESIAs).
- Integrate international best practices and engage constructively with regulators.

## Directors' section 172 statement

The following disclosure describes how the Directors deal with the matters set out in section 172(1)(a) to (f) and forms the Directors' statement required under section 414CZA of The Companies Act 2006. The matters set out in this section are that Directors must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, and in doing so have regard to:

- the likely consequences of any decision in the long term.
- the interests of the Company's employees.
- the need to foster the Company's business relationships with suppliers, customers, and others.
- the impact of the Company's operations on the community and the environment.
- the desirability of the Company to maintain a reputation for high standards of business conduct.
- the need to act fairly between members of the Company.

In the Group Strategic Report section of this Annual Report, the Company has set out the short to long term strategic priorities and described the plans to support their achievement. The Board has identified KEFI's stakeholders to include shareholders, staff, suppliers, customers, partners, local government, and the wider community.

This analysis is divided into two sections - the first addresses Stakeholder engagement and the second principal decisions made by the Board, with emphasis on how regard for stakeholders influenced the decision-making.

## Stakeholder Engagement

*Shareholders/Investors/Joint Venture Partners*

**Stakeholder Group**

Existing and prospective equity investors and project level joint venture partners are important stakeholders.

KEFI 's Ethiopian subsidiary – TKGM - for its Tulu Kapi gold mining project, is partnered with the Government sector and which relies upon funding from the private sector.

In the Kingdom of Saudi Arabia, KEFI conducts all its activities through a joint venture with a large local partner in which KEFI has a 15% interest.

In its Ethiopian subsidiary, TKGM, KEFI holds a majority of Board seats and retains operational control. In the Saudi joint venture, KEFI has the contractual right to nominate the CEO, propose exploration and development plans to the Board, and ensure adequate human resources are provided, although our partner holds the majority of Board seats.

**Importance of Engagement**

The development of KEFI and its projects is dependent upon access to capital.

We continue to maintain and expand an investor base for the long term that includes engagement and involvement in the strategic objectives of the Company (refer to page 66 of the Report of the Board of Directors) and the achievement of those objectives.

**How did Board and/or Management Engage**

We are committed to providing full and transparent disclosure of its activities, via the London Stock Exchange and conduct regular and systematic meetings with all major stakeholders, including the annual general meeting, regularly scheduled webinars, quarterly reports and other investor briefings.

In the case of the Tulu Kapi project and the Saudi activities, our partners have directors alongside KEFI on local operating company Boards.

See also the "Relations with Shareholders" section of the Report of the Board of Directors.

*Workforce*

**Stakeholder Group**

The Group workforce summarized below does not include those specialists retained via contractors in our operating sites or internationally nor the teams in 15%-owned Saudi GMCO, and comprises

| | |
|---|---|
| Senior Management Contractors | 6 |
| Addis Ababa | 15 |
| Tulu Kapi Field Operations | 38 |

Of senior management, two are permanently based at the Group's head office in Nicosia and the others base themselves at the Group's operational centers in Nicosia, Ethiopia and Saudi Arabia as needed.

Staff levels will expand rapidly as we move into the construction and development of the Tulu Kapi gold project. This will also occur in Saudi Arabia under GMCO.

**Importance of Engagement**

The company's day-to-day running and long-term development relies on the recruitment, retention and incentivisation of staff, and provision of a safe working environment.

**How did Board and/or Management Engage**

The key means of engagement with staff include regular meetings, analysis and discussion as well as visits to project sites by members of the Board and executive team. There is also a regularly reviewed remuneration framework which includes both short term and long-term incentives.

In 2024, KEFI appointed Jacques Kruger as Project Development Manager and reappointed Simon Cleghorn to the Executive Committee, enhancing leadership engagement as Tulu Kapi advances

## Stakeholder Engagement

*Community*

**Stakeholder Group**

KEFI regards its host communities as among the most important of its primary stakeholders and contributing to these groups in a meaningful, sustainable, long-term manner is central to its strategy.

The group has a strong commitment to maximising local participation in the workforce and supply chain and stresses transparency in all dealings and compliance with leading international standards for social and environmental aspects including World Bank IFC Principles and the Equator Principles.

**Importance of Engagement**

Mutual support between KEFI operations and the communities around them is vital to the success of our activities and for maintaining our social license to operate.

Our community development is focused on sustainable job creation, skills transfer (education and training), and infrastructure development.

**How did Board and/or Management Engage**

KEFI maintains an open dialogue with local government bodies and community leaders regarding the development of each of our projects.

KEFI works alongside these communities and has active community programmes underway. For example, in Ethiopia:

• Establishment of community youth employment programmes which support the project, such as those covering road maintenance and expansion of revegetation nurseries.

• Extensive consultation for resettlement compensation applying International Standards to the compensation and re-settlement community process.

• Commitment to supporting the development of new host land.

• Commitment to maximizing local procurement and employment, with support for training.

In 2024, KEFI escalated community consultations as part of the Tulu Kapi Early Works programme launched in May, ensuring readiness for Major Works by October 2024.

Please also see the Social License section on page 12.

*Suppliers*

**Stakeholder Group**

KEFI needs a wide range of services to maintain its business activities.

During the company’s construction phase at Tulu Kapi and ongoing during the production phase, its supplier numbers are expected to rise significantly in line with the scale-up of the project.

At a local level, we are partnering with the Government of Ethiopia for the provision at Tulu Kapi of infrastructure elements and will also partner with a variety of smaller companies as development progresses.

**Importance of Engagement**

Our suppliers are fundamental to ensuring that the Company can construct the project on time and on budget. Using quality suppliers ensures that as a business we meet the high standards of performance that we expect of ourselves and our vendor partners.

It is important to maintain good working relationships and credit terms with suppliers to ensure the timely and cost-effective delivery of services and supplies.

**How did Board and/or Management Engage**

The management team continues to work closely with proposed EPC suppliers to finalise their TKGM project work, contracts, and end deliverables.

One on one meetings between management and suppliers occur on a regular basis with vendor site visits as needed.

In 2024, KEFI optimized the development schedule with principal contractor Lycopodium, securing fixed-price lump-sum components for Tulu Kapi financing

## Stakeholder Engagement

*Lenders*

**Stakeholder Group**

Debt finance remains a key element of the financing mix for a company like KEFI which is now in the project development phase at its Tulu Kapi project with additional projects nearing the development phase in Saudi Arabia.

**Importance of Engagement**

It is important to identify, maintain and strengthen relationships with lenders to ensure sufficient finance can be secured to support project development.

**How did Board and/or Management Engage**

Management maintains continuous and detailed dialogue with lenders in relation to the Tulu Kapi project and has established a strong relationship with a consortium of African based banks to provide finance to the Tulu Kapi project, subject to due diligence and other normal commercial conditions.

In 2024, KEFI progressed lender approvals, with TDB and AFC finalizing $190-$240 million in secured debt for Tulu Kapi, with final documentation expected soon.

*Regulators/Government*

**Stakeholder Group**

Multiple departments and agencies of national, regional and/or local government are involved in the licensing and monitoring of mining activities.

**Importance of Engagement**

KEFI views the establishment of active, two-way, relationships with government stakeholders as critical in the successful development of its projects and in its long-term commitment to each jurisdiction

**How did Board and/or Management Engage**

Management has regular interaction with the relevant government departments. Periodically, meetings are also arranged between the Board of KEFI and senior government officials in order to foster a direct dialogue, and a clear understanding within a framework of transparency.

KEFI secured government commitments for $20 million equity in TKGM and collaborated on dedicated policing for Tulu Kapi, reinforcing ties with Ethiopian authorities

## Principal Decisions

KEFI defines principal decisions as those that have long-term strategic impact, and which are material to the Group and its key stakeholder groups detailed above. In making the following principal decisions during the year the Board considered the outcome based on the relevant stakeholders as well as the need to maintain a reputation for high standards of business conduct.

1. **Project Financing for the Tulu Kapi Gold Project**

The Company is pleased to provide the following update regarding its financing arrangements: Final Board Ratification by Banks is anticipated in 2025, following Parliamentary ratification of AFC Country Membership; Secured Lenders have agreed to updated Terms and Conditions, expanding facilities from USD 190 million to USD 240 million. Some of the required equity risk capital US$80 million has already been spent, US$20 million equity is committed by Government, US$23 million is in-principle agreed with the mining contractor and expressions of Interest have been received for Ethio Preference Shares against the updated finance plan, with preparations underway for eventual Local Listing on the new Ethiopia Stock Exchange at the appropriate time; The Company has adopted a bank-based proposal for debt and equity financing of the Tulu Kapi gold project with bank lenders who are actively working in Ethiopia, are familiar with the local market and many of our local stakeholders, and are compatible with the Project consortium. Further details are available in the Finance Director's Review on page 6.

2. **Capital Management**

The business model of the Company has always been to raise equity capital to fund the next stage of exploration and development. At the same time, KEFI has worked to minimise Tulu Kapi's development funding requirements through engineering, contracting and project finance, designed to provide an economically robust project and an appropriate financing plan. Nearly all capital requirements are to be met at the project level by the combination of project contractors, partners, and financiers. Nonetheless, capital is vital to any enterprise and capital market conditions have been difficult and the Company continues to be successful raising fresh capital where others are not.

The Company made gross placements during the year of £12.3 million for working capital, goods and services, and debt repayments through the issue of 2,082,463,573 new ordinary shares at average price of 0.59 pence as follows. In making these decisions the Board considered:

- All stakeholders: Maintaining the Group as a going concern in the interest of all its stakeholders.
- Shareholders: The impact on existing shareholders of raising additional equity was considered with the Board weighing up the need to maintain the Group as a going concern against the resulting equity dilution. Equity market conditions were also factored into the decision-making process to strike the optimum balance between the short-term capital requirements of the Group and the price at which funds could be raised. The long-term value potential of Tulu Kapi Gold Mine project provides KEFI with significant upside and its best opportunity to become cash flow positive in the near term. Continuing to move the project through the financing and construction phases and into production is critical in helping KEFI to achieve its long-term goals and maximize value to shareholders.
- Employees and Suppliers: The Board also concluded that securing more working capital would help the Group to retain key staff and suppliers who can help the Group achieve its business objectives.

**Other key outcomes during 2024:**

**Federal Democratic Republic of Ethiopia**

- Early Works completed for security and community readiness, demonstrating project launch capability.
- Selected Major Works initiated, including the Government-funded all-weather Main Access Road, significantly de-risking the overall development schedule.
- Construction and Mining Agreements with Contractors in final stages before signing.
- Final Definitive Documentation prepared for signing in Q1 2025, pending completion of all certifications.
- Independent certifications initiated for completion in Q1 2025, enabling launch of full Major Works.

**Kingdom of Saudi Arabia**

- Strategic review of GMCO joint venture and KEFI's 15% holding focused on staged development plans for Jibal Qutman Gold and Hawiah Copper-Gold projects.
- Potential transaction scenarios with third parties under evaluation and short-listing.

## Future developments

The Group will continue to focus efforts in Ethiopia and Kingdom of Saudi Arabia with the objective of identifying mineral prospects for further exploration and development.

**By Order of the Board**

John Edward Leach
Finance Director

Cargil Management Services Limited
27/28 Eastcastle Street
London, UK
Company Secretary

**5 June 2025**

The Board of Directors presents its report for KEFI Gold and Copper PLC and its subsidiaries together with the financial statements of the Group for the year ended 31 December 2024.

<u>Business Review</u>:

A review of the business during the year is contained in the Executive Chairman's report on pages 3 to 5 and the Finance Director's report on pages 6 to 8. The Group's business and operations and the results thereof are reflected in the attached financial statements. It is the business of the Group to explore for value adding mineral resources and to turn commercially viable prospects into producing assets.

## Introduction

The following information is set out in the Group Strategic Report and should be read in conjunction with this Directors report.

- Incorporation and Principal Activities
- Review of Operations, Funding
- Key Performance Indicators
- Organisation Overview
- Strategic Approach, Business Model
- Principal Risks and Uncertainties
- Future Developments

## Board of Directors

The Board is comprised of five Directors from 1 July 2023. The members of the Board of Directors as at 31 December 2024 and at the date of this report, together with full resumes are shown on pages 9 to 10. In accordance with the Company's Articles of Association, one third of the Board of Directors must resign each year and may offer themselves for re-election. The remaining Directors, presently members of the Board, will continue in office.

## Directors' indemnities

The Group maintains directors' and officers' liability insurance providing appropriate cover for any legal action brought against its Directors.

## Remuneration report

This remuneration report for the year ended 31 December 2024 outlines the remuneration arrangements of the Company and the Group. The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

Details of key management personnel of the Parent and Group are set out below.

Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

While the Group's operations have been in the project exploration and evaluation stage, the objective of the Board has been to minimise the number of senior executives it employs to maintain the total remuneration of such executives at a level that is commensurate with the resources of the Group and the level of activity undertaken.

### Remuneration philosophy

The objective of the Company's remuneration framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board believes that executive remuneration satisfies the following key criteria:

Competitiveness and reasonableness

Acceptability to shareholders

Performance linkage/alignment of executive compensation

Transparency

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's limited financial resources. Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

## Remuneration report- continued

### Non-executive director remuneration arrangements

The Board seeks to set remuneration of non-executive Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is appropriate at this stage of the Company's development. Non-Executive Director base fees are set at a basic fee of £25,000 p.a. plus any other statutory payroll costs and with additional remuneration as may be approved by the Board for work in excess of normal Board requirements.

Non-Executive Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred because of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. Non-executive Directors are also entitled to additional remuneration for extra services or special exertions.

### Executive director and key management personnel ("KMP") remuneration arrangements

Service agreements: Remuneration and other terms for KMP are formalised in contractor agreements. Details of these agreements are set out below.

Executive directors and other key management personnel: Executive remuneration packages comprise a mix of the following components: Fixed remuneration and other benefits and long-term incentives provided by the issuing of options under the Employees and Contractors Option Plan.

### Fixed remuneration and other benefits

The level of fixed remuneration is set to provide a base level of remuneration, which is both appropriate to the position and competitive in the market. Fixed remuneration for most executives is comprised of base salary, and in some cases includes other benefits such as housing, medical care and vehicles. The Company does not have a retirement benefit scheme for executive directors.

### Cash Payment Bonus

During the year, the Remuneration Committee and the Board have approved a performance-based short-term incentive plan (STI) aimed at aligning with the Company's objectives and appropriately recognising and rewarding employee contributions as the Company and its projects develop. This plan supersedes any previously communicated incentives. These incentives are subject to the achievement of specified milestones and are contingent upon the successful progression of the Company's projects.

Outlined below are the details of the STI plan:

STI Bonuses:

| Directors and Key Management Personnel | STI 1 | STI 2 | STI 3 | Retention |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| Executive Chairman | 400 | 400 | 400 | 185 |
| Finance Director | 400 | 200 | 200 | 100 |
| Chief Operating Officer[2] | 250 | 400 | 400 | 50 |

STI Bonus 1: This bonus is awarded upon the granting of credit approvals by the lenders to the Tulu Kapi Gold Project[1]. Additionally, STI Bonus 1 will only be paid when the closing mid-price of the Company's shares is above 1.5p for five consecutive trading days.

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STI Bonus 2: Upon project finance lenders having permitted debt disbursement to commence for Tulu Kapi and not earlier than 12 months after STI Bonus 1 was earned[1]. Additionally, STI Bonus 2 will only be paid when the closing mid-price of the Company's shares is above 2.5p for five consecutive trading days

STI Bonus 3: Upon Tulu Kapi having commenced production and not earlier than 12 months after STI Bonus 2 was earned[1]. Additionally, STI Bonus 3 will only be paid when the closing mid-price of the Company's shares is above 3.0p for five consecutive trading days

[1] The recipient can elect to take the STI Bonus in shares or in cash. If in shares, the issue price will be the VWAP for the month following the achievement of the relevant Key Milestone. If in cash, the payment will only be made if sufficient cash is available, as determined by the Board, and must in any event be paid no later than 6 months after the achievement of the relevant Key Milestone. Other than in the circumstances of a change of control or cessation of employment, any shares paid out for the STI Bonus will be subject to a 12 month lock-in and any cash-paid STI bonus would need to be covered by the Tulu Kapi project finance package.

[2] The minimum share price conditions attached to the award of the STI's above apply only to the executive directors. The Company's Chief Operating Officer (COO) remains subject to the existing STI framework which excludes this provision. This is because the Remuneration Committee having reviewed the COO's level of remuneration, considers it to be below normal market level and given this assessment, believes that the COO's performance should continue to be evaluated solely on operational performance and the achievement of specific operational targets. This approach ensures that the STI bonus structure remains aligned with both market considerations and the Company's operational priorities.

## Remuneration report- continued

Retention Bonus: A Retention Bonus has been approved by the Board. The disbursement of this bonus will be at the Board's discretion, with the latest trigger being upon the grant of final credit approvals by the lenders to the TKGM project and when sufficient Tulu Kapi development proceeds (either debt or equity) become available.

### Long term share incentives

The Employees and Contractors Option Plan of the Group was established in 2014. The Company's full Share Option Plan 2014 is available on the Company website. The objective of the Plan is to provide an opportunity for senior executives and contractors to participate as equity owners in the Company and to reward key executives and contractors in a manner which aligns this element of remuneration with the creation of shareholder wealth. At the discretion of the Board and subject to the Rules of the Plan, executives may be granted options under the Plan.

| Directors and Key Management Personnel | Agreement type | Term | Notice Period | Other Benefits |
|---|---|---|---|---|
| Executive Chairman and Finance Director | Consulting Services | Roll forward arrangement | 12 Months | Medical; Air tickets home; Share Options. |
| Managing Director Ethiopia | Employment Contract | Roll forward arrangement | 30 days | Medical/Leave/Air tickets home. In country accommodation, Share Options. |
| Chief Operating Officer | Consulting Services | Roll forward arrangement | 12 Months | Medical; Share Options. |

## Directors' interests

The interests of the Directors and their immediate families (all of which are beneficial unless otherwise stated) and of persons connected with them in the existing ordinary shares as 1 June 2024 are as follows:

| Director | Shares | % |
|---|---|---|
| H Anagnostaras-Adams | 114,493,216[1] | 1.43% |
| J Leach | 107,432,668 | 1.35% |
| R Robinson | 7,250,000 | 0.09% |

[1]Semarang Enterprises Ltd (a company of which Harry Anagnostaras-Adams is the sole director and sole shareholder) holds 121,394,061 Ordinary Shares and the Adams Superannuation Fund (holds 5,416,915 Ordinary Shares in KEFI - a total of 126,810,976 Ordinary Shares. Of the Semarang Enterprises Ltd holding shares of 12,317,760 are held for the beneficial interest of another party.

## Options

| Grant Date | Expiration Date | Exercise Price Pence | H. Anagnostaras-Adams | J. Leach | R. Robinson |
|---|---|---|---|---|---|
| 17-Mar-21 | 16-Mar-25 | 2.55 | 37,766,978 | 7,189,168 | 2,735,688 |
| | | | 37,766,978 | 7,189,168 | 2,735,688 |

## Options (continued)

Options issued on the 17 March 2021 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.

All other options vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve-month period. Further details on options terms are available in note 17.2.

## Directors' emoluments

In compliance with the disclosure requirements of the listing requirements of AIM, the aggregate remuneration for the Directors of KEFI for the year ended 31 December 2024 is set out below:

| 31 December 2023 | Salary and fees | Other compensation[3] | Bonus Payable in Shares | Share based benefit incentive options[2] | 2023 Total |
|---|---|---|---|---|---|
| Executive | £'000 | £'000 | £'000 | £'000 | £'000 |
| H. Anagnostaras-Adams | 300 | 11 | - | 51 | 362 |
| J. Leach | 169 | 25 | - | 10 | 204 |
| Non-Executive | | | | | |
| M. Tyler | 25 | - | - | 4 | 29 |
| R. Robinson | 25 | - | - | 4 | 29 |
| A. Clark[1] | 13 | - | - | - | 13 |
| | 532 | 36 | - | 69 | 637 |

| 31 December 2024 | Salary and fees | Other compensation[3] | Bonus Payable in Shares | Bonus Payable in Cash | Share based benefit incentive options[2] | 2024 Total |
|---|---|---|---|---|---|---|
| Executive | £'000 | £'000 | £'000 | | £'000 | £'000 |
| H. Anagnostaras-Adams | **300** | **173** | **185** | **75** | **-** | **733** |
| J. Leach | **169** | **17** | **168** | | **-** | **354** |
| Non-Executive | | | | | | |
| A. Alemayehou[1] | **13** | **-** | **-** | **-** | **-** | **13** |
| M. Tyler[1] | **14** | **-** | **-** | **-** | **-** | **14** |
| R. Robinson | **25** | **-** | **-** | **-** | **-** | **25** |
| A. Clark | **25** | **-** | **-** | **-** | **-** | **25** |
| | **546** | **190** | **353** | **75** | **0** | **1,164** |

[1]Appointments and Retirement as Director: Mr. M Tyler resigned on the 22 July 2024. Mr. Alistair Clark was appointed 1 July 2023. And Mr. Addis Alemayehou was appointed 22 July 2024.

[2]Share based benefit incentive options: The figure is based on the valuation at the date of grant. The figure recorded relates to the amount relating to the current year as a proportion of the vesting period. Vesting is subject to a number of vesting conditions which may or may not be achieved. This figure is not a cash payment.

[3]Other compensation comprises fees paid in excess of the 220 days retention arrangement, as well as medical insurance premiums.

# Report of the Board of Directors (continued)
For the year ended 31 December 2024

## Corporate governance statement

The Directors of the Company have elected to adhere to the main principles of the 2018 QCA Corporate Governance Code for this reporting period. We wish to highlight that the newly updated QCA Corporate Governance Code will be adopted and implemented for the Financial Year 2025.Directors have already commenced a thorough review of the changes outlined in the new code to ensure a seamless transition. The QCA Corporate Governance Code identifies ten principles that focus on the pursuit of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which the Company was created. In addition to the details provided below, governance disclosures can be found on page 15 and the Company's website: https://www.kefi-goldandcopper.com/about/corporate-governance.

## Board of Directors

The Group supports the concept of an effective Board leading and controlling the Group. The Board is responsible for approving Group policies and strategies. It meets at least every three months and is supplied with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Group Secretary and independent professionals at the Group's expense. Training is available for new Directors and other Directors as necessary. The Executive Chairman, in conjunction with the executive team, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to financial and governance matters, its operational environment and to the Directors' responsibilities as members of the Board. During the year, the Executive Chairman received updates and advice from the Company Secretary and the NOMAD to ensure the Company's compliance to the Rule 26 disclosures which became effective from the 28 September 2018. The Group's key strategic and operational decisions are reserved exclusively for the decision of the Board.

The Board consists of two full time Executive Directors who hold key operational positions in the Company (the Executive Chairman and Finance Director), and three Non-Executive Directors. The Non-Executive Directors, Alistair Clark, Richard Robinson and Addis Alemayehou bring a breadth of experience and knowledge to the Company. They are independent of management and any other business relationships do not interfere with the exercise of their independent judgment. The Board regularly reviews key business risks, including the financial risks facing the Group in the operations of its business. The Directors are of the opinion that the Board composition contains a suitable balance. The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of shareholders about the Company.

## Board meetings

The Board meets regularly throughout the year. The Board is responsible for formulating, reviewing, and approving the Company's strategy, financial activities, and operating performance. Day to day management is devolved to the Executive Directors who are charged with consulting the Board on all significant financial and operational matters. All Directors have access to the advice of the Company's solicitors. Necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

## Board Committees

The Board has established the following committees, each of which has its own terms of reference:

### Audit and Financial Risk Committee

The Audit and Financial Risk Committee considers the Group's financial reporting (including material accounting policies) and internal financial controls. The Audit and Financial Risk Committee comprised Three Non-Executive Directors: Addis Alemayehou (Chairman), Alistair Clark and Richard Robinson, and is responsible for ensuring that the financial performance of the Company is properly monitored and reported in this capacity and interacts as needed with the Company's External Auditors. The Finance Director is invited and attends the committee meetings to provide his skills and knowledge in committee matters.

### Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration of the Directors and senior executives. It comprised three Non-Executive Directors: Alistair Clark (Chairman), Addis Alemayehou and Richard Robinson. Directors' remuneration and conditions are considered and agreed by the Board.

Financial packages for Executive Directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognized job qualifications and skills. The Committee also takes into consideration the terms that may be required to attract equivalent experienced executives to join the Board from other companies.

### Attendance Meetings of Directors and Committees

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each director:

| **Board of Directors Meetings** | **Held** | **Attended** |
|---|---|---|
| H. Anagnostaras- Adams | 8 | 8 |
| J. Leach | 8 | 8 |
| A Alemayehou[1] | 4 | 4 |
| A. Clark | 8 | 8 |
| M. Tyler[1] | 5 | 5 |
| R. Robinson | 8 | 8 |
| **Audit Committee[2]** | **Held** | **Attended** |
| R. Robinson | 1 | 1 |
| A. Clark | 1 | 1 |
| M. Tyler[1] | 1 | 1 |

| **Remuneration Committee** | **Held** | **Attended** |
|---|---|---|
| | | |
| A. Clark | 3 | 3 |
| M. Tyler[1] | 2 | 2 |
| R. Robinson | 3 | 3 |

[1]Appointment and Retirement as Non-Executive Director: Mr. M Tyler resigned on the 22 July 2024 and Mr. Addis Alemayehou was appointed 22 July 2024.

[2] All directors are invited to Audit Committee meetings due to the small size of the company.

# Report of the Board of Directors (continued)

For the year ended 31 December 2024

## Board Evaluation and Succession Planning

The QCA Code states that the Board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and individual director. In 2023 the process was facilitated internally by the Board. In anticipation of the construction and operational phases of the mine, the Board has made certain adjustments to enhance its composition. As a result of the company's transition from the exploration phase to the development phase, an additional independent director has been appointed. This decision aims to ensure that the Board possesses the necessary expertise and guidance required for the upcoming phase of development. Furthermore, the company is actively exploring the potential utilization of external benchmarking assessments for the Board.

## Internal controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. Whilst the Directors are aware that no system can provide absolute assurance against material misstatement or loss, regular reviews of internal controls are undertaken to ensure that they are adequate and effective.

## Risk management

The Board considers risk assessment important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management who compare actual progress to forecasts. Project milestones and timelines are regularly reviewed.

## Risks and uncertainties

Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system. The principal risks facing the Company are set out in the Group Strategic Report.

## Risk management and treasury policy

The Board considers risk assessment as an integral activity in achieving its strategic objectives, with the Board regularly reviewing its projects and activities in this regard. The Group finances its operations through equity and holds its cash as a liquid resource to fund its obligations of the Group. Decisions regarding the management of these assets are approved by the Board. Please refer to page 90 of the financial statements.

## Securities trading

The Directors comply with Rules 21 and 31 of the AIM Rules relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Group's applicable employees as well. The Board has adopted a Share Dealing Code that is appropriate for an AIM quoted company and this applies to Directors, senior management and any employees who are in possession of "unpublished price sensitive information". All such persons are prohibited from trading in the Company's securities if they are in possession of "unpublished price sensitive information". Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

## Ethical values and behaviours

The Board has the means to determine that ethical values and behaviours are recognised and respected via the senior management team ("Exco") to whom local country management reports. The Board of KEFI also adheres to KEFI's Corporate Governance policies that cover, for example, ethical behaviour, anticorruption, and anti-bribery as well as a whistle-blowing policy. The Board is also aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients, and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

## Wider stakeholder needs and social responsibilities

The Group's long-term success relies upon good relations with all its stakeholders, both internal and external. The Board affords highest priority to ensuring that it maintains a strong understanding of the needs and expectations of all stakeholders. Feedback is sought regularly across several platforms. The Group's stakeholders include shareholders, employees, suppliers, customers, regulators, industry bodies and creditors. The principal ways in which their feedback on the Group is gathered are via meetings and conversations.

## Understanding and meeting shareholder needs and expectations

The Board is aware of the needs and expectations of shareholders. The Company engages with its shareholders through quarterly conference calls and at its Annual General Meeting ("AGM"). The Board supports the use of the AGM to communicate with both institutional and private investors. All shareholders are given the opportunity to ask questions and raise issues; this can be done formally during the meeting or informally with the directors afterwards.

## Experience, skills, and capabilities of the Board Directors

Experience, skills, and capabilities of the Board of Directors who have been appointed to the Company have been chosen because of the skills and experience they offer. The Board of Directors has strong, relevant experience across the areas of mining, accounting, and banking. The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of gold mining and exploration. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. Skills and knowledge have been gained through aggregated experience in gold mining and the wider sector and these are maintained through ongoing involvement and participation within the industry. All Directors retire by rotation at regular intervals in accordance with the Company's Articles of Association.

## Governance structures and processes that support good decision-making

Details of the Company's corporate governance arrangements are provided in its governance statement on the website https://www.kefi-goldandcopper.com/about/corporate-governance. There are no matters expressly reserved for the Board. The Board considers the Group's governance framework is appropriate and in line with its plans.

## Website publication

The Directors are responsible for ensuring that the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with applicable legislation governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Relations with shareholders

The Board attaches great importance to providing shareholders with clear and transparent information on the Company's activities, strategy, and financial position. The Board typically meets with large shareholders following the release of financial results and regards the AGM as a good opportunity to communicate directly with shareholders via an open question and answer session. The Company regularly holds public question and answer calls in support of announcements, providing smaller and private investors with direct access to management. The Board receives regular updates on the views of shareholders through briefings and reports from the Managing Director, Financial Director, and the Company's brokers. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

The Company discloses contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board. Details of all shareholder communications are provided on the Group's website. Historical Annual Reports, notices of all general meetings from the last five years and the resolutions put to a vote at AGMs can be found on the Company's website. Over the last five years all resolutions put to a vote at AGMs have been duly passed. Whilst this has not occurred, should a significant proportion of votes be cast against a resolution at any general meeting the Board would naturally seek to understand the rationale for this through its engagement with shareholders.

## Shareholders holding more than 3% of share capital

The Shareholders holding more than 3% of the share capital of the Company as at 30 May 2025 and as far as the Directors are aware:

| Name | Percentage | Number |
|---|---|---|
| Hargreaves Lansdown (Nominees) Limited | 20.7% | 1,941,876,382 |
| Interactive Investor Services Nominees Limited | 15.5% | 1,454,774,297 |
| Vidacos Nominees Limited | 7.7% | 721,597,502 |
| The Bank Of New York (Nominees) Limited | 6.3% | 591,486,340 |
| Lawshare Nominees Limited | 5.3% | 494,007,326 |
| Hsdl Nominees Limited | 5.2% | 489,118,702 |
| Pershing Nominees Limited | 4.6% | 426,459,948 |
| Nortrust Nominees Limited | 4.6% | 426,347,658 |
| Jim Nominees Limited | 3.8% | 354,271,415 |
| Ghc Nominees Limited | 3.2% | 296,812,857 |
| Barclays Direct Investing Nominees Limited | 3.1% | 291,906,195 |

## Going concern

The Directors note that the assessment of the Group's ability to continue as a going concern involves judgement regarding future funding for the development of the Tulu Kapi Gold project, exploration of the Saudi Arabia properties, and working capital requirements. These requirements indicate the existence of a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

Nevertheless, the Directors consider that the Group can continue to adopt the going concern basis in preparing the financial statements. For further information and disclosure of this material uncertainty, please refer to Note 2 of the financial statements on pages 84 to 85.

## Events after the reporting date

**Legal Matter**

Please see Note 24 for an update on the legal case brought by Demissie Asafa Demissie.

**Share Placement January 2025**

On January 2, 2025, the Company concluded a placement, issuing 933,169,817 new ordinary shares at a price of 0.55 pence per share, generating £5.1million in proceeds.

| **Name** | **Number of Subscription Shares** | **Amount** |
|---|---|---|
| | '000 | £'000 |
| **Cash Placement** | 658,528 | 3,622 |
| **Current liabilities** | | |
| For services rendered | 144,789 | 796 |
| Brokerage fees | 34,398 | 189 |
| **Loans and borrowings** | | |
| Unsecured working capital bridging finance | 95,455 | 525 |
| | **933,170** | **5,132** |

## Events after the reporting date (continued)

**Share Placement May 2025**

During May 2025, the Company concluded a placement, issuing 1,381,818,172 new ordinary shares at a price of 0.55 pence per share, generating £7.6 million in proceeds.

| Name | Number of Subscription Shares | Amount |
|---|---|---|
| | '000 | £'000 |
| **Cash Placement** | 1,090,909 | 7,000 |
| **Current liabilities** | | |
| For services rendered | 290,909 | 600 |
| | **1,381,818** | **7,600** |

## Nominated advisor

The Company's nominated advisor is SP Angel Corporate Finance LLP.

## Auditors

BDO LLP has expressed their willingness to continue in office as auditor and a resolution to re-appoint BDO LLP will be proposed at the forthcoming Annual General Meeting.

## Directors' confirmation

Each of the persons who are a director at the date of approval of this annual report confirms that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that ought to have been taken as a director, in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## By Order of the Board

J Leach

John Edward Leach
Finance Director
Company Secretary

Cargil Management Services Limited
27/28 Eastcastle Street
London
United Kingdom

**5 June 2025**

# Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements prepared in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that year. The Directors are also required to prepare financial in accordance with the AIM Rules for Companies as published by the London Stock Exchange. In preparing these Financial Statements, the Directors are required to:

- select suitable material accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

# Independent auditor’s report to the members of KEFI Gold and Copper Plc

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 December 2024 and of the Group’s loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of KEFI Gold and Copper Plc (the ‘Parent Company’) and its subsidiaries (the ‘Group’) for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Companies Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and notes to the consolidated financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Material uncertainty related to going concern

We draw your attention to Note 2 of the financial statements which explains that the Group and Parent Company are reliant on additional funding being acquired, which is not guaranteed. As stated in Note 2, these events and conditions, along with other matters set out in Note 2, indicate a material uncertainty that may cast significant doubt on the Group and Parent Company’s ability to continue as a going concern. The financial statements do not include the adjustments that would result from the basis of preparation being inappropriate. Our opinion is not modified in respect of this matter.

Given the material uncertainty noted above and our risk assessment, we considered going concern to be a key audit matter. In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors’ assessment of the Group and the Parent Company’s ability to continue to adopt the going concern basis of accounting and our response to this key audit matter included the following:

- Obtaining the Directors’ going concern assessment and supporting forecasts and performing a detailed review of the cash flow forecasts, challenging the key assumptions based on empirical data and comparing historical monthly expenditure.
- Checking the mathematical accuracy of the forecast and agreeing current cash resources to supporting documentation.
- Discussing with the Directors how they intend to raise the funds necessary for the Group and Parent Company to continue as a going concern in the required timeframe and considered their judgement considering the Group and Parent Company’s previous successful fundraisings and strategic financing.
- Reviewing draft agreements and term sheets from potential investors in connection with the planned project financing.
- Confirming the validity of exploration and evaluation licences.
- Assessing the funding available to the Group and the Parent Company prior to approval of the financial statements in order to determine if the funding will be sufficient to cover capital and operating expenditures for a period of at least 12 months from the date of approval of these financial statements.
- Assessing the adequacy and completeness of the disclosures in the financial statements in the context of our understanding of the Group and Parent Company’s operations and plans, and the requirements of the financial reporting framework.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Overview

| | | | |
|---|---|---|---|
| **Key audit matters** | | **2024** | **2023** |
| | Carrying value of the Exploration and Evaluation Assets | ✔ | ✔ |
| | Going concern | ✔ | ✔ |
| **Materiality** | *Group financial statements as a whole*<br><br>£586,000 (2023: £530,000) based on 1.5% (2023: 1.5%) of total assets. | | |

## An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

*Components in scope*

From our risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements. We then determined the type of procedures to be performed at these components, and the extent to which component auditors were required to be involved.

The total number of components within the scope of our work was as follows:

| | **Number of components** | |
|---|---|---|
| | **2024** | **2023** |
| **Scope 1 - Audit procedures on entire financial information of the component** | 1 | 3 |
| **Scope 2 - Audit procedures on one or more account balances, classes of transactions or disclosures** | 2 | - |

As part of performing our Group audit, we have determined the components in scope as follows:

Scope 1 – Comprises the Parent Company (KEFI Gold & Copper Plc)

Scope 2 – Comprises the Group's subsidiary company in Ethiopia (Tulu Kapi Gold Mine Limited) and jointly controlled entity in Saudi Arabia (Gold & Minerals Co. Limited).

In determining components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. Whilst there is relative commonality of controls across the Group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures
- procedures on one or more classes of transactions, account balances or disclosure

*Procedures performed at the component level*

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Scope 1 – the audit and procedures on the entire financial information on this component were performed by the Group Engagement Team.

Scope 2 – the specific audit procedures on these components were performed by a combination of a component auditor and the Group Engagement Team.

*Locations*

The Group's operations are primarily in Ethiopia and Saudi Arabia. The component audit teams visited and conducted procedures at the Group's operations in Ethiopia. The Group Engagement Director also visited the Group's operations in Ethiopia as part of the Group Engagement Team's oversight procedures.

In addition, the Group Engagement Team worked remotely, holding calls and video conferences with KEFI Gold & Copper Plc, and with digital information obtained from KEFI Gold & Copper Plc.

*Changes from the prior year*

All components noted above were Scope 1 components at the prior year audit. In the current year, following a reassessment of the Group's scoping under ISAs (UK), the components in Ethiopia and Saudi Arabia were classified as Scope 2.

*Working with other auditors*

As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included the component auditor, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with the component audit team on the significant areas of the Group audit relevant to the components based on our assessment of the Group risks of material misstatement. We issued our Group audit instructions to component auditors on the nature and extent of their participation and role in the Group audit, and on the Group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included, holding meetings and calls during various phases of the audit, reviewing component auditor documentation in-person and remotely, and evaluating the appropriateness of the audit procedures performed and the results thereof.

# Independent auditor's report to the members of KEFI Gold and Copper Plc

*Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter set out in the material uncertainty related to going concern section of our report, we have determined the matter described below to be the key audit matter to be communicated in our report.

| **Key audit matter** | | **How the scope of our audit addressed the key audit matter** |
|---|---|---|
| **Carrying value of the Exploration and Evaluation Assets**<br><br>*Refer to "Note 4 – Impairment review of asset carrying values" within Use and revision of accounting estimates and judgements,*<br><br>*"Note 2 – Exploration cost under Material accounting policies & Note 12 –Intangible Assets* | The Group holds one Exploration and Evaluation asset, being the Tulu Kapi exploration asset in Ethiopia.<br><br>In accordance with IFRS 6, Management are required to assess whether there are any potential indicators of impairment at least annually. This involves significant judgement by Management, as explained within Note 4 to the financial statements.<br><br>We therefore considered this to be a key audit matter. | We evaluated whether Management's assessment of impairment indicators was performed in accordance with the requirements of IFRS 6. We challenged Management's assessment of the indicators of impairment of the Tulu Kapi exploration asset in Ethiopia, by performing the following procedures:<br><br>• Agreed Management's assessment to third party supporting documentation where applicable, including the latest scoping studies and exploration and mining licence permits.<br>• Reviewed the Group's licences to confirm that the exploration permits are valid.<br>• Reviewed correspondence with the Ethiopian Government and legal counsel for any indicators or conditions regarding the validity of the licences.<br>• Obtained the Group's budgets and forecasts and checked whether substantive expenditure has been planned to continue exploration or development and maintain the licences.<br>• Made specific inquiries of the Directors, operational management and reviewed public information, Board minutes and RNS announcements and plans which confirms the continuation of investment in the Tulu Kapi project subject to sufficient funding being available, as disclosed in Note 2.<br>• Considered whether there were any other indicators of impairment not identified by Management, based on our knowledge of the Group.<br><br>**Key observations:**<br><br>Based on the audit procedures performed, we consider the judgements made by Management in their assessment of the carrying value of Exploration and Evaluation Assets to be reasonable. |

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

| | **Group financial statements** | | **Parent company financial statements** | |
|---|---|---|---|---|
| | 2024<br>£'000 | 2023<br>£'000 | 2024<br>£'000 | 2023<br>£'000 |
| **Materiality** | 586 | 530 | 474 | 419 |
| **Basis for determining materiality** | 1.5% of total assets | | | |
| **Rationale for the benchmark applied** | We consider total assets to be the most significant determinant of the Group's financial performance for users of the financial statements, as the Group continues to bring its mining assets through to production. | | | |
| **Performance materiality** | 439 | 397 | 329 | 314 |
| **Basis for determining performance materiality** | 75% of materiality | | Capped at a percentage of Group materiality taking into account our assessment of component aggregation risk. | |
| **Rationale for the percentage applied for performance materiality** | The level of performance materiality was set after considering a number of factors including the expected value of known and likely misstatements and Management's attitude towards proposed misstatements based on past experience. | | | |

*Component performance materiality*

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 66% and 95% (2023: 50% and 75%) of Group performance materiality dependent on a number of factors including size of component and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £288,000 to £417,000 (2023: £265,000 to £397,000).

*Reporting threshold*

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £29,000 (2023: £26,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled '2024 *Annual Report*' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

| | |
|---|---|
| **Strategic report and Directors' report** | In our opinion, based on the work undertaken in the course of the audit:<br>• the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and<br>• the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.<br><br>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report. |
| **Matters on which we are required to report by exception** | We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:<br>• adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or<br>• the Parent Company financial statements are not in agreement with the accounting records and returns; or<br>• certain disclosures of Directors' remuneration specified by law are not made; or<br>• we have not received all the information and explanations we require for our audit. |

## Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the industry in which it operates;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Discussion with Management, the Audit Committee, the Component auditors and Component management.

we considered the significant laws and regulations to be the Companies Act 2006, UK-adopted International Accounting Standards, tax legislation, AIM Listing Rules, the Bribery Act 2010, and terms and requirements included in the Group's exploration and evaluation licenses.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be tax legislation.

Our procedures in respect of the above included:

- Review of RNS announcements and Board and Audit Committee meeting minutes for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Holding discussions with Management and the Audit Committee to consider any known or suspected instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with Management and the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of Board and Audit Committee meetings for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area most susceptible to fraud to be management override of controls through inappropriate journal entries and bias in key estimates and judgements.

Our procedures in respect of the above included:

- Enquiring with management and those charged with governance regarding any known or suspected instances of fraud;
- Reviewing minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Reviewing the Group’s year end adjusting entries, consolidation entries and investigating any that appear unusual as to nature or amount by agreeing to supporting documentation; and
- Assessing the significant judgement and estimates made by Management for bias (refer to Going Concern and Carrying value of the Exploration & Evaluation assets key audit matters).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including the component engagement team who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For the component engagement team, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

## Use of our report

This report is made solely to the Parent Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

**Signed by:**

Sameera Amarasiri

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Sameera Amarasiri (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

5 June 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Consolidated statement of comprehensive income
Year ended 31 December 2024

| | Notes | Year Ended 31.12.24 £'000 | Year Ended 31.12.23 £'000 |
|---|---|---|---|
| **Revenue** | | **-** | - |
| Exploration costs | | **-** | - |
| Administrative expenses | 6 | **(6,232)** | (3,441) |
| Finance transaction costs | 8.2 | **(260)** | (115) |
| Share-based payments and warrants-equity settled | 17 | **(35)** | (159) |
| Share of loss from jointly controlled entity | 19 | **(3,650)** | (4,963) |
| Reversal of Impairment of jointly controlled entity | 19 | **217** | 453 |
| **Operating loss** | 6 | **(9,960)** | (8,225) |
| Other income/(loss) | | **-** | - |
| Gain on Dilution of Joint Venture | 19.2 | **6,813** | 1,156 |
| Foreign exchange gain | | **331** | 173 |
| Finance costs | 8.1 | **(2,410)** | (1,000) |
| **Loss before tax** | | **(5,226)** | (7,896) |
| Tax | 9 | **-** | - |
| **Loss for the year** | | **(5,226)** | (7,896) |
| | | | |
| **Loss attributable to:** | | | |
| -Owners of the parent | | **(5,226)** | (7,896) |
| | | | |
| **Loss for the period** | | **(5,226)** | (7,896) |
| | | | |
| **Other comprehensive expense:** | | | |
| Exchange differences on translating foreign operations | | **-** | - |
| | | | |
| **Total comprehensive expense for the year** | | **(5,226)** | (7,896) |
| | | | |
| **Total Comprehensive expense to:** | | | |
| -Owners of the parent | | **(5,226)** | (7,896) |
| | | | |
| **Basic and diluted loss per share (pence)** | 10 | **(0.089)** | (0.175) |

The notes on pages 84 to 116 are an integral part of these consolidated financial statements.

## Statements of financial position

Company Number: 05976748

31 December 2024

| | Notes | The Group 2024 | The Company 2024 | The Group 2023 | The Company 2023 |
|---|---|---|---|---|---|
| | | £'000 | £'000 | £'000 | £'000 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 11 | **124** | **2** | 100 | 3 |
| Intangible assets | 12 | **38,392** | **-** | 34,716 | - |
| Investment in subsidiaries | 13.1& 14.2 | **-** | **31,402** | - | 16,253 |
| Investments in jointly controlled entities | 13.2 | **-** | **-** | - | - |
| Receivables from subsidiaries | 14.2 | **-** | **-** | - | 11,500 |
| | | **38,516** | **31,404** | 34,816 | 27,756 |
| **Current assets** | | | | | |
| Trade and other receivables | 14.1 | **398** | **107** | 528 | 72 |
| Cash and cash equivalents | 15 | **185** | **120** | 192 | 114 |
| | | **583** | **227** | 720 | 186 |
| **Total assets** | | **39,099** | **31,631** | 35,536 | 27,942 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity attributable to owners of the Company** | | | | | |
| Share capital | 16 | **7,047** | **7,047** | 4,965 | 4,965 |
| Deferred Shares | 16 | **23,328** | **23,328** | 23,328 | 23,328 |
| Share premium | 16 | **58,456** | **58,456** | 48,922 | 48,922 |
| Share options reserve | 17 | **1,948** | **1,948** | 3,675 | 3,675 |
| Accumulated losses | | **(60,039)** | **(64,847)** | (56,483) | (61,564) |
| **Attributable to Owners of parent** | | **30,740** | **25,932** | 24,407 | 19,326 |
| Non-Controlling Interest | 18 | **1,905** | - | 1,709 | - |
| **Total equity** | | **32,645** | **25,932** | 26,116 | 19,326 |
| **Current liabilities** | | | | | |
| Trade and other payables | 20 | **5,715** | **5,174** | 7,307 | 6,503 |
| Loans and borrowings | 22 | **739** | **525** | 2,113 | 2,113 |
| **Total liabilities** | | **6,454** | **5,699** | 9,420 | 8,616 |
| **Total equity and liabilities** | | **39,099** | **31,631** | 35,536 | 27,942 |

The notes on pages 84 to 116 are an integral part of these consolidated financial statements.

The Company has taken advantage of the exemption conferred by section 408 of Companies Act 2006 from presenting its own statement of comprehensive income. Loss after taxation amounting to £5.1 million (2023: £9 million) has been included in the financial statements of the parent company.

On the 5 June 2025, the Board of Directors of KEFI Gold and Copper PLC authorised these financial statements for issue.

Harry Anagnostaras-Adams
Executive Director- Chairman

John Edward Leach
Finance Director

# Consolidated statement of changes in equity

## Year ended 31 December 2024

| | Attributable to the owners of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Deferred shares | Share premium | Share options reserve | Foreign exch reserve | Accum. losses | Owners Equity | NCI | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **At 1 January 2023** | **3,939** | **23,328** | **43,187** | **3,747** | **-** | **(48,781)** | **25,420** | **1,562** | **26,982** |
| Loss for the year | - | - | - | - | - | (7,896) | (7,896) | - | (7,896) |
| Other comprehensive expense | - | - | - | - | - | - | - | - | - |
| **Total Comprehensive expense** | - | - | - | - | - | (7,896) | (7,896) | - | (7,896) |
| Recognition of share-based payments | - | - | - | 269 | - | - | 269 | - | 269 |
| Expired warrants | - | - | - | (341) | - | 341 | - | - | - |
| Issue of share capital and warrants | 1,026 | - | 6,156 | - | - | - | 7,182 | - | 7,182 |
| Share issue costs | - | - | (421) | - | - | - | (421) | - | (421) |
| Non-controlling interest | - | - | - | - | - | (147) | (147) | 147 | - |
| **At 31 December 2023** | **4,965** | **23,328** | **48,922** | **3,675** | **-** | **(56,483)** | **24,407** | **1,709** | **26,116** |
| Loss for the year | **-** | **-** | **-** | - | **-** | **(5,226)** | **(5,226)** | **-** | **(5,226)** |
| Other comprehensive expense | **-** | **-** | **-** | - | **-** | **-** | **-** | **-** | **-** |
| **Total Comprehensive expense** | **-** | **-** | **-** | - | **-** | **(5,226)** | **(5,226)** | **-** | **(5,226)** |
| Recognition of share-based payments | **-** | **-** | **-** | **139** | **-** | **-** | **139** | **-** | **139** |
| Expired warrants | **-** | - | **-** | **(1,866)** | - | **1,866** | **-** | - | **-** |
| Issue of share capital | **2,082** | - | **10,208** | **-** | - | **-** | **12,290** | **-** | **12,290** |
| Share issue costs | **-** | **-** | **(674)** | - | **-** | **-** | **(674)** | **-** | **(674)** |
| Non-controlling interest | **-** | **-** | **-** | - | **-** | **(196)** | **(196)** | **196** | **-** |
| **At 31 December 2024** | **7,047** | **23,328** | **58,456** | **1,948** | **-** | **(60,039)** | **30,740** | **1,905** | **32,645** |

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

| Reserve | Description and purpose |
|---|---|
| Share capital: (Note 16) | Amount subscribed for ordinary share capital at nominal value |
| Deferred shares: (Note 16) | During 2015 the Company's issued ordinary shares of 1p each were sub-divided into one new ordinary share of 0.1p and one deferred share of 0.9p. The deferred shares have no voting rights |
| Share premium: (Note 16) | Amount subscribed for share capital in excess of nominal value, net of issue costs |
| Share options reserve (Note 17) | 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): (Note 18) | The portion of equity ownership in a subsidiary not attributable to the parent company |

The notes on pages 84 to 116 are an integral part of these consolidated financial statements.

# Company statement of changes in equity

## Year ended 31 December 2024

| | Share capital | Deferred shares | Share premium | Share options reserve | Accumulated losses | Total |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **At 1 January 2023** | **3,939** | **23,328** | **43,187** | **3,747** | **(52,929)** | **21,272** |
| Loss for the year | - | - | - | - | (8,976) | (8,976) |
| Recognition of share-based payments | - | - | - | 269 | - | 269 |
| Forfeited options | - | - | - | - | - | - |
| Expired warrants | - | - | - | (341) | 341 | - |
| Issue of share capital and warrants | 1,026 | - | 6,156 | - | - | 7,182 |
| Share issue costs | - | - | (421) | - | - | (421) |
| **At 31 December 2023** | **4,965** | **23,328** | **48,922** | **3,675** | **(61,564)** | **19,326** |
| Loss for the year | **-** | **-** | **-** | **-** | **(5,149)** | **(5,149)** |
| Recognition of share-based payments | **-** | **-** | **-** | **139** | **-** | **139** |
| Forfeited options | **-** | **-** | **-** | **-** | **-** | **-** |
| Expired warrants | **-** | **-** | **-** | **(1,866)** | **1,866** | **-** |
| Issue of share capital and warrants | **2,082** | **-** | **10,208** | **-** | **-** | **12,290** |
| Share issue costs | **-** | **-** | **(674)** | **-** | **-** | **(674)** |
| **At 31 December 2024** | **7,047** | **23,328** | **58,456** | **1,948** | **(64,847)** | **25,932** |

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

| **Reserve** | **Description and purpose** |
|---|---|
| Share capital (Note 16) | Amount subscribed for ordinary share capital at nominal value |
| Deferred shares: (Note 16) | Under the terms of the restructuring of share capital, ordinary shares were sub-divided into deferred shares |
| Share premium: (Note 16) | Amount subscribed for share capital in excess of nominal value, net of issue costs |
| Share options reserve: (Note 17) | Reserve for share options and warrants granted but not exercised or lapsed |
| Accumulated losses | Cumulative net gains and losses recognized in the statement of comprehensive income |

The notes on pages 84 to 116 are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows
## Year ended 31 December 2024

| | Notes | **Year Ended 31.12.24 £'000** | Year Ended 31.12.23 £'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Loss before tax | | **(5,226)** | (7,896) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 11 | **18** | 29 |
| Share based payments | 17 | **35** | 159 |
| Gain on Dilution of Joint Venture | 19.1 | **(6,813)** | (1,156) |
| Share of loss from jointly controlled entity | 19 | **3,650** | 4,963 |
| Reversal of Impairment on jointly controlled entity | 19 | **(217)** | (453) |
| Exchange difference | | **(247)** | (173) |
| Finance costs | 8.1 | **2,452** | 1,030 |
| | | **(6,348)** | (3,497) |
| Changes in working capital: | | | |
| (Increase)/ decrease in Trade and other receivables | | **130** | (66) |
| Increase in Trade and other payables | | **4,418** | 1,769 |
| **Cash used in operations** | | **(1,800)** | (1,794) |
| Interest paid | 22.1.2 | **(955)** | (67) |
| **Net cash used in operating activities** | | **(2,755)** | (1,861) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Project exploration and evaluation costs | 12 | **(3,989)** | (2,458) |
| Acquisition of property plant and equipment | 11 | **(42)** | (4) |
| Advances to jointly controlled entity | 13.2 | **-** | (795) |
| **Net cash used in investing activities** | | **(4,031)** | (3,257) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of share capital | 16 | **4,997** | 2,861 |
| Issue costs | 16 | **(570)** | (311) |
| Proceeds from bridge loans | 22.1.2 | **4,724** | 2,640 |
| Repayment of bridge loans | 22.1.2 | **(2,372)** | (100) |
| **Net cash from financing activities** | | **6,779** | 5,090 |
| Net decrease in cash and cash equivalents | | **(7)** | (28) |
| Cash and cash equivalents: | | | |
| At beginning of the year | 15 | **192** | 220 |
| At end of the year | 15 | **185** | 192 |

Cash and cash equivalents in the Consolidated Statement of Financial Position includes restricted cash of £nil (2023: £nil).

The notes on pages 84 to 116 are an integral part of these consolidated financial statements.

# Company statement of cash flows

## Year ended 31 December 2024

| | Notes | Year Ended 31.12.24 £'000 | Year Ended 31.12.23 £'000 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Loss before tax** | | **(5,150)** | (8,976) |
| **Adjustments for:** | | | |
| Depreciation of property plant equipment | | **1** | - |
| Share based payments | 17 | **35** | 159 |
| Gain on Dilution of Joint Venture | 19.1 | **(6,813)** | (1,156) |
| Share of loss from jointly controlled entity | 19 | **3,650** | 4,963 |
| Reversal of Impairment on jointly controlled entity | 19 | **(217)** | (453) |
| Exchange difference | | **226** | 1,122 |
| (Reversal) / Increase Expected credit loss | | **(486)** | 70 |
| Finance costs | | **2,411** | 1,030 |
| | | **(6,343)** | (3,241) |
| **Changes in working capital:** | | | |
| Increase in Trade and other receivables | | **(36)** | (1) |
| Decrease in Trade and other payables | | **4,376** | 2,472 |
| **Cash used in operations** | | **(2,003)** | (770) |
| **Interest Paid** | 22.1.2 | **(955)** | (67) |
| **Net cash used in operating activities** | | **(2,958)** | (837) |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Investment in subsidiary | 13.1 | **(1,789)** | (696) |
| Advances to jointly controlled entity | 13.2 | **-** | (795) |
| Loan to subsidiary | 14 | **(1,602)** | (2,693) |
| **Net cash used in investing activities** | | **(3,391)** | (4,184) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of share capital | 16 | **4,997** | 2,861 |
| Issue costs | 16 | **(570)** | (311) |
| Proceeds from bridge loans | 22.1.2 | **4,300** | 2,640 |
| Repayment of bridge loans | 22.1.2 | **(2,372)** | (100) |
| **Net cash from financing activities** | | **6,355** | 5,090 |
| **Net increase/(decrease) in cash and cash equivalents** | | **6** | 69 |
| **Cash and cash equivalents:** | | | |
| **At beginning of the year** | 15 | **114** | 45 |
| **At end of the year** | 15 | **120** | 114 |

Cash and cash equivalents in the Company Statement of Financial Position includes restricted cash of £nil (2023:nil).

The notes on pages 84 to 116 are an integral part of these consolidated financial statements.

## 1. Incorporation and principal activities

**Country of incorporation**

KEFI Gold and Copper PLC (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.The principal place of business is Cyprus.

**Principal activities**

The principal activities of the Group are:

- Exploration 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.
- Evaluation of 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.
- Development of mineral deposits and marketing of the metals produced.

## 2. Material accounting policies

The principal material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout both periods presented in these financial statements unless otherwise stated.

**Basis of preparation and consolidation**

The Company and the consolidated financial statements have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. They comprise the accounts of KEFI Gold and Copper PLC and all its subsidiaries made up to 31 December 2024. The Company and the consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries have been included in the consolidated financial statements from the date that control commences until the date that control ceases.

An investor controls an investee if, and only if, it has all of the following: (a) power over the investee, (b) exposure or rights to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.".

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**Going concern**

The Company is a holding entity and as such its going concern is dependent on the Group therefore the going concern assessment for the Company was performed as part of the Group's assessment.

The Group's going concern assessment requires significant judgment, particularly regarding the availability and timing of future funding to develop the Tulu Kapi Gold Project in Ethiopia, to advance the exploration portfolio in Saudi Arabia, and to meet general working capital requirements.

As part of this assessment, the Directors have considered funds on hand, current liabilities and planned expenditures covering a period of at least 12 months from the date of approval of these financial statements.

The Group recognises that within the going concern consideration period, it will need funding both for normal running costs and for other committed costs which will include its share of the construction and development costs of the Tulu Kapi mine (Further details on project financing plan are summarised on page 6 of the Finance Director's Report). As at the date of this report the Group's current liabilities, exceed the Group's cash balance. Therefore, the Group is currently actively managing its existing liabilities, and the group will require further funding before the end of 2025 in order to settle its current liabilities .

The Group's ability to achieve the requisite level of funding will rely predominantly upon securing sufficient project financing and the remaining regulatory approvals for its flagship Tulu Kapi project. Significant progress has been made over the past year. Definitive agreements for project financing are nearing completion with contractors, equity investors, and government entities.

Arrangements with project lenders AFC and TDB for the project loan have progressed significantly. Credit committee approval has been received from AFC. In respect of TDB, having previously been granted credit committee approval in early 2024, it is currently in the process of updating that approval. This updated approval is outstanding at the date of these financial statements. Both approvals will be subject to typical conditions for signing and disbursement. Finalised terms and conditions have been set for the expanded secured project finance loan package, which has increased from $190 million to $240 million. It should be noted that these approvals remain subject to standard conditions precedent, including KEFI raising additional equity.

## 2. Material accounting policies (continued)

**Going concern (continued)**

Efforts to formalize these arrangements and prepare definitive agreements are continuing.

In 2025, the Company successfully raised gross an additional £12.7 million in equity capital, using the funds to repay some existing debt and normalise creditors and for general working capital. Based on the current amount of cash and existing liabilities, the available funds are insufficient to meet the Group's obligations during the 12 month period from the date of approval of these financial statements. This shortfall may be exacerbated by a lack of normal available financing due to ongoing uncertainty in mineral exploration markets. To address its financing needs, the Group will pursue various options, including, but not limited to, debt financing, strategic alliances, and equity financing.

Accordingly, and as set out above, the Group and Company are reliant on securing additional funding. This funding is not guaranteed nor within the complete control of the Directors. As a result this indicates the existence of a material uncertainty which may cast significant doubt over Group and Company's ability to continue as a going concern and, therefore, they may be unable to realise their assets and discharge their liabilities in the normal course of business. The financial statements therefore do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Based on historical experience and current ongoing proactive discussions with stakeholders, the Directors have a reasonable expectation that definitive binding agreements will be signed. Accordingly, the Directors have a reasonable expectation that the Group and Company will be able to continue to raise funds to meet its objectives and obligations.

**Functional and presentation currency**

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates. The consolidated financial statements of the Group and the statement of financial position and equity of the Company are in British Pounds ("GBP") which is the functional currency of the Company and the presentation currency for the consolidated financial statements. Functional currency is also determined for each of the Company's subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency. GBP is the functional currency of all subsidiaries.

**(1) Foreign currency translation**

Foreign currency transactions are translated into the presentational currency using the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss in the statement of comprehensive income.

**(2) Foreign operations**

On consolidation, the assets and liabilities of the consolidated entity's foreign operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly in which case they are recorded at the actual rate. As all subsidiaries use GBP as their functional currency and the Group's presentation currency is also GBP, no foreign currency translation differences arise on consolidation.

**Revenue recognition**

The Group had no sales or revenue during the year ended 31 December 2024 (2023: Nil).

**Property plant and equipment**

Property plant and equipment are stated at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition less depreciation.

Depreciation is calculated using the straight-line method to write off the cost of each asset to their residual values over their estimated useful life.

The annual depreciation rates used are as follows:

| | |
|---|---|
| Furniture, fixtures and office equipment | 25% |
| Motor vehicles | 25% |
| Plant and equipment | 25% |

**Intangible Assets**

Cost of licenses to mines are capitalised as intangible assets which relate to projects that are at the pre-development stage. No amortisation charge is recognised in respect of these intangible assets. Once the Group starts production these intangible assets relating to the license to mine will be depreciated over life of mine.

## 2. Material accounting policies (continued)

**Interest in jointly controlled entities**

The group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control exists where unanimous consent is required over relevant decisions.

The group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement.

- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement.

- The legal form of joint arrangements structured through a separate vehicle.

- The contractual terms of the joint arrangement agreement.

- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures using the equity method. The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, and expenses in accordance with its contractually conferred rights and obligations.

**Finance costs**

Interest expense and other borrowing costs are charged to the statement of comprehensive income as incurred and is recognised using the effective interest method.

**Tax**

The tax payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Tax is payable in the relevant jurisdiction at the rates described in note 9.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable differences and deferred tax assets are recognized to the extent that taxable profits will be available against which deductible temporary differences can be utilized. The amount of deferred tax is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off deferred tax assets against deferred tax liabilities and when the deferred taxes relate to the same fiscal authority.

**Investments**

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognized as an expense in the period in which the impairment is identified, in the Company accounts.

## 2. Material accounting policies (continued)

**Exploration costs**

The Group has adopted the provisions of IFRS 6 “Exploration for and Evaluation of Mineral Resources”. The company applies IFRS 6 until the project financing is secured. Once financing is secured the project moves to the development stage.

Exploration and evaluation expenditure, including acquisition costs of licences, in respect of each identifiable area of interest is expensed to the statement of comprehensive income as incurred, until the point at which development of a mineral deposit is considered economically viable and the formal definitive feasibility study is completed. At this point costs incurred are capitalised under IFRS 6 because these costs are necessary to bring the resource to commercial production.

Exploration expenditures typically include costs associated with prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities. Evaluation expenditures include the cost of directly attributable employee costs and economic evaluations to determine whether development of the mineralized material is commercially justified, including definitive feasibility and final feasibility studies.

Impairment reviews for deferred exploration and evaluation expenditure are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise such as: (i) unexpected geological occurrences that render the resource uneconomic; (ii) title to the asset is compromised; (iii) variations in mineral prices that render the project uneconomic; (iv) substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and (v) the period for which the Group has the right to explore has expired and is not expected to be renewed.

On commencement of development, Exploration and evaluation expenditure are reclassified to development assets, following assessment for any impairment.

**Development expenditure**

Once the Board decides that it intends to develop a project, development expenditure is capitalized as incurred, but only where it meets criteria for recognition as an intangible under IAS 38 or a tangible asset under IAS 16 and then amortized over the estimated useful life of the area according to the rate of depletion of the economically recoverable reserves or over the estimated useful life of the mine, if shorter.

**Share based compensation benefits**

IFRS 2 “Share based Payment” requires the recognition of equity settled share-based payments at fair value at the date of grant and the recognition of liabilities for cash settled share based payments at the current fair value at each statement of financial position date. The total amount expensed is recognized over the vesting period, which is the period over which performance conditions are to be satisfied. The fair value is measured using the Black Scholes pricing model. The inputs used in the model are based on management’s best estimate, including consideration of the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the Group issues equity instruments to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

**Warrants**

Warrants issued are recognised at fair value at the date of grant. The charge is expensed on a straight-line basis over the vesting period. The fair value is measured using the Trinomial Model. Where warrants are considered to represent a transaction cost attributable to a share placement, the fair value is recorded in the warrant reserve and deducted from the share premium.

**Financial instruments**

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## 2. Material accounting policies (continued)

**Financial instruments (continued)**

Non-derivative financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Amortised cost: These are financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Trade and other receivables, as well as cash are classified as amortised cost.

Impairment of financial assets: Financial assets at amortised cost consist of trade receivables, loans, cash and cash equivalents and debt instruments. Impairment losses are assessed using the forward-looking Expected Credit Loss (ECL) approach. Trade receivable loss allowances are measured at an amount equal to lifetime ECL's. Loss allowances are deducted from the gross carrying amount of the assets

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities as other financial liabilities. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables and borrowings.

**New standards and interpretations applied**

The following new standards and interpretations became effective on 1 January 2024 and have been adopted by the Group.

## 2. Material accounting policies (continued)

**New standards and interpretations applied (continued)**

| **New Standards, Interpretations and Amendments Adopted** | | | **Effective period commencing on or after** |
|---|---|---|---|
| Amendments to IFRS 16 | | Amendments to IFRS 16: Liability in a Sale and Leaseback | 01 January 2024 |
| Amendments IAS 1 | | Amendments to IAS 1: Classification of liabilities as current or noncurrent | 01 January 2024 |
| Amendments IAS 1 | | Amendments to IAS 1: Non-current Liabilities with Covenants | 01 January 2024 |
| Amendments to IAS 7 | | Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments) | 01 January 2024 |
| **New Standards, Interpretations and Amendments Not Yet Effective** | | | **Effective period commencing on or after** |
| Amendments to IAS 21 | 1 | IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments) | 01 January 2025 |
| New IFRS18 | 2 | IFRS 18 Presentation and Disclosure in Financial Statements | 01 January 2027 |
| New IFRS19 | 2 | IFRS 19 Subsidiaries without Public Accountability: Disclosure | 01 January 2027 |

[1]Not yet endorsed.

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

**New standards, amendments and interpretations that are not yet effective and have not been early adopted.**

- Revisions to the Conceptual Framework for Financial Reporting.

The principal material accounting policies adopted are set out above.

There are several standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The Group is currently assessing the impact of these new accounting standards and amendments.

[2]IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

[2]The Group does not expect to be eligible to apply IFRS 19.

The Group does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the group.

## 3. Financial risk management

**Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand with an original maturity date of less than three months. To mitigate its inherent exposure to credit risk, the Group maintains policies to limit the concentration of credit risk and to ensure the liquidity of available funds. The Group invests its cash and cash equivalents in rated financial institutions, primarily within the United Kingdom and other investment-grade countries (rated BBB– or higher by S&P). The Group does not have a significant concentration of credit risk arising from its holdings of cash and cash equivalents.

**Financial risk factors**

The Group is exposed to market risk (interest rate risk and currency risk), liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group does not consider this risk to be significant.

The Company has borrowings outstanding from its subsidiaries, the ultimate realisation of which depends on the successful exploration and realization of the Group's intangible exploration assets. This in turn is subject to the availability of financing to maintain the ongoing operations of the business. The Group manages its financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

**Market risk - Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's operating cash flows are substantially independent of changes in market interest rates as the interest rates on cash balances are very low at this time. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

| | **2024** | 2023 |
|---|---|---|
| | £'000 | £'000 |
| Variable rate instruments | | |
| Financial assets | **185** | 192 |

**Sensitivity analysis**

An increase of 100 basis points in interest rates at 31 December 2024 would have increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. Given current interest rate levels, a decrease of 25 basis points has been considered, with the impact on profit and equity shown below.

| | **Equity** | **Profit or Loss** | Equity | Profit or Loss |
|---|---|---|---|---|
| | **2024** | **2024** | 2023 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Variable rate instruments | | | | |
| Financial assets – increase of 100 basis points | **2** | **2** | 2 | 2 |
| Financial assets – decrease of 25 basis points | **(0.5)** | **(0.5)** | (0.5) | (0.5) |

## 3. Financial risk management (continued)

**Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the functional currency of the entity.

The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Australian Dollar, Euro, Turkish Lira, US Dollar, CHF, Ethiopian Birr and Saudi Arabian Riyal. Since 1986 the Saudi Arabian Riyal has been pegged to the US Dollar, it is fixed at USD/SAR 3.75. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows; with the Saudi Arabian Riyal exposure being included in the USD amounts.

| | **Liabilities** | **Assets** | Liabilities | Assets |
|---|---|---|---|---|
| | **2024** | **2024** | 2023 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Australian Dollar | **102** | **-** | 6 | - |
| Euro | **400** | **4** | 367 | 18 |
| US Dollar | **1,036** | **2** | 3,784 | 34 |
| Ethiopian Birr | **736** | **357** | 710 | 524 |

**Sensitivity analysis continued**

A 10% strengthening of the British Pound against the following currencies at 31 December 2024 would have increased equity and profit or loss by the amounts shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the British Pound against the relevant currency, there would be an equal and opposite impact on the loss and equity**.**

| | **Equity** | **Profit or Loss** | Equity | Profit or Loss |
|---|---|---|---|---|
| | **2024** | **2024** | 2023 | 2023 |
| | £'000 | £'000 | £'000 | £'000 |
| Australian Dollar | **10** | **10** | 1 | 1 |
| Euro | **40** | **40** | 35 | 35 |
| US Dollar | **103** | **103** | 375 | 375 |
| Ethiopian Birr | **38** | **38** | 19 | 19 |

**Liquidity risk**

The Group and Companies raise funds as required based on projected expenditure for the next 6 months, depending on prevailing factors. Funds are generally raised on AIM from eligible investors and also from short term providers in the form of bridging finance. The success of capital raisings depends on various factors, including investor sentiment in the equities and metals markets, the broader macroeconomic environment, and other external conditions. When raising funds, the Group evaluates the relative costs and benefits of equity versus alternative financing options. Capital is then allocated to projects based on forecasted expenditure requirement

The carrying amount in the liquidity table below is below the contractual cash flow in 2023 because these short-term loans include interest payable until the repayment date. If the loan is not repaid on the repayment date, an additional interest of 2.5% per week will be incurred.

## 3. Financial risk management (continued)

| | Carrying Amount £'000 | Contractual Cash flows £'000 | Less than 1 year £'000 | Between 1-5 year £'000 | More than 5 years £'000 |
|---|---|---|---|---|---|
| **The Group** | | | | | |
| 31-Dec-24 | | | | | |
| Trade and other payables | 5,715 | 5,715 | 5,715 | - | - |
| Loans & Borrowings and Interest | 739 | 739 | 739 | - | - |
| | 6,454 | 6,454 | 6,454 | - | - |
| 31-Dec-23 | | | | | |
| Trade and other payables | 7,307 | 7,307 | 7,307 | - | - |
| Loans & Borrowings and Interest | 2,113 | 2,438 | 2,438 | - | - |
| | 9,420 | 9,745 | 9,745 | - | - |
| **The Company** | | | | | |
| 31-Dec-24 | | | | | |
| Trade and other payables | 5,174 | 5,174 | 5,174 | - | - |
| Loans & Borrowings and Interest | 525 | 525 | 525 | - | - |
| | 5,699 | 5,699 | 5,699 | - | - |
| 31-Dec-23 | | | | | |
| Trade and other payables | 6,503 | 6,503 | 6,503 | - | - |
| Loans & Borrowings and Interest | 2,113 | 2,438 | 2,438 | - | - |
| | 8,616 | 8,941 | 8,941 | - | - |

**Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefit other stakeholders and to maintain an optimal capital structure to reduce the costs of capital. This is done through the close monitoring of cash flows.

The capital structure of the Group consists of cash and cash equivalents of £185,000 (2023: £192,000) and equity attributable to equity of the parent, comprising issued capital and deferred shares of £30,375,000 (2023: £28,293,000), other reserves of £60,404,000, (2023: £52,597,000) and accumulated losses of £60,039,000 (2023: £56,483,000). The Group has no long-term debt facilities.

## 3. Financial risk management (continued)

**Fair value estimation**

The Group has certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques to measure fair value:

Classification of financial assets and liabilities

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect fair value. All other receivables and payables are, where material, discounted to determine the fair value.

Differences arising between the carrying and fair value are considered not significant and no-adjustment is made in these accounts. The carrying and fair values of intercompany balances are the same as if they are repayable on demand. So the amortised cost is approximate to the fair value.

The fair values of the Group's loans and other borrowings are considered equal to the book value as the effect of discounting on these financial instruments is not considered to be material.

As at each of December 31, 2023, and December 31, 2024, the levels in the fair value hierarchy into which the Group's financial assets and liabilities measured and recognized in the statement of financial position at fair value are categorized are as follows:

| | Carrying Amounts | | Fair Values | |
|---|---|---|---|---|
| | **2024** | 2023 | **2024** | 2023 |
| **Financial assets** | £'000 | £'000 | £'000 | £'000 |
| Cash and cash equivalents (Note 15) – Level 1 | **185** | 192 | **185** | 192 |
| Trade and other receivables (Note 14) | **398** | 528 | **398** | 528 |
| **Financial liabilities** | | | | |
| Trade and other payables (Note 20) | **5,715** | 7,307 | **5,715** | 7,307 |
| Loans and borrowings (Note 22) | **739** | 2,113 | **739** | 2,113 |

## 4.Use and revision of accounting estimates and judgements

The preparation of the financial report requires the making of estimations and assumptions that affect the recognized amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**Accounting Judgement:**

Going concern

The going concern presumption depends principally on securing funding to develop the Tulu Kapi gold mining project as an economically viable mineral deposit, and the availability of subsequent funding to extract the resource, or alternatively the availability of funding to extend the Company's and Group's exploration activities (Note 2).

Capitalisation of exploration and evaluation costs

The directors consider that the project in its Licence areas in Saudi Arabia has not yet met the criteria for capitalization. These criteria include, among other things, the development of feasibility studies to provide confidence that mineral deposits identified are economically viable. Capitalized Exploration & Evaluation costs for the Group's project in Ethiopia have been recognized on acquisition, and have continued to be capitalised since that date, in accordance with IFRS 6. The technical feasibility of the project has been confirmed, and once the financing is secure the related assets will be reclassified as development costs in line with above.

## 4.Use and revision of accounting estimates and judgements (continued)

Shareholding in GMCO

During 2024, the Company further diluted its proportionate share in GMCO by 10% and reduced to 15% which resulted in corresponding increase in ARTAR shareholding to 85%. There is a clause in JV agreement which states that, if at any time the shareholding interest falls below 25% due to dilution, transfer or for any reason, it will trigger a right of the other shareholder to issue written notice requiring the retiring shareholder to transfer its entire shareholding interest to the continuing shareholder at fair value. The Company evaluated and concluded that the clause does not automatically imply the loss of significant influence. The sale can only take place at date expert is appointed to determine the fair value of KEFI's holding in GMCO. KEFI's influence remains based on its current ownership percentage until such time that the notice is issued, and an expert appointed to determine fair price. As of December 31, 2024 and at the date of this report KEFI is still a party to Joint Venture based on ownership interest of 15%. The Company continues to have significant influence over GMCO at the balance sheet date, supported by factors including KEFI's continued significant shareholding, representation on the Board of Directors, active involvement in policy-making processes, and other relevant considerations.

Although the GMCO legal ownership at the 31 December 2024 remains recorded at 25%, a resolution and public announcement before year end confirm KEFI's economic ownership at 15%. This reflects the substance over form principle, the group financial statements report a 15% holding as of 31 December 2024, aligning with KEFI's actual rights and exposure at the reporting date. The investment is classified accordingly, with the discrepancy between legal and economic ownership clearly disclosed for transparency and compliance purposes.

Impairment review of asset carrying values (Note 12)

Determining whether intangible exploration and evaluation assets are impaired requires an assessment of whether there are any indicators of impairment, by reference to specific impairment indicators prescribed in IFRS 6 (Note 2). This requires judgement. This includes the assessment, on a project-by-project basis, of the likely recovery of the cost of the Group's Intangible exploration assets in the light of future production opportunities based upon ongoing geological studies. This also involves the assessment of the period for which the entity has the right to explore in the specific area, or if it has expired during the period or will expire soon, if it is not expected to be renewed. Management has a continued plan to explore. In the Tulu Kapi Gold Project Information Memorandum dated March 2024 there were no indicators of impairment. TKGM license developments are reflected in Note 12.

**Estimates:**

Share based payments.

Equity-settled share awards are recognized as an expense based on their fair value at date of grant. The fair value of equity settled share options is estimated using option valuation models, which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life, and is expensed over the vesting period. Some of the inputs used are not market observable and are based on estimates derived from available data.

The models utilized are intended to value options traded in active markets. The share options issued by the Group, however, have several features that make them incomparable to such traded options. The variables used to measure the fair value of share-based payments could have a significant impact on that valuation, and the determination of these variables require a significant amount of professional judgement.

A minor change in a variable which requires professional judgement, such as volatility or expected life of an instrument, could have a quantitatively material impact on the fair value of the share-based payments granted, and therefore will also result in the recognition of a higher or lower expense in the Consolidated Statement of Comprehensive Income. Judgement is also exercised in assessing the number of options subject to non-market vesting conditions that will vest. These judgments are reflected in note 17.

## 5. Operating segments

The Group has two operating segments, being that of mineral exploration and corporate activities. The Group's exploration activities are in the Kingdom of Saudi Arabia (through the jointly controlled entity) and Ethiopia. Its corporate costs which include administration and management are based in Cyprus.

| | Corporate | Ethiopia | Saudi Arabia | Adjustments | Consolidated |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **2023** | | | | | |
| Corporate costs | (3,335) | (265) | - | - | (3,600) |
| Foreign exchange gain/(loss) | (1,100) | 1,273 | - | | 173 |
| Gain on Dilution of Joint Venture | - | - | 1,156 | - | 1,156 |
| Net Finance costs | (1,115) | - | - | - | (1,115) |
| (Loss)/gain before jointly controlled entity | (5,550) | 1,008 | 1,156 | - | (3,386) |
| Share of loss from jointly controlled entity | - | - | (4,963) | - | (4,963) |
| Reversal of Impairment of jointly controlled entity | - | - | 453 | - | 453 |
| Loss before tax | (5,550) | 1,008 | (3,354) | - | (7,896) |
| Tax | - | - | - | - | - |
| Loss for the year | (5,550) | 1,008 | (3,354) | - | (7,896) |
| | | | | | |
| Total Non-Current Assets | 16,257 | 23,155 | - | (4,596) | 34,816 |
| Total assets | 24,069 | 23,680 | - | (12,213) | 35,536 |
| Total liabilities | 8,839 | 12,794 | - | (12,213) | 9,420 |

| | Corporate | Ethiopia | Saudi Arabia | Adjustments | Consolidated |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **2024** | | | | | |
| Corporate costs | (5,638) | (155) | - | (487) | (6,280) |
| Foreign exchange gain/(loss) | (236) | 219 | - | 361 | 344 |
| Gain on Dilution of Joint Venture | - | - | 6,813 | - | 6,813 |
| Net Finance costs | (2,670) | - | - | - | (2,670) |
| (Loss)/gain before jointly controlled entity | (8,544) | 64 | 6,813 | (126) | (1,793) |
| Share of loss from jointly controlled entity | - | - | (3,650) | - | (3,650) |
| Impairment of jointly controlled entity | - | - | 217 | - | 217 |
| Loss before tax | (8,544) | 64 | 3,380 | (126) | (5,226) |
| Tax | - | - | - | - | - |
| Loss for the year | (8,544) | 64 | 3,380 | (126) | (5,226) |
| | | | | | |
| Total Non-Current Assets | 31,403 | 26,216 | - | (19,103) | 38,516 |
| Total assets | 31,631 | 26,561 | - | (19,093) | 39,099 |
| Total liabilities | 5,699 | 958 | - | (203) | 6,454 |

## 6. Expenses by nature

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Depreciation of property, plant and equipment (Note 11) | **18** | 29 |
| Directors' fees and other benefits (Note 21.1) | **1,164** | 568 |
| Consultants' costs | **477** | 282 |
| Auditors' remuneration | **189** | 170 |
| Legal Costs | **1,988** | 822 |
| Ongoing Listing Costs | **330** | 253 |
| Other expenses | **524** | 589 |
| Financial Project Advisory Costs | **890** | 150 |
| Shareholder Communications | **314** | 295 |
| Travelling Costs | **338** | 283 |
| Total Administrative Expenses | **6,232** | 3,441 |
| Share of losses from jointly controlled entity (Note 5 and Note 19) | **3,650** | 4,963 |
| Reversal of impairment of jointly controlled entity (Note 19) | **(217)** | (453) |
| Share based option benefits to directors (Note 17) | **-** | 69 |
| Share based benefits to employees (Note 17) | **-** | 42 |
| Share based benefits to key management (Note 17) | **-** | 12 |
| Share based benefits to suppliers | **35** | 36 |
| Cost for long term project finance (Note 8) | **260** | 115 |
| Operating loss | **9,960** | 8,225 |

The Group's stages of operations in Saudi Arabia as at the year-end and as at the date of approval of these financial statements have not yet met the criteria for capitalization of exploration costs. The Company only capitalises direct evaluation and exploration costs for the Tulu Kapi gold project in Ethiopia.

## 7. Staff costs

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Salaries | **1,188** | 1,317 |
| Social insurance costs and other funds | **126** | 159 |
| Costs capitalised as exploration | **(1,230)** | (1,361) |
| Net Staff Costs | **84** | 115 |
| Average number of employees | **58** | 60 |

Excludes Directors' remuneration and fees which are disclosed in note 21.1. TK project direct staff costs of £1,230,000 are capitalised in evaluation and exploration costs and all remaining salary costs are expensed. Most of the group employees are involved in Tulu Kapi Project in Ethiopia

## 8. Finance costs and other transaction costs

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| **8.1 Total finance costs** | | |
| Interest on short term loan | **2,410** | 1,000 |
| Total finance costs | **2,410** | 1,000 |
| **8.2 Total other transaction costs** | | |
| Cost for long term project finance | **260** | 115 |
| Total other transaction costs | **260** | 115 |

The above costs for long term project finance relate to pre-investigation activities required to fund TK Gold project.

## 9. Tax

| | 2024 | 2023 |
|---|---|---|
| | £'000 | £'000 |
| Loss before tax | **(5,226)** | (7,896) |
| | | |
| Tax calculated at the applicable tax rates at 12.5% | **(653)** | (987) |
| Tax effect of non-deductible expenses | **1,043** | 948 |
| Tax effect of tax losses | **491** | 72 |
| Tax effect of items not subject to tax | **(881)** | (33) |
| Charge for the year | **-** | - |

The Company is resident in Cyprus for tax purposes. A deferred tax asset of £2,326k (2023: £1,817k) has not been accounted for due to the uncertainty over future recoverability.

**Cyprus**

The corporation tax rate is 12.5%. Under certain conditions interest income may be subject to defence contribution at the rate of 17%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%. Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2024, the balance of tax loss which is available for offset against future taxable profits amounts to £ 18,446k (2023: £ 14.535k). Generally, loss of one source of income can be set off against income from other sources in the same year. Any loss remaining after the set off is carried forward for relief over the next 5 year period.

| Tax Year | 2020 | 2021 | 2022 | 2023 | 2024 | Total |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Losses carried forward | (3,617) | (2,292) | (4,476) | (1,919) | (6,305) | (18,609) |

**Ethiopia**

KEFI Minerals (Ethiopia) Limited is subject to other direct and indirect taxes in Ethiopia through its foreign operations. The mining industry in Ethiopia is relatively undeveloped. As a result, tax regulations relating to mining enterprises are evolving. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The government of Ethiopia cut the corporate income tax rate for miners to 25% more than three years ago from 35% and has lowered the precious metals royalty rate to 7% from 8%. According to the Proclamation, holders of a mining licence are required to pay royalty on the sales price of the commercial transaction of the minerals produced. Development expenditure of a licensee or contractor shall be treated as a business intangible with a useful life of four years. If a licensee or contractor incurs development expenditure before the commencement of commercial production shall apply on the basis that the expenditure was incurred at the time of commencement of commercial production. The mining license stipulates that every mining company should allocate 5% free equity shares to the Government of Ethiopia.

**United Kingdom**

KEFI Minerals (Ethiopia) Limited is resident in United Kingdom for tax purposes. The corporation tax rate is 19%. In December 2016, KEFI Minerals (Ethiopia) Limited elected under CTA 2009 section 18A to make exemption adjustments in respect of the Company's foreign permanent establishment's amounts in arriving at the Company's taxable total profits for each relevant accounting period. This is an exemption for UK corporation tax in respect of the profits of the Ethiopian branch.

## 10. 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:

| | **Year Ended 31.12.24 £'000** | Year Ended 31.12.23 £'000 |
|---|---|---|
| Net loss attributable to equity shareholders | **(5,226)** | (7,896) |
| Net loss for basic and diluted loss attributable to equity shareholders | **(5,226)** | (7,896) |
| Weighted average number of ordinary shares for basic loss per share (000's) | **5,890,502** | 4,508,178 |
| Weighted average number of ordinary shares for diluted loss per share (000's) | **6,154,936** | 5,625,409 |
| **Loss per share:** | | |
| Basic loss per share (pence) | **(0.089)** | (0.175) |

There was no impact on the weighted average number of shares outstanding during 2024 as all Share Options and Warrants were excluded from the weighted average dilutive share calculation because their effect would be anti-dilutive and therefore both basic and diluted earnings per share are the same in 2024.

## 11. Property, plant and equipment

| | Motor Vehicles £'000 | Plant and equipment £'000 | Furniture, fixtures and office equipment £'000 | Total £'000 |
|---|---|---|---|---|
| The Group | | | | |
| Cost | | | | |
| At 1 January 2023 | 113 | 125 | 137 | 375 |
| Additions | - | - | 4 | 4 |
| Write-offs | - | - | - | - |
| **At 31 December 2023** | 113 | 125 | 141 | 379 |
| **Additions** | **-** | **33** | **9** | **42** |
| **Write-offs** | **-** | **-** | **-** | **-** |
| **At 31 December 2024** | **113** | **158** | **150** | **421** |
| Accumulated Depreciation | | | | |
| At 1 January 2023 | 73 | 93 | 84 | 250 |
| Charge for the year | 3 | 10 | 16 | 29 |
| Write offs | | | - | - |
| **At 31 December 2023** | 76 | 103 | 100 | 279 |
| **Charge for the year** | **2** | **5** | **11** | **18** |
| **Write offs** | | | **-** | **-** |
| **At 31 December 2024** | **78** | **108** | **111** | **297** |
| **Net Book Value at 31 December 2024** | **35** | **50** | **39** | **124** |
| Net Book Value at 31 December 2023 | 37 | 22 | 41 | 100 |

The above property, plant and equipment is in Ethiopia.

## 12. Intangible assets

| | Total exploration and project evaluation cost £'000 |
|---|---|
| The Group | |
| Cost | |
| At 1 January 2023 | 31,622 |
| Additions | 3,360 |
| **At 31 December 2023** | 34,982 |
| Additions | **3,676** |
| **At 31 December 2024** | **38,658** |
| | |
| Accumulated Amortization and Impairment | |
| At 1 January 2023 | 266 |
| **At 31 December 2023** | **266** |
| Impairment Charge for the year | - |
| **At 31 December 2024** | **266** |
| | |
| **Net Book Value at 31 December 2024** | **38,392** |
| Net Book Value at 31 December 2023 | **34,716** |

Costs can only be capitalised after the entity has obtained legal rights to explore in a specific area but before extraction has been demonstrated to be both technically feasible and commercially viable.

The addition of £3.6 million is directly associated with the TKGM gold exploration project expenditure and is capitalized as intangible exploration and evaluation cost. Such exploration and evaluation expenditure include directly attributable internal costs incurred in Ethiopia and services rendered by external consultants to ensure technical feasibility and commercial viability of the TKGM project. The value included as Project Exploration and Evaluation costs in the Statement of Cash Flows is affected by the net movements between the intangible assets creditors at 31 December 2023 and the value of these at 31 December 2024, hence it does not match with the Additions to Intangible Assets.

The Company TKGM mining licence is in good standing to 2035 subject to normal compliance of Ethiopian mining regulations. At the moment final approvals are subject to the conditions precedent in the hands of Government in respect of administrative matters and security.

## 13. Investments

### 13.1 Investment in subsidiaries

| The Company | **Year Ended 31.12.24 £'000** | Year Ended 31.12.23 £'000 |
|---|---|---|
| Cost | | |
| At 1 January | **16,253** | 15,557 |
| Additions | **640** | 696 |
| Intercompany loans converted to equity | **14,509** | - |
| At 31 December | **31,402** | 16,253 |

The Company carrying value of KEFI Minerals Ethiopia which holds the investment in the Tulu Kapi Gold project currently under development is £31,402,000 as at the 31 December 2024.

## 13. Investments

### 13.1 Investment in subsidiaries

**Reclassification of Shareholder Loans to Equity**

During the financial year ended 31 December 2024, the Company converted shareholder loans to investment in subsidiaries. The loan, amounting to £14,509,000, had no fixed repayment terms and was subordinate to all other debt obligations. This reclassification has resulted in:

- An increase in investment of £14,509,000.
- A corresponding decrease in shareholder loans of £14,509,000.
- No impact on the statement of profit or loss for the year.

During the year, an indicators of impairment review was conducted by the management under IAS 36, and no indicators were identified.

.

| Subsidiary companies | Date of acquisition/ incorporation | Country of incorporation | Effective proportion of shares held |
|---|---|---|---|
| Mediterranean Minerals (Bulgaria) EOOD | 08/11/2006 | Bulgaria | 100%-Direct |
| KEFI Minerals (Ethiopia) Limited | 30/12/2013 | United Kingdom | 100%-Direct |
| KEFI Minerals Marketing and Sales Cyprus Limited | 30/12/2014 | Cyprus | 100%-Direct |
| Tulu Kapi Gold Mine Share Company | 31/04/2017 | Ethiopia | 95%-Indirect |

| Subsidiary companies | The following companies have the address of: |
|---|---|
| Mediterranean Minerals (Bulgaria) EOOD | 10 Tsar Osvoboditel Blvd., 3rd floor, Sredets Region, 1000 Sofia, the Republic of Bulgaria. |
| KEFI Minerals (Ethiopia) Limited | 27/28 Eastcastle Street, London, United Kingdom W1W 8DH. |
| KEFI Minerals Marketing and Sales Cyprus Limited | 2 Kadmou, Wisdom Tower, 1st Floor, 1105 Nicosia, Cyprus. |
| Tulu Kapi Gold Mine Share Company | 1st Floor, DAMINAROF Building, Bole Sub-City, Kebele 12/13, H.No, New. |

## 13. Investments (continued)

### 13.1 Investment in subsidiaries (continued)

The Company owns 100% of Kefi Minerals (Ethiopia) Limited ("KME")

On 8 November 2006, the Company entered into an agreement to acquire from Atalaya Mining PLC (previously EMED) the whole of the issued share capital of Mediterranean Minerals (Bulgaria) EOOD, a company incorporated in Bulgaria, in consideration for the issue of 29,999,998 ordinary shares in the Company. Mediterranean Minerals (Bulgaria) EOOD owned 100% of the share capital of Doğu Akdeniz Mineralleri ("Dogu"), a private limited liability Company incorporated in Turkey, engaging in activities for exploration and developing of natural resources. Dogu was liquidated in 2020.

KME owns 95% of Tulu Kapi Gold Mine Share Company ("TKGM"), a company incorporated in Ethiopia which operates the Tulu Kapi project. The Tulu Kapi Gold Project mining license has been transferred to TKGM. The Government of Ethiopia is entitled to a 5% free-carried interest ("FCI") in TKGM. This entitlement is enshrined in the Ethiopian Mining Law and the Ethiopian Mining Agreement between the Ethiopian Government and KME, as well as the constitution of the project company and is granted at no cost. The 5% FCI refers to the equity interest granted by the company holding the mining license. The Ethiopian Government has also undertaken to invest a further USD$20,000,000 (Ethiopian Birr Equivalent) in associated project infrastructure in return for the issue of additional equity on normal commercial terms ranking pari passu with the shareholding of KME. Such additional equity is not entitled to a free carry. Upon completion of each element of the infrastructure and approval by the Company, related additional equity will be issued. At the date of this report no equity was issued.

The Company owns 100% of KEFI Minerals Marketing and Sales Cyprus ("KMMSC"), a Company incorporated in Cyprus. The KMMSC was dormant for the year ended 31 December 2024 and 2023. KEFI Minerals Marketing and Sales Cyprus holds the right to market gold produced from the Tulu Kapi Gold Project. It holds no other assets. It is planned that KMMSC will act as agent and off-taker for the onward sale of gold and other products in international markets.

### 13.2 Investment in jointly controlled entity

| | **Year Ended 31.12.24 £'000** | Year Ended 31.12.23 £'000 |
|---|---|---|
| **The Group** | | |
| At 1 January | **-** | - |
| (Decrease)/Increase in investment | **(3,380)** | 3,354 |
| Gain on Dilution | **6,813** | 1,156 |
| Exchange Difference | **-** | - |
| Share of loss for the year | **(3,650)** | (4,963) |
| Reversal of impairment | **217** | 453 |
| On 31 December | **-** | - |
| **The Company** | | |
| At 1 January | **-** | - |
| (Decrease)/Increase in investment | **(3,380)** | 3,354 |
| Gain on Dilution | **6,813** | 1,156 |
| Exchange Difference | - | - |
| Impairment Charge for the year | **(3,433)** | (4,510) |
| On 31 December | **-** | - |

| Jointly controlled entity | Date of acquisition/ incorporation | Country of incorporation | Effective proportion of shares held |
|---|---|---|---|
| Gold and Minerals Co. Limited (GMCO) | 04/08/2010 | Saudi Arabia | 15%-Direct |

The Company owns 15% of GMCO as of 31 December 2024. More information is given in note 19.1. During the year the Company diluted its holding in GMCO from 26.8% to 15% and this resulted in a gain of £6,813,000.

## 14. Trade and other receivables

### 14.1 Current Trade and other receivables

| | Year Ended 31.12.24 £'000 | Year Ended 31.12.23 £'000 |
|---|---|---|
| **The Group** | | |
| Prepayments & other receivables | **126** | 124 |
| VAT receivable | **272** | 404 |
| | **398** | 528 |

| | Year Ended 31.12.24 £'000 | Year Ended 31.12.23 £'000 |
|---|---|---|
| Prepayments | **107** | 72 |
| | **107** | 72 |

### 14.2 Receivables from subsidiaries

| | Year Ended 31.12.24 £'000 | Year Ended 31.12.23 £'000 |
|---|---|---|
| **The Company** | | |
| Receivable to KEFI Minerals (Ethiopia) Limited (Note 21.2) [2] | **5,023** | 5,107 |
| Receivable to Tulu Kapi Gold Mine Share Company (Note 21.2) [1] | **9,486** | 6,879 |
| **Total Advances to Ethiopian Subsidiaries** | **14,509** | 11,986 |
| Expected credit loss | **(486)** | (486) |
| Receivable Classified as Equity during the year | **(14,509)** | - |
| **Net Receivable Balance** | **(486)** | 11,500 |
| Expected credit loss reversal | **486** | - |
| Total Receivables from Subsidiaries | **-** | 11,500 |

The Company had loans outstanding from its Ethiopian subsidiaries, the ultimate realisation of which depends on the successful exploration and realisation of the Group's intangible exploration assets. operating liquidity needs.

During the financial year ended 31 December 2024, the Ethiopian subsidiaries had shareholder loans amounting to £14,509,000 (2023: £11,986,000). These shareholder loans were recorded as Investments in subsidiaries on 1 July 2024 as the Company converted these loans to equity in the subsidiaries.

[1]The Company advanced £2,745,000 (2023: £2,693,000) to the subsidiary Tulu Kapi gold Mine Share Company during 2024. The Company had a foreign exchange translation loss of £139,000 (2023: Gain £805,000). During the year, £9,485,000 of the Tulu Kapi gold Mine Share Company loan was recorded as Investment in subsidiaries.

[2]Kefi Minerals (Ethiopia) Limited: during 2024, the Company advanced £5,100 (2023: £Nil) to the subsidiary. The Company had a foreign exchange translation loss of £90,000 (2023: Gain £317,000) the current year gain was because of devaluation of the Ethiopian Birr. Within the reporting period, £5,023,000 of the loan was recorded as Investment in subsidiaries.

Due to Management's reclassification of intercompany loans as equity, the expected credit loss provision of £486,000 was no longer required and has been reversed.

The TKGM and KME loans are denominated in Ethiopian Birr. The Company bears the foreign exchange risk on these loans, and any movements in the Ethiopian Birr are recorded in the Company's income statement.

## 15. Cash and cash equivalents

| | **Year Ended 31.12.24 £'000** | Year Ended 31.12.23 £'000 |
|---|---|---|
| The Group | | |
| Cash at bank and in hand unrestricted | **185** | 192 |
| | **185** | 192 |
| The Company | | |
| Cash at bank and in hand unrestricted | **120** | 114 |
| Cash at bank restricted | **-** | - |
| | **120** | 114 |

## 16. Share capital

**Issued Capital**

The articles of association of the Company were amended in 2010 and the liability of the members of the Company is limited.

Issued and fully paid

| | Number of shares '000 | Share Capital | Deferred Shares | Share premium | Total |
|---|---|---|---|---|---|
| At 1 January 2023 | **3,939,123** | **3,939** | **23,328** | **43,187** | **70,454** |
| Share Equity Placement 5 June 2023 | 785,714 | 786 | - | 4,714 | 5,500 |
| Conditional Share Equity Placement 30 June 2023 | 98,325 | 98 | - | 590 | 688 |
| Conditional Share Equity Placement 30 June 2023 | 34,820 | 35 | - | 209 | 244 |
| Conditional Share Equity Placement 3 July 2023 | 107,143 | 107 | - | 643 | 750 |
| Share issue costs | - | - | - | (311) | (311) |
| Broker warrants: issue costs | | | | (110) | (110) |
| At 31 December 2023 | **4,965,125** | **4,965** | **23,328** | **48,922** | **77,215** |

## 16. Share capital (continued)

**Issued Capital (continued)**

| | Number of shares '000 | Share Capital | Deferred Shares | Share premium | Total |
|---|---|---|---|---|---|
| At 1 January 2024 | **4,965,125** | **4,965** | **23,328** | **48,922** | **77,215** |
| Share Equity Placement 8 March 2024 | 832,653 | 833 | - | 4,163 | 4,996 |
| Share Equity Placement 26 March 2024 | 83,333 | 83 | - | 417 | 500 |
| Share Equity Placement 28 May 2022 | 177,982 | 178 | - | 1,180 | 1,358 |
| Share Equity Placement 3 Dec 2024 | 988,496 | 988 | - | 4,448 | 5,436 |
| Share issue costs | - | - | - | (570) | (570) |
| Broker warrants: issue costs | - | - | - | (104) | (104) |
| At 31 December 2024 | **7,047,589** | **7,047** | **23,328** | **58,456** | **88,831** |

| | Number of Deferred Shares'000 | | £'000 | £'000 |
|---|---|---|---|---|
| Deferred Shares 1.6p | 2024 | 2023 | 2024 | 2023 |
| At 1 January | 680,768 | 680,768 | 10,892 | 10,892 |
| Subdivision of ordinary shares to deferred shares | - | - | - | - |
| At 31 December | 680,768 | 680,768 | 10,892 | 10,892 |

| Deferred Shares 0.9p | 2024 | 2023 | 2024 | 2023 |
|---|---|---|---|---|
| At 1 January | 1,381,947 | 1,381,947 | 12,436 | 12,436 |
| Subdivision of ordinary shares to deferred shares | - | - | - | - |
| At 31 December | 1,381,947 | 1,381,947 | 12,436 | 12,436 |

The deferred shares have no voting rights.

**2023**

On the 5 June 2023 the Company admitted 785,714,285 new ordinary shares of the Company at a placing price of 0.7 pence per Ordinary Share.

At the AGM on the 30 June 2023, shareholders approved of the issue 133,145,208 new ordinary shares of 0.1p each at a price of 0.7p per share. 34,820,080 of these shares were placed with retail investors and the balance were issued to new and/or existing investors.

Furthermore, following the AGM approval, the company also issued 107,142,857 new ordinary shares on July 3, 2023. These shares of 0.1p each, were placed at a price of 0.7p per share.

**2024**

During March 2024 the Company raised £5.5 million through the issue of 915,986,055 new ordinary shares of the Company at a placing price of 0.6 pence per Ordinary Share. These new Ordinary Shares were admitted in two tranches, 832,652,722 on 08 March 2024 and 83,333,333 on 26 March 2024, following shareholder approval of the conditional placement at a General Meeting of the Company.

On the 28 May 2024 the Company admitted 177,981,851 new ordinary shares of the Company at a placing price of 0.76 pence per Ordinary Share. These shares, with a total value of £1.35 million, were allocated to key advisers as compensation for their services.

The Company raised £5.5 million through the issue of 988,495,667 new Ordinary Shares at a placing price of 0.55 pence per Ordinary Share.

Of the total value of £12.3 million raised during the year on issue of new ordinary shares of the Company, £7.3 million (2023:4.3 million) was non-cash due to being allocated for the settlement of liabilities (see Note 17.3).

**Restructuring of share capital into deferred shares**

On the 28 June 2019 at the AGM, shareholders approved that each of the currently issued ordinary shares of 1.7p ("Old Ordinary Shares") in the capital of the Company be sub-divided into one new ordinary share of 0.1p ("Existing Ordinary Shares") and one deferred share of 1.6p ("Deferred Shares"). With effect from 8 July 2019 at 8.00am, each ordinary share in the Company has a nominal value of 0.1p per share.

The Deferred Shares have no value or voting rights and were not admitted to trading on the AIM market of the London Stock Exchange plc. No share certificates were issued in respect of the Deferred Shares.

## 17. Share Based payments

### 17.1 Warrants

**2023**

During July 2023, the Company issued 39,285,714 broker warrants to subscribe for new ordinary shares of 0.1p each at 0.7p per share to Tavira Securities Limited pursuant to the Placing Agreement. The warrants expire within three years of the date of Second Admission.

**2024**

During the financial year, the Company experienced a significant reduction in the number of outstanding shareholder warrants. This reduction occurred due to the expiration of 893,096,865 shareholder warrants that were previously issued in two tranches:

- 393,096,865 short-term shareholder warrants issued in accordance with the January 2022 share placement, exercisable at 1.6p per share
- 500,000,000 shareholder warrants authorized in April and May 2022, exercisable at 1.6p per share

In accordance with the terms of issuance, these warrants were subject to the following conditions:

- Exercise period of two years from the date of Admission
- Exercise contingent upon a "Warrant Trigger Event" (share price reaching or exceeding 2.4p for five consecutive days)
- Mandatory exercise within 30 days if the Trigger Event occurred
- Automatic expiration at the end of the two-year period if not exercised

As the Warrant Trigger Event did not occur during the specified period, and the two-year term has now elapsed, these warrants have expired in accordance with their terms and conditions. This expiration accounts for the material reduction in the number of outstanding warrants reported in the current financial statements compared to the previous reporting period.

During March 2024, the Company issued 37,500,000 broker warrants to Tavira Securities Limited pursuant to the Placing Agreement. These warrants entitle the holder to subscribe for new ordinary shares of 0.1p each at an exercise price of 0.6p per share. The warrants have a three-year term from the date of Second Admission. The fair value of these warrants was determined using the Black-Scholes valuation model and allocated against the share premium account in accordance with IFRS requirements.

In March 2024, the Company issued 12,400,000 Adviser Warrants to an Advisor as compensation for services provided over the previous 12 months. These warrants entitle the holder to subscribe for new ordinary shares of 0.1p each at an exercise price of 0.6p per share. The warrants have a three-year term from the date of Second Admission. The fair value of these warrants was recognized as an expense in the income statement in accordance with IFRS 2 'Share-based Payment'

## 17. Share Based payments (continued)

**17.1 Warrants (continued)**

Details of warrants outstanding as at 31 December 2024:

| Grant date | Expiry date | Exercise price | Expected Life Years | Number of warrants 000's |
|---|---|---|---|---|
| 18 May 2022 | 17 May 2025 | 0.80p | 3 years | 75,000 |
| 03 Jul 2023 | 02 Jul 2026 | 0.70p | 3 years | 39,286 |
| 26 Mar 2024 | 26 Mar 2027 | 0.60p | 3 years | 49,900 |
| | | | | **164,186** |

| | Weighted average ex. Price | Number of warrants 000's |
|---|---|---|
| Outstanding warrants at 1 January 2024 | 1.51p | **1,007,383** |
| - granted | 0.60p | 49,900 |
| - cancelled/expired/forfeited | 1.60p | (893,097) |
| - exercised | | |
| Outstanding warrants at 31 December 2024 | 0.72p | **164,186** |

The estimated fair values of the warrants were calculated using the Black Scholes option pricing model and Trinomial Model when deemed more appropriate.

The inputs into the model and the results for warrants and options granted during the year are as follows:

| | Warrants | | | | | Options | |
|---|---|---|---|---|---|---|---|
| | 18-May-22 | 18-May-22 | 03-Jul-23 | 27-Mar-24 | | 17-Mar-21 | 12-Sep-23 |
| Closing share price at issue date | 0.71p | 0.71p | 0.58p | 0.56p | | 2.05p | 0.58p |
| Exercise price | 1.60p | 0.80p | 0.70p | 0.60p | | 2.55p | 0.60p |
| Expected volatility | 81.079% | 99.72% | 76.76% | 75.41% | | 89% | 86.34% |
| Expected life | 2yrs | 3yrs | 3yrs | 3yrs | | 4yrs | 7yrs |
| Risk free rate | 1.459% | 1.475% | 5.11% | 3.91% | | 0.028% | 4.41% |
| Expected dividend yield | Nil | Nil | Nil | Nil | | Nil | Nil |
| Estimated fair value | 0.16p | 0.42p | 0.28p | 0.28p | | 1.21p | 0.45p |

Expected volatility was estimated based on the historical underlying volatility in the price of the Company's shares.

## 17. Share Based payments (continued)

### 17.1 Warrants (continued)

| Share options reserve table | Year Ended 31.12.24 £'000 | Year Ended 31.12.23 £'000 |
|---|---|---|
| Opening amount | **3,675** | 3,747 |
| Broker Warrants issued costs | **104** | 110 |
| Adviser warrants issue costs | **35** | - |
| Share options charges relating to employees (Note 6) | **-** | 42 |
| Share options issued to directors and key management (Note 6) | **-** | 81 |
| Share options issued to advisor (Note 6) | **-** | 36 |
| Forfeited options | **-** | - |
| Exercised warrants | **-** | - |
| Expired warrants | **(1,663)** | (178) |
| Expired options | **(203)** | (163) |
| Closing amount | **1,948** | 3,675 |

### 17.2 Share options reserve

Details of share options outstanding as at 31 December 2024:

| Grant date | Expiry date | Exercise price | Number of shares 000's |
|---|---|---|---|
| 17-Mar-21 | 16-May-25 | 2.55p | 92,249 |
| 12-Sep-23 | 11-Sep-30 | 0.60p | 8,000 |
| | | | **100,249** |

| | Weighted average ex. Price | Number of shares000's |
|---|---|---|
| Outstanding options at 1 January 2023 | 2.58p | 109,849 |
| - granted | - | - |
| - forfeited | - | - |
| - cancelled/ expired | 4.5p | (9,600) |
| Outstanding options at 31 December 2024 | 2.39p | **100,249** |

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

On 17 March 2021, 85,813,848 options were issued to persons who discharge director and managerial responsibilities ("PDMRs") and a further 18,225,153 options have been granted to other non-board members of the senior management team. The options have an exercise price of 2.55p, expire after4 years, and 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. Although the directors approved and announced the issue of 119,747,339 options on the 17 March 2021 to certain directors and senior managers only 104,039,001 options were eventually issued.

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. Expected volatility was estimated based on the historical underlying volatility in the price of the Company's shares.

For 2024, the impact of share option-based payments is a net charge to income of £35,000- (2023: £159,000). At 31 December 2024, the equity reserve recognized for share option-based payments, including warrants, amounted to £1,948,000 (2023: £3,675,000).

## 17. Share Based payments (continued)

**17.3 Share Payments for services rendered and obligations settled.**

**2023 Year**

The Company has settled certain remuneration, bonus, and fee obligations through the issuance of Ordinary shares during the year. As of June 30, 2023 after shareholder approval, the Company allotted 107,142,857 new ordinary shares of 0.1 pence each in the capital of the Company at a Placing Price of 0.7 pence per Ordinary Share amounting to £750,000. Additionally, 98,325,128 Ordinary shares were issued to settle amounts owed in fees amounting to £688,000. In total during the year, the Company settled share-based payment obligations totalling £1,438,000 through the issuance of 205,467,986 Ordinary shares.

In May 2023, certain lenders entered into agreements to irrevocably discharge and fully satisfy the outstanding amounts owed by the company through set-off arrangements. These lenders participated in the share placement by subscribing to the company's shares. As a result, the company issued 367,239,714 Ordinary shares to settle advances amounting to £2,570,000.

**2024 Year**

During the year the company granted the issuance of 1,192,937,000 new Ordinary shares which were distributed across the following placements:

March 2024 Share Placement of 461,125,000

After the General Meeting held in March 2024, the Company authorized the issuance of 461,125,000 new Ordinary shares at a placing price of 0.06 pence to fulfil financial obligations totalling £2.8 million

May 2024 Share Placement of 177,981,851

The Company has issued 177,981,851 new ordinary shares of 0.1 pence each at a price of 0.763 pence per Ordinary Share, equivalent to the mid-market closing price on 20 May 2024. These shares, with a total value of £1.35 million, were allocated to key advisers as compensation for their services in support of strategic initiatives that require attention following the commencement of the Early Works Programme at our Tulu Kapi Gold Project in Ethiopia.

December 2024 Share Placement of 553,830,182

During December, the Company resolved its liabilities and other obligations amounting to £3.05million by issuing 553.830,182 new Ordinary Shares at a placing price of 0.55 pence per Ordinary Share.

The total shares set off during 2023 and 2024 for services and obligations was as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| Name | **Number of Remuneration and Settlement Shares** | **Amount** | Number of Remuneration and Settlement Shares | Amount |
| | **'000** | **£'000** | '000 | £'000 |
| For services rendered and obligations settled | | | | |
| H Anagnostaras-Adams | **33,333** | **200** | 26,428 | 185 |
| J Leach | **16,667** | **100** | 14,286 | 100 |
| Other employees and PDMRs | **-** | **-** | 137,044 | 959 |
| Amount to settle other Bonus Obligations | **16,667** | **100** | 27,710 | 194 |
| Amount to settle other Obligations | **259,259** | **1,801** | 44,430 | 313 |
| Total share-based payments | **325,926** | **2,201** | 249,898 | 1,751 |
| Amount to settle loans | | | | |
| Unsecured working capital bridging finance | **867,011** | **4,970** | 367,340 | 2,570 |
| | **1,192,937** | **7,171** | 617,238 | 4,321 |

The parties above agreed that the amounts subscribed in the share placements during the year be set-off against the amount due by the Company at the date of the share placement.

## 18. Non-Controlling Interest ("NCI")

| | Year Ended |
|---|---|
| | £'000 |
| As at 1 January 2023 | 1,562 |
| Acquisitions of NCI | - |
| Impact of 5% free carry on additions to assets during the year | 147 |
| Result for the year | - |
| As at 1 January 2024 | **1,709** |
| Acquisitions of NCI | **-** |
| Impact of 5% free carry on additions to assets during the year | **196** |
| As at 31 December 2024 | **1,905** |

During 2018, the Government of Ethiopia received its 5% free carried interest acquired in the Tulu Kapi Gold Project. The group recognized an increase in non-controlling interest in the current year of £196,000 and a decrease in equity attributable to owners of the parent of £196,000.

The NCI of £1,905,000 (2023: £1,709,000) represents the 5% share of the Group's assets of the TKGM project which are attributable to the Government of Ethiopia

The Mining Proclamation entitles the Government of Ethiopia (GOE) to 5% free carried interest in TKGM. The 5% NCI reflects the government interest in the TKGM gold project. The GOE is not required to pay for the 5% free carry interest. The GOE can acquire additional interest in the share capital of the project at market price. The GOE has committed US $20,000,000 to install the off-site infrastructure in exchange for earning equity in Tulu Kapi Gold Mine Share Company. The shareholder agreement signed with the GOE in April 2017 states that once the infrastructure elements are properly constructed and approved by Company the relevant shares will be issued to Ministry of Finance and Economic Cooperation (MOFEC)

The financial information for Tulu Kapi Gold Mine Project as at 31 December 2024:

| | **Year Ended** | Year Ended |
|---|---|---|
| | **31.12.24** | 31.12.23 |
| | **£'000** | £'000 |
| **Amounts attributable to all shareholders** | | |
| Non-current assets | **38,514** | **34,461** |
| Current assets | **280** | **446** |
| Cash and Cash equivalents | **65** | **78** |
| | **38,859** | **34,985** |
| Equity | **38,105** | **34,176** |
| Current liabilities | **754** | **809** |
| | **38,859** | **34,985** |
| Result for the year | - | - |

## 19. Jointly controlled entities

### 19.1 Joint controlled entity with Artar

| Company name | Date of incorporation | Country of incorporation | Effective proportion of shares held at 31 December |
|---|---|---|---|
| Gold & Minerals Co. Limited | 3 August 2010 | Saudi Arabia | 15% |

Gold & Minerals Co. Limited has the following registered address: Olaya District. 659, King Fahad Road, Riyadh, Kingdom of Saudi Arabia.

The summarised financial information below represents amounts shown in Gold & Minerals Co Limited financial statements prepared in accordance with IFRS and assuming they followed the group policy of expensing exploration costs.

| **Amounts relating to the Jointly Controlled Entity** | **SAR'000 Year Ended 31.12.24 100%** | SAR'000 Year Ended 31.12.23 100% | **£'000 Year Ended 31.12.24 100%** | £'000 Year Ended 31.12.23 100% |
|---|---|---|---|---|
| Non-current assets | **5,828** | 5,175 | **1,238** | 1,084 |
| Cash and Cash Equivalents | **7,170** | 4,508 | **1,523** | 944 |
| Current assets | **2,000** | 3,167 | **425** | 663 |
| Total Assets | **14,998** | 12,850 | **3,186** | 2,691 |
| Current liabilities | **(9,831)** | (7,043) | **(2,088)** | (1,475) |
| Total Liabilities | **(9,831)** | (7,043) | **(2,088)** | (1,475) |
| Net Assets | **5,167** | 5,807 | **1,098** | 1,216 |
| Share capital | **194,016** | 165,220 | **41,214** | 34,597 |
| Capital contributions partners | **129,678** | 80,467 | **27,547** | 16,850 |
| Accumulated losses | **(318,527)** | (239,880) | **(67,663)** | (50,231) |
| | **5,167** | 5,807 | **1,098** | 1,216 |
| Exchange rates SAR to GBP | | | | |
| Closing rate | | | 0.2124 | 0.2094 |
| **Income statement** | **SAR'000** | SAR'000 | **£'000** | £'000 |
| Loss from continuing operations | **(78,647)** | (83,534) | **(16,707)** | (15,709) |
| Other comprehensive expense | **-** | - | **-** | - |
| Translation FX Gain from SAR/GBP | **-** | - | **-** | - |
| Total comprehensive expense | **(78,647)** | (83,534) | **(16,707)** | (15,709) |
| Included in the amount above | | | | |
| **Group** | | | | |
| Group Share 15.34% (2023: 26.80%) of loss from continuing operations | | | **(3,650)** | (4,963) |
| **Joint venture investment** | | | **£'000** | £'000 |
| Opening Balance | | | **-** | - |
| Loss for the year | | | **(3,650)** | (4,963) |
| FX Gain/(Loss) | | | | - |
| Additional Investment | | | **(3,380)** | 3,354 |
| Gain on Dilution | | | **6,813** | 1,156 |
| Reversal of impairment | | | **217** | 453 |
| Closing Balance | | | - | - |

## 19. Jointly controlled entities (continued)

**19.1 Jointly controlled entity with Artar (continued)**

In May 2009, KEFI announced the formation of a new minerals' exploration jointly controlled entity, Gold & Minerals Co. Limited ("GMCO"), a limited liability company in Saudi Arabia, with leading Saudi construction and investment group Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR"). KEFI is the operating partner with a current 15% shareholding in GMCO with ARTAR holding the other 85%.

KEFI provides GMCO 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 GMCO remains in compliance with all governmental and other procedures. GMCO has five Directors, of whom one is nominated by KEFI. GMCO is treated as a jointly controlled entity and has been equity accounted. KEFI has reconciled its share in GMCO's losses.

During the current year, all relevant activities of GMCO required the unanimous consent of its five directors. Under terms of the original GMCO shareholders agreement, if a shareholder's ownership stake falls below 25%, the remaining shareholder has the right, but not the obligation, to acquire the interest at fair value. "Fair value" is determined as an estimate of the price the transferring party would have received if it had sold all its shares in GMCO in an arm's length exchange, driven by typical business considerations.

Amendments to the shareholders' agreement provide flexibility in the event a shareholder stake falls below the 25% threshold. These amendments included adjustments to the composition of GMCO's board based on shareholding percentages and amendment to the process for nominating and appointing the Managing Director/Chief Executive Officer. In addition, indemnification and reimbursement clauses were added for parties undertaking sole risk projects, with guidelines for compensating GMCO for costs incurred in such endeavours, as well as a framework for continuing projects independently.

GMCO's audited financial statements treat exploration costs as assets and capitalise them. In contrast, the Company's policy is to record these costs as expenses until the project moves into the DFS stage (see Note 2). Because of this difference, when the Company's ownership in GMCO is reduced, it recovers a portion of those previously expensed exploration costs. A loss of £3,650,000 was recognized by the Group for the year ended 31 December 2024 (2023: ££4,963,000) representing the Group's share of losses in the year.

As at 31 December 2024 KEFI owed ARTAR an amount of £347,000 (2023: £3,728,000) – Note 20.1.

Management conducted a review in accordance with International Financial Reporting Standards to determine whether it still retained significant influence over GMCO and concluded that this remained the case. GMCO is still a jointly controlled entity of KEFI, supported by factors including KEFI's continued significant shareholding, representation on the Board of Directors, active involvement in policy-making processes, and other relevant considerations.

As part of its ongoing strategic review, the Group is evaluating its investment in GMCO and has initiated discussions with potential parties to replace its position in GMCO. This process is being conducted in collaboration with major partner ARTAR to ensure the continued development of profitable mining projects in the Kingdom of Saudi Arabia.

**19.2 Gain on Dilution of Joint Venture**

During 2024 the Company diluted its interest in the Saudi joint-venture company GMCO from 26.8% to 15.3% by not contributing its pro rata share of expenses to GMCO. GMCO is still treated as a jointly controlled entity and has been equity accounted. This resulted in a gain of £6,813,818 (2023: £1,155,915) in the Company accounts

On 6 October 2024, an extraordinary general meeting of GMCO shareholders approved a resolution to increase the company's capital and reduce KEFI Gold and Copper Plc's ownership in GMCO from 25% to 15%. While the formal registration of the revised shareholding with the Saudi Ministry of Commerce was completed on 20 February 2025, KEFI considers the economic substance of the shareholding reduction effective from October 2024, based on the shareholders' agreement and market disclosure.

## 20. Trade and other payables

### 20.1 Trade and other payables

| The Group | **Year Ended 31.12.24 £'000** | Year Ended 31.12.23 £'000 |
|---|---|---|
| Accruals and other payables | **3,809** | 2,877 |
| Other loans | **-** | 100 |
| Payable to jointly controlled entity partner (Note 19.1) | **347** | 3,728 |
| Payable to Key Management and Shareholder (Note 21.3) | **1,559** | 602 |
| | **5,715** | 7,307 |

Other loans are unsecured, interest free and repayable on demand.

## 20. Trade and other payables (continued)

### 20.1 Trade and other payables

| The Company | **Year Ended 31.12.24 £'000** | Year Ended 31.12.23 £'000 |
|---|---|---|
| Accruals and other payables | **3,268** | 2,173 |
| Payable to jointly controlled entity partner (Note 19.1) | **347** | 3,728 |
| Payable to Key Management and Shareholder (Note 21.4) | **1,559** | 602 |
| | **5,174** | 6,503 |

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

## 21. Related party transactions

The following transactions were carried out with related parties:

### 21.1 Compensation of key management personnel

The total remuneration of key management personnel was as follows:

| | **Year Ended 31.12.24 £'000** | Year Ended 31.12.23 £'000 |
|---|---|---|
| Short term employee benefits: | | |
| [1]Directors' consultancy fees | **546** | 532 |
| Directors' other consultancy benefits | **265** | 36 |
| [2]Key management fees | **713** | 579 |
| Key management other benefits | **-** | - |
| | **1,524** | 1,147 |
| Share based payments: | | |
| Directors' bonus | **353** | - |
| Share option-based benefits to directors (Note 17) | **-** | 69 |
| Share option-based benefits other key management personnel (Note 17) | **-** | 12 |
| Key management bonus | **50** | - |
| | **403** | 81 |
| | **1,927** | 1,228 |

[1]Directors' fees paid to the Executive Director Chairman and Finance Director are paid to consultancy companies of which they are beneficiaries. Further details on Directors' consultancy and other benefits are available on page 62.

In addition to the directors [2]Key Management comprises Chief Operating Officer and the Managing Director Ethiopia.

Share-based benefits

The Company issued 85,813,848 share options to directors and key management during March 2021. These Options have an exercise price of 2.55p per Ordinary Share and 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.

Previously all options, except those noted in Note 17, expire six years after grant date and vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve-month period.

## 21. Related party transactions (continued)

### 21.2 Transactions with shareholders and related parties (continued)

**The Company**

| Name | Nature of transactions | Relationship | 2024 £'000 | 2023 £'000 |
|---|---|---|---|---|
| KEFI Minerals Marketing and Sales Cyprus Limited | Finance | Subsidiary | - | - |
| Tulu Kapi Gold Mine Share Company[1] | Receivable Equity | Subsidiary | - | 5,107 |
| Kefi Minerals (Ethiopia) Limited[2] | Receivable Equity | Subsidiary | - | 6,879 |
| Expected credit loss | | | - | (486) |
| | | | - | 11,500 |

[1]&[2]The TKGM and KME loans are denominated Birr. The Company bears the foreign exchange risk on these loans and any movements in the Ethiopian Birr are recorded in the income statement of the Company.

During the year ended 31 December 2024, the Company recorded certain receivables as Investments in subsidiaries. Further details on the movement of these loans are available in Note 14.

As a result of this reclassification, management has determined that expected credit losses on these borrowings as at 31 December 2024 would be nil (2023: £486,000). This is because expected credit losses are not required for assets classified as equity in the Company's financial statements.

The reversal of the previously recognized expected credit loss provision of £486,000 has been recognized in the statement of profit or loss for the year ended 31 December 2024.

### 21.3 Payable to related parties

**The Group**

| Name | Nature of transactions | Relationship | 2024 £'000 | 2023 £'000 |
|---|---|---|---|---|
| Directors & PDMR | Fees for services | Key Management and Shareholder | **1,559** | 602 |
| | | | **1,559** | 602 |

### 21.4 Payable to related parties

**The Company**

| Name | Nature of transactions | Relationship | 2024 £'000 | 2023 £'000 |
|---|---|---|---|---|
| Directors & PDMR | Fees for services | Key Management and Shareholder | **1,559** | 602 |
| | | | **1,559** | 602 |

## 22. Loans and Borrowings

### 22.1.1 Short-Term Working Capital Bridging Finance

| | Currency | Interest | Maturity | Repayment |
|---|---|---|---|---|
| Unsecured working capital bridging finance | GBP | See table | On Demand | See table below |
| Bank Loan | ETB | 20% | One Year | 18 April 2025 |

2024

| Unsecured working capital bridging finance | Balance 1 Jan 2024 | Drawdown Amount | Transaction Costs | Interest | Repayment Shares | Repayment Cash | Year Ended 31 Dec 2024 |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Repayable in cash in less than a year | **2,113** | **4,300** | **-** | **2,411** | **(4,971)** | **(3,328)** | **525** |
| | **2,113** | **4,300** | **-** | **2,411** | **(4,971)** | **(3,328)** | **525** |

| Bank loan | Balance 1 Jan 2024 | Drawdown Amount | FX Gain | Interest | Repayment Cash | Year Ended 31 Dec 2024 |
|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Repayable in cash in less than a year | **-** | **424** | **(251)** | **41** | **-** | **214** |

2023

| Unsecured working capital bridging finance | Balance 1 Jan 2023 | Drawdown Amount | Transaction Costs | Interest | Repayment Shares/Netting | Repayment Cash | Year Ended 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Repayable in cash in less than a year | 1,180 | 2,640 | - | 1,030 | (2,570) | (167) | 2,113 |
| | 1,180 | 2,640 | - | 1,030 | (2,570) | (167) | 2,113 |

The short-term working capital finance is unsecured and ranks below other loans. Although there was no binding agreement to convert the loans into shares, the lenders agreed to convert and set off some of the debt into shares.

Non-cash settlement of short-term working capital finance during the year was £4,971,000 (2023: £2,570,000).

## 22. Loans and Borrowings (continued)

### 22.1.2 Reconciliation of liabilities arising from financing activities

| 2024 Reconciliation | Balance 1 Jan 2024 | Cash Flows Inflow | (Outflow) | FX Gain | Finance Costs | Shares | Balance 31 Dec 2024 |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Unsecured working capital bridging finance** | | | | | | | |
| Short term loans | **2,113** | **4,724** | **(3,328)** | **(251)** | **2,452** | **(4,971)** | **739** |
| | **2,113** | **4,724** | **(3,328)** | **(251)** | **2,452** | **(4,971)** | **739** |

| 2023 Reconciliation | Balance 1 Jan 2023 | Inflow | (Outflow) | Fair Value Movement | Finance Costs | Shares/Netting | Balance 31 Dec 2023 |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Unsecured working capital bridging finance** | | | | | | | |
| Short term loans | 1,180 | 2,640 | (167) | - | 1,030 | (2,570) | 2,113 |
| | 1,180 | 2,640 | (167) | - | 1,030 | (2,570) | 2,113 |

## 23. Contingent liabilities

Directors and Key Management Personnel are eligible for a performance-based short-term incentive plan (STI), which is contingent upon securing credit approvals from lenders. A detailed explanation is given under remuneration report.

## 24. Legal Allegations

The Company is currently involved in a legal case in the United Kingdom brought by Demissie Asafa Demissie (the "Claimant") for an amount of GBP 5.1 million, relating to alleged financial advisory services. The Company considers the claim to be spurious and without merit. Furthermore, the amount claimed is contingent upon the successful closing of the Tulu Kapi Project finance, which has not yet occurred.

The Company has vigorously defended its position and filed a counterclaim against the Claimant. Legal counsel has been engaged to represent the Company's interests. The English High Court of Justice, King's Bench, has handed down a judgment on 10 January 2025, dismissing all claims against the Company and awarding in favor of the Company on its counterclaims.

As of the date of approval of these financial statements, the Claimant has sought to appeal the decision, and the Company is awaiting confirmation from the UK courts on whether the appeal will be permitted. Given the current status of the legal proceedings and based on legal counsel's advice, the Company does not consider a provision necessary at this stage. However, the matter continues to be monitored closely, and any developments will be reflected in the financial statements as appropriate.

## 25. Capital commitments

The Group has the following capital or other commitments as at 31 December 2024 £140,000 (2023: £776,000),

| | 31 Dec 2024 | 31 Dec 2023 |
|---|---|---|
| | £'000 | £'000 |
| Contracted for: Tulu Kapi Project costs | **140** | 776 |

## 26. Events after the reporting date

**Legal Matter**

Please see Note 24 for an update on the legal case brought by Demissie Asafa Demissie.

**Share Placement January 2025**

During January 2025, the Company concluded a placement, issuing 933,169,817 new ordinary shares at a price of 0.55 pence per share, generating £5.1million in proceeds.

| Name | Number of Subscription Shares | Amount |
|---|---|---|
| | '000 | £'000 |
| **Cash Placement** | 658,528 | 3,622 |
| **Current liabilities** | | |
| For services rendered | 144,789 | 796 |
| Brokerage fees | 34,398 | 189 |
| **Loans and borrowings** | | |
| Unsecured working capital bridging finance | 95,455 | 525 |
| | **933,170** | **5,132** |

**Share Placement May 2025**

During May 2025, the Company concluded a placement, issuing 1,381,818,172 new ordinary shares at a price of 0.55 pence per share, generating £7.6 million in proceeds.

| Name | Number of Subscription Shares | Amount |
|---|---|---|
| | '000 | £'000 |
| **Cash Placement** | 1,090,909 | 7,000 |
| **Current liabilities** | | |
| For services rendered | 290,909 | 600 |
| | **1,381,818** | **7,600** |

**KEFI Gold and Copper is listed on AIM (Code: KEFI)**

**www.kefi-goldandcopper.com**