



INDUSTRIAL MINING · FOREIGN INVESTMENT · SECTOR TRANSITION

KURMUK (ZIJIN)

Q3 2026 · 290koz/yr first 4 years

TULU KAPI (KEFI)

Mid-2026 · 140koz/yr · \$340M
financed

ZIJIN ACQUISITION

C\$5.5B · Jan 26, 2026 · Chinese
major

AKOBO / SEGELE

Producing · 22.7 g/t · EIH 7.4%
stake

FROM POTENTIAL TO PRODUCTION

Ethiopia's Mining Sector in 2026: The Zijin Acquisition, the Industrial Tripod, the Revenue Projection, and the Structural Risks That Remain

290koz

Kurmuk annual target

First 4 years; 240koz life-of-mine
avg (Zijin/Allied Gold)

140koz

Tulu Kapi annual target

7-year open pit; \$340M
financing secured (Kefi)

\$3.5B

Gold revenue FY2024/25

38.87 tonnes; NBE Governor
Brook Taye (Apr 2026)

\$800-950/oz

Industrial mining AISC

Tulu Kapi \$800-900; Kurmuk
below \$950



KEY INDICATORS AT A GLANCE

<p>38.87t Gold Production FY2024/25 <i>39 tonnes; NBE; President to Parliament Oct 2025</i></p>	<p>\$3.5B Gold Revenue FY2024/25 <i>42% of Ethiopia's total exports; NBE Governor</i></p>	<p>C\$5.5B Zijin Acquisition Value <i>~\$4B USD; Kurmuk; Jan 26, 2026; 27% premium</i></p>	<p>290koz/yr Kurmuk Production Target <i>First 4 years; 240koz life-of-mine; AISC <\$950</i></p>
<p>\$340M Tulu Kapi Financing <i>TDB + AFC + equity; Kefi 45% beneficial interest</i></p>	<p>22.7 g/t Akobo / Segele Grade <i>Among richest deposits globally; 68,000 oz resource</i></p>	<p>\$3M EIH Mining Investment <i>7.4% stake in Akobo; EIH's first international equity</i></p>	<p><1% Mining % of GDP <i>Despite \$3.5B gold revenue; artisanal base, not industrial</i></p>

01 THE TRANSITION MOMENT

From 'Potential' to 'Production': 2026 Is the Year Ethiopian Mining Changes Character

For decades, Ethiopian mining has been described as an opportunity awaiting realisation. The country sits atop the Arabian-Nubian Shield, one of Africa's richest geological formations, with documented gold, copper, potash, lithium, and industrial mineral resources. The gap between the geological endowment and actual production has been persistent and explained by the same recurring factors: limited infrastructure, foreign exchange restrictions, security conditions, and bureaucratic complexity. In 2026, three of those four constraints have meaningfully eased. The security constraint remains.

- ▶ **THE THREE-PROJECT TRIPOD** Three industrial mining projects define Ethiopia's 2026 transition. Akobo Minerals' Segele mine in Gambela was inaugurated in November 2024 in a ceremony attended by Prime Minister Abiy Ahmed, producing its first 6.5 kilograms of gold on that day. Monthly production reached approximately 7-7.5 kilograms in Q1 2026. Kefi Gold and Copper's Tulu Kapi project in Oromia has secured its \$340 million financing package and is in active construction, targeting first gold pour by mid-2026. Kurmuk, the largest of the three, targets first production in Q3 2026 following the January 2026 acquisition of its developer Allied Gold by Zijin Mining Group for C\$5.5 billion. These three projects constitute Ethiopia's industrial mining tripod: they represent the first wave of large-scale, licenced, financed, and construction-stage gold mines the country has ever had simultaneously.
- ▶ **THE SECTOR CONTEXT** Mining accounted for less than 1% of Ethiopia's GDP in 2024 despite \$3.5 billion in gold export revenues, because nearly all of that production was artisanal and small-scale — not captured in formal GDP mining sector accounts in full. The 2024-2026 period marks the structural transition: for the first time, Ethiopia has multiple industrial mines reaching production in the same window. African Mining Online described the moment in April 2026 as the country moving 'from a potential narrative to a production reality.' That framing is accurate. The transition is real. Its financial significance for the state depends on how much revenue flows through formal channels versus informal, and on whether the security conditions that enable sustained industrial operations hold.
- ▶ **WHAT CHANGED BETWEEN 2021 AND 2026** Three reforms enabled this inflection. The 2021 Mining Operations Proclamation modernised Ethiopia's licensing framework, introduced a structured royalty regime, and required community benefit-sharing arrangements that gave international investors a clearer legal framework. The July 2024 FX liberalisation eliminated the hard-currency shortage that had previously made profit repatriation and equipment importation almost impossible for foreign miners. And the construction of the Grand Ethiopian Renaissance Dam grid now offers industrial mines access to renewable hydroelectric power, removing the diesel-generation cost that burdens mines in comparable African jurisdictions. The combination of these three structural changes created the conditions for capital to move.

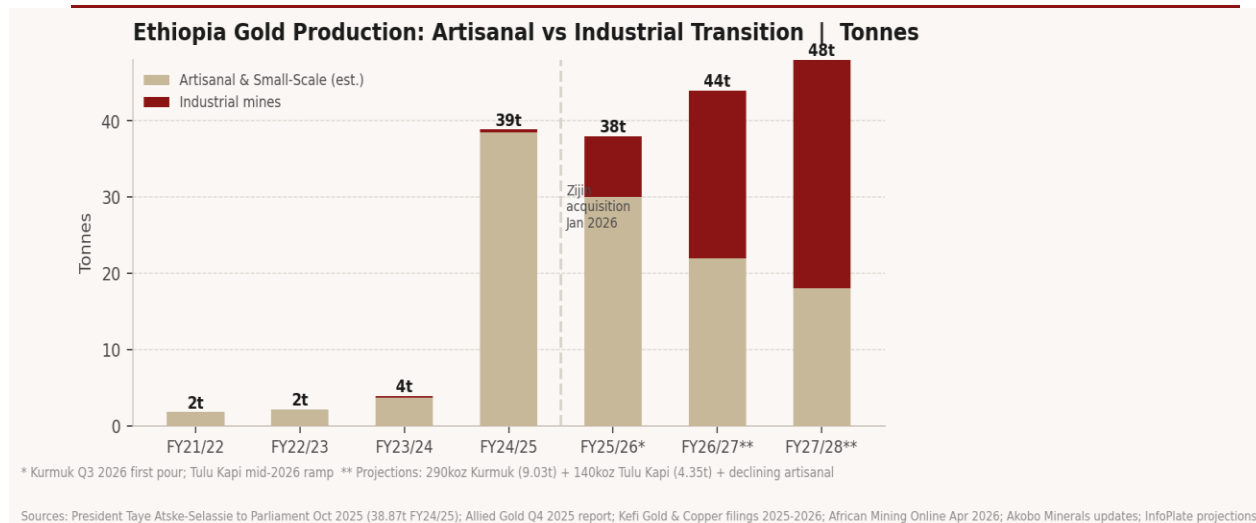


Figure 1: Ethiopia Gold Production: Artisanal vs Industrial Transition | Tonnes | Sources: President Taye Atske-Selassie to Parliament Oct 2025; Allied Gold Q4 2025; Kefi Gold filings; African Mining Online Apr 2026; InfoPlate projections

02 THE ZIJIN ACQUISITION: WHAT CHINESE OWNERSHIP MEANS FOR KURMUK

A \$4 Billion Acquisition That Validates the Geological Thesis and Raises a Sovereignty Question

On January 26, 2026, Allied Gold Corporation announced a definitive agreement for Zijin Gold International, a subsidiary of Zijin Mining Group listed on the Hong Kong Stock Exchange, to acquire all outstanding Allied Gold shares at C\$44 per share in cash. The transaction values Allied Gold at approximately C\$5.5 billion (US\$4 billion), representing a 27% premium over the company's 30-day volume-weighted average price. Allied Gold shareholders approved the deal on March 31, 2026. As of publication date, regulatory approvals are advancing toward the contractual outside closing date of May 29, 2026.

- ▶ **WHAT ZIJIN ACQUIRES IN ETHIOPIA** Kurmuk is the primary Ethiopian asset in the Allied Gold portfolio. Located in western Ethiopia's Benishangul-Gumuz region within the Arabian-Nubian Shield, Kurmuk encompasses the Dish Mountain and Ashashire open-pit deposits. Measured and indicated resources stand at 57.9 million tonnes grading 1.68 grams per tonne, containing 3.12 million ounces. Inferred resources add 311,000 ounces further. A resource update was expected in early 2026. Allied Gold's five-year exploration target for Kurmuk is 5 million ounces of total resources. The mine is designed as an open-pit operation with a central mill processing 6.4 million tonnes per year. Total capital investment across both phases is approximately \$500 million. Production is targeted to commence in Q3 2026, per Allied Gold's April 28, 2026 update.
- ▶ **THE PRODUCTION PROFILE** Kurmuk targets average annual gold production of approximately 290,000 ounces during the first four years, transitioning to a life-of-mine average of approximately 240,000 ounces over a 10-year period. At an all-in sustaining cost projected below \$950 per ounce, Kurmuk represents a high-margin operation in the current gold price environment. At \$2,500 per ounce, 290,000 ounces generates approximately \$725 million in annual revenue. Allied Gold's full-year 2025 production across all assets was 379,081 ounces, above guidance. Kurmuk adds approximately 76% to that total once at full production.
- ▶ **WHY ZIJIN** Zijin Mining is one of the world's largest gold producers, listed on both HKEX (2899) and the Shanghai Stock Exchange. Its chairman Hongfu Lin described Kurmuk and the Sadiola mine in Mali as 'generational assets which we expect to provide multi-decade production.' Zijin has a demonstrated track record of constructing mines in complex jurisdictions — the Democratic Republic of Congo and Serbia are frequently cited examples — and its acquisition brings deep capital reserves, in-house engineering capacity, and accelerated development timelines. African Mining Online noted that



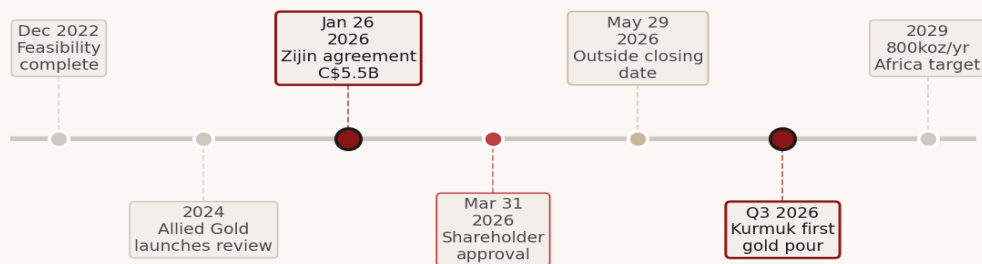
the 'arrival of Chinese majors into Ethiopian gold mining at a tier-one level validates the geological thesis that Ethiopia is the next frontier for African gold.'

- ▶ **THE SOVEREIGNTY DIMENSION** The transition from Western-backed Allied Gold to Chinese-controlled Zijin arrives at a moment when African governments are increasingly assessing the terms on which Chinese mining capital enters their economies. Prospect Intel noted in February 2026 that Chinese companies now control over 8% of Africa's mining output, and that the Allied Gold deal 'accelerates a trend African governments are only beginning to address through resource nationalism policies.' For Ethiopia, the relevant questions are whether Zijin's ownership structure alters the royalty and revenue-sharing arrangements already negotiated; whether Chinese ownership changes the dynamics of Kurmuk's relationship with surrounding Benishangul-Gumuz communities; and whether the Bisha zinc-copper mine that Zijin operates in neighbouring Eritrea creates the 'regional synergy' Zijin describes or a competitive dynamic in Ethiopia's regulatory environment.

THE INVESTOR SIGNAL

The Zijin acquisition is the most important single event in Ethiopian mining in 2026. A tier-one Chinese mining major paying C\$5.5 billion in cash, with no financing conditions, for a portfolio in which Kurmuk is described as a crown jewel, sends a signal that no government press release can replicate: that the geological case is confirmed, that the regulatory environment is sufficiently stable to commit large capital, and that Ethiopia's mining sector has crossed the line from early-stage risk to investable asset. That signal will attract additional exploration and development capital regardless of whether Zijin's post-acquisition management of Kurmuk satisfies every governance concern.

Zijin Mining / Allied Gold: Kurmuk Acquisition and Production Timeline



Sources: Allied Gold press releases (Jan 26, Mar 31, Apr 28, 2026); Zijin Mining announcement Jan 26 2026; Mining.com; Capital Ethiopia Jan 2026

Figure 2: Zijin / Allied Gold: Kurmuk Acquisition and Production Timeline | Sources: Allied Gold press releases Jan 26, Mar 31, Apr 28 2026; Zijin Mining announcement Jan 26 2026; Mining.com

03 THE INDUSTRIAL TRIPOD: TULU KAPI AND SEGELE

Two More Projects Reaching Production in 2026 Complete Ethiopia's First Industrial Mining Base

Kurmuk is the largest and most visible industrial mining project, but it is not the only one. Tulu Kapi and Segele complete the tripod. Together, the three projects represent the full spectrum of industrial mining in Ethiopia: a major open-pit operation under Chinese ownership (Kurmuk), a mid-size open-pit project backed by multilateral development finance and sovereign equity (Tulu Kapi), and a high-grade boutique underground mine backed by Norway's Euronext market and Ethiopia's own sovereign wealth fund (Segele).

- ▶ **TULU KAPI: FINANCING SECURED, CONSTRUCTION UNDERWAY** Tulu Kapi Gold Mine Share Company is owned 56% by KME (an exploration and holding company) in which Kefi Gold and Copper, a London-listed company, holds 80%, giving Kefi a 45% beneficial interest in the project. Tulu



Kapi holds an ore reserve of approximately 1.1 million ounces (15.4 million tonnes at 2.1 grams per tonne). The open-pit mine is designed to produce approximately 140,000 ounces per year over a seven-year mine life at an AISC of \$800-900 per ounce. The \$340 million financing package assembled in late 2025 involves the Eastern and Southern African Trade and Development Bank (TDB), the Africa Finance Corporation (AFC), and equity partners including Ethiopian Investment Holdings, which took a direct government stake. Full-scale construction is ramping up. The first gold pour is targeted for mid-2026.

- ▶ **THE TULU KAPI RESETTLEMENT** Approximately 350 properties and 130 households are undergoing resettlement under Phase 1. Kefi has committed to compliance with Ethiopian law and World Bank / IFC performance standards on resettlement. The resettlement process has been cited as a source of timeline sensitivity: property surveys were under review against verification standards as of early 2026. Community engagement — including the Tulu Kapi Charitable Endowment Fund — is a component of the licence-to-operate framework that other junior miners in Ethiopia are now using as a template.
- ▶ **SEGELE: PRODUCING, EXPANDING, AND PROVING THE MODEL** Akobo Minerals' Segele mine is significant for reasons beyond its production volume. At 22.7 grams per tonne, Segele holds one of the highest-grade gold deposits globally, and the mine's operational success demonstrates that remote, high-grade underground mining is viable in the Gambela region. The mine produced its first gold bar in October 2024. Monthly production reached 7-7.5 kilograms by Q1 2026 (Q1 total approximately 23 kilograms). Construction of a vertical shaft is underway; once complete, monthly output is projected to increase fivefold to eightfold, from 5-10 kilograms to 50-80 kilograms. Ethiopian Investment Holdings invested \$3 million in August 2025 for a 7.4% stake — the first international equity investment in EIH's history. The PM attended the mine's inauguration. Akobo is small but it is proving that Ethiopia can build and operate high-grade industrial mines with international partnership.
- ▶ **A FOURTH PROJECT WORTH WATCHING** Midroc Gold, an Ethiopian-owned company and East Africa's largest gold miner, holds the Legedembi mine in Oromia and the Metekel project in Benishangul-Gumuz. The Metekel project covers 27 square kilometres with initial surveys indicating approximately 35 metric tonnes of gold in ground, with a 20-year operating licence from 2017. Technical studies project annual output averaging approximately 1,977 kilograms during first years of operations starting 2026. Midroc provides the domestically-owned component of Ethiopia's mining base — an important sovereignty dimension given the Chinese and international character of the other major projects.

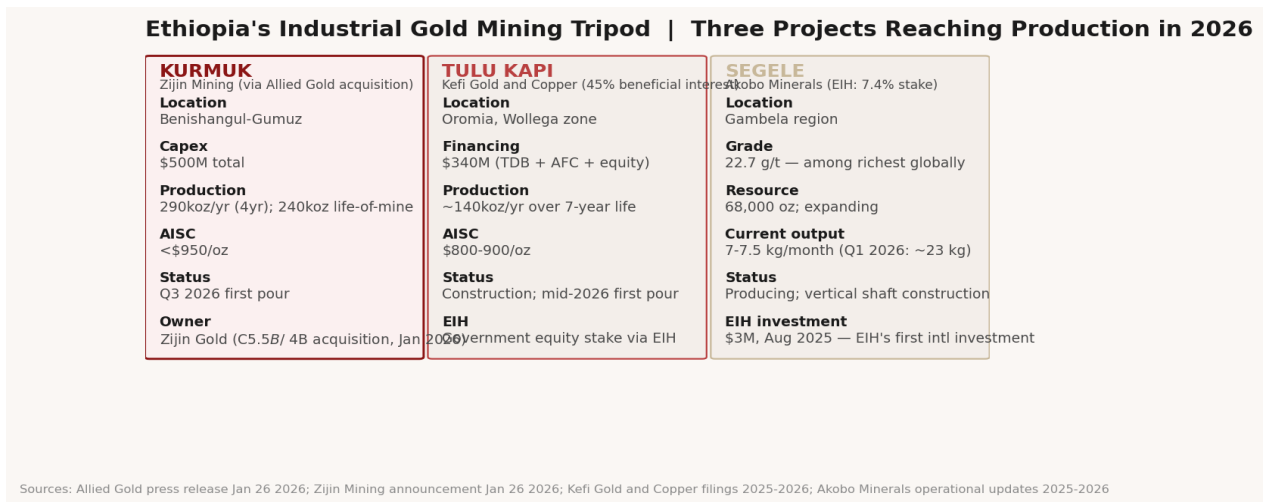


Figure 3: Ethiopia's Industrial Gold Mining Tripod | Sources: Allied Gold; Kefi Gold and Copper filings 2025-2026; Akobo Minerals operational updates 2025-2026

04 THE REVENUE PROJECTION: WHAT INDUSTRIAL MINING MEANS FOR ETHIOPIA'S FINANCES

From Artisanal Windfall to Industrial Revenue: The Fiscal Transition



Ethiopia earned \$3.5 billion from gold exports in FY2024/25, primarily through artisanal production formalisation. That figure is significant but structurally fragile: it reflected a one-time channel shift from informal to official NBE purchase routes. As that formalisation effect normalises, artisanal production volume entering formal channels will stabilise or decline. What takes its place in supporting gold revenue is industrial mine production, which is volume-predictable, stable, and subject to formal royalty and tax arrangements.

- ▶ **THE INDUSTRIAL REVENUE MATH** At full production (targeting FY2026/27 and beyond): Kurmuk at 290,000 ounces (approximately 9 tonnes) and Tulu Kapi at 140,000 ounces (approximately 4.35 tonnes) together produce approximately 13.35 tonnes of gold per year from industrial operations. At \$2,500 per ounce, this generates approximately \$1.075 billion annually from industrial mine production alone. At \$3,000 per ounce (consistent with gold prices in early 2026), the same volume generates approximately \$1.29 billion. Industrial gold revenue is thus likely to settle in the \$1-1.3 billion annual range from these two mines alone, independent of artisanal production volumes and gold price fluctuations within the current range.
- ▶ **THE ROYALTY AND TAX DIMENSION** The 2021 Mining Operations Proclamation sets royalty rates for gold at 8% of revenue. On \$1 billion in industrial gold production, the royalty yields approximately \$80 million annually to the Ethiopian state. Add corporate income tax, payroll taxes, customs duties on imported consumables, and community development fund contributions, and the total state revenue from industrial gold is estimated at \$100-200 million per year from Kurmuk and Tulu Kapi alone, per analysis from Addis Insight. The government's direct equity stakes in Tulu Kapi (via EIH) provide dividend upside beyond the royalty and tax base.
- ▶ **THE ARTISANAL NORMALISATION RISK** Total gold production in FY2024/25 was 38.87 tonnes, almost all artisanal. Industrial mines will contribute approximately 13.35 tonnes at full production. The risk is not that industrial production reduces total revenue but that artisanal formalisation reverses. If parallel market dynamics resume, if the birr premium widens significantly, or if government price interventions create disincentives to sell through the NBE, artisanal volumes entering official channels could decline sharply. Total gold revenue is thus a function of both industrial ramp-up and artisanal channel maintenance — two dynamics that operate independently and require different policy responses.

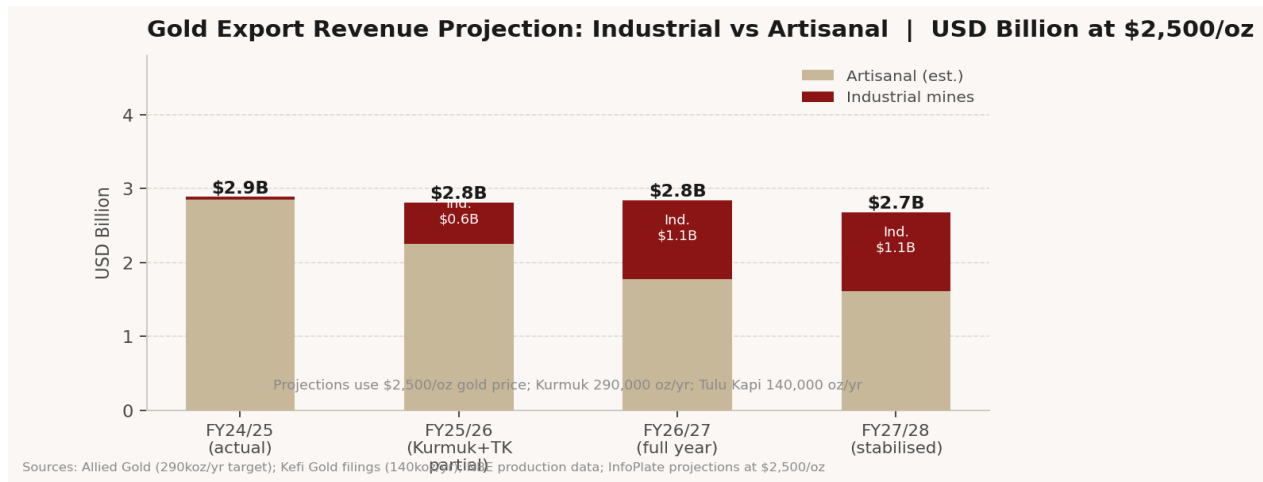


Figure 4: Gold Export Revenue Projection: Industrial vs Artisanal | Sources: Allied Gold (290koz/yr); Kefi Gold filings (140koz/yr); NBE production data; InfoPlate projections at \$2,500/oz

05 STRUCTURAL RISKS AND THE CRITICAL MINERALS HORIZON

Security, Ownership Structure, and What Comes After Gold

The investment case for Ethiopian mining is stronger in 2026 than at any previous point in modern history. The risks are not hypothetical. They are documented, specific, and material enough to determine whether the industrial mining transition holds or stalls.



- ▶ **SECURITY EXPOSURE** Kurmuk is located in Benishangul-Gumuz, a region that has experienced armed conflict between government forces and local militia groups. Birr Metrics noted in April 2025 that security conditions had created delays to Kurmuk's construction timeline, alongside power line delays from Asosa, tax and customs issues on imported equipment, and road network constraints. Tulu Kapi is in Oromia, where the OLA insurgency crosses its eighth year in 2026. Industrial mines in active conflict zones require company security infrastructure, coordinated government support, and community engagement at a level that adds cost, complexity, and operational risk. Both projects have allocated security infrastructure in their capital plans. Neither is immune to the disruption that a deterioration in the security environment would cause.
- ▶ **THE FUEL SUPPLY DISRUPTION** Akobo Minerals issued an operational update in April 2026 noting that disruptions to global fuel supply, including reduced tanker traffic through the Strait of Hormuz, had constrained fuel availability in Ethiopia, directly impacting Segele operations. Ethiopia's import dependency for diesel – which powers mining operations in regions not yet connected to the GERD grid – creates an exposure to global energy market events that domestic policy cannot fully mitigate. The GERD connectivity advantage for Tulu Kapi is real and significant; the transition to grid power from diesel should be treated as a risk-reduction measure and accelerated where technically feasible.
- ▶ **CRITICAL MINERALS: THE NEXT HORIZON** Gold dominates the immediate mining story. The long-term mining development opportunity lies in three additional categories. Potash: the Danakil Depression in the Afar region contains one of the world's largest undeveloped potash deposits, and with Ethiopia's agricultural scale, domestic fertiliser production is a national security priority. The logistics corridor from Afar to Djibouti port via the Addis Ababa-Djibouti railway is specifically suited to bulk mineral export. Lithium: the Kenticha belt in southern Ethiopia has documented lithium resources in the early exploration and definition stage. The global battery supply chain demand for lithium makes this a strategic asset even if development is 5-10 years away. Copper: the Arabian-Nubian Shield hosts documented copper deposits alongside gold. Exploration is ongoing. These three categories represent Ethiopia's second-wave mining opportunity, following the current gold-led industrial transition.
- ▶ **THE REFORM AGENDA THAT REMAINS** Three elements of the mining regulatory environment require further development before Ethiopia can move from first-wave industrial gold to a diversified mining economy. First: in-country mineral processing capacity needs to scale. Both Tulu Kapi and Kurmuk will process ore to doré on-site using carbon-in-leach technology, but further value-adding refining and assaying infrastructure at the national level is underdeveloped. Second: the secondary licensing and community benefit framework for Benishangul-Gumuz and Gambela regional communities needs consistency and predictability, given that both regions host major projects and have historically been marginalised from national development programmes. Third: the FX repatriation framework's continued stability is essential – the 2024 liberalisation removed the key barrier; maintaining a stable, transparent FX environment for mining companies is the ongoing institutional task.

Ethiopia Mining: Structural Reform Scorecard for Investors 2021-2026		
REFORM / FACTOR	WHAT CHANGED	INVESTOR IMPLICATION
2021 Mining Proclamation	Modernised licensing; royalty structure rework	Improved regulatory clarity; FDI wave
July 2024 FX Liberalisation	Eliminated parallel premium; enabled repatriation	Removed the biggest barrier to industrial mining FDI
Artisanal Formalisation	NBE purchase channels; 10x volume generated	Signaled 2028/29 largely a one-time structural shift
GERD Grid Connectivity	Renewable hydropower available to mines	Cost advantage vs diesel-dependent peers in Africa
EIH Equity Participation	Tulu Kapi + Akobo Minerals sovereign backing	De-risked project financing; signals political commitment
PENDING: Security	Oromia (OLA) + Benishangul-Gumuz conflicts ongoing	Tulu Kapi face active security exposure

Sources: Mining Operations Proclamation No. 816/2021; NBE; African Mining Online (Apr 2026); Kefi Gold filings; Africa Center for Strategic Studies (2026)

Figure 5: Ethiopia Mining Structural Reform Scorecard | Sources: Mining Operations Proclamation No. 816/2021; NBE; African Mining Online Apr 2026; Kefi Gold filings; Africa Center for Strategic Studies 2026



EDITOR'S OUTLOOK

THE BOTTOM LINE

Ethiopia's mining sector reached its inflection point in 2026. The Zijin acquisition validates the geological case. The Tulu Kapi financing closure validates the regulatory and financing environment. Akobo's production proves the operational viability. These are not projections. They are facts on the ground as of May 2026.

The three things that will determine whether this transition consolidates are: security conditions in Oromia and Benishangul-Gumuz, which neither Zijin's capital nor Kefi's financing can insulate against; the continuity of the FX liberalisation framework through the post-election political environment; and whether the artisanal formalisation channels that generated FY2024/25's \$3.5 billion gold revenue remain stable as industrial production scales up. The geological story is settled. The operational story is just beginning.

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Sources: Allied Gold Corporation press releases Jan 26, Mar 31, Apr 28, 2026; Zijin Mining Group announcement Jan 26, 2026; Zijin Mining Group prospectus supplement Jan 2026; Kefi Gold and Copper filings and operational updates 2025-2026; Akobo Minerals operational updates and press releases 2024-2026 (Euronext Oslo); Addis Standard (Apr 1, 2026); Addis Insight (Aug 2025); African Mining Online (Apr 1, 2026); Mining.com (Nov 28, 2025); MiningFocusAfrica (Dec 2025); Birr Metrics (Apr 2025); Mining Technology (Jul 2024); Prospect Intel (Feb 6, 2026); Capital Ethiopia (Jan 2026); Ethiopian Monitor (Aug 2025); Mining Review (Aug 2025); NBE Governor Brook Taye; President Taye Atske-Selassie address to Parliament Oct 6, 2025; Mining Operations Proclamation No. 816/2021; Ministry of Mines of Ethiopia | Published May 12, 2026