KEFI
GOLD + COPPER

2023 Annual Report

Focused on Gold and Copper in the Arabian-Nubian Shield

Table of Contents

Mission, Approach and Timing ... 2
Executive Chairman's Report ... 3
Finance Director's Report ... 6
Board of Directors – KEFI Gold and Copper PLC ... 9
Organisational Development ... 11
Environmental, Social and Governance Responsibility ... 13
History of KEFI's Progress ... 17
Ethiopia - Overview ... 17
Ethiopia's Mining Sector ... 18
Ethiopia – Tulu Kapi Gold Project ... 18
Tulu Kapi - Background ... 18
Tulu Kapi – Permits and Mining Agreement ... 19
Tulu Kapi – Project Launch Preparations ... 19
Tulu Kapi - Geology ... 19
Tulu Kapi – Resources and Reserves ... 19
Tulu Kapi - Definitive Feasibility Study and Subsequent Optimisation ... 20
Tulu Kapi – Development Overview ... 22
Tulu Kapi – Underground Mine Potential ... 22
Ethiopia - Exploration Potential ... 23
Saudi Arabia - Overview ... 24
Saudi Arabia - Hawiah Copper-Gold Project ... 26
Hawiah - Geology and History ... 26
Hawiah Project - Mineral Resource Estimates ... 27
Hawiah Project- Development Studies ... 29
Hawiah – Al Godeyer Satellite Deposit ... 29
Hawiah - Exploration Potential ... 30
Hawiah – Outlook ... 31
Saudi Arabia - Jibal Qutman Gold Project ... 32
Jibal Qutman - Mineral Resource Estimate ... 32
Jibal Qutman - Exploration ... 33
Jibal Qutman - Feasibility Studies ... 34
Jibal Qutman - Outlook ... 35
Saudi Arabia - Exploration Portfolio ... 36
Glossary and Abbreviations ... 37
Competent Person Statement ... 39
Consolidated Financial Statements ... 41

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 and copper, 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 provide 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 now takes us to the stage of de-risking our advanced projects in order to help close 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 these countries.

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 onto copper production in Spain and exploration in Cyprus, KEFI has focused prospecting in frontier markets and specifically on the Arabian-Nubian Shield since 2008. The 2014 acquisition of Tulu Kapi triggered the appointment of a team with track records in successfully financing, developing and operating mines in Africa and elsewhere.

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

- 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; and
- Federal Government and the Oromia Regional Government in Ethiopia for our Tulu Kapi Gold Mines S.C. ("TKGM") joint venture.

We also have strong relationships with major regional banks such as Eastern and Southern African Trade and Development Bank ("TDB") and Africa Finance Corporation ("AFC"), and work closely with the Saudi Industrial Development Fund.

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"), our principal process plant contractor in both Ethiopia and Saudi Arabia and PW Mining International Limited ("PW Mining"), our mining services contractor for Tulu Kapi in Ethiopia. We prioritise people and 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

During the past two years, the governments of our two host countries have been implementing positive regulatory changes and providing incentives to fast-track the 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 our three advanced projects and concurrent exploration plus one or more of the regional value-adding opportunites we continually evaluate.

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

Executive Chairman's Report

KEFI continued to build on its early-mover position in the Arabian-Nubian Shield during 2023. Over the past year, our host countries have turned markedly better for the minerals sector and for KEFI. We have launched Early Works for the Tulu Kapi Gold Project in Ethiopia to commission production mid-2026. Whilst this involves no commitments to the capital expenditure programme, it involves important preliminary field and other preparatory tasks which need completing before the development commitment can be triggered. Our Saudi joint venture invests heavily in advancing development studies on the Jibal Qutman Gold Project and the Hawiah Copper-Gold Project. I am pleased to report that the Company has drawn together first-tier partnerships, banking relationships and contractors into project-finance alliances to develop our planned mines in both Ethiopia and Saudi Arabia. The finalisation of the project launch in Ethiopia relies on the successful completion of the Early Works along with the formal approvals of all parties in the syndicate, to ensure a complete funding package.

A structural aspect being addressed is to consider the costs and benefits of seeking a dual-listing of the parent or appropriate other group company in a larger international stock market for mining or in one of the new and more buoyant stock markets in our region. The issue arises because, since KEFI's IPO in 2006, the number of AIM companies has roughly halved to the end of 2023. This was against a backdrop of the market capitalisation of our sector globally dropping 77% to the end of 2023 since it peaked in 2011 (as measured by the Junior Gold Index GDXJ for +$100 million market capitalisation gold companies). These patterns have barely changed during the first half of 2024. We are considering some alternatives and will select the route that provides the best long-term backing and alignment with key stakeholders for our mission.

In Ethiopia, our focus is now on successfully completing the Early Works at Tulu Kapi so that we can close the US$320 million project finance package and launch Major Works in October 2024. Gold production would then commence in mid-2026.

Our launch timing is fortuitously coinciding with the improved conditions in Ethiopia and the gold price reaching all-time highs and the S&P Global average analysts' long-term forecast now sitting at approximately $2,100/ounce on 30 May 2024. With a forecast All-in Sustaining Cost ("AISC") of approximately $900/ounce at that same gold price), Tulu Kapi's projected net cash flow to KEFI's planned 80% beneficial interest is estimated at approximately £80 million per annum. At current spot of $2,346/ounce, KEFI's planned beneficial interest in the cash flow is estimated to be approximately £100 million.

Tulu Kapi will provide great benefits to the country by becoming Ethiopia's largest single export generator and provide a significant economic engine locally and regionally.

On the other side of the Red Sea, our GMCO joint venture is now well-established as a leading 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.

Jibal Qutman and Hawiah are enjoying very 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 and ultimate potential scale. We look forward to reporting our assessments and decisions.

Financial markets, and the AIM Market in particular, have recently shown some volatility and weakness flowing from global and UK political events. This continues to reinforce KEFI's strategy of sourcing predominantly project-level and subsidiary-level project financing to develop our projects.

Successful implementation of our plans will result in KEFI being a leader in the Arabian-Nubian Shield with holdings in three production assets coming on stream in sequence from 2026.

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

Ethiopia is demonstrating a clear determination to expedite its economic recovery after the self-inflicted damage of the internal conflicts of 2010-2021 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.

Tulu Kapi will be the country's first large-scale mining project for some 30 years and is designed to the highest international standards. Tulu Kapi is likely to become Ethiopia's largest single export generator and a significant economic engine for local and regional benefits. Another similar project has also recently been launched in Ethiopia by Canadian company Allied Gold and local conglomerate MIDRC has two less advanced similar-scale projects. The sector is coming alive.

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. Economic projections for the Tulu Kapi open pit indicate the following returns assuming a gold price of $2100/ounce:

- Average EBITDA of $219 million per annum (KEFI's now planned c. 80% interest being c. $176million);
- All-in Sustaining Costs ("AISC") of $870/ounce (note that royalty costs vary with the gold price); and
- All-in Costs ("AIC") of $1,070/ounce.

The assumptions underlying these projections are detailed in the footnotes to the table on page 8 of this Annual Report.

Saudi Arabia – Hawiah (25% KEFI Current beneficial interest)

GMCO first focused on the Wadi Bidah Minerals District ("WBMD") and Hawiah in particular, shortly after launching our exploration programmes a decade ago. The recent regulatory overhauls allowed us to start drilling and announcing three VMS discoveries since 2019, Hawiah plus its satellite discoveries Al Godeyer and Abu Salal. We consider it likely that a cluster of VMS deposits will be identified as we progress. The district has also recently attracted extensive pegging 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 so far delineated a Mineral Resource Estimate ("MRE") of 29.0 million tonnes at 0.89% copper, 0.94% zinc, 0.67g/t gold and 10.1g/t silver. As a scale-comparison with Tulu Kapi, Hawiah's in-situ metal content is now estimated to be in the order of 2.48 million gold-equivalent ounces versus Tulu Kapi's current 1.72 million ounces of gold.

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.

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

Saudi Arabia – Jibal Qutman (25% KEFI Current beneficial interest)

Jibal Qutman is a large low-grade orogenic gold deposit and GMCO's first discovery in Saudi Arabia. In 2015 we announced a Preliminary Economic Assessment ("PEA") for a stage 1 development of a Heap Leach operation to expedite cash flow generation. As a result of the recent regulatory overhauls, we were allowed to re-start drilling in October 2022, after its suspension for approximately 8 years. The field work since has increased our assessment of potential scale. And the metallurgical and other studies carried out in the past two years have spawned a number of scenarios for staged development, including Carbon-In-Leach ("CIL") processing or a combination of processing techniques.

Systematic exploration is ongoing across the three contiguous Jibal Qutman Exploration Licences ("EL's") to confirm structural controls on recently identified higher-grade gold mineralisation and identify further resource potential. Previous exploration primarily focused on an 8km long section of the original Jibal Qutman EL. The full 35km mineralised strike length is now being tested.

Regional Prospecting

Our advanced projects Hawiah and Jibal Qutman were early discoveries after our establishment of GMCO in 2008. They now comprise a combined 3.1 gold-equivalent ounces on just two of our Exploration Licences in Saudi Arabia, with significant potential for resource expansion nearby. By applying a simple industry rule of thumb of US$80 per ounce resource, our exploration work to date has generated intrinsic value of approximately US$250 million. The Group has 15 Exploration Licences in Saudi Arabia plus a number of applications in both Saudi Arabia and Ethiopia. Other proposals are regularly assessed. Our focus will remain on value-adding to our advanced projects, reinforcing our positions in each country and maintaining a healthy pipeline of early-to-late-stage projects.

Simultaneous with the triggering of full development at Tulu Kapi, we intend to re-commence exploration programmes in Ethiopia and intensify our exploration program in Saudi Arabia. In Ethiopia, the initial focus will be below the planned open pit where we already have established an initial resource for underground mining at an average grade of 5.7g/t gold. We also intend to follow-up drilling which indicated good potential for nearby satellite gold deposits in the Tulu Kapi District. In Saudi Arabia, further drilling is being undertaken during 2024, in particular for satellite deposits near Hawiah and Jibal Qutman.

Summary and Conclusion

After many demanding years in highly prospective, but extremely challenging jurisdictions, KEFI's projects can now move forward and our focus is on exactly that, on optimising the projects, the financings thereof and KEFI's beneficial ownership therein.

Our progress was historically impeded by the political reforms and ensuing conflicts in Ethiopia as well as the suspension of granting EL's for some years pending Saudi Arabia's sweeping deregulation. However, that is now history and our operating environment has indeed turned for the better in both countries and we can now progress on all fronts.

Our reported Mineral Resources provide a solid starting position for growth. Since mid-2020, KEFI's beneficial interest in the in-situ metal content of our three projects has grown from 1.2 million gold-equivalent ounces to approximately 2.1 million gold-equivalent ounces. KEFI's current market capitalisation of c.£40 ($50) million equates to only $24 per gold-equivalent ounce and a fraction of the equity valuation applied in the past year at the operating-company levels in our local partnerships' transactions. The shareholders' agreements for both TKGM and GMCO apply equity earn-in and dilution formulas that imply c.$200 million for KEFI's beneficial interest therein.

KEFI's targeted beneficial interest in Tulu Kapi has an NPV of £449 million (US$571 million) (NPV and the other preliminary value indicators defined in footnote on page 8). This valuation indicator is approximately 11 times KEFI's current share market capitalisation of c. £40 million (US$50 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 naturally narrow the gap between the Company's market capitalisation and what we believe to be the significantly higher fundamental valuations of the Company's projects using conventional measures such as NPV for the more advanced projects and, for the less advanced, say $1,500 per ounce projected annual production or $80/ounce of resource.

We are indeed at an opportune moment, made possible by our team's hard work, your support and patience as shareholders and now the strengthening of metal prices. As we launch our projects, we are also benefitting from improved political and regulatory environments. 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 its then subsidiary KEFI during 2003-2005 and, since assuming executive duties at KEFI in 2014, taking much of my remuneration in shares.

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 newly introduced regional investors, bankers, contractors, and other syndicate parties.

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.

Recent developments marked the beginning of the next chapter in our organisational growth. Several key appointments have been made to the senior management team in both Ethiopia and Saudi Arabia, in particular the appointment of Mr Eddy Solbrandt as Group Chief Operating Officer. Additionally the Board of Directors will also adjust its composition to handle approaching retirements. Mr Mark Tyler is retiring as a Non-Executive Director after 6 years of greatly appreciated support especially in respect of African project debt financing, as one of the continent's long-standing leaders in the field. Thank you Mark.We plan to continue to add to the range of skills and appropriate board expertise in preparation for the substantial changes as KEFI moves into its exciting next stage with the development of our projects.

Harry Anagnostaras-Adams
Executive Chairman
14 June 2024

Finance Director’s Report

Our principal focus over the past year has been on progressing the funding package to develop Tulu Kapi and to cultivate development and funding scenarios for GMCO in Saudi Arabia.

Remarkably, both the Ethiopia and Saudi Arabia Governments have initiated changes that have expanded our financing choices in each country. The Ethiopian Government has removed various obstacles to financing by providing key approvals and required policy changes, whilst the Saudi Government has successfully prompted the sector into action and made local policy changes that have drawn significant capital investment appetite from within the country and region.

We have launched Early Works at Tulu Kapi for production commissioning mid-2026. Our funding syndicate is comprised of leading banks, contractors of process plants and mining and other specialists, all of whom are now at advanced stages of their respective approval processes.

KEFI has deliberately assembled its development funding at the subsidiary level in both Ethiopia and Saudi Arabia in a manner which maximises local stakeholder alignment. Of course, we need to honour our duty to partners and shareholders by converting this into value by closing appropriate project financings, launching Major Works, de-risking the projects and getting them into production. KEFI is also examining dual-listings in those countries’ fledgling stock exchanges because of the strong local demand for investments in the mining sector.

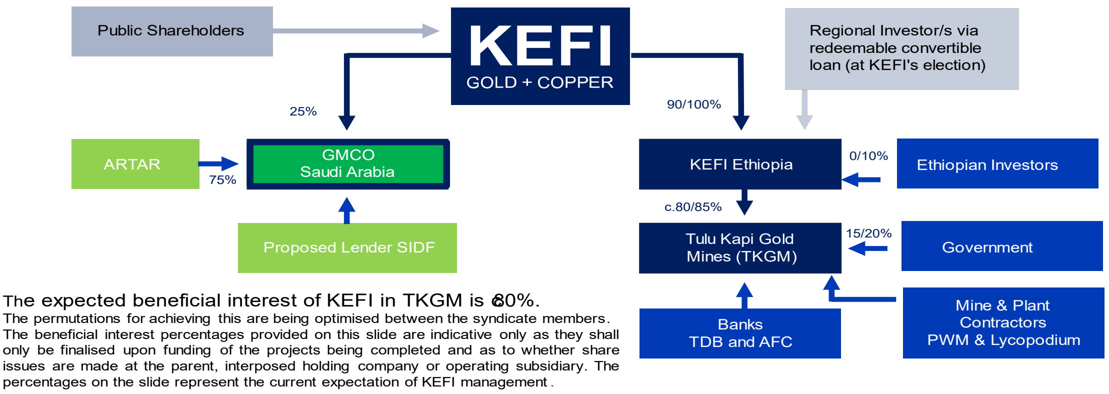
Alliancing Strategy

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: PW Mining
- 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

Financing Tulu Kapi Project Development

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



The current cost (including finance costs and working capital) to develop Tulu Kapi is estimated to be c.$320 million, which was last updated in late 2022. Whilst cost-inflation appears to have abated within the international gold industry, pricing will be updated again at the last minute to lock-in fixed-price lump sum contracts as at launch of Major Works and final finance arrangements within the syndicate will be refined accordingly. The various funding offers and commitments are conditional on finalisation at signing of detailed definitive documentation and launch of Major Works.

The $320 million funding package (exclusive of the historical equity investment of c.US$100 million) is now expected to be sourced from:

- $190 million from debt;
- $90-110 million from Equity Risk Notes ("ERN"); and
- $20-40 million from share subscriptions to KEFI subsidiaries.

In October 2023, the National Bank of Ethiopia (the central bank) approved essential exemptions from exchange and capital controls. Among the many Ethiopian regulatory changes we have successfully negotiated include exemptions from certain foreign exchange and capital controls, the increase in the maximum permissible ratio of debt to equity from 50:50 to 80:20, the right to pay market-based finance charges, the right to hedge gold prices and the deeming as foreign direct investment the re-investment of the local currency (Ethiopian BIRR) retained earnings of multi-national corporations into new business sectors, such as gold production.

On 20 May 2024 we launched Early Works and the steps now underway to progress Tulu Kapi funding package are:

- Preparation of the community for resettlement;
- Satisfaction of residual, mainly administrative, conditions precedent such as readiness of security, insurances, title confirmations, perfection of banks' security and similar formal documentary requirements; and
- Completion of detailed definitive documentation which will require all syndicate parties to approve counterparty rights and obligations, among other things.

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 and tendering local sub-contractors.

The end result will be the launch of Ethiopia's first industrial-scale mining project and its largest single export generator and, in so far as environmental, social and governance aspects are concerned, the project is designed to be in compliance with World Bank IFC Performance Standards, creating direct and indirect employment for 5,000 to 10,000 people.

Ownership Value and Ownership Dilution

Tulu Kapi's NPV is US$571 million for KEFI's projected net beneficial interest, assuming a gold price of US$2,100/ounce, being the S&P Global published average for equity analysts' long-term forecasts on 30 May 2024 and discounting at 5% the net estimated after tax cash flows for equity, the industry standard approach, so as to allow market comparisons of listed developers. At the US$2,346/oz spot price on 30 May 2024, the NPV is $715 million for KEFI's projected net beneficial interest.

From an ownership value perspective and measuring the Company's underlying assets on bases outlined herein, this approach has already contributed to the indicative value of KEFI's share of its three main assets having more or less quadrupled from $153 million in June 2020 to c.$657 million in May 2024. The basis for these estimates is KEFI's estimated beneficial interest, post-financing, of the NPV of Tulu Kapi cash flows as derived using consensus forecast metal prices plus ascribing US$1,500/oz annual estimated gold-equivalent production of the Saudi assets, and other explanations provided in the footnotes below.

We have conditionally assembled all the development finance, mostly at the project level from the work of our strong but small, efficient and economical corporate office in Nicosia, Cyprus. Other than our Nicosia-based group management and financial control/corporate governance team, all operational staff, including the Executive Chairman and Chief Operating Officer, are usually based at the sites for project work. This hands-on culture increases efficiency at a lower cost, particularly for corporate overhead - critical at this early stage.

Funding of GMCO

KEFI's GMCO joint venture partner, ARTAR, is currently funding the ongoing programme to ensure that swift progress is maintained while we jointly optimise our collective plans for GMCO and KEFI triggers project launch in Ethiopia at the high-grade Tulu Kapi Gold Project. KEFI's interest in the joint venture has reduced from its original 40% interest to 24.75%. While ARTAR has the right to buy-out KEFI at fair market value as things stand, 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 to ARTAR its support of the joint venture relationship. This much-appreciated support from ARTAR reflects the strong partnership relationship and the combined priority given to production start-up in both countries

Financing Working Capital for KEFI's Activities to Date

KEFI has funded all activities to date with approximately £82 million equity capital raised at then prevailing share market prices. This avoided superimposing debt-repayment risk onto exploration, permitting and other risks that always exist during the early phases of project exploration and development, especially in frontier markets for mining. We do however avail ourselves of short-term unsecured advances from time to time as arranged by our Corporate Broker to provide working capital pending the achievement of short-term business objectives.

The risks of managing working capital in the context of such high-growth and high-risk exploration ventures is a matter which is highlighted by the Directors in the Going Concern Note of the Financial Statements which shareholders should refer to.

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 £15.6 million as at 31 December 2023. It is important to note KEFI's planned c.80% beneficial interest in the underlying valuation of Tulu Kapi is c.£449 ($571) million based on project NPV at a gold price of $2,100/ounce and including the underground mine.

J Leach

John Leach
Finance Director
14 June 2024

Footnotes:

- *NPV calculations are based on DFS financial model for Tulu Kapi open pit updated for refinements in consultation with lenders, contractors and input pricing updates generally plus PEA financial model for Tulu Kapi underground mine. Added a notional $1,500 per projected annual gold-equivalent ounce of projected production for Jibal Qutman and Hawiah;*
- *Spot gold price as at 30 May 2024 of $2,346/ounce;*
- *KEFI's beneficial interest in each project NPV calculation was assumed to be 80% in TKGM and 25% in Jibal Qutman & Hawiah;*
- *Long-term analysts' consensus gold prices per S&P Global which averaged $2,346/ounce; and*
- *£/$ exchange rate = 1.27, discount rate of 5% applied against net cash flow to equity, after debt service and after tax.*

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).

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.

Mark Tyler – Non-Executive Independent Director.

Appointed to Board on 5 September 2018.

Mr Tyler holds BSc (Eng) Mineral Processing, GDE (Mineral Economics) and was previously a mining investment banker in London and South Africa, including as co-head of Mining and Resources Finance at Nedbank, a South African bank. He is currently a senior resources advisor to Exotix Capital and the London representative for Auramet International, a precious metal merchant financier.

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;
- 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; and
- Simon Cleghorn, Australian - Technical Projects - an employment history in mine production, resource/reserve estimation and project management of projects going into production and/or requiring an upgrade for maximising production efficiencies.

As the Group advances into development, operational readiness and production operations in more than one sites, 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 base for such reviews will become Riyadh given the anticipated rapid growth and the expected increasing role of Middle Eastern capital providers.

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

In Ethiopia we currently employ 60 people – ten of whom are expatriates. Many more people support the in-country team from their international locations, as we prepare for construction.

TKGM's Managing Director is Theron Brand, Country Director for Ethiopia is Abera Mamo, TKGM Project Manager is Jaques Kruger and Ethiopian Development Manager is Dr Kebede Belete.

KEFI Minerals Ethiopia employees in Addis Ababa office, covering Government interface, procurement, human resources, logistics, safety, community, site support, financial and administration.

GMCO's Managing Director is Brian Hosking, GMCO Exploration Manager is Tomos Bryan and Senior Geologist is Timothy Eatwell. All are highly experienced in their respective fields.

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 including CFO Muluken Belay, standing, and Legal Counsel Wonde G. Selassie, on the right nearest the white screen.

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 minimize 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 weekly 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.

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 of local regional centres around Hawiah and within the Makkah governorate area.

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 commences, 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.

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.

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.

In Saudi Arabia, KEFI has:

- Built an impressive portfolio of exploration properties;
- At Jibal Qutman:
  - discovered several gold deposits by 2013;
  - released a maiden MRE and initial 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; and we now assess alternative development scenarios before triggering finalisation of a DFS.
- 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 EL's in late 2021;
  - published an updated MRE and commenced feasibility studies in 2022;
  - published an updated MRE in early 2023; and
  - we now assess alternative development scenarios before triggering finalisation of a DFS.

KEFI shareholders have provided £82 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, in particular those of the Oromia and Amhara regions which together account for more than 60% of the country's population. The population is approximately 117 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 will be the country's first large-scale mining project for some 30 years 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.

The Government is continually improving the country's mining regulatory framework. Recent initiatives include the digitisation of the licence 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's gold production is currently estimated to average c. 170,000 ounces per annum over the first seven years of mining the open pit and underground. The estimated AISC of $800-1,000/ounce (it varies with gold prices as it includes royalties) is lower than the industry average.

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.

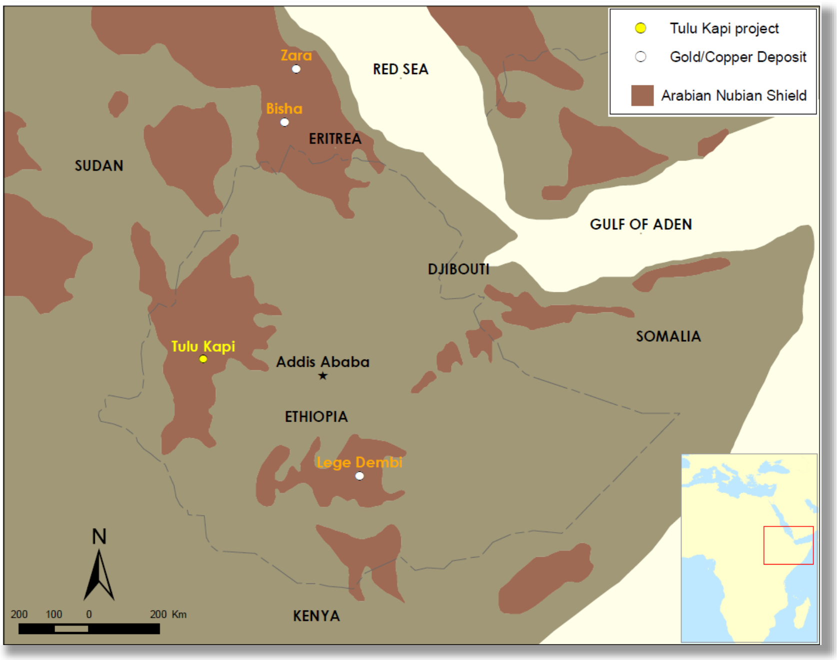
Tulu Kapi - Background

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 with progress to May 2024 as follows:

- Technically prepared the project;
- Traversed the security threats of recent years whilst maintaining our injury-free record;
- Concluded with the authorities all regulatory reforms required;
- Assembled the funding syndicate;
- Drafted all legal documentation; and
- Completed Front-End Engineering and Design ("FEED").

The following Early Works were launched in May 2024:

- Installing newly formed Federal Mining Police around the Mining Licence Area;
- Briefing the community (1000's of people in a methodical sequence) on development plans;
- Briefing the community to be resettled and refreshing their property surveys;
- Dismantling the old camp and installing new site facilities;
- Sequential stepping-up of multi-layered security along with community and site activities;
- Procurement engineering and last-minute refreshing of fixed-price, lump-sum contracts for execution;
- Satisfying residual administrative conditions precedent to signing;
- Legal documentation readied for signing upon confirmations that all in order for Major Works; and
- The lenders' independent security adviser then confirms that Major Works may proceed.

Following the signing of detailed definitive documentation and launching of Major Works, our schedule is to commence commissioning gold production in mid-2026.

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 20.2 million tonnes 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 15.4 million tonnes 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 12.0 million tonnes 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 remain 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's 2023 Banking Case incorporates all above 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 additional economic analyses. These refinements were the product of collaboration between the KEFI project management team, its specialist advisers and the project contractors.

The 2023 Banking 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.

Project economics are summarised below:

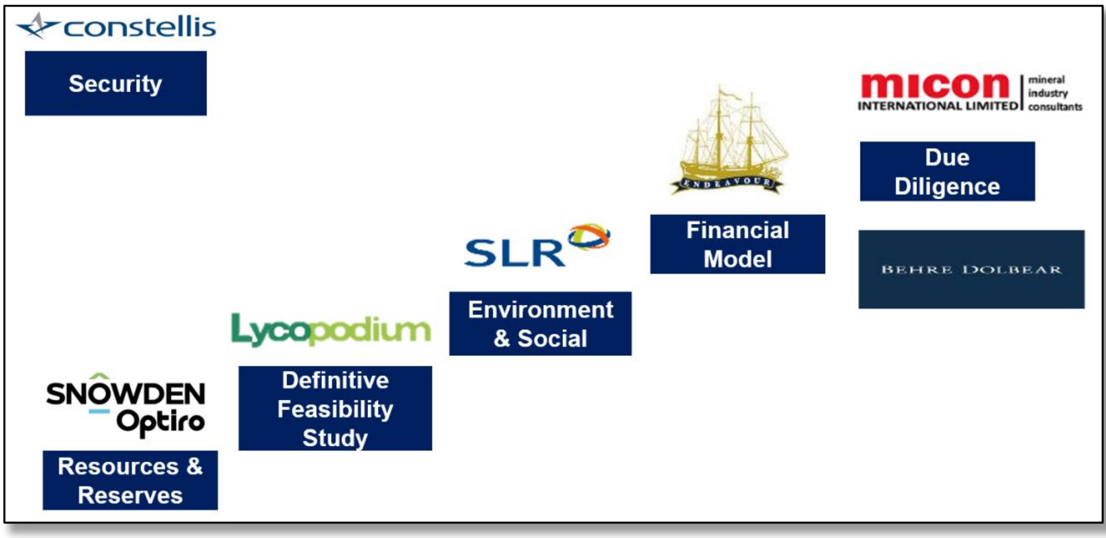
	2015 DFS 13-year LOM (owner mining)	2017 DFS Update 10-year LOM (contract mining)	2023 Plan Banking Case (contract mining)
Life of Mine ("LOM")	13 years	10 years	8 years
Mining Strategy	Owner mining	Contract mining	Contract mining
Waste: ore ratio	7.4:1.0	7.4:1.0	7.4:1.0
Processing rate warranted	1.2Mtpa	1.5-1.7Mtpa	1.9-2.1Mtpa
Total ore processed	15.4Mt	15.4Mt	15.4Mt
Average head grade	2.1g/t gold	2.1g/t gold	2.1g/t gold
Gold recoveries	91.5%	93.3%	93.7%
Annual steady-state gold production	95,000 ounces	115,000 ounces	135,000 ounces
Total LOM gold production	961,000 ounces	980,000 ounces	980,000 ounces
Gold price	**$1,250/oz**	**$1,300/oz**	**$1,550/oz**
All-in Sustaining Costs ("AISC")	$724/oz	$801/oz	$1,040/oz
All-in Costs (incl. initial capex)		$937/oz	$1,336/oz
Average net operating cash flow	$50M p.a.	$60M p.a.	$91M p.a.

Notes:

- *AISC include all operating costs, maintenance capital and royalties.*
- *Royalties increase with the gold price and therefore so does AISC.*
- *Life of Mine ("LOM") is the time to mine the planned open pit only.*
- *Gold production and net operating cash flow are for the first seven to eight years of gold production.*
- *The same Mineral Resources and Ore Reserves underlie the production schedules of all three studies.*

KEFI targets further increases in Tulu Kapi's gold production with the addition of further underground mining and potential satellite deposits.

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 PW Mining 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.

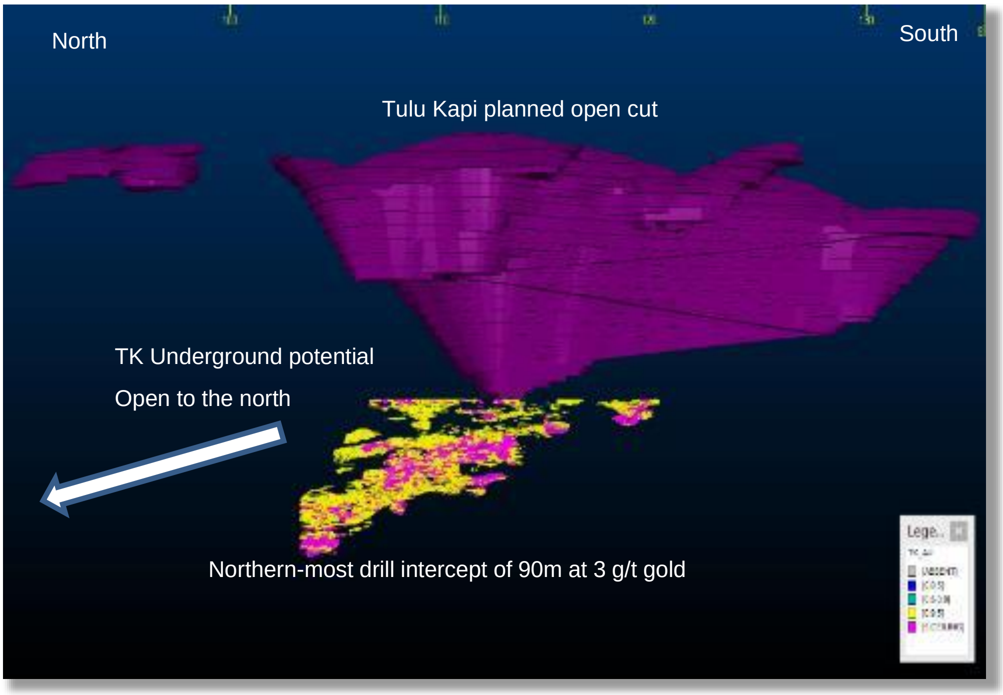
The current cost (including finance costs and working capital) to develop Tulu Kapi is estimated to be $320 million as summarised below:

$ 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 dependent upon final procurement confirming prices.

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 3g/t gold and demonstrates that the deposit remains open down plunge.



View looking east, showing planned TK open cut and high-grade gold drill intercepts in the TK Deeps.

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 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;
- The processing of previously-assumed-to-be stockpiled lower-grade ore raises total recovered ounces to 1.4 million ounces;
- Processing plant throughput is optimised to approximately 20% above nameplate capacity which lifts annual production over a 9-year period;
- Subject to the results of a full DFS, underground mine development is targeted to commence in the first half of open-pit operations; and
- 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.

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 a because of regulatory overhauls.

The country's prospectivity for further discovery is widely recognised and the international 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 recently 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 to 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 ARTAR and KEFI's GMCO joint venture, 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 Exploration Licence Applications.

Visitors looking at GMCO geologist logging diamond drill core in Saudi Arabia.

Saudi Arabia – KEFI's Exploration and Development

Two of KEFI's three advanced projects are in Saudi Arabia - Jibal Qutman Gold and Hawiah Copper-Gold. Both projects are GMCO discoveries and are enjoying very positive regulatory support as preferred development plans are determined.

KEFI's joint venture operating company GMCO is rapidly becoming a leading explorer/developer/producer in the fast-emerging Saudi minerals sector with:

- one of the largest exploration teams in the country; and
- two major projects at the stage of selecting preferred development scenarios in order to complete Definitive Feasibility Studies.

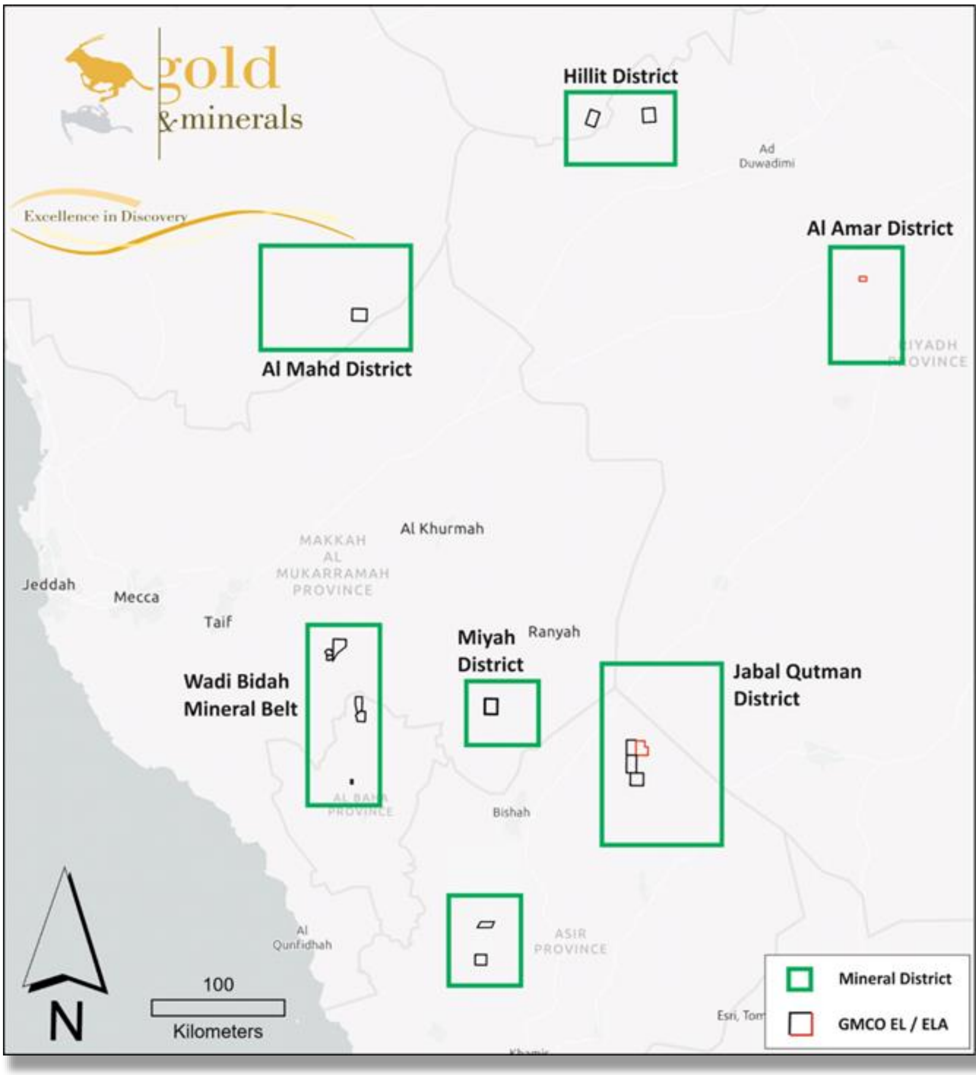
Our partner ARTAR, a leading local industrial and international investment group owned by Abdulrahman Saad Al Rashid and his family, is fully supportive of our progress in Saudi Arabia and plays a vital role in our dealings with the Saudi Ministry of Industry and Mineral Resources and other important government organisations.

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. Now recent drilling 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 fourteen ELs since the beginning of 2022, GMCO now holds a total of fifteen ELs covering an area of more than 1,035km^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 are made by ARTAR on behalf of GMCO, which 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 KEFI in Saudi Arabia are:

- the GMCO joint venture relationship between ARTAR and KEFI;
- 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 no need to resettle communities;
- less restrictive 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, three distinct massive sulphide 'lodes' have been delineated, 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.

Diamond drilling at Hawiah during 2023.

The maiden 2020 MRE established an initial inferred resource of 19.3 million tonnes at 0.9% copper, 0.8% zinc, 0.6g/t gold and 10.3g/t silver, with a supporting PEA based on this early resource indicating the project is viable for an underground mining operation. The study uses typical long-hole open stope mining methods, conventional flotation and CIL processing to produce copper concentrate, zinc concentrate and a gold/silver doré.

In early 2023, KEFI announced an updated Hawiah MRE of 29.0 million tonnes at 0.89% copper, 0.94% zinc, 0.67g/t gold and 10.1g/t silver. As a scale-comparison with Tulu Kapi, Hawiah's recoverable metal is now estimated to be in the order of 2.5 million gold-equivalent ounces versus Tulu Kapi's 1.2 million ounces of gold.

Hawiah - Geology and History

The Hawiah deposit sits at the northern end of the prospective Wadi Bidah Belt. The north trending, 120km long and 20km wide belt 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 Wadi Bidah 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.

KEFI'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. By the end of March 2024, GMCO had completed more than 105,000m of drilling at Hawiah.

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** (0-35m depth) – preferentially enriched in gold
- **Transitional** (35-70m depth) – preferentially enriched in copper
- **Fresh** (>70m depth) – representing ~88% of the known deposit

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 Project - Mineral Resource Estimates

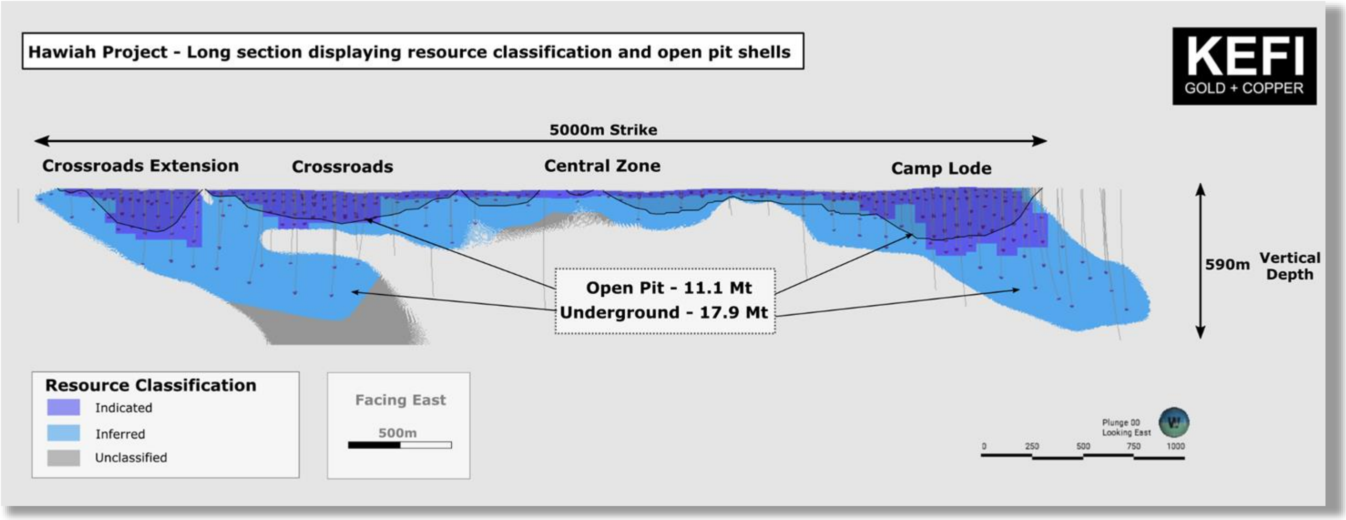
Since the commencement of major exploration works at Hawiah in early 2019, KEFI announced a maiden MRE in August 2020 followed by the December 2021 updated MRE of 24.9Mt at a 0.90% copper, 0.85% zinc, 0.62 g/t gold and 9.81 g/t silver.

Following the conclusion of the 2022 drilling programme, an updated **Hawiah Mineral Resource was released in January 2023 and totalled 29.0Mt at 0.89% copper, 0.94% zinc, 0.67 g/t gold and 10.1 g/t silver**.

This MRE is reported in accordance with the JORC Code and is classified as:

- **Indicated - Open Pit -** 9.2Mt at 0.88% copper, 0.70% zinc, 0.84 g/t gold and 9.9 g/t silver
- **Indicated - Underground -** 3.2Mt at 0.82% copper, 1.07% zinc, 0.59 g/t gold and 9.5 g/t silver
- **Inferred - Open Pit -** 1.8Mt at 0.99% copper, 1.02% zinc, 0.67 g/t gold and 12.4 g/t silver
- **Inferred - Underground –** 14.7Mt at 0.90% copper, 1.05% zinc, 0.58 g/t gold and 10.1 g/t silver

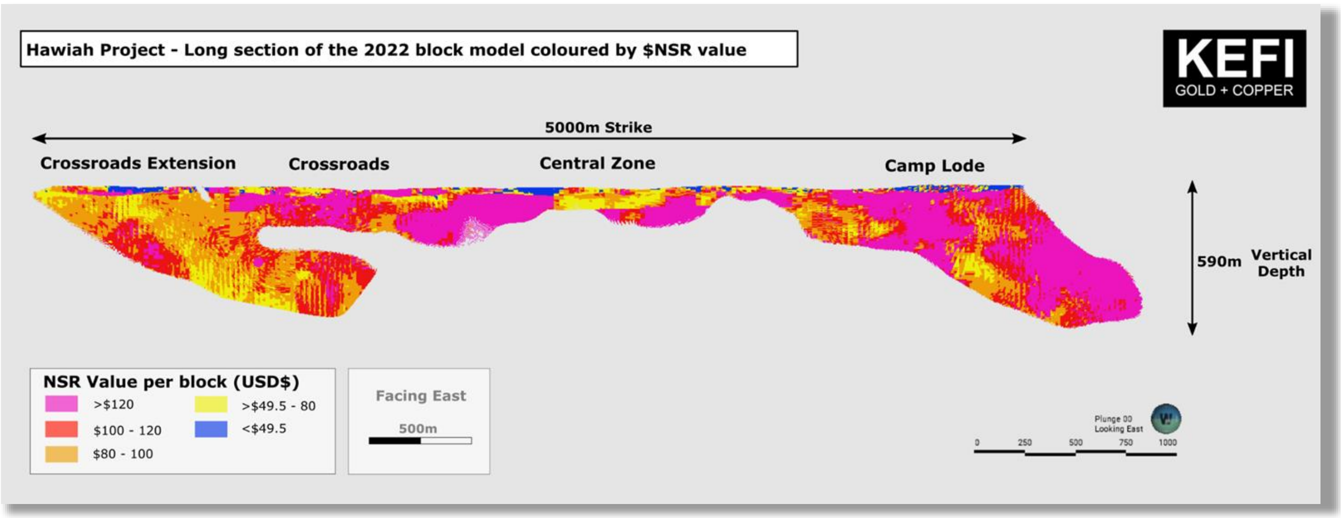
This Hawiah MRE contains a total of 258,000 tonnes (569 million lbs) of copper, 272,000 tonnes (600 million lbs) of zinc, 620,000 ounces of gold and 9.4 million ounces of silver.



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

Total Indicated and Inferred Resources reporting to the Open-Pit Scenario have increased to 11.1Mt (up 32% from 8.4Mt. This increase reaffirms the potential for an initial open-pit mining operation and a lower start-up capital requirement.

Further information on this MRE is detailed in KEFI's announcement "Hawiah Mineral Resource increased by 16% to 29 million tonnes" dated 9 January 2023.



Long section of the Hawiah deposit displaying Resource NSR values within the Block Model.

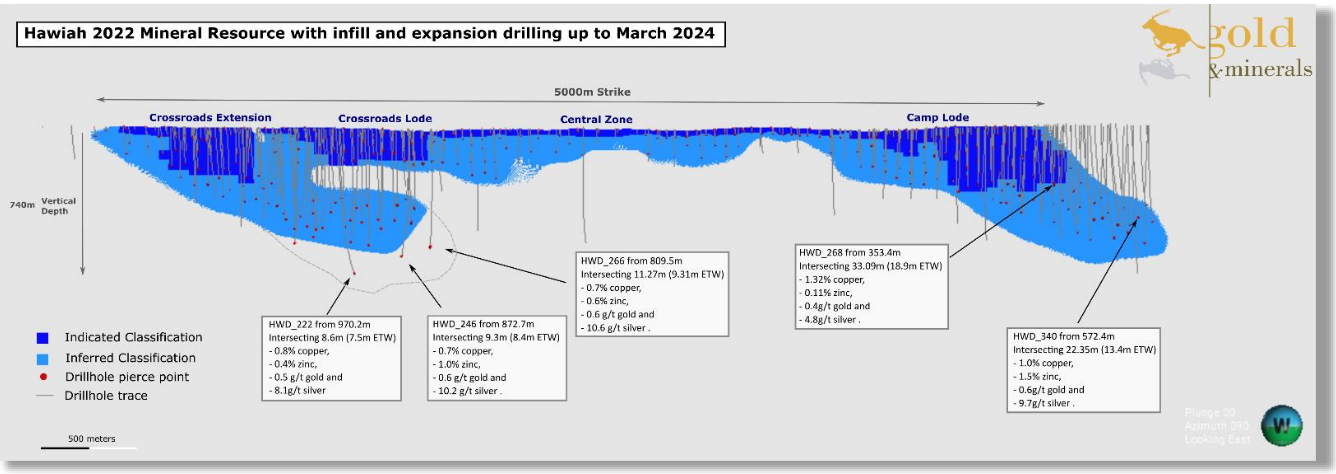
By the end of March 2024, GMCO had completed more than 105,000m of drilling at Hawiah with the ongoing infill and expansion continuing with three diamond rigs onsite.

GMCO is now close to completing a 65,000m infill and expansion drilling programme to convert the majority of the current 29.0Mt MRE to the Indicated Resource category as well as to expand the Mineral Resource in several areas. In conjunction with the various development studies being undertaken, this is expected to enable the estimation of substantial Ore Reserves.

The first stage of this programme was designed to further test the depth limits of the Crossroads Extension area of the Hawiah orebody. This has been highly successful with intercepts including:

- HWD_222 intersecting 8.6m (7.5m ETW) of massive sulphide averaging 0.8% copper, 0.4% zinc, 0.5 g/t gold and 8.1g/t silver from 970.2m; and
- HWD_246 intersecting 9.3m (8.4m ETW) of massive sulphide averaging 0.7% copper, 1.0% zinc, 0.6 g/t gold and 10.2 g/t silver from 872.7m.

The above intercepts have extended the vertical depth of known mineralisation at Hawiah to 740m and increased the down-plunge extent of the Crossroads Extension Lode by a further 270m.



Long section showing the Hawiah deposit coloured by the 2022 Mineral Resource Classifications.

There is clear potential for expansion of resources with further drilling below the currently drilled depth of this structurally consistent tabular structure. It is notable that in gold-equivalent terms, the Hawiah resource is already larger than Tulu Kapi and Jibal Qutman combined before any further resource uplift.

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 were merely intended to test the merits of ongoing work programmes and were based on spot gold 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, but one possibility 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.

Metallurgical test results, based on limited samples to date, 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 at this stage.

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

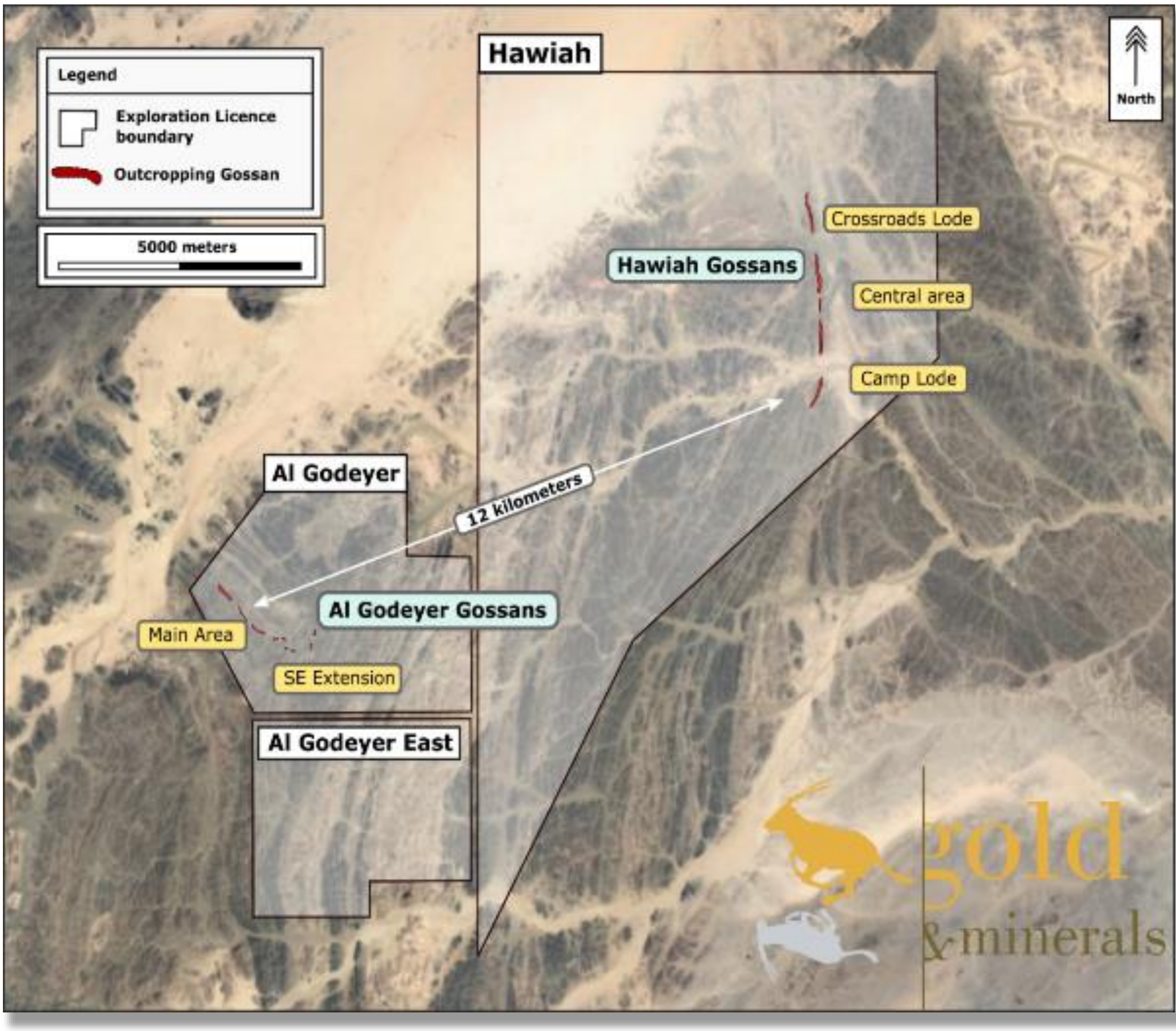
Hawiah – Al Godeyer Satellite Deposit

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.

Exploration commenced the nearby Al Godeyer Project in early 2022 and drilling under gossan quickly confirmed similar copper-gold mineralisation to the Hawiah VMS deposit. A maiden MRE for Al Godeyer was announced in April 2023 of 1.35Mt at 0.6% copper, 0.54% zinc, 1.4g/t gold and 6.6g/t silver. Further information on the Al Godeyer MRE is in the announcement "Maiden Al Godeyer Resource to contribute to the Hawiah Project Open Pittable Resources" dated 3 April 2023.

Located only 12km from the proposed Hawiah processing plant, there is excellent potential for Al Godeyer to provide additional near-surface ore. The Al Godeyer deposit has only been drill tested to a vertical depth of 200 metres below the surface and it remains open at depth and along strike to the southeast.

Exploration during 2023 was aimed at increasing the current 1.35Mt Inferred Resource to a c.2Mt Indicated Resource via an infill drilling programme planned to be completed in mid-June 2024. This should enable the Al Godeyer deposit to be incorporated into mine designs and Ore Reserves for the planned Hawiah DFS.



Plan showing Al-Godeyer and Hawiah gossans in relation to ELs.

Exploration elsewhere within the Al Godeyer and Al Godeyer East ELs is still at an early stage and a focus during 2024 is to explore southeast of the main Al Godeyer gossan where it continues at surface as narrow, discontinuous gossanous outcrops.

Hawiah - 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 EL's, 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 – 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.

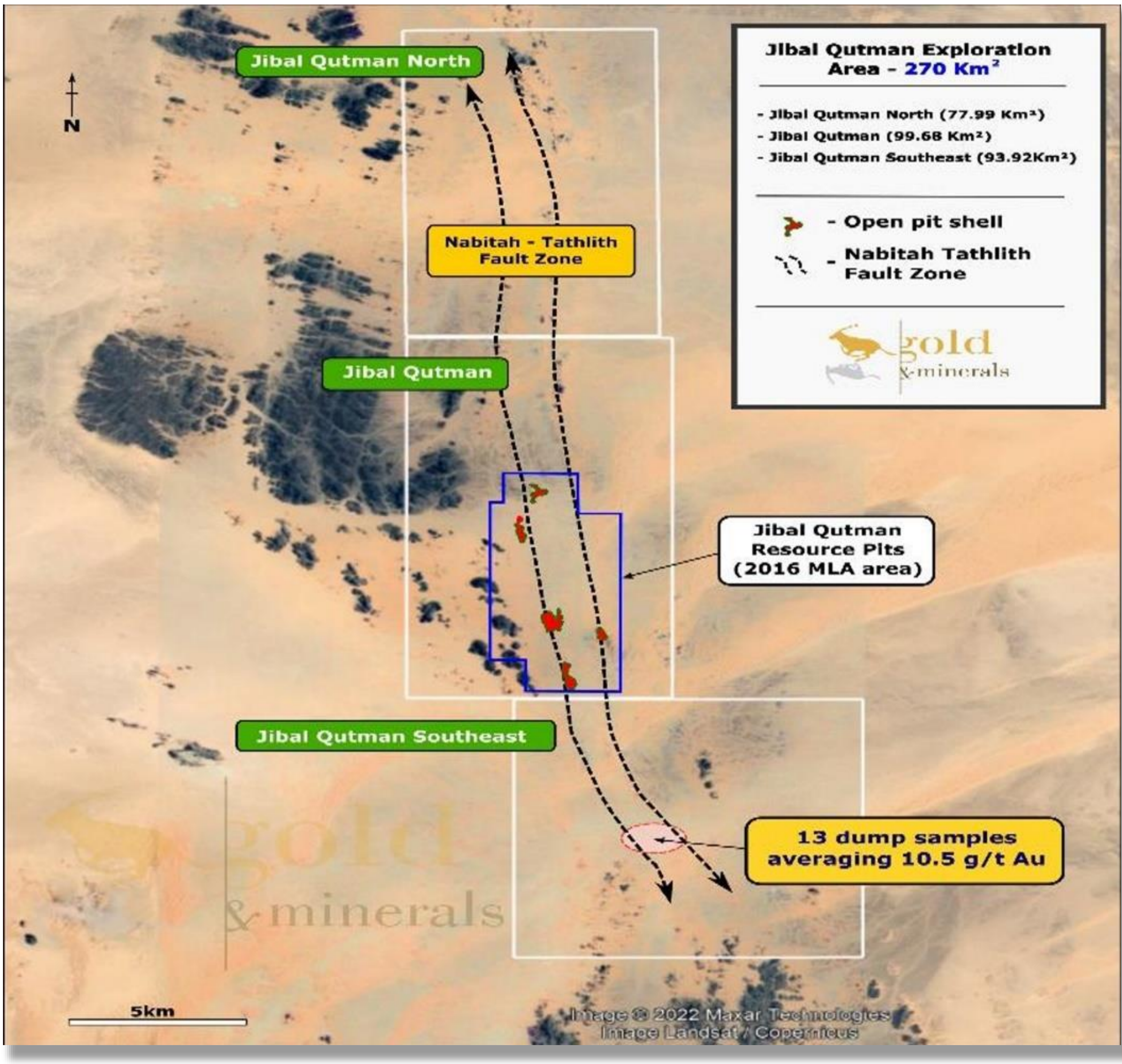
Triggering of the Hawiah DFS will follow the enlarged MRE based on the current infill drilling programme, scheduled to complete in late 2024.

Saudi Arabia - Jibal Qutman Gold Project

Over the past year various studies focused on establishing the viability of starting gold production at Jibal Qutman have been undertaken whilst exploration continues to expand mine life or annual output or both.

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.

The three Jibal Qutman EL's cover an area of over 270km^2. The EL's 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 undertaken by GMCO prior to 2016 identified gold resources totalling 733,000 ounces in six areas - Main Zone, West Zone, South Zone, 3K Hill, 4K Hill and Red Hill. The exploration focus at Jibal Qutman has been on drilling to better define these known resources in the southern portion of the central Jibal Qutman EL.

In mid-2023, the focus switched to exploring for further gold deposits the full 35km mineralised strike length within the three EL's. This quickly yielded a discovery at the Asfingia prospect where initial drilling intercepted near-surface gold over a 350m strike length with intercepts such as 13m at 8g/t gold from 54m.

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. Mineral Resources are currently constrained to several open pits with drilling to a maximum depth of ~125m. There is a great deal more potential.

The last-published MRE for Jibal Qutman totals 28.4 million tonnes at 0.80g/t gold, containing 733,045 ounces. As summarised in the table below, the majority of the Mineral Resource is in the Indicated category.

	Category	Tonnes (millions)	Gold (g/t)	Contained Gold ('000 ounces)
Oxide	Indicated	8.3	0.86	229
	Inferred	2.8	0.64	58
	Sub-Total	**11.1**	**0.80**	**287**
Sulfide	Indicated	9.7	0.86	269
	Inferred	7.6	0.72	176
	Sub-Total	**17.3**	**0.80**	**446**
Oxide + Sulfide	Indicated	18.0	0.86	498
	Inferred	10.4	0.70	235
	Grand Total	**28.4**	**0.80**	**733**

The oxide gold mineralisation contained in the above MRE totals 11.1 million tonnes at 0.80g/t gold, containing 287,000 ounces. An updated MRE will be published when the preferred development scenario is approved by GMCO Board and the commensurate mining and recovery assumptions applied.

Jibal Qutman - Exploration

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. Focussing on these cross structures is now integral to the systemic exploration being undertaken across the three contiguous Jibal Qutman EL's.

A 13,000m drilling programme undertaken during 2023 was focused on infill drilling of the Red Hill, 3K Hill, 4K Hill and South Zone Mineral Resources. Following completion of the in-fill drilling programme, GMCO switched to resource expansion drilling which quickly led to the discovery of the Asfingia satellite deposit.

Asfingia drilling results include 13.9m at 7.9 g/t gold from 53.6m (including 1.2m at 66.6 g/t gold) in hole JQD_232. A 350m strike length has already been established down to a depth of 75m. Drilling is ongoing at Asfingia to define the limits of gold mineralisation and provide the data for a maiden MRE.

Jibal Qutman - Drilling at Red Hill

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

Jibal Qutman - Trenching at Red Hill

Jibal Qutman - Feasibility Studies

Completed in 2015, an internal PEA evaluated the development of a small heap-leach ("HL") operation at Jibal Qutman predicated on a gold price of $1,200/ounce. This was seen as a starter project pending the proving-up of a larger scale project warranting the higher capital investment for a Carbon-in-Leach ("CIL") processing plant.

Given that the consensus long-term gold price is currently circa $2,100/ounce, a larger CIL-based development may now be a more attractive potential investment. As a result of the new regulatory system and positive developments at the Saudi Arabian Ministry for Industry and Mineral Resources, development planning studies recommenced at Jibal Qutman in 2022.

Lycopodium is progressing a DFS for a CIL project with work currently focused on:

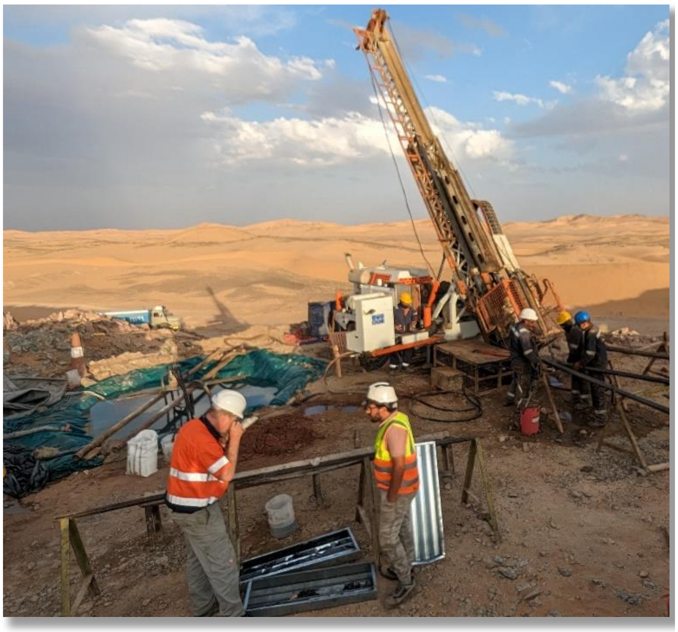
- incorporating the results of the recently completed 13,000m infill drilling programme into preliminary mine design and scheduling across a range of production scenarios;
- progressing metallurgical test work with optimisation studies continuing on the sulphide fresh ore; and
- selecting a preferred development scenario and finalising an updated MRE, maiden Ore Reserve and DFS.

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 is expected to be sourced and implemented within Saudi Arabia, which has well-developed international capital markets with a mandate to invest in the country's mineral resources. GMCO has also initiated discussions with the Saudi Investment Development Fund ("SIDF") and other local development finance institutions regarding project funding to be finalised once the Mining Licence has been awarded.

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.

Location of GMCO's Exploration Licences.

The GMCO regional exploration teams have begun comprehensive mapping and sampling campaigns over these new licences. The outcomes of this fieldwork will be to ground-truth historical data, assess the surface mineralisation and describe the structural framework controlling mineralisation. These programmes are expected to build into progressively advanced exploration works, including geophysics and trenching.

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
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	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
Project	Tulu Kapi Gold Project
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
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 Sergio Di Giovanni
4 February 2015	Tulu Kapi	Mineral Resource	Simon Cleghorn Lynn Olssen
6 May 2015	Jibal Qutman	Mineral Resource	Jeffrey Rayner
22 August 2020 6 January 2022 9 January 2023	Hawiah	Mineral Resource	Robert Goddard and Mark Campodonic Robert Goddard and Mark Campodonic Jeremy Whitley

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

Alistair Clark, Non-Executive (Appointed 1 July 2023)

Mark Tyler, Non-Executive

Richard Robinson, Non-Executive

Company Secretary

Cargil Management Services Limited
27/28 Eastcastle Street
London W1W 8DH
United Kingdom

Auditors

BDO LLP
55 Baker Street
London W1U 7EU
United Kingdom
www.bdo.co.uk

Nominated Adviser

SP Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street
London W1S 2PP
United Kingdom
www.spangel.co.uk

KEFI Gold and Copper plc Registered Office

27/28 Eastcastle Street
London W1W 8DH
United Kingdom
www.kefi-goldandcopper.com

Lead Broker

Tavira Financial Limited
88 Wood Street, 13th floor,
London, EC2V 7DA,
United Kingdom
www.tavira.group

Share Registrar

Share Registrars Limited
The Courtyard
17 West Street
Farnham GU9 7DR
United Kingdom
www.shareregistrars.com

Lawyers

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London EC2A 2EG
www.herbertsmithfreehills.com

Public Relations Adviser

IFC Advisory
Birchin Court
20 Birchin Lane
London EC3V 9DU
United Kingdom
www.investor-focus.co.uk

Institutional Investor Relations
3PPB LLC (Institutional IR)
16192 Coastal Highway, Lewes,
Delaware, 19958, USA
www://3ppb.com/

Consolidated Financial Statements

Year ended 31 December 2023

CONTENTS **PAGE**

Group Strategic report	42-54
Report of the board of directors	55-64
Statement of directors' responsibilities	65
Independent auditor's report	66-72
Consolidated statement of comprehensive income	73
Statements of financial position	74
Consolidated statement of changes in equity	75
Company statement of changes in equity	76
Consolidated statement of cash flows	77
Company statement of cash flows	78
Notes to the consolidated financial statements	79-111

Group Strategic Report

For the year ended 31 December 2023

KEFI Gold and Copper PLC Company number: 05976748

The directors present their Group Strategic Report for the year ended 31 December 2023.

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.

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's immediate priority is to launch full development of the Tulu Kapi Gold Project development in Ethiopia. Once the funding for the Tulu Kapi mine is secured, the mine developed and production initiated, it is expected that it will generate sufficient cash flows to fund capital repayments, further exploration and expansion as warranted and, when appropriate, dividends to shareholders. In Saudi Arabia 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 and ultimate potential scale.

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.

We are currently assisting with the process of obtaining approval for Ethiopian country membership for the Africa Finance Corporation (AFC) from the Federal Ministry of Finance. Once approval is secured protective rights for both of our Senior Lenders and cemented a crucial financial partnership for the development of the Tulu Kapi Gold Project. In addition, deployment of Federal and Regional Government security around the Tulu Kapi project district and transport routes was initiated. Notwithstanding the peaceful conditions in these areas, the measures demonstrated our commitment, and that of the government, to ensuring the safety and security of all involved in our operations.

We also reached an agreement with the National Bank of Ethiopia granting TKGM the right to operate offshore bank accounts in a major international financial center. This was an essential milestone and reflects the Ethiopian Government's commitment to facilitating the growth of the mining sector, providing us with essential financial infrastructure.

We are now essentially fully permitted, with funding assembled and awaiting the remaining final credit committee and Board approvals from our banks and project investors. Upon receiving these approvals, we will mobilize our social performance teams into the community to prepare the project-affected persons for resettlement, in accordance with international standards.

Saudi Arabia

In the Kingdom of Saudi Arabia, KEFI holds its shareholding through Gold and Minerals Co. Limited ("GMCO"), our joint venture company with Abdul Rahman Saad Al Rashid and Sons Company Limited ("Artar"). KEFI provides industry-specialist input and support to the joint venture and Artar a substantial Saudi company, provides effective in-country knowledge and government liaison. During the year and as of December 31st, 2023, the Company holding in GMCO was 26.80% (2022:30%). During 2024 this reduced to c.25%. The GMCO shareholders' agreement due to the further reduction in shareholding now provides for either shareholder to opt out of any one project development, giving the other shareholder the option to sole-risk that project.

KEFI's efforts in Saudi Arabia are promising, particularly with Jibal Qutman Gold and Hawiah Copper-Gold. At Jibal Qutman, our focus lies on completing the Definitive Feasibility Study. Progress includes metallurgical and geotechnical drilling, infill drilling, and mine planning, with the DFS expected to be finalized in the coming months.

Meanwhile, at the Hawiah Copper-Gold Project, substantial progress has been made since its discovery in 2019. The project now has a sizeable Mineral Resource Estimate, positioning it among the top base metal projects in Saudi Arabia.

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. Now recent drilling 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

This year the discovery of satellite deposits has been announced at both Hawiah and Jibal Qutman.

Following the award of fourteen ELs since the beginning of 2022, GMCO now holds a total of fifteen ELs covering an area of more than 1,035km2. The recently granted ELs are designed to establish additional resources near our existing discoveries and explore within four highly prospective regions. EL applications are made by ARTAR on behalf of GMCO, which has a legal commitment to transfer its licences into GMCO at any time.

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 Company recognises and responds to the growing expectations from the community, regulators and industry leaders for more open community engagement and stakeholder consultation. The Company 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 13 to 16).

Progress Report

Overall, the rate of progress during 2023 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:

Group Strategic Report (continued)

For the year ended 31 December 2023

Strategy Objective	Progress in 2023	Focus in 2024
Define additional reserves and resources in Saudi Arabia and Ethiopia	In Ethiopia it remains a priority to evaluate underground mining opportunities at TKGM but during 2023 progress was minimal as we await the go-ahead on the development of the Tulu Kapi project. The underground mine is anticipated to begin operations in the third year following the initiation of the Tulu Kapi project's open pit activities. In Saudi, KEFI revealed an updated Hawiah Mineral Resource Estimate on January 9, 2023. This update reflected a 16% increase in tonnage, with an additional 4.1 million tonnes, bringing the total to 29.0 million tonnes. The resource now contains 0.89% copper, 0.94% zinc, 0.67 g/t gold, and 10.1 g/t silver. At Jibal Qutman, initial drilling at the Asfingia prospect has intercepted near-surface gold such as 13m at 8g/t gold. At Abu Salal, approximately 50km south of Hawiah, drilling 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.	In Ethiopia, we remain focused on regional exploration projects along the Tulu Kapi trend. The goal, as previously, is to discover between 300,000 and 500,000 ounces of oxide material with a grade of 1.5g/t gold or higher, which could either supplement the Tulu Kapi processing plant or serve as separate heap leach operations. In Saudi we aim to expand and upgrade our resources and to the extent possible finalise development plans for Jibal Qutman Gold and Hawiah Copper-Gold Given the continued and expected expansion in resources, the Company is focused on establishing the optimal scale, recoveries, and start-up strategies.
Secure funding for each suitable project	In Ethiopia, the Company, as planned, has secured sources of development capital at the subsidiary level, providing an opportunity to maximise KEFI's beneficial ownership in the project. In October 2023, the National Bank of Ethiopia (the central bank) approved essential exemptions from exchange and capital controls. In December 2023, the lead lending bank, Eastern and Southern Trade and Development Bank gave final credit committee approval for its US$95 million project loan. The other members of the syndicate, being the co-lender (US$95 million) and the equity risk note investors (US$100 million) must now approve counterparty rights and obligations, among other things. In Saudi Arabia, the Saudi Industrial Development Fund (SIDF) has announced that it will offer loans for up to 75% of mining project costs, including resource delineation.	The steps now underway to complete Tulu Kapi funding package are: • Finalising approvals by the rest of the financing syndicate following approval by the lead bank; • Preparation of the community for resettlement; • Satisfaction of conditions precedent such as readiness of security, insurances, title • confirmations, perfection of banks' security and similar formal documentary requirements; • Completion of detailed definitive documentation which will require all syndicate parties to approve counterparty rights and obligations, among other things. In Saudi Arabia and when appropriate the Company intends to utilize the SIDF facility and it continues to maintain active communication channels with the relevant authorities. .

Group Strategic Report (continued)

For the year ended 31 December 2023

Strategy Objective	Progress in 2023	Focus in 2024
Develop profitable metals production	The security situation in Ethiopia notably improved in the past year since the lifting of the state of emergency in February 2022. Although peace has been restored in the northern Tigray region following two years of conflict, sporadic skirmishes persist elsewhere, including in Oromia – the country's largest region with a population of over 40 million and within which is the Tulu Kapi district. Despite these obstacles, project work advanced during 2023, mainly away from site with refined project planning, engineering efforts along with continued participation in the overhaul of the Government restrictions and refinement of the financing plans.	We monitor security on a continuous basis and subject to security arrangements being satisfactory, TKGM intends to resume field programmes. These will involve community consultations, regular independent security monitoring, final negotiations with contractors, and the signing of binding documents. Once funding has been secured, remaining regulatory and administrative tasks being completed promptly, the project can proceed with its initial scheduled activities such as community resettlement and procurement programmes from mid-2024 and then follow on to the scheduled earthworks as October 2024, being the end of the current wet season. Saudi: At Jibal Qutman the primary objective is to complete the DFS so that development may proceed in 2024. At Hawiah, the primary objective is also to complete the DFS and development can proceed upon the start-up at Jibal Qutman.
Maintain strong Environmental, Social and Governance standards and practices	KEFI is dedicated to adhering to stringent local and international environmental standards as we explore and develop our projects. KEFI regards social licence as fundamental to the business and the trust and support of host communities and key stakeholders, are key to the achievement of our objectives. 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	The project will maintain ongoing compliance with relevant social, environmental, employment, and other legislation, as well as adhering to pertinent international standards. Refer to the Environmental, Social and Governance Responsibility report on page 13 of this annual report for further information.

Results

The focus during the year has been preparing 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 2023 decreased by £0.03 million. During the year the company received net cash placements of £2.9 million and bridging loans of £2.6 million. The total net cash from financing was £5.1 million. The cash outflow during the period was £5.1 million of which £1.8 million was used in operating activities and a further £3.3 million used mainly on exploration and evaluation.

Balance sheet

The Group's Non-current assets of £34.8 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 £3.4 million because of capital expenditure during the year. The £3.4 million of 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.

The Group had total liabilities of £9.4 million (2022: £5.2 million), of which £3.7 million related to increased funding requirements for the Saudi projects.

Operating Expenses

	Year Ended 31.12.23 £'000	**Year Ended 31.12.22 £'000**
Exploration expenditure	**-**	**-**
Administrative expenses, mainly on project development preparations	**(3,441)**	**(2,400)**
Investigatory, pre-decisional project finance transaction costs	**(115)**	**(368)**
Share based payments	**(159)**	**(366)**
Share of loss from jointly controlled entity	**(4,963)**	**(2,792)**
Reversal of Impairment/(Impairment) of jointly controlled entity	**453**	**(109)**
Other	**-**	**-**
Gain from dilution of equity interest in joint venture	**1,156**	**286**
Foreign exchange gain/(loss)	**173**	**(79)**
Interest cost	**(1,000)**	**(527)**
Loss for the year	**(7,896)**	**(6,355)**

The results for the year are set out in the consolidated statement of comprehensive income on page 73.

The activities for the year have resulted in the Group's loss before tax of £7.9 million (2022 £6.4 million). No dividends were declared or paid during the year by the Board of Directors. (2022: nil). The increased share of loss from the jointly controlled entity has also contributed significantly to the overall increase in the loss for the year. Additionally, there has been a rise in consultant and legal costs, largely due to higher expenditure necessary to enable the transition of the company into development.

Group Strategic Report (continued)

For the year ended 31 December 2023

Results (continued)

Funding

The Company made placements during the year of £6.8 million for working capital, goods and services, and debt repayments through the issue of 1,026,002,363 new ordinary shares at a price of 0.70 pence as follows:

- 408,763,717 new ordinary shares to raise gross cash of approximate £2.9 million.
- 617,238,646 new ordinary shares to certain project contractors, repay advances and other third parties in settlement of outstanding invoices of approximate raise £4.3 million (before expenses).

The details of 2023 placing are as follows:

Issued	Placement price (pence)	Number of Ordinary Shares	£'000
		'000	
5 June (2)	0.70	411,770	2,883
5 June (1)	0.70	373,944	2,617
30 June (2)	0.70	205,468	1,438
30 June (1)	0.70	34,820	244
Gross placement raised before expenses			7,182
Less Share Issue Costs			(311)
Less Warrants issue costs			(110)
			6,761

(1) In cash

(2) Settlement of liabilities: Settling in full the cash amount owed of £4.3 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	Description	Mitigation
Exploration industry risk	Mineral exploration is speculative in nature, involves many risks and is typically unsuccessful in any one target. Following any discovery, it can take several years from the initial phases of drilling and identification of mineralisation until production is possible, during which time the economic feasibility of production may change. Substantial expenditure is required to establish ore reserves through drilling, to determine metallurgical processes to extract minerals from the ore, and to construct mining and ore processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by the Group will result in any new commercial mining operations being brought into operation. Government activity, which could include non-renewal of licences, may result in income receivable by the Group being adversely affected. Changes in the application or interpretation of mining and exploration laws and/or taxation provisions in the countries in which the Group operates could adversely affect the value of its interests.	The Group employs the most up to date exploration techniques together with highly qualified industry staff and consultants. Development and implementation of a robust exploration plan. Review of exploration plan by the Board's executive committee. Identify attractive prospective areas to apply for or acquire. The Group maintains cooperative and proactive relation with all relevant government departments and adheres to all required permitting process and title requirements.
Political risk	The Group is subject to political, economic and other uncertainties, including but not limited to changes in policies or the personnel administering them, terrorism, nationalisation, appropriation of property without fair compensation, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, export quotas, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which these operations are conducted, as well as security risks such as loss due to civil strife, acts of war, guerrilla activities and insurrection.	Permanent management teams in which local staff play significant senior roles are maintained in each of Ethiopia and Saudi Arabia to continuously monitor developments and quickly and efficiently resolve matters as they arise. KEFI enjoys a robust and pro-active relationship with the relevant authorities in both Ethiopia and the Kingdom of Saudi Arabia.
Community relations risk	Mutual support between the Group's operations and the communities around them is vital to the success of our activities and for maintaining our social license to operate. Actions by those communities may have an adverse impact on the Group's ability to obtain permits, project costs and project lead time.	KEFI regards its host communities as one of the most important of its primary stakeholders. Involvement and consultation with these groups in a sustainable and long-term manner is central to our strategy and we employ staff locally who are aware of community sensitivities and ensure that consultation is frequent and on-going. Our community development is focused on: 1. sustainable job creation; 2. skills transfer (education and training); and 3. infrastructure development.

Group Strategic Report (continued)

For the year ended 31 December 2023

Principal risks and uncertainties (continued)

Risk	Description	Mitigation
Retention of key personnel	The successful achievement by the Group of its strategies, business plans and objectives depend upon its ability to attract and retain key personnel.	Our employment policies and terms are designed to attract and retain individuals of the right caliber. We integrate skilled personnel to train and develop new and less experienced employees.
Strategic Partner risk	Strategic partnerships play a role in delivering growth, project development and funding. They do this by providing not only capital but also strategic input with local knowledge and experience. Strategic partnerships include joint venture partners, governments and contractors. Any joint venture arrangement contains an element of counterparty risk and may not always develop as planned.	The Company maintains good working relationships with its partners who were selected for their knowledge and capability in their home country, with frequent meetings and continuous monitoring of performance. In Saudi, we partner with a leading Saudi industrial group and in Ethiopia we partner with the Government of Ethiopia who are a major shareholder in our Ethiopian subsidiary TKGM.
Security Risk	The Group is subject to security risks such as loss due to civil strife, acts of war, guerrilla activities and insurrection.	There is a risk of delays should the security situation in the project area not be satisfactory. During the year the Company further developed revised security protocols as local conditions warranted. In addition, an external independent security assessment of the Project site, district, and transport routes remains standard operating procedure for TKGM. There is no guarantee that the requisite level of security will be achieved without causing further delay.
Commodity risk	A potential fall in commodity prices which could lead to it becoming uneconomic for the Group to mine its assets. The Group's principal interest is in gold.	The Group monitors its exposure to commodity price fluctuations as part of its overall financial planning and will consider the use of appropriate hedging products to mitigate this risk as it approaches production.

Principal risks and uncertainties (continued)

Risk	Description	Mitigation
Tulu Kapi gold project financing risk	Depending on the timing of completion of project financing, there is a possibility of delays to the start of production and cost overruns relating to development of this project.	The completion of project financing has taken longer than originally planned due to periods of civil unrest within Ethiopia over the last several years. Arrangements with project lenders AFC and TDB for $190 million project loan facilities are proceeding through the credit approval process with the credit committee for lead lender TDB having already approved and AFC's nearing completion. It should be noted that these approvals are subject to standard conditions precedent, including KEFI raising additional equity. As with any international mining project finance transaction, obtaining final approvals will require certification of security and community readiness, insurance placement, mortgage registration, and other standard procedural conditions precedent and subsequent. In addition, TKGM retains the focused attention of the National Bank of Ethiopia, the Ministry of Mines, together with the other relevant Ministries and Agencies of the government. Agreement has also been reached with the National Bank of Ethiopia (Ethiopia's Central Bank) granting TKGM the right to operate offshore bank accounts in a major international financial center. This was a key milestone and reflects the Ethiopian Government's commitment to facilitating the growth of the mining sector, providing us with essential financial infrastructure.
Financial risks	Foreign currency risk: The Group's results are sensitive to foreign currency movements, particularly with its exposure to the Ethiopian Birr arising from the Group's operations in Ethiopia. During project development foreign exchange exposure will swing towards USD as much of the project development costs are in this currency.	The Group maintains most of its cash in Pounds Sterling and monitors relevant currency movements and acts where needed. Regarding the project development period and subsequently, project debt will be denominated in USD as will gold sales thus providing a significant natural hedge.
	Funding risk: The Group relies primarily upon existing shareholders to meet its funding requirements for on-going exploration and pre-development activities which are dependent on the Group's ability to obtain continued financing through the debt and equity markets. Where a project moves into the development stage, such as at Tulu Kapi, it is then possible to consider other means such as project financing. Although the Group has been successful in the past in obtaining the necessary finance there can be no assurance that the Group will be able to obtain adequate financing in the future or that the terms of the financing will be favourable. Please also refer to Note 2 of the Financial Statements 'Going Concern'.	The Company has assembled a financing consortium for the Tulu Kapi project that reflects a deliberate effort to involve groups with large scale and deep experience in Africa and includes the Ethiopian division of a global industrial company and a leading commodities trader with mining investments in Africa. We maintain continuous and transparent discussions with lenders and finance providers pending completion of conditions precedent matters and final documentation. GMCO has initiated discussions with the Saudi Investment Development Fund (SIDF) surrounding project funding to be finalised once the mining licence has been awarded.
	The Group's other financial risks and use of financial instruments are described in Note 3 to the consolidated financial statements. Other risks are described in the Chairman's and Finance Director's Reports.	

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

Stakeholder Group	***Importance of Engagement***	***How did Board and/or Management Engage***
Shareholders/Investors/Joint Venture Partners 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 25% interest. In both operating joint venture companies, KEFI has the contractual obligation to nominate the CEO, to propose to the Board exploration, development, and operating plans and ensure adequate human resources are made available. In Ethiopia KEFI has a majority of Board seats and in Saudi Arabia our partner has the majority of Board seats.	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 page 62 of the Report of the Board of Directors) and the achievement of those objectives.	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 The Company workforce summarized below does not include those specialists retained via contractors in our operating sites or internationally nor the teams in 25%-owned Saudi GMCO, and comprises Senior Management Contractors: 4 Addis Ababa: 16 Tulu Kapi Field Operations: 34 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.	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.	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.
Community 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 company has a strong commitment to maximising local participation in the workforce and supply chain and stresses transparency in all dealings and compliance	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	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

Stakeholder Group	***Importance of Engagement***	***How did Board and/or Management Engage***
with leading international standards for social and environmental aspects including World Bank IFC Principles and the Equator Principles.	(education and training), and infrastructure development.	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. Please also see the Social License section on page 13.
Suppliers 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.	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.	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.
Lenders 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.	It is important to identify, maintain and strengthen relationships with lenders to ensure sufficient finance can be secured to support project development.	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.
Regulators/Government Multiple departments and agencies of national, regional and/or local government are involved in the licensing and monitoring of mining activities.	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	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.

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 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 placements during the year of £6.8 million for working capital, goods and services, and debt repayments through the issue of 1,026,002,363 new ordinary shares at average price of 0.70 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 2023:

Federal Democratic Republic of Ethiopia

- KEFI has successfully assembled both debt and equity development capital through collaboration with regional financiers.
- Exemptions from exchange and capital controls have been granted by the central bank, a key milestone.
- Strategic mining projects, such as Tulu Kapi now benefit from government security protection.
- Several applications for new exploration licenses have been officially registered in Ethiopia.

Kingdom of Saudi Arabia

- Gold and Minerals Co. Limited ("GMCO") now possesses 15 exploration licenses in Saudi Arabia, offering potential for further discoveries adjacent to the Jibal Qutman Gold and Hawiah Copper-Gold project sites.
- Six drill rigs operated by GMCO are currently engaged in in-fill drilling, extensional drilling on existing resources, and exploration drilling.
- Comprehensive mapping and sampling campaigns have commenced on the newly acquired licenses by GMCO.
- Feasibility Studies for the development of the Jibal Qutman Gold and Hawiah Copper-Gold project sites are underway.

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

14 June 2023

Report of the Board of Directors
For the year ended 31 December 2023

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 2023.

Business Review:

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 comprised of five Directors from 1 July 2023. The members of the Board of Directors as at 31 December 2023 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 2023 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

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	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].
.
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].

STI Bonus 3: Upon Tulu Kapi having commenced production and not earlier than 12 months after STI Bonus 2 was earned[1].

[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 timing of the cash payment will be subject to cash availability as determined by the Board but in any event no later than 6 months after the achievement of the relevant Key Milestone.

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.

Remuneration report- continued

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]	1.89%
J Leach	61,978,123	1.02%
M. Tyler	5,125,000	0.08%
R Robinson	7,250,000	0.12%

[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	M. Tyler	R. Robinson
17-Mar-21	16-Mar-25	2.55	37,766,978	7,189,168	2,735,688	2,735,688
01-Feb-18	31-Jan-24	4.5	1,200,000	1,200,000	-	-
			38,966,978	8,389,168	2,735,688	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 2023 is set out below:

31 December 2022	Salary and fees	Other compensation[3]	Bonus Paid in Shares	Share based benefit incentive options[2]	2022 Total
Executive	£'000	£'000	£'000	£'000	£'000
H. Anagnostaras-Adams	302	13	-	137	452
J. Leach	169	36	-	32	237
Non-Executive					
N. Ling[1]	12	-	-	5	17
M. Tyler	25	-	-	9	34
R. Robinson	25	-	-	9	34
	533	49	-	192	774

31 December 2023	Salary and fees	Other compensation[3]	Bonus Paid 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	**13**	**-**	**-**	**-**	**13**
	532	**36**	**-**	**69**	**637**

[1]Appointments and Retirement as Director: Mr. Norman Ling resigned on the 30 June 2022. Mr. Alistair Clark was appointed 1 July 2023.
[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 includes medical insurance premiums.
.

Corporate governance statement

The Directors of the Company have elected to follow the main principles of the QCA Corporate Governance Code. 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 16 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 Mark Tyler 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: Mark Tyler (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), Mark Tyler 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	7	7
J. Leach	7	7
A. Clark[1]	4	4
M. Tyler	7	7
R. Robinson	7	7

Audit Committee[2]	Held	Attended
R. Robinson	1	1
A. Clark[1]	0	0
M. Tyler	1	0

Remuneration Committee	Held	Attended
A. Clark[1]	3	3
M. Tyler	3	3
R. Robinson	3	3

[1]Mr.Alistair Clark joined on 1 July 2023 as Non-Executive Director.

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

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 85 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 6 June 2024 and as far as the Directors are aware:

Name	Percentage	Number
Hargreaves Lansdown (Nominees) Limited	22.6%	1,366,924,817
Interactive Investor Services Nominees Limited	18.4%	1,117,059,181
Vidacos Nominees Limited	8.8%	535,029,011
Hsdl Nominees Limited	5.7%	344,809,130
Jim Nominees Limited	5.6%	340,749,511
Lawshare Nominees Limited	4.7%	287,430,175
Barclays Direct Investing Nominees Limited	3.7%	226,979,283
Hsbc Global Custody Nominee (Uk) Limited	3.4%	203,512,101
Pershing Nominees Limited	3.3%	202,770,850

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 79 to 84.

Events after the reporting date

Dilution in Gold and Minerals

During 2024 the Company diluted its interest in the Saudi joint-venture company Gold and Minerals Limited ("GMCO") from 26.8% to 24.75% because of not fully meeting its pro rata share of expenses (Further details disclosed in Note 19.1).

Share Placement March 2024

During March 2024, the Company concluded a placement, issuing 915,986,055 new ordinary shares at a price of 0.6 pence per share, generating £5.5 million in proceeds.

Name	**Number of Subscription Shares**	**Amount**
	'000	£'000
Cash Placement	454,861	2,729
Current liabilities		
For services rendered	83,333	500
Brokerage fees	47,250	284
Loans and borrowings		
Unsecured working capital bridging finance	330,542	1,983
	915,986	**5,496**

The parties above agreed that the amounts subscribed to in the share placements be set-off against the amount due by the Company at the date of the share placement.

Events after the reporting date continued

Issue of Shares to Advisers May 2024

On 21 May 2024 the Company issued 177,981,851 new ordinary shares of 0.1 pence each. These shares, priced at 0.763 pence per share were valued at £1,358,002 and were issued to key advisers in consideration for their services in support of various value-adding initiatives following the launch of early works at the Tulu Kapi Gold Project in Ethiopia.

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

14 June 2024

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 statements in accordance with the rules of the London Stock Exchange for Standard List companies. In preparing these Financial Statements, the Directors are required to:

- prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006;
- select suitable material accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards; 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 2023 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 2023 which comprise the consolidated statement of comprehensive income, the statements 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 financial statements, including a summary of material accounting policies.

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 forth in Note 2, indicate that a material uncertainty exists 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 if the Group and Company were unable to continue as a going concern. 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.

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 included:

- We obtained the Directors' going concern assessment and supporting forecasts and performed a detailed review of the cash flow forecasts, challenging the key assumptions based on empirical data and comparing historic actual monthly expenditure.
- We discussed 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 in light of the Group and Parent Company's previous successful fundraisings and strategic financing. We reviewed draft agreements and term sheets from potential investors in connection with the planned project financing.
- We assessed 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.
- We read correspondence with the Ethiopian Ministry of Mines to check for exploration and evaluation licence validity and renewal of work permit.
- We have assessed the funding that is available to the Group and the Parent Company before the financial statements are signed, to determine if the funding will be sufficient for the capital and operating expenses to cover a period of at least 12 months from the date of approval of these financial statements.

In auditing the financial statements, we have concluded that Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Overview

<table>
<tr><td>Coverage*</td><td>100% (2022: 99%) of Group loss before tax
100% (2022: 100%) of Group total assets</td></tr>
<tr><td>Key audit matters</td><td><table><tr><td></td><td>2023</td><td>2022</td></tr><tr><td>Carrying value of exploration assets</td><td>✓</td><td>✓</td></tr><tr><td>Going concern</td><td>✓</td><td>✓</td></tr></table></td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

£530K (2022: £480k) based on 1.5% (2022:1.5%) of total assets.</td></tr>
</table>

* These are areas which have been subject to a full scope audit by the group engagement team and analytical review procedures.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates through the Parent Company based in the United Kingdom whose main function is the incurring of administrative costs and providing funding to the subsidiaries in Ethiopia as well as one joint venture company in Saudi Arabia. In addition to the Parent Company, the operating Ethiopian subsidiary and the Saudi Arabian joint venture are considered to be significant components. The financial statements also include a number of non-trading subsidiary undertakings, as set out in note 13.1, which are considered to be not significant components.

In establishing our overall approach to the group audit, we determined the type of work that needed to be performed in respect of each component. The non-significant components of the Group were subject to analytical review procedures performed by the Group audit team.

As part of the full scope audit, the Ethiopian subsidiaries were performed by a BDO network firm based in Ethiopia and the Saudi Arabian joint venture was audited by a non-BDO firm component auditor. We performed a detailed review of the work performed by the component auditors under ISA 600.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Detailed Group reporting instructions were sent to the component auditors, which included the principal areas to be covered by the audits (including areas that were considered to be key audit matters as detailed below) and set out the information to be reported to the Group audit team. The Group audit team was actively involved in the direction of the audits performed by the component auditors for Group reporting purposes, along with the consideration of findings and determination of conclusions drawn.

- The Group audit team reviewed the Ethiopian component auditor's work papers remotely and the Saudi Arabian joint venture component auditor's work papers remotely and physically by visiting onsite location in Saudi Arabia by Senior Manager as well as the Assistant manager of the Group audit team. The Group audit team has engaged with the component auditors by video calls and emails during their planning, fieldwork and completion phases.

- The Group audit team performed procedures in respect of significant risk areas that included key audit matters in addition to procedures performed by the component auditors.

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.

We have determined, in addition to the material uncertainty related to going concern, the matter described below to be the key audit matters to be communicated in our report:

Key audit matter		**How the scope of our audit addressed the key audit matter**
Carrying Value of Exploration Assets & Accounting estimates and judgements (see note 12 & note 4)	The Directors are required to assess whether there are potential indicators of impairment for the Tulu Kapi exploration asset and whether an impairment test was required to be performed. No indicators of impairment to the asset were identified, and disclosure to this effect has been included in the financial statements. There are a number of estimates and judgements used by management in assessing the exploration and evaluation assets for indicators of impairment under IFRS 6. These estimates and judgements are set out in Note 4 of the financial statements and the subjectivity of these estimates along with the material carrying value of the assets make this a key audit area.	We considered the indicators of impairment applicable to the Tulu Kapi exploration asset, including those indicators identified in IFRS 6 and reviewed the Directors' assessment of these indicators. We reviewed the licence documentation to confirm that the exploration permits are valid, and to check whether there is an expectation that these will be renewed in the ordinary course of business. We have reviewed correspondence with the Ethiopian Ministry of Mines for any conditions regarding the validity of the licence. We made specific inquiries of the Directors and reviewed market announcements, budgets and plans which confirms the plan to continue investment in the Tulu Kapi project subject to sufficient funding being available, as disclosed in note 2. Based on our knowledge of the Group, we considered whether there were any other indicators of impairment not identified by the Directors. We have reviewed the adequacy of disclosures provided within the financial statements in relation to the impairment assessment against the requirements of the accounting standards. We have obtained the Group's budgets and forecasts and check whether expenditure has been planned to continue exploration or development and maintain the licences. **Key observations:** Based on our work performed we considered the Directors' assessment and the disclosures of the indicators of impairment review included in the financial statements to be appropriate.

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**	
	2023	2022	2023	2022
Materiality	£530k	£480k	£419k	£385k
Basis for determining materiality	1.5% total assets			
Rationale for the benchmark applied	We consider total assets to be the financial metric of the most interest to shareholders and other users of the financial statements given the Group and Parent Company's status as a mining exploration company and therefore consider this to be an appropriate basis for materiality.			
Performance materiality	£397k	£360k	£314k	£288k
Basis for determining performance materiality	75% of materiality for the financial statements as a whole.			
Rationale for the percentage applied for performance materiality	We considered several factors, including the expected total value of known and likely misstatements, and management's attitude towards proposed adjustments and our knowledge of the Group and parent company's internal controls.			

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of between 50% and 75% (2022: 48% and 65%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £265k to £397k (2022: £230k to £310k). In the audit of each component, we further applied performance materiality levels of 75% (2022: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £26k (2022:24k). 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 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.

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

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: • 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 • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. 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: • 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 • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • 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 on page 65, 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 elements of the applicable accounting framework, tax legislations, the Companies Act 2006, Corporate and VAT legislation, Employment Taxes, Health Safety and the Bribery Act 2010, AIM Listing Rules and the QCA Corporate Governance Code, 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 environmental regulations and the health and safety legislation.

Our procedures in respect of the above included:

- Review of RNS announcements and minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Reviewing management's 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, or fraud
- 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 those charged with 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 meeting of those charged with governance 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;
- Performing analytical procedures to identify any unusual or unexpected transactions that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these;

Based on our risk assessment, we considered the area's most susceptible to fraud to be management override of controls, significant judgements relating to going concern and management bias regarding the following key accounting estimates and judgements:

- Impairment of Exploration and Evaluation assets
- Measurement of share based payments.
- Provisions of expected credit losses for related party balances.

Our procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Selected journals by applying specific criteria to detect possible irregularities and fraud and agreed them to the supporting documents to test the appropriateness of journal entries;
- Performing a detailed review of the Group's year end adjusting entries and investigating any that appear unusual as to nature or amount and agreeing to supporting documentation;
- Assessing the judgements made in respect of going concern (see KAM section);
- Assessed whether the judgements made in accounting estimates were indicative of a potential bias (refer to key audit matters above).

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

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including 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 component engagement teams, 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.

DocuSigned by:

Jack Draycott

4FB34D873A17477...

[*Signature*]

Jack Draycott (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

14 June 2024

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 2023

	Notes	Year Ended 31.12.23 £'000	Year Ended 31.12.22 £'000
Revenue		**-**	-
Exploration costs		**-**	-
Administrative expenses	6	**(3,441)**	(2,400)
Finance transaction costs	8.2	**(115)**	(368)
Share-based payments and warrants-equity settled	17	**(159)**	(366)
Share of loss from jointly controlled entity	19	**(4,963)**	(2,792)
Reversal of Impairment/(Impairment) of jointly controlled entity	19	**453**	(109)
Operating loss	6	**(8,225)**	(6,035)
Other income/(loss)		**-**	-
Gain on Dilution of Joint Venture	19	**1,156**	286
Foreign exchange gain/(loss)		**173**	(79)
Finance costs	8.1	**(1,000)**	(527)
Loss before tax		**(7,896)**	(6,355)
Tax	9	**-**	-
Loss for the year		**(7,896)**	(6,355)
Loss attributable to:			
-Owners of the parent		**(7,896)**	(6,355)
Loss for the period		**(7,896)**	(6,355)
Other comprehensive expense:			
Exchange differences on translating foreign operations		**-**	-
Total comprehensive expense for the year		**(7,896)**	(6,355)
Total Comprehensive expense to:			
-Owners of the parent		**(7,896)**	(6,355)
Basic and diluted loss per share (pence)	10	**(0.175)**	(0.180)

The notes on pages 79 to 111 are an integral part of these consolidated financial statements.

Statements of financial position

Company Number: 05976748

31 December 2023

	Notes	The Group 2023	The Company 2023	The Group 2022	The Company 2022
		£'000	£'000	£'000	£'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**100**	**3**	125	3
Intangible assets	12	**34,716**	**-**	31,356	-
Investment in subsidiaries	13.1	**-**	**16,253**	-	15,557
Investments in jointly controlled entities	13.2	**-**	**-**	-	-
Receivables from subsidiaries	14.2	**-**	**11,500**	-	9,998
		34,816	**27,756**	31,481	25,558
Current assets					
Trade and other receivables	14.1	**528**	**72**	463	71
Cash and cash equivalents	15	**192**	**114**	220	45
		720	**186**	683	116
Total assets		**35,536**	**27,942**	32,164	25,674
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	**4,965**	**4,965**	3,939	3,939
Deferred Shares	16	**23,328**	**23,328**	23,328	23,328
Share premium	16	**48,922**	**48,922**	43,187	43,187
Share options reserve	17	**3,675**	**3,675**	3,747	3,747
Accumulated losses		**(56,483)**	**(61,564)**	(48,781)	(52,929)
Attributable to Owners of parent		**24,407**	**19,326**	25,420	21,272
Non-Controlling Interest	18	**1,709**	-	1,562	-
Total equity		**26,116**	**19,326**	26,982	21,272
Current liabilities					
Trade and other payables	20	**7,307**	**6,503**	4,002	3,222
Loans and borrowings	22	**2,113**	**2,113**	1,180	1,180
Total liabilities		**9,420**	**8,616**	5,182	4,402
Total equity and liabilities		**35,536**	**27,942**	32,164	25,674

The notes on pages 79 to 111 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 £9 million (2022: £6.1 million) has been included in the financial statements of the parent company.

On the 14 June 2024, 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 2023

	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 2022	**2,567**	**23,328**	**35,884**	**1,891**	**-**	**(42,731)**	**20,939**	**1,379**	**22,318**
Loss for the year	-	-	-	-	-	(6,355)	(6,355)	-	(6,355)
Total Comprehensive Expenses	-	-	-	-	-	(6,355)	(6,355)	-	(6,355)
Recognition of share-based payments	-	-	-	366	-	-	366	-	366
Expired warrants	-	-	-	(488)	-	488	-	-	-
Issue of share capital and warrants	1,372	-	7,747	1,978	-	-	11,097	-	11,097
Share issue costs	-	-	(444)	-	-	-	(444)	-	(444)
Non-controlling interest	-	-		-	-	(183)	(183)	183	-
At 31 December 2022	**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**

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
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 79 to 111 are an integral part of these consolidated financial statements.

Company statement of changes in equity

Year ended 31 December 2023

	Share capital	Deferred shares	Share premium	Share options reserve	Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	2,567	23,328	35,884	1,891	(47,310)	16,360
Loss for the year	-	-	-	-	(6,107)	(6,107)
Recognition of share-based payments	-	-	-	366	-	366
Forfeited options	-	-	-	-	-	-
Expired warrants	-	-	-	(488)	488	-
Issue of share capital and warrants	1,372	-	7,747	1,978	-	11,097
Share issue costs	-	-	(444)	-	-	(444)
At 31 December 2022	**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**

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 79 to 111 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows
Year ended 31 December 2023

	Notes	**Year Ended 31.12.23 £'000**	Year Ended 31.12.22 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(7,896)**	(6,355)
Adjustments for:			
Depreciation of property, plant and equipment	11	**29**	24
Share based payments	17	**159**	366
Gain on Dilution of Joint Venture	19.1	**(1,156)**	(286)
Share of loss from jointly controlled entity	19	**4,963**	2,792
(Reversal of Impairment) /Impairment on jointly controlled entity	19	**(453)**	109
Exchange difference		**(173)**	(53)
Finance costs	8.1	**1,030**	486
		(3,497)	(2,917)
Changes in working capital:			
Increase in Trade and other receivables		**(66)**	(172)
Increase/(Decrease) in Trade and other payables		**1,769**	(72)
Cash used in operations		**(1,794)**	(3,161)
Interest paid	22.1.2	**(67)**	-
Net cash used in operating activities		**(1,861)**	(3,161)
CASH FLOWS FROM INVESTING ACTIVITIES			
Project exploration and evaluation costs	12	**(2,458)**	(3,477)
Acquisition of property plant and equipment	11	**(4)**	(86)
Advances to jointly controlled entity	13.2	**(795)**	(1,682)
Net cash used in investing activities		**(3,257)**	(5,245)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	16	**2,861**	6,849
Issue costs	16	**(311)**	(444)
Proceeds from bridge loans	22.1.2	**2,640**	1,830
Repayment of convertible notes and bridge loans	22.1.2	**(100)**	(3)
Net cash from financing activities		**5,090**	8,232
Net decrease in cash and cash equivalents		**(28)**	(174)
Cash and cash equivalents:			
At beginning of the year	15	**220**	394
At end of the year	15	**192**	220

Cash and cash equivalents in the Consolidated Statement of Financial Position includes restricted cash of £nil (2022: £nil).

The notes on pages 79 to 111 are an integral part of these consolidated financial statements.

Company statement of cash flows
Year ended 31 December 2023

	Notes	Year Ended 31.12.23 £'000	Year Ended 31.12.22 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(8,976)**	(6,107)
Adjustments for:			
Depreciation of property plant equipment		**-**	2
Share based payments	17	**159**	366
Gain on Dilution of Joint Venture	19.1	**(1,156)**	(286)
Share of loss from jointly controlled entity	19	**4,963**	2,792
(Reversal of Impairment) /Impairment on jointly controlled entity	19	**(453)**	109
Exchange difference		**1,122**	(255)
Expected credit loss		**70**	113
Finance costs		**1,030**	486
		(3,241)	(2,780)
Changes in working capital:			
Increase in Trade and other receivables		**(1)**	(47)
Increase in Trade and other payables		**2,472**	17
Cash used in operations		**(770)**	(2,810)
Interest Paid	22.1.2	**(67)**	-
Net cash used in operating activities		**(837)**	(2,810)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property plant and equipment		**-**	(4)
Investment in subsidiary	13.1	**(696)**	(1,225)
Advances to jointly controlled entity	13.2	**(795)**	(1,682)
Loan to subsidiary	14	**(2,693)**	(2,615)
Net cash used in investing activities		**(4,184)**	(5,526)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	16	**2,861**	6,849
Issue costs	16	**(311)**	(444)
Proceeds from bridge loans	22.1.2	**2,640**	1,830
Repayment of convertible notes and bridge loans	22.1.2	**(100)**	(3)
Net cash from financing activities		**5,090**	8,232
Net increase/(decrease) in cash and cash equivalents		**69**	(104)
Cash and cash equivalents:			
At beginning of the year	15	**45**	149
At end of the year	15	**114**	45

Cash and cash equivalents in the Company Statement of Financial Position includes restricted cash of £nil (2022:nil).

The notes on pages 79 to 111 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements
Year ended 31 December 2023

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 for the year were:

- 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 2023. 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 the investor has all the following:

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(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 their 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 assessment of the Group's ability to continue as a going concern involves judgment regarding future funding available for the development of the Tulu Kapi Gold project, advancement of the Saudi Arabia exploration properties and for 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 for normal running costs in addition to 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). The Group's current liabilities, including existing short term debt funding, exceed the Group's cash balance. Therefore, the Group is currently actively managing its existing liabilities, and the group will need further funding in a short period of time in order to settle its current liabilities and short term debt.

The Group's ability to achieve the requisite level of funding will rely predominately 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 in this regard, including the receipt of key central bank exemptions from certain exchange and capital controls thus allowing the establishment of a suitable framework for offshore project funding and capital management. Definitive agreements for project financing are nearing completion with contractors, equity investors, and government entities. Also arrangements with project lenders AFC and TDB for the $190 million project loan are proceeding through the credit approval process with the credit committee for lead lender TDB having already approved and AFC's nearing completion. It should be noted that these approvals are subject to standard conditions precedent, including KEFI raising additional equity. For more details, refer to page 50, "Financing Risk" of the Principal Risks and

2. Material accounting policies (continued)

Going concern

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

In 2024, the Company successfully raised an additional £6.9 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, the sale of part of a project, debt financing, strategic alliances, and equity financing.

Accordingly, and as set out above, the Group and Company are reliant on additional funding being acquired, which is not guaranteed, and 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. 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.

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.

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. Exchange differences arising, if any, are recognized in the foreign currency translation reserve and as a component of other comprehensive income and recognized in profit or loss on disposal of the foreign operation.

Revenue recognition

The Group had no sales or revenue during the year ended 31 December 2023 (2022: 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 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 still 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.

Financial asset at fair value through other comprehensive income: Financial assets (debt) which are held with the objective as above but which maybe intended to be sold before maturity and also includes strategic equity investments (that are not subsidiaries, joint ventures or associates) which would be normally held at fair value through profit or loss, could on irrevocable election be measured with fair value changes flow through OCI. On disposal, the gain or loss will not be recycled to P&L.

Financial asset at fair value through profit and loss: Financial assets not meeting the criteria above and derivatives.

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.

Financial assets and liabilities at fair value through the profit or loss

Financial assets and liabilities at fair value through the profit or loss comprise derivative financial instruments. After initial recognition, financial assets at fair value through the profit or loss are stated at fair value. Movements in fair values are recognised in profit or loss unless they relate to derivatives designated and effective as hedging instrument, in which event the timing of the recognition in the profit or loss depends on the nature of the hedging relationship. The Group does not currently have any such hedging instruments.

New standards and interpretations applied

The following new standards and interpretations became effective on 1 January 2023 and have been adopted by the Group.

2. Material accounting policies (continued)

New standards and interpretations applied (continued)

			Effective period commencing on or after
IFRS 17		Insurance Contracts	01 January 2023
Amendments to IAS 8		Amendments to IAS 8: Definition of accounting estimates	01 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2		Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies	01 January 2023
Amendments to IAS 12		Amendments to IAS 12: Deferred tax related to assets and liabilities arising from a Single transaction	01 January 2023
Amendments to IAS 12		IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules.	01 January 2023
Amendments to IFRS 16	[1]	Amendments to IFRS 16: Liability in a Sale and Leaseback	01 January 2024
Amendments IAS 1	[1]	Amendments to IAS 1: Classification of liabilities as current or noncurrent	01 January 2024
Amendments IAS 1	[1]	Amendments to IAS 1: Non-current Liabilities with Covenants	01 January 2024
Amendments to IAS 7	[1]	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments)	01 January 2024
Amendments to IAS 21	[1]	IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)	01 January 2025

[1]Not yet endorsed.

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

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.

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 our inherent exposure to credit risk we maintain policies to limit the concentration of credit risk and ensure liquidity of available funds. We also invest our cash and equivalents in rated financial institutions, primarily within the United Kingdom and other investment grade countries, which are countries rated BBB- or higher by S&P the Group does not have a significant concentration of credit risk arising from its bank 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:

	2023	2022
	£'000	£'000
Variable rate instruments		
Financial assets	**192**	220

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2023 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
	2023	**2023**	2022	2022
	£'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 2023	**Assets 2023**	Liabilities 2022	Assets 2022
	£'000	£'000	£'000	£'000
Australian Dollar	**6**	**-**	188	0
Euro	**367**	**18**	215	29
US Dollar	**3,784**	**34**	2,014	26
Ethiopian Birr	**710**	**524**	779	537

Sensitivity analysis continued

A 10% strengthening of the British Pound against the following currencies at 31 December 2023 would have increased/(decreased) 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 2023	**Profit or Loss 2023**	Equity 2022	Profit or Loss 2022
	£'000	£'000	£'000	£'000
Australian Dollar	**1**	**1**	19	19
Euro	**35**	**35**	19	19
US Dollar	**375**	**375**	199	199
Ethiopia ETB	**19**	**19**	24	24

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 or otherwise of such capital raisings is dependent upon a variety of factors including general equities and metals mark sentiment, macro-economic outlook and other factors. When funds are sought, the Group balances the costs and benefits of equity and other financing options. Funds are provided to projects based on the projected expenditure.

The carrying amount in the liquidity table below is below the contractual cash flow 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-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	-	-
31-Dec-22					
Trade and other payables	4,002	4,002	4,002	-	-
Loans & Borrowings and Interest	1,180	1,180	1,180	-	-
	5,182	5,182	5,182	-	-
The Company					
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	-	-
31-Dec-22					
Trade and other payables	3,222	3,222	3,222	-	-
Loans & Borrowings and Interest	1,180	1,180	1,180	-	-
	4,402	4,402	4,402	-	-

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for 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 £192,000 (2022: £220,000) and equity attributable to equity of the parent, comprising issued capital and deferred shares of £28,293,000 (2022: £27,267,000), other reserves of £52,597,000, (2022: £46,943,000) and accumulated losses of £56,483,000 (2022: £48,781,000). 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, 2022, 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	
	2023	2022	**2023**	2022
Financial assets	£'000	£'000	£'000	£'000
Cash and cash equivalents (Note 15) – Level 1	**192**	220	**192**	220
Trade and other receivables (Note 14)	**528**	463	**528**	463
Financial liabilities				
Trade and other payables (Note 20)	**7,307**	4,002	**7,307**	4,002
Loans and borrowings (Note 22)	**2,113**	1,180	**2,113**	1,180

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).

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

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.

Shareholding in GMCO

Post 31 December 2023, Company further diluted its proportionate share in GMCO by 2.05% and reduced to 24.75% which resulted in corresponding increase in ARTAR shareholding to 75.25%. 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. 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. Referring to the potential voting rights mentioned in IAS 28, the notice issue isn't currently actionable. This eventuality remains pending until a future date. As of December 31, 2023 and at the date of this report KEFI is still a party to Joint Venture based on ownership interest of 24.75%.

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.

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.

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 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
2022					
Corporate costs	(2,653)	(112)	-	-	(2,765)
Foreign exchange gain/(loss)	172	(251)	-		(79)
Gain on Dilution of Joint Venture	-	-	285	-	285
Net Finance costs	(895)	-	-	-	(895)
(Loss)/gain before jointly controlled entity	(3,376)	(363)	285	-	(3,454)
Share of loss from jointly controlled entity	-	-	(2,792)	-	(2,792)
Impairment of jointly controlled entity	-	-	(109)	-	(109)
Loss before tax	(3,376)	(363)	(2,616)	-	(6,355)
Tax	-	-	-	-	-
Loss for the year	(3,376)	(363)	(2,616)	-	(6,355)
Total assets	21,089	21,074	-	(9,999)	32,164
Total liabilities	3,988	11,194	-	(9,999)	5,183

6. Expenses by nature

	2023 £'000	2022 £'000
Depreciation of property, plant and equipment (Note 11)	**29**	24
Directors' fees and other benefits (Note 21.1)	**568**	582
Consultants' costs	**282**	205
Auditors' remuneration - audit current year	**170**	97
Legal Costs	**822**	283
Ongoing Listing Costs	**253**	174
Other expenses	**589**	322
Financial Project Advisory Costs	**150**	161
Shareholder Communications	**295**	299
Travelling Costs	**283**	253
Total Administrative Expenses	**3,441**	2,400
Share of losses from jointly controlled entity (Note 5 and Note 19)	**4,963**	2,792
Impairment/ (reversal of impairment) of jointly controlled entity (Note 19)	**(453)**	109
Share based option benefits to directors (Note 17)	**69**	192
Share based benefits to employees (Note 17)	**42**	74
Share based benefits to key management (Note 17)	**12**	100
Share based benefits to suppliers	**36**	-
Cost for long term project finance (Note 8)	**115**	368
Operating loss	**8,225**	6,035

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

	2023 £'000	2022 £'000
Salaries	**1,317**	1,299
Social insurance costs and other funds	**159**	281
Costs capitalised as exploration	**(1,361)**	(1,516)
Net Staff Costs	**115**	64
Average number of employees	**60**	51

Excludes Directors' remuneration and fees which are disclosed in note 21.1. TK project direct staff costs of 1,361,000 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

	2023 £'000	2022 £'000
8.1 Total finance costs		
Interest on short term loan	**1,000**	527
Total finance costs	**1,000**	527
8.2 Total other transaction costs		
Cost for long term project finance	**115**	368
Total other transaction costs	**115**	368

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

9. Tax

	2023	2022
	£'000	£'000
Loss before tax	**(7,896)**	(6,355)
Tax calculated at the applicable tax rates at 12.5%	**(987)**	(794)
Tax effect of non-deductible expenses	**948**	556
Tax effect of tax losses	**72**	270
Tax effect of items not subject to tax	**(33)**	(32)
Charge for the year	**-**	-

The Company is resident in Cyprus for tax purposes. A deferred tax asset of £1,817k (2022: £1,491k) 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 2023, the balance of tax loss which is available for offset against future taxable profits amounts to £ 14,535k (2022: £ 11, 931k). 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			2019	2020	2021	2022	2023	Total
			£'000	£'000	£'000	£'000	£'000	£'000
Losses carried forward			(2,092)	(3,758)	(2,381)	(4,650)	(1,654)	(14,535)

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 31.12.23 £'000	Year Ended 31.12.22 £'000
Net loss attributable to equity shareholders	**(7,896)**	(6,355)
Net loss for basic and diluted loss attributable to equity shareholders	**(7,896)**	(6,355)
Weighted average number of ordinary shares for basic loss per share (000's)	**4,508,178**	3,537,301
Weighted average number of ordinary shares for diluted loss per share (000's)	**5,625,409**	4,632,172
Loss per share:		
Basic loss per share (pence)	**(0.175)**	(0.180)

There was no impact on the weighted average number of shares outstanding during 2023 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 2023.

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 2022	71	114	119	304
Additions	42	11	33	86
Write-offs	-	-	(15)	(15)
At 31 December 2022	**113**	**125**	**137**	**375**
Additions	**-**	**-**	**4**	**4**
Write-offs	**-**	**-**	**-**	**-**
At 31 December 2023	**113**	**125**	**141**	**379**
Accumulated Depreciation				
At 1 January 2022	71	82	88	241
Charge for the year	2	11	11	24
Write offs	-	-	(15)	(15)
At 31 December 2022	**73**	**93**	**84**	**250**
Charge for the year	**3**	**10**	**16**	**29**
Write offs			**-**	**-**
At 31 December 2023	**76**	**103**	**100**	**279**
Net Book Value at 31 December 2023	**37**	**22**	**41**	**100**
Net Book Value at 31 December 2022	40	32	53	125

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 2022	28,627
Additions	2,995
At 31 December 2022	**31,622**
Additions	**3,360**
At 31 December 2023	**34,982**
Accumulated Amortization and Impairment	
At 1 January 2022	266
At 31 December 2022	**266**
Impairment Charge for the year	-
At 31 December 2023	**266**
Net Book Value at 31 December 2023	**34,716**
Net Book Value at 31 December 2022	31,356

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 £3.4 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 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 31.12.23 £'000**	Year Ended 31.12.22 £'000
Cost		
At 1 January	**15,557**	14,331
Additions	**696**	1,226
Dissolutions	**-**	-
At 31 December	**16,253**	15,557

The Company carrying value of KEFI Minerals Ethiopia which holds the investment in the Tulu Kapi Gold project currently under development is £16,253,000 as at the 31 December 2023.

During the year management reviewed the value of its investments in the Company accounts to the project estimated NPV value. The result of the review shows that the NPV value is higher than the cost recorded in the company accounts.

As guidance to the shareholder further details are available in the front section of this report in the Finance Director's Report on page 6 under the Tulu Kapi project section.

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.

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.

Notes to the consolidated financial statements (continued)
Year ended 31 December 2023

13. Investments (continued)

13.1 Investment in subsidiaries (continued)

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 2023 and 2022. 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 31.12.23 £'000	Year Ended 31.12.22 £'000
The Group		
At 1 January	**-**	-
Increase in investment	**3,354**	2,564
Gain on Dilution	**1,156**	286
Exchange Difference	**-**	51
Share of loss for the year	**(4,963)**	(2,792)
(Impairment)/Reversal of impairment	**453**	(109)
On 31 December	**-**	-

	Year Ended 31.12.23 £'000	Year Ended 31.12.22 £'000
The Company		
At 1 January	**-**	-
Increase in investment	**3,354**	2,564
Gain on Dilution	**1,156**	286
Exchange Difference	**-**	51
Impairment Charge for the year	**(4,510)**	(2,901)
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	26.8%-Direct

The Company owns 26.8% of GMCO as of 31 December 2023. More information is given in note 19.1. During the year the Company diluted its holding in GMCO from 30% to 26.8% and this resulted in a gain of £1,156,000.

14. Trade and other receivables

14.1 Current Trade and other receivables

	Year Ended 31.12.23 £'000	Year Ended 31.12.22 £'000
The Group		
Prepayments & other receivables	**124**	122
VAT receivable	**404**	341
	528	463

	Year Ended 31.12.23 £'000	Year Ended 31.12.22 £'000
The Company		
Other Debtors	**-**	7
Prepayments	**72**	64
	72	71

14.2 Receivables from subsidiaries

	Year Ended 31.12.23 £'000	Year Ended 31.12.22 £'000
The Company		
Advance to KEFI Minerals (Ethiopia) Limited (Note 21.2) [2]	**5,107**	3,253
Advance to Tulu Kaki Gold Mine Share Company (Note 21.2) [1]	**6,879**	7,162
Expected credit loss	**(486)**	(417)
	11,500	9,998

Amounts owed by subsidiary companies total £12,213,000 (2022: £10,642,000). A write-off of £69,000 (2022: £227,000) has been made against the amount due from the non-Ethiopian subsidiaries because these amounts are considered irrecoverable.

The Company has borrowings outstanding from its Ethiopian subsidiaries, the ultimate realisation of which depends on the successful exploration and realisation of the Group's intangible exploration assets. Management is of the view that if the Company disposed of the Tulu Kapi asset, the consideration received would exceed the borrowings outstanding. Nonetheless, Management has made an assessment of the borrowings as at 31 December 2023 and determined that any expected credit losses would be £486,000 (2022: £417,000) for which a provision has been recorded. The advances to KEFI Minerals (Ethiopia) Limited and TKGM are unsecured, interest free and repayable on demand. Settlement is subject to the parent company's operating liquidity needs. At the reporting date, no receivables were past their due date.

[1]The Company advanced £2,693,000 (2022: £2,619,000) to the subsidiary Tulu Kapi gold Mine Share Company during 2023. The Company had a foreign exchange translation loss of £805,000 (2022: Gain £113,000) the current year loss was because of devaluation of the Ethiopian Birr. During the year, £2,171,000 of the Tulu Kapi gold Mine Share Company loan underwent conversion into equity within Kefi Minerals (Ethiopia) Limited , resulting in the partial transfer of £2,171,000 from TKGM to KME.

[2]Kefi Minerals (Ethiopia) Limited: during 2023, the Company advanced £Nil (2022: £Nil) to the subsidiary. The Company had a foreign exchange translation loss of £317,000 (2022: Gain £87,000) the current year gain was because of devaluation of the Ethiopian Birr. As stated in the previous paragraph, within the reporting period, £2,171,000 of the loan from Tulu Kapi Gold Mine Share Company was converted into equity within Kefi Minerals (Ethiopia) Limited.

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.

15. Cash and cash equivalents

	Year Ended 31.12.23 £'000	Year Ended 31.12.22 £'000
The Group		
Cash at bank and in hand unrestricted	**192**	220
Cash at bank restricted	**-**	-
	192	220
The Company		
Cash at bank and in hand unrestricted	**114**	45
Cash at bank restricted	**-**	-
	114	45

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 2022	**2,567,305**	**2,567**	**23,328**	**35,884**	**61,779**
Share Equity Placement 13 Jan 2022	371,818	372	-	2,725	3,097
Share Equity Placement 25 April 2022	550,000	550	-	3,850	4,400
Share Equity Placement 18 May 2022	450,000	450	-	3,150	3,600
Share issue costs	-	-	-	(444)	(444)
Warrants: fair value split of warrants issued to shareholders.	-	-	-	(1,663)	(1,663)
Broker warrants: issue costs				(315)	(315)
At 31 December 2022	**3,939,123**	**3,939**	**23,328**	**43,187**	**70,454**

	Number of Deferred Shares'000		£'000	£'000
Deferred Shares 1.6p	2023	2022	2023	2022
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	2023	2022	2023	20221
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 value or 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 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.

2022

On the 13 January 2022 the Company admitted 358,867,797 new ordinary shares of the Company at a placing price of 0.8 pence per Ordinary Share and 12,950,147 new ordinary shares of the Company at a placing price of 1.74 pence per Ordinary Share

The Company raised £8.0 million through the issue of 1,000,000,000 new Ordinary Shares at a placing price of 0.8 pence per Ordinary Share. These new Ordinary Shares were admitted in two tranches, 550,000,000 on 25 April 2022 and 450,000,000 on 18 May 2022, following shareholder approval of the conditional placement at a General Meeting of the Company.

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.

2022

The Company issued 393,096,865 short-term shareholder warrants to subscribe for new ordinary shares of 0.1p each at 1.6p per share in accordance with the January 2022 share placement and as approved by shareholders. The shareholder warrants will become exercisable if, during a two-year period following the date of Second Admission, the Warrant Trigger Event occurs. If the Warrant Trigger Event occurs, then (i) the holders of the shareholder warrants must exercise the shareholder warrants within 30 days from the occurrence of the Warrant Trigger Event; and (ii) the shareholder warrants will expire following the end of the 30-day period referenced above if not exercised. The shareholder warrants shall lapse two years following the date of Second Admission and will no longer be capable of being exercised.

In April and May of 2022, the Company authorized the issuance of 500,000,000 shareholder warrants. These shareholder warrants entitle the holders to subscribe for new ordinary shares of 0.1p each at a price of 1.6p per share. Shareholders approved the issuance of these shareholder warrants on May 17th, 2022. The Company allocated one warrant for every two Placing Shares, with an exercise price of 1.6 pence per share. The shareholder warrants will be exercisable for a period of two years from the date of Admission of the Placing Shares. The Company has elected that the shareholder warrants become exercisable if, within two years of the date of Admission of the Placing Shares, the on-market share closing price of the ordinary shares reaches or exceeds 2.4 pence for five consecutive days. This would be a 50% premium on the shareholder warrants exercise price and is known as the "Warrant Trigger Event." If the Warrant Trigger Event occurs, holders of the shareholder warrants must exercise them within 30 days, and the shareholder warrants will expire if not exercised by the end of this period.

The Shareholder warrants will lapse two years following the date of Second Admission and will no longer be capable of being exercised.

The Company performed a fair value split by fair valuing the shareholder warrants using Dilutive Variation of Trinomial Pricing Model. and assumed that this value is the residual share amount. The model also takes into account the dilution effect described above and as such is an appropriate model for pricing warrants.

During May 2022, the Company issued 75,000,000 broker warrants to subscribe for new ordinary shares of 0.1p each at 0.8p per share to Tavira Securities Limited pursuant to the Placing Agreement. The warrants expire within three years of the date of Second Admission.

17. Share Based payments (continued)

17.1 Warrants (continued)

Details of warrants outstanding as at 31 December 2023:

Grant date	Expiry date	Exercise price	Expected Life Years	Number of warrants 000's
13 Jan 2022	13 Jan 2024	1.60p	2 years	393,097
18 May 2022	17 May 2024	1.60p	2 years	500,000
18 May 2022	17 May 2025	0.80p	3 years	75,000
03 Jul 2023	02 Jul 2026	0.70p	3 years	39,286
				1,007,383

	Weighted average ex. Price	Number of warrants 000's
Outstanding warrants at 1 January 2023	1.54p	986,272
- granted	0.70p	39,286
- cancelled/expired/forfeited	1.44p	(18,175)
- exercised		
Outstanding warrants at 31 December 2023	1.51p	**1,007,383**

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		
	13-Jan-22	18-May-22	18-May-22	03-Jul-23		01-Feb-18	17-Mar-21	12-Sep-23
Closing share price at issue date	0.77p	0.71p	0.71p	0.58p		3.69p	2.05p	0.58p
Exercise price	1.60p	1.60p	0.80p	0.70p		4.5p	2.55p	0.60p
Expected volatility	89.37%	81.079%	99.72%	76.76%		68.30%	89%	86.34%
Expected life	2yrs	2yrs	3yrs	3yrs		6yrs	4yrs	7yrs
Risk free rate	0.835%	1.459%	1.475%	5.11%		1.09%	0.028%	4.41%
Expected dividend yield	Nil	Nil	Nil	Nil		Nil	Nil	Nil
Estimated fair value	0.22p	0.16p	0.42p	0.28p		2.11p	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 31.12.23 £'000	Year Ended 31.12.22 £'000
Opening amount	**3,747**	1,891
Warrants issued costs	**110**	1,978
Share options charges relating to employees (Note 6)	**42**	74
Share options issued to directors and key management (Note 6)	**81**	292
Share options issued to advisor (Note 6)	**36**	-
Forfeited options	**-**	-
Exercised warrants	**-**	-
Expired warrants	**(178)**	(147)
Expired options	**(163)**	(341)
Closing amount	**3,675**	3,747

17.2 Share options reserve

Details of share options outstanding as at 31 December 2023:

Grant date	Expiry date	Exercise price	Number of shares 000's
01-Feb-18	31-Jan-24	4.50p	9,600
17-Mar-21	16-May-25	2.55p	92,249
12-Sep-23	11-Sep-30	0.60p	8,000
			109,849

	Weighted average ex. Price	Number of shares000's
Outstanding options at 1 January 2023	3.03p	108,599
- granted	0.60p	8,000
- forfeited	-	-
- cancelled/ expired	7.50p	(6,750)
Outstanding options at 31 December 2023	2.58p	**109,849**

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

On 1 February 2018, 9,600,000 options were issued to persons who discharge director and managerial responsibilities ("PDMRs") and a further 3,000,000 options have been granted to other non-board members of the senior management team. The options have an exercise price of 4.5p, expire after 6 years, 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.

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 2023, the impact of share option-based payments is a net charge to income of £159,000 (2022: £366,000). At 31 December 2023, the equity reserve recognized for share option-based payments, including warrants, amounted to £3,675,000 (2022: £3,747,000).

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.

2022 Year

During the year the company granted the issuance of 515,796,693 new Ordinary shares which were distributed across the following placements:

January 2022 Share Placement of 371,817,944

After the General Meeting held on 13 January 2022, the Company authorized the issuance of 371,817,944 new Ordinary shares to fulfil financial obligations totalling £3.1 million. In January 2022, a portion of these shares, specifically 358,867,797 new ordinary shares, were issued at a price of 0.8 pence per Ordinary Share, with the purpose of settling an amount of £2.87 million. The remaining shares issued during January 2022, amounting to 12,950,147 new Ordinary Shares, were priced at VWAP of 1.74 pence per Ordinary Share and were used to settle services and obligations amounting to £0.23. million

April 2022 and May 2022 Share Placement of 143,978,749

During April 2022, the Company resolved its liabilities and other obligations amounting to £0.63 million by issuing 79,188,312 new Ordinary Shares at a placing price of 0.8 pence per Ordinary Share.

In May 2022, with the approval of shareholders at a General Meeting, the Company settled liabilities and other obligations of £0.52 million by issuing 64,790,437 Ordinary Shares at the Placing Price of 0.8 pence per Ordinary Share.

The total shares set off during 2023 and 2022 for services and obligations was as follows:

	2023		2022	
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	**26,428**	**185**	22,500	180
J Leach	**14,286**	**100**	12,500	100
Mark Tyler	**-**	**-**	3,125	25
Richard Lewin Robinson	**-**	**-**	6,250	50
Other employees and PDMRs	**137,044**	**959**	173,530	1,510
Amount to settle other Bonus Obligations	**27,710**	**194**	-	-
Amount to settle other Obligations	**44,430**	**313**	1,925	15
Total share-based payments	**249,898**	**1,751**	219,830	1,880
Amount to settle loans				
Unsecured working capital bridging finance	**367,340**	**2,570**	295,967	2,368
	617,238	**4,321**	515,797	4,248

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 2022	1,379
Acquisitions of NCI	-
Impact of 5% free carry on additions to assets during the year	183
Result for the year	-
As at 1 January 2023	**1,562**
Acquisitions of NCI	**-**
Impact of 5% free carry on additions to assets during the year	**147**
As at 31 December 2023	**1,709**

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 £147,000 and a decrease in equity attributable to owners of the parent of £147,000.

The NCI of £1,709,000 (2022: £1,562,000) 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 2023:

	Year Ended	Year Ended
	31.12.23	31.12.22
	£'000	£'000
Amounts attributable to all shareholders		
Exploration and evaluation assets	**34,461**	31,477
Current assets	**446**	381
Cash and Cash equivalents	**78**	175
	34,985	32,033
Equity	**34,176**	31,254
Current liabilities	**809**	779
	34,985	32,033
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	26.8%

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 31.12.23 100%**	SAR'000 Year Ended 31.12.22 100%	**£'000 Year Ended 31.12.23 100%**	£'000 Year Ended 31.12.22 100%
Non-current assets	**5,175**	2,889	**1,084**	637
Cash and Cash Equivalents	**4,508**	9,470	**944**	2,090
Current assets	**3,167**	625	**663**	138
Total Assets	**12,850**	12,984	**2,691**	2,865
Current liabilities	**(7,043)**	(4,106)	**(1,475)**	(906)
Total Liabilities	**(7,043)**	(4,106)	**(1,475)**	(906)
Net Assets	**5,807**	8,878	**1,216**	1,959
Share capital	**165,220**	121,424	**34,597**	26,810
Capital contributions partners	**80,467**	43,800	**16,850**	9,671
Accumulated losses	**(239,880)**	(156,346)	**(50,231)**	(34,522)
	5,807	8,878	**1,216**	1,959
<u>Exchange rates SAR to GBP</u>				
Closing rate			0.2094	0.2208
Income statement	**SAR'000**	SAR'000	**£'000**	£'000
Loss from continuing operations	**(83,534)**	(42,995)	**(15,709)**	(9,493)
Other comprehensive expense	**-**	-	**-**	-
Translation FX Gain from SAR/GBP	**-**	-	**-**	-
Total comprehensive expense	**(83,534)**	(42,995)	**(15,709)**	(9,493)
Included in the amount above				
Group				
Group Share 26.80% (2022: 30.00%) of loss from continuing operations			**(4,963)**	(2,792)
Joint venture investment			**£'000**	£'000
Opening Balance			**-**	-
Loss for the year			**(4,963)**	(2,792)
FX Gain/(Loss)			**-**	51
Additional Investment			**3,354**	2,564
Profit on Dilution			**1,156**	286
Reversal/(Impairment)			**453**	(109)
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 26.80% shareholding in GMCO with ARTAR holding the other 73.2%.

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 two are 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.

During 2023 the Company diluted its interest in the Saudi joint-venture company Gold and Minerals Limited ("GMCO") from 30% to 26.80% 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 £1,155,915 (2022: £285,900) in the Company accounts. The material accounting policy for exploration costs recorded in the GMCO audited financial statements is to capitalise qualifying expenditure in contrast to the relating to exploration costs which is to expense costs through profit and loss until the project reaches development stage (Note 2). Consequently, any dilution in the Company's interest in GMCO results in the recovery of pro rata share of expenses to GMCO.

A loss of £4,963,000 was recognized by the Group for the year ended 31 December 2023 (2022: £2,792,000) representing the Group's share of losses in the year.

As at 31 December 2023 KEFI owed ARTAR an amount of £3,728,000 (2022: £1,169,000) – Note 20.1.

Post year-end, the Company's interest dropped below 25% to 24.75%. 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.

20. Trade and other payables

20.1 Trade and other payables

The Group	**Year Ended 31.12.23 £'000**	Year Ended 31.12.22 £'000
Accruals and other payables	**2,877**	2,427
Other loans	**100**	109
Payable to jointly controlled entity partner (Note 19.1)	**3,728**	1,169
Payable to Key Management and Shareholder (Note 21.3)	**602**	297
	7,307	4,002

Other loans are unsecured, interest free and repayable on demand.

The Company	**Year Ended 31.12.23 £'000**	Year Ended 31.12.22 £'000
Accruals and other payables	**2,173**	1,756
Payable to jointly controlled entity partner (Note 19.1)	**3,728**	1,169
Payable to Key Management and Shareholder (Note 21.4)	**602**	297
	6,503	3,222

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 31.12.23 £'000	Year Ended 31.12.22 £'000
Short term employee benefits:		
[1]Directors' consultancy fees	**532**	533
Directors' other consultancy benefits	**36**	49
[2]Short term employee benefits: Key management fees	**579**	597
Short term employee benefits: Key management other benefits	**-**	-
	1,147	1,179
Share based payments:		
Share based payment: Director's bonus	**-**	-
[1]Share based payment: Directors' consultancy fees	**-**	-
Share option-based benefits to directors (Note 17)	**69**	192
[2]Share based payments short term employee benefits: Key management fees	**-**	-
Share option-based benefits other key management personnel (Note 17)	**12**	100
Share Based Payment: Key management bonus	**-**	-
	81	292
	1,228	1,471

[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 58.

[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	2023 £'000	2022 £'000
KEFI Minerals Marketing and Sales Cyprus Limited	Finance	Subsidiary	**-**	-
Tulu Kapi Gold Mine Share Company[1]	Receivable	Subsidiary	**5,107**	7,162
Kefi Minerals (Ethiopia) Limited[2]	Receivable	Subsidiary	**6,879**	3,253
Expected credit loss			**(486)**	(417)
			11,500	9,998

[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. Further details on the movement of these loans are available in Note 14.

Management has made an assessment of the borrowings as at 31 December 2023 and determined that any expected credit losses would be £486,000 (2022:417,000).

The above balances bear no interest and are repayable on demand.

21.3 Payable to related parties

The Group

Name	Nature of transactions	Relationship	2023 £'000	2022 £'000
Directors & PDMR	Fees for services	Key Management and Shareholder	**602**	297
			602	297

22.4 Payable to related parties

The Company

Name	Nature of transactions	Relationship	2023 £'000	2022 £'000
Directors & PDMR	Fees for services	Key Management and Shareholder	**602**	297
			602	297

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

2023

Unsecured working capital bridging finance	Balance 1 Jan 2023	Drawdown Amount	Transaction Costs	Interest	Repayment Shares	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**

2022

Unsecured working capital bridging finance	Balance 1 Jan 2022	Drawdown Amount	Transaction Costs	Interest	Repayment Shares/Netting	Repayment Cash	Year Ended 31 Dec 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Repayable in cash in less than a year	1,235	1,830	-	486	(2,368)	(3)	1,180
	1,235	1,830	-	486	(2,368)	(3)	1,180

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 the debt into shares and the loan balance of £2,570,000(2022: £2,368,000) was fully repaid in 2023 during the relevant share placements.

22. Loans and Borrowings (continued)

22.1.2 Reconciliation of liabilities arising from financing activities

2023 Reconciliation	Balance 1 Jan 2023	Cash Flows Inflow	Cash Flows (Outflow)	Fair Value Movement	Finance Costs	Shares	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**

2022 Reconciliation	Balance 1 Jan 2022	Inflow	(Outflow)	Fair Value Movement	Finance Costs	Shares/Netting	Balance 31 Dec 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unsecured working capital bridging finance							
Short term loans	1,235	1,830	(3)	-	486	(2,368)	1,180
	1,235	1,830	(3)	-	486	(2,368)	1,180

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

There is a pending legal case against the Company for an amount of GBP 5.1 million from a claimant, Demissie Asafa Demissie (the "Claimant"). The Company believes the claim for successful provision of financial advisory services is spurious and without merit. Nonetheless, the amount claimed can only be payable on successful closing of the Tulu Kapi Project finance, which has yet to occur. The Company is making a counter claim and vigorously defending its position. The Company has engaged legal counsel to represent its interests. The company received a Notice of Trial date for the 5th of December 2024 with a trial window set to 5 days. The Company will disclose any material developments related to this case as and when required by applicable laws and regulations.

Having sought legal advice on this matter, the Group is of the opinion that the allegations have no merit and that it is not appropriate to recognise any contingent liability.

25. Capital commitments

The Group has the following capital or other commitments as at 31 December 2023 £5,889,000 (2022: £4,238,000),

	31 Dec 2023 £'000	31 Dec 2022 £'000
Contracted for: Tulu Kapi Project costs	**776**	461
Not contracted for: Saudi Arabia Exploration costs committed to field work done	**5,113**	3,777

26. Events after the reporting date

Dilution in Gold and Minerals

During 2024 the Company diluted its interest in the Saudi joint-venture company Gold and Minerals Limited ("GMCO") from 26.8% to 24.75% because of not fully meeting its pro rata share of expenses (Further details disclosed in Note 19.1).

Share Placement March 2024

During March 2024, the Company concluded a placement, issuing 915,986,055 new ordinary shares at a price of 0.6 pence per share, generating £5.5 million in proceeds.

Name	Number of Subscription Shares	Amount
	'000	£'000
Cash Placement	454,861	2,729
Current liabilities		
For services rendered	83,333	500
Brokerage fees	47,250	284
Loans and borrowings		
Unsecured working capital bridging finance	330,542	1,983
	915,986	**5,496**

The parties above agreed that the amounts subscribed in the share placements be set-off against the amount due by the Company at the date of the share placement.

Issue of Shares to Advisers May 2024

On 21 May 2024 the Company issued 177,981,851 new ordinary shares of 0.1 pence each. These shares, priced at 0.763 pence per share were valued at £1,358,002 and were issued to key advisers in consideration for their services in support of various value-adding initiatives following the launch of early works at the Tulu Kapi Gold Project in Ethiopia.

KEFI Gold and Copper is listed on AIM (Code: KEFI)

www.kefi-goldandcopper.com