

17 June 2024

## **KEFI Gold and Copper plc**

("KEFI" or the "Company")

### **Results for the year ended 31 December 2023**

KEFI (AIM: KEFI), a gold and copper exploration and development company focused on the Arabian-Nubian Shield with a pipeline of projects in the Federal Democratic Republic of Ethiopia, and the Kingdom of Saudi Arabia, is pleased to announce its audited financial results for the year ended 31 December 2023.

#### **AGM and Annual Report**

The notice convening the Company's Annual General Meeting ("AGM"), which is currently expected to be held on 22 July 2024 in Ethiopia, will be sent out in the week commencing 17 June 2024 and will be available for download on the Company's website: <https://www.kefi-goldandcopper.com>. A further announcement will be made when the Notice of AGM is published. The timing of the AGM coincides with meetings of Tulu Kapi project partners and financiers in Addis Ababa, including also the general meetings for KEFI subsidiaries being organised to facilitate development financing plans.

Mark Tyler, a non-executive director of the Company, has stated his intention to retire from the Company at the conclusion of the AGM 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. The Company plans 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 its projects.

The Annual Report and Accounts for the year ended 31 December 2023 is also available on KEFI's website at <https://www.kefi-goldandcopper.com>

#### **Highlights**

- In Ethiopia, with our partners and banks:
  - our focus is now on successfully completing the Early Works at Tulu Kapi so that we can close the \$320 million project finance package and launch Major Works in October 2024. Gold production would then commence in mid-2026;
  - Tulu Kapi's projected net cash flow to KEFI's planned 80% beneficial interest is estimated at approximately £80 million per annum. At the current gold spot price of \$2,346/ounce, KEFI's planned beneficial interest in the cash flow is estimated to be approximately £100 million per annum; and
  - 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.
- In Saudi Arabia, with our partner and bank:
  - 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; and
  - Given the expected expansion in resources, the ongoing development feasibility studies are focused on establishing the optimal start-up strategies and ultimate potential scale.

- As regards the KEFI group’s funding:
  - 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; and
  - 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.

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

### **Competent Person’s 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 announcement that relates to exploration results, Mineral Resources and Ore Reserves is based on information compiled by Mr Jeffrey Rayner and has been previously announced by the Company. 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.

### **Market Abuse Regulation (MAR) Disclosure**

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

### **Enquiries**

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## 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.

**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.

### Cash Payment Bonus Plan

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:

<b>Directors and Key Management Personnel</b>	<b>STI 1</b>	<b>STI 2</b>	<b>STI 3</b>	<b>Retention</b>
	£'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<sup>1</sup>.

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<sup>1</sup>.

STI Bonus 3: Upon Tulu Kapi having commenced production and not earlier than 12 months after STI Bonus 2 was earned<sup>1</sup>.

<sup>1</sup>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.

The agreements for the Executive Chairman and Finance Director relating to the STI cash bonuses and retention bonus are considered related-party transactions for the purposes of Rule 13 of the AIM Rules for Companies. The Directors independent of the STI bonus and retention bonus consider, having consulted with SP Angel Corporate Finance LLP, the Company's nominated adviser, that the STI bonus and retention bonus are fair and reasonable in so far as KEFI's shareholders are concerned.

**Consolidated statement of comprehensive income**  
**Year ended 31 December 2023**

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

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

**Statements of financial position**  
**31 December 2023**

	Note	The Group 2023	The Company 2023	The Group 2022	The Company 2022
	s	£'000	£'000	£'000	£'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
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
		<u>34,816</u>	<u>27,756</u>	<u>31,481</u>	<u>25,558</u>
<b>Current assets</b>					
Trade and other receivables	14.1	528	72	463	71
Cash and cash equivalents	15	192	114	220	45
		<u>720</u>	<u>186</u>	<u>683</u>	<u>116</u>
<b>Total assets</b>		<u>35,536</u>	<u>27,942</u>	<u>32,164</u>	<u>25,674</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
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)
<b>Attributable to Owners of parent</b>		<u>24,407</u>	<u>19,326</u>	<u>25,420</u>	<u>21,272</u>
Non-Controlling Interest	18	1,709	-	1,562	-
<b>Total equity</b>		<u>26,116</u>	<u>19,326</u>	<u>26,982</u>	<u>21,272</u>
<b>Current liabilities</b>					
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
<b>Total liabilities</b>		<u>9,420</u>	<u>8,616</u>	<u>5,182</u>	<u>4,402</u>
<b>Total equity and liabilities</b>		<u>35,536</u>	<u>27,942</u>	<u>32,164</u>	<u>25,674</u>

The notes 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								Total
	Share capital	Deferred shares	Share premium	Share options reserve	Foreign exchange reserve	Accum. losses	Owners Equity	NCI	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 January 2022</b>	<b>2,567</b>	<b>23,328</b>	<b>35,884</b>	<b>1,891</b>	-	<b>(42,731)</b>	<b>20,939</b>	<b>1,379</b>	<b>22,318</b>
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	-
<b>At 31 December 2022</b>	<b>3,939</b>	<b>23,328</b>	<b>43,187</b>	<b>3,747</b>	-	<b>(48,781)</b>	<b>25,420</b>	<b>2</b>	<b>26,982</b>
Loss for the year	-	-	-	-	-	(7,896)	(7,896)	-	(7,896)
Other comprehensive expense	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,896)</b>	<b>(7,896)</b>	<b>-</b>	<b>(7,896)</b>
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	-
<b>At 31 December 2023</b>	<b>4,965</b>	<b>23,328</b>	<b>48,922</b>	<b>3,675</b>	-	<b>(56,483)</b>	<b>24,407</b>	<b>1,709</b>	<b>26,116</b>

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 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
<b>At 1 January 2022</b>	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)
<b>At 31 December 2022</b>	<b>3,939</b>	<b>23,328</b>	<b>43,187</b>	<b>3,747</b>	<b>(52,929)</b>	<b>21,272</b>
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)
<b>At 31 December 2023</b>	<b>4,965</b>	<b>23,328</b>	<b>48,922</b>	<b>3,675</b>	<b>(61,564)</b>	<b>19,326</b>

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

<b>Reserve</b>	<b>Description and purpose</b>
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 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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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
		<u>(3,497)</u>	<u>(2,917)</u>
Changes in working capital:			
Increase in Trade and other receivables		(66)	(172)
Increase/(Decrease) in Trade and other payables		1,769	(72)
<b>Cash used in operations</b>		<u>(1,794)</u>	<u>(3,161)</u>
Interest paid	22.1.2	(67)	-
<b>Net cash used in operating activities</b>		<u>(1,861)</u>	<u>(3,161)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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)
<b>Net cash used in investing activities</b>		<u>(3,257)</u>	<u>(5,245)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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)
<b>Net cash from financing activities</b>		<u>5,090</u>	<u>8,232</u>
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	<u>192</u>	<u>220</u>

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

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

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

	25%
Furniture, fixtures and office equipment	
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.

### **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.

#### **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.

#### 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.

		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	<sup>1</sup>	Amendments to IFRS 16: Liability in a Sale and Leaseback	01 January 2024
Amendments IAS 1	<sup>1</sup>	Amendments to IAS 1: Classification of liabilities as current or noncurrent	01 January 2024
Amendments IAS 1	<sup>1</sup>	Amendments to IAS 1: Non-current Liabilities with Covenants	01 January 2024
Amendments to IAS 7	<sup>1</sup>	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	<sup>1</sup>	IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments)	01 January 2025

<sup>1</sup>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:

	<b>2023</b>	2022
	£'000	£'000
<u>Variable rate instruments</u>		
Financial assets	<b>192</b>	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.

	<b>Equity</b>	<b>Profit or Loss</b>	Equity	Profit or Loss
	<b>2023</b>	<b>2023</b>	2022	2022
	£'000	£'000	£'000	£'000
<u>Variable rate instruments</u>				
Financial assets – increase of 100 basis points	<b>2</b>	<b>2</b>	2	2
Financial assets – decrease of 25 basis points	<b>(0.5)</b>	<b>(0.5)</b>	(0.5)	(0.5)

### 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.

	<b>Liabilities</b>	<b>Assets</b>	Liabilities	Assets
	<b>2023</b>	<b>2023</b>	2022	2022
	£'000	£'000	£'000	£'000
Australian Dollar	<b>6</b>	-	188	0
Euro	<b>367</b>	<b>18</b>	215	29



US Dollar	<b>3,784</b>	<b>34</b>	2,014	26
Ethiopian Birr	<b>710</b>	<b>524</b>	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.

	<b>Equity 2023</b>	<b>Profit or Loss 2023</b>	Equity 2022	Profit or Loss 2022
	£'000	£'000	£'000	£'000
Australian Dollar	<b>1</b>	<b>1</b>	19	19
Euro	<b>35</b>	<b>35</b>	19	19
US Dollar	<b>375</b>	<b>375</b>	199	199
Ethiopia ETB	<b>19</b>	<b>19</b>	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.

	Carrying Amount	Contractual Cash flows	Less than 1 year	Between 1-5 year	More than 5 years
	£'000	£'000	£'000	£'000	£'000
<b>The Group</b>					
31-Dec-23					
Trade and other payables	7,307	7,307	7,307	-	-
Loans & Borrowings and Interest	2,113	2,438	2,438	-	-
	<b>9,420</b>	<b>9,745</b>	<b>9,745</b>	<b>-</b>	<b>-</b>
31-Dec-22					
Trade and other payables	4,002	4,002	4,002	-	-
Loans & Borrowings and Interest	1,180	1,180	1,180	-	-
	<b>5,182</b>	<b>5,182</b>	<b>5,182</b>	<b>-</b>	<b>-</b>
<b>The Company</b>					
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.

### 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
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
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).

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
<b>2023</b>					
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
<b>2022</b>					
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	<b>60</b>	51
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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

	<b>2023</b>	2022
	<b>£'000</b>	£'00
<b>8. Finance costs and other transaction costs</b>		0
<b>8.1 Total finance costs</b>		
Interest on short term loan	<b>1,000</b>	527
Total finance costs	<b>1,000</b>	527
<b>8.2 Total other transaction costs</b>		
Cost for long term project finance	<b>115</b>	368
Total other transaction costs	<b>115</b>	368

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

<b>9. Tax</b>	<b>2023</b>	2022
	<b>£'000</b>	£'000
Loss before tax	<b>(7,896)</b>	(6,355)
Tax calculated at the applicable tax rates at 12.5%	<b>(987)</b>	(794)
Tax effect of non-deductible expenses	<b>948</b>	556
Tax effect of tax losses	<b>72</b>	270
Tax effect of items not subject to tax	<b>(33)</b>	(32)
Charge for the year	<b>-</b>	-

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
<b>Losses carried forward</b>	(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:

	<b>Year Ended 31.12.23 £'000</b>	Year Ended 31.12.22 £'000
Net loss attributable to equity shareholders	<b>(7,896)</b>	(6,355)
Net loss for basic and diluted loss attributable to equity shareholders	<b>(7,896)</b>	(6,355)
Weighted average number of ordinary shares for basic loss per share (000's)	<b>4,508,178</b>	3,537,301
Weighted average number of ordinary shares for diluted loss per share (000's)	<b>5,625,409</b>	4,632,172
<b>Loss per share:</b>		
Basic loss per share (pence)	<b>(0.175)</b>	(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 Vehicle s	Plant and equipme nt	Furniture, fixtures and office equipmen t	Total  £'000
<hr/>			

	£'000	£'000	£'000	£'000
The Group				
Cost				
At 1 January 2022	71	114	119	304
Additions	42	11	33	86
Write-offs	-	-	(15)	(15)
<b>At 31 December 2022</b>	<b>113</b>	<b>125</b>	<b>137</b>	<b>375</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>
<b>Write-offs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2023</b>	<b>113</b>	<b>125</b>	<b>141</b>	<b>379</b>
Accumulated Depreciation				
At 1 January 2022	71	82	88	241
Charge for the year	2	11	11	24
Write offs	-	-	(15)	(15)
<b>At 31 December 2022</b>	<b>73</b>	<b>93</b>	<b>84</b>	<b>250</b>
<b>Charge for the year</b>	<b>3</b>	<b>10</b>	<b>16</b>	<b>29</b>
<b>Write offs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2023</b>	<b>76</b>	<b>103</b>	<b>100</b>	<b>279</b>
<b>Net Book Value at 31 December 2023</b>	<b>37</b>	<b>22</b>	<b>41</b>	<b>100</b>
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
<b>At 31 December 2022</b>	<b>31,622</b>
Additions	3,360
<b>At 31 December 2023</b>	<b>34,982</b>
Accumulated Amortization and Impairment	
At 1 January 2022	266
<b>At 31 December 2022</b>	<b>266</b>



Impairment Charge for the year	-
<b>At 31 December 2023</b>	<b>266</b>
<b>Net Book Value at 31 December 2023</b>	<b>34,716</b>
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	<b>16,253</b>	<b>15,557</b>

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.

<b>Subsidiary companies</b>	<b>Date of acquisition/ incorporation</b>	<b>Country of incorporation</b>	<b>Effective proportion of shares held</b>
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 2 Kadmou, Wisdom Tower, 1<sup>st</sup> Floor, 1105 Nicosia, Cyprus.  
Limited

Tulu Kapi Gold Mine Share Company 1<sup>st</sup> 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.

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
<b>The Group</b>		
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 (Impairment)/Reversal of impairment	(4,963)	(2,792)
On 31 December	<u>453</u>	<u>(109)</u>
	-	-
<b>The Company</b>		
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	<u>-</u>	<u>-</u>

	Date of acquisition/ incorporation	Country of incorporation	Effective proportion of shares held
<b>Jointly controlled entity</b>			
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

	<b>Year Ended 31.12.23 £'000</b>	Year Ended 31.12.22 £'000
<b>The Group</b>		
Prepayments & other receivables	124	122
VAT receivable	404	341
	<u>528</u>	<u>463</u>

	<b>Year Ended 31.12.23 £'000</b>	Year Ended 31.12.22 £'000
<b>The Company</b>		
Other Debtors	-	7
Prepayments	72	64
	<u>72</u>	<u>71</u>

### 14.2 Receivables from subsidiaries

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

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.

<sup>1</sup>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.

<sup>2</sup>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	-	-
	<u>192</u>	<u>220</u>
The Company		
Cash at bank and in hand unrestricted	114	45
Cash at bank restricted	-	-
	<u>114</u>	<u>45</u>

## 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	Deferre d Shares	Share premiu m	Total
At 1 January 2023	<b>3,939,123</b>	<b>3,939</b>	<b>23,328</b>	<b>43,187</b>	<b>70,454</b>
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
	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	2022
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.

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
				<b>1,007,383</b>

	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	<b>1,007,383</b>

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.

Share options reserve table	Year Ended <b>31.12.23</b> <b>£'000</b>	Year Ended 31.12.22 £'000
Opening amount	<b>3,747</b>	1,891

Warrants issued costs	<b>110</b>	1,978
Share options charges relating to employees (Note 6)	<b>42</b>	74
Share options issued to directors and key management (Note 6)	<b>81</b>	292
Share options issued to advisor (Note 6)	<b>36</b>	-
Forfeited options	-	-
Exercised warrants	-	-
Expired warrants	<b>(178)</b>	(147)
Expired options	<b>(163)</b>	(341)
Closing amount	<b>3,675</b>	<b>3,747</b>

## 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
			<b>109,849</b>

	Weighted average ex. Price	Number of shares 000'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	<b>109,849</b>

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 after 4 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).

### 17.3 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:

Name	2023		2022	
	Number of Remuneration and Settlement Shares '000	Amount £'000	Number of Remuneration and Settlement Shares '000	Amount £'000
<b>For services rendered and obligations settled</b>				
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	<b>137,044</b>	<b>959</b>	173,530	1,510
Amount to settle other Bonus Obligations	<b>27,710</b>	<b>194</b>	-	-
Amount to settle other Obligations	<b>44,430</b>	<b>313</b>	1,925	15
<b>Total share-based payments</b>	<b>249,898</b>	<b>1,751</b>	219,830	1,880
<b>Amount to settle loans</b>				
Unsecured working capital bridging finance	<b>367,340</b>	<b>2,570</b>	295,967	2,368
	<b>617,238</b>	<b>4,321</b>	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	<b>1,562</b>
Acquisitions of NCI	-
Impact of 5% free carry on additions to assets during the year	<b>147</b>
As at 31 December 2023	<b>1,709</b>

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
	<b>31.12.23</b>	31.12.22
	<b>£'000</b>	£'000
<b>Amounts attributable to all shareholders</b>		

Exploration and evaluation assets	<b>34,461</b>	31,477
Current assets	<b>446</b>	381
Cash and Cash equivalents	<b>78</b>	175
	<b>34,985</b>	32,033
Equity	<b>34,176</b>	31,254
Current liabilities	<b>809</b>	779
	<b>34,985</b>	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	<b>5,175</b>	2,889	<b>1,084</b>	637
Cash and Cash Equivalents	<b>4,508</b>	9,470	<b>944</b>	2,090
Current assets	<b>3,167</b>	625	<b>663</b>	138
Total Assets	<b>12,850</b>	12,984	<b>2,691</b>	2,865
Current liabilities	<b>(7,043)</b>	(4,106)	<b>(1,475)</b>	(906)
Total Liabilities	<b>(7,043)</b>	(4,106)	<b>(1,475)</b>	(906)
Net Assets	<b>5,807</b>	8,878	<b>1,216</b>	1,959
Share capital	<b>165,220</b>	121,424	<b>34,597</b>	26,810
Capital contributions partners	<b>80,467</b>	43,800	<b>16,850</b>	9,671
Accumulated losses	<b>(239,880)</b>	(156,346)	<b>(50,231)</b>	(34,522)
	<b>5,807</b>	8,878	<b>1,216</b>	1,959

Exchange rates SAR to GBP

Closing rate			0.2094	0.2208
<b>Income statement</b>	<b>SAR'000</b>	SAR'000	<b>£'000</b>	£'000
Loss from continuing operations	<b>(83,534)</b>	(42,995)	<b>(15,709)</b>	(9,493)
Other comprehensive expense	-	-	-	-
Translation FX Gain from SAR/GBP	-	-	-	-
Total comprehensive expense	<b>(83,534)</b>	(42,995)	<b>(15,709)</b>	(9,493)
Included in the amount above				
<b>Group</b>				
Group Share 26.80% (2022: 30.00%) of loss from continuing operations			<b>(4,963)</b>	(2,792)
<b>Joint venture investment</b>			<b>£'000</b>	£'000
Opening Balance			-	-
Loss for the year			<b>(4,963)</b>	(2,792)
FX Gain/(Loss)			-	51
Additional Investment			<b>3,354</b>	2,564
Profit on Dilution			<b>1,156</b>	286
Reversal/(Impairment)			<b>453</b>	(109)
Closing Balance			-	-

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

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

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

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:

	<b>Year Ended 31.12.23 £'000</b>	Year Ended 31.12.22 £'000
<u>Short term employee benefits:</u>		

<sup>1</sup> Directors' consultancy fees	532	533
Directors' other consultancy benefits	36	49
<sup>2</sup> Short term employee benefits: Key management fees	579	597
Short term employee benefits: Key management other benefits	-	-
	<u>1,147</u>	<u>1,179</u>
<b>Share based payments:</b>		
Share based payment: Director's bonus	-	-
<sup>1</sup> Share based payment: Directors' consultancy fees	-	-
Share option-based benefits to directors (Note 17)	69	192
<sup>2</sup> 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	-	-
	<u>81</u>	<u>292</u>
	<u>1,228</u>	<u>1,471</u>

<sup>1</sup>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.

<sup>2</sup>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.

#### **The Company**

Name	Nature of transactions	Relationship	<b>2023</b> <b>£'000</b>	2022 £'000
KEFI Minerals Marketing and Sales Cyprus Limited	Finance	Subsidiary	-	-
Tulu Kapi Gold Mine Share Company <sup>1</sup>	Receivable	Subsidiary	<b>5,107</b>	7,162
Kefi Minerals (Ethiopia) Limited <sup>2</sup>	Receivable	Subsidiary	<b>6,879</b>	3,253
Expected credit loss			<b>(486)</b>	(417)
			<u><b>11,500</b></u>	<u>9,998</u>

<sup>1</sup>&<sup>2</sup>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			2023	2022
			£'000	£'000
Name	Nature of transactions	Relationship		
Directors & PDMR	Fees for services	Key Management and Shareholder	602	297
			<u>602</u>	<u>297</u>

## 22.4 Payable to related parties

The Company			2023	2022
			£'000	£'000
Name	Nature of transactions	Relationship		
Directors & PDMR	Fees for services	Key Management and Shareholder	602	297
			<u>602</u>	<u>297</u>

## 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	Repayment	Year Ended 31 Dec 2023
	£'000	£'000	£'000	£'000	Shares	Cash	£'000
Repayable in cash in less than a year	<b>1,180</b>	<b>2,640</b>	-	<b>1,030</b>	<b>(2,570)</b>	<b>(167)</b>	<b>2,113</b>
	<b>1,180</b>	<b>2,640</b>	-	<b>1,030</b>	<b>(2,570)</b>	<b>(167)</b>	<b>2,113</b>
2022							
Unsecured working capital bridging finance	Balance 1 Jan 2022	Drawdown Amount	Transaction Costs	Interest	Repayment	Repayment	Year Ended 31 Dec 2022
	£'000	£'000	£'000	£'000	Shares/Netting	Cash	£'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.

## 22.1.2 Reconciliation of liabilities arising from financing activities

2023 Reconciliation	Cash Flows						Balance 31 Dec 2023 £'000
	Balance	Inflow	(Outflow)	Fair Value	Finance	Shares	
	1 Jan 2023			Movement	Costs		
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Unsecured working capital bridging finance</b>							
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
<b>2022 Reconciliation</b>							
2022 Reconciliation	Balance	Inflow	(Outflow)	Fair Value	Finance	Shares/Netting	Balance
	1 Jan 2022			Movement	Costs		31 Dec 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unsecured working capital bridging finance</b>							
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 5<sup>th</sup> 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),

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

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

## 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 '000	Amount £'000
<b>Cash Placement</b>	454,861	2,729
<b>Current liabilities</b>		
For services rendered	83,333	500
Brokerage fees	47,250	284
<b>Loans and borrowings</b>		
Unsecured working capital bridging finance	330,542	1,983
	<b>915,986</b>	<b>5,496</b>

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.

## Glossary and Abbreviations

AIC	All-in Costs
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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