

Medcaw Investments plc
(“Medcaw Investments” or the “Company”)

Update of Abyssinian Project

Medcaw Investments plc (LSE: MCI), a listed acquisition vehicle, acknowledges the recent press release issued by Abyssinian Metals Limited (AML). The Company remains fully committed to the previously announced transaction to acquire AML, facilitating its public listing on the Main Market of the London Stock Exchange through a reverse takeover. The board of Medcaw Investments will continue to work closely with AML and monitor developments in the ongoing dispute.

Unlawful seizure and detention of Abyssinian Group executive

8 November 2024

Over the past 12 months, Abyssinian Metals Limited (AML), African Mining and Energy Pty Ltd (AME), Abyssinian Investments BV (a Netherlands company), and Kenticha Mining PLC (together the Abyssinian Group), have been negotiating in good faith to resolve their dispute with the Federal Democratic Republic of Ethiopia (including Oromia State) in relation to the Kenticha Lithium Project. The dispute is described in more detail in the Background section below.

Recently, our colleague and fellow director of Abyssinian Group subsidiary AME, Mr Ali Hussein Mohammed, an Ethiopian national resident in Addis Ababa, was unlawfully detained by Oromia State Officials. This occurred at a meeting at the Oromia State offices in Addis Ababa. When Ali was invited to this meeting, he was told that the purpose of the meeting was to finalise the agreement to resolve the dispute concerning the Kenticha Lithium Project. The Attorney General representing Oromia State at the meeting purported to place Ali under arrest, without presenting a warrant or informing him of any charges (contrary to both Ethiopian and international law). Ali was then taken away in an ambulance (he had no medical condition to require ambulance transport) to an Oromia State building outside Addis Ababa, where he was held against his will. We understand that Ali was later charged with illegal mining at Kenticha, although no evidence has been presented to support this charge. Further charges have apparently been levelled against Ali, in support of which no evidence has been presented either.

The unlawful seizure and detention of Ali occurred during a negotiation process under the Agreement on Encouragement and Reciprocal Protection of Investment between the Federal Democratic Republic of Ethiopia and the Kingdom of The Netherlands (Treaty). Under the Treaty, all parties to a dispute are legally obliged to maintain the status quo and refrain from any acts that may aggravate the dispute during the negotiation process. In addition to other violations of the Treaty and international law, this obligation has been breached by the Federal Democratic Republic of Ethiopia (which is legally responsible for the conduct of Oromia State and its officials).

The Abyssinian Group calls upon the Federal Democratic Republic of Ethiopia to compel Oromia State to release Ali from unlawful detention immediately. Assistance is being provided by the Australian Embassy in Addis Ababa, in conjunction with other bodies we are seeking assistance including the British Embassy, the UN Working Group on Arbitrary Detention, the African Union, the European Union in Ethiopia, the US State Department, the World Bank, the IMF, the International Red Cross and Amnesty International.

In light of these alarming developments, the Abyssinian Group will proceed to arbitration at the International Centre for Settlement of Investment Disputes (ICSID), in accordance with the Treaty. ICSID is a World Bank body headquartered in Washington, DC. In addition to its existing claims under the Treaty, the Abyssinian Group will raise the unlawful detention of Ali, with ICSID, along with other acts of intimidation and harassment that personnel employed by the Abyssinian Group have suffered and seek appropriate relief.

Stephen Miller, Managing Director of AME, offered the following remarks:

"We are shocked by the actions of the government of Oromia Regional State in unlawfully seizing and detaining our colleague Mr Ali Hussein Mohammed. Our most pressing task is to secure the immediate release of Ali.

The Abyssinian Group came to Ethiopia in good faith and has invested substantial capital and expertise in the Kenticha Lithium Project. For the last 12 months, the Abyssinian Group has persisted with negotiations to resolve the dispute in accordance with the Treaty. Prior to Ali's unlawful seizure and detention, we understood that all parties had agreed to a path toward resolution of the dispute and that we would soon be permitted to resume our work on the Kenticha Lithium Project. Sadly, it is now apparent that we were misled.

International investment and investor confidence are critical to unlocking the vast mineral resources of Ethiopia – if investors do not feel confidence in a country, they will go elsewhere. By their recent unlawful actions, Oromia State officials have severely damaged investor confidence, and this will likely affect foreign investment flows into the Ethiopian mining sector for the foreseeable future.

The Abyssinian Group will protect the interests of its shareholders by proceeding to international arbitration at ICSID in order to obtain compensation for the unlawful treatment and expropriation of our investments in the world-class Kenticha Lithium Project.

Background to Dispute

On 10 November 2023, the Abyssinian Group issued a Notice of Dispute and Request for Negotiations to the Federal Democratic Republic of Ethiopia under Treaty. The dispute concerns measures taken against the Abyssinian Group's investments in the Kenticha Lithium Project in Oromia State, Ethiopia (the Dispute).

The same day, the Abyssinian Group issued a Force Majeure notice to the Ethiopian Federal Ministry of Mines and Petroleum (Ministry) relating to the Abyssinian Group's inability to access the Kenticha Lithium Project site and continue with the agreed work programme. This notice was issued by the joint venture company Kenticha Mining PLC (KMP), in which members of the Abyssinian Group hold a 51% interest, and Oromia Share Mining Company (OMSC) holds 49%. OMSC is a State-owned enterprise of Oromia State.

The Abyssinian Group's rights over the Kenticha Lithium Project are held by KMP, through an exploration license agreement with the

Ministry (dated January 2023), an exploration license issued by the Ministry, and a mining license issued by the Ministry over the historical tailings area at the Kenticha Lithium Project site (together, the Licenses). Through the work and investment of the Abyssinian Group, a JORC compliant resource of 85.6Mt at 0.98% lithium oxide (Open pit) + ~50Mt exploration target (at similar grades) has been identified.

The Abyssinian Group has been working to establish a large, international standard mining operation at Kenticha, which was scheduled to commence production of spodumene concentrate (SC5.5%) in Q4 2024.

The Abyssinian Group's investments in the Kenticha Lithium Project are protected by the Treaty. The Treaty includes standard protections for covered investments, including a guarantee of fair and equitable treatment, full protection and security, and non-impairment of investments by unreasonable and discriminatory measures. The Treaty also prohibits the unlawful expropriation of covered investments. The Treaty provides that, in the event of a dispute between a covered investor (in this case, the relevant members of the Abyssinian Group) and the host state (in this case, Ethiopia), the investor and the host state is required to attempt to resolve the dispute through amicable negotiations for a period of six months. If the dispute is not amicably resolved in this way, the Treaty provides for the dispute to be resolved by international arbitration outside of the host state.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company accept responsibility for the contents of this announcement.

ENDS

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Note:

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not a guarantee of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.
