

19 May 2020

KEFI Minerals plc
("KEFI" or the "Company")

Approval Received from National Bank of Ethiopia for Proposed Debt Finance
Formal Registration of Initial Historic US\$49 Million Spend

KEFI Minerals PLC ("KEFI" or "the Company") is pleased to advise that the National Bank of Ethiopia, Ethiopia's central bank, has now approved the signed term sheets with the project finance banks who are expected to provide the long term development debt finance to the Company's Tulu Kapi Gold Project (the "Project" or "Tulu Kapi").

This reaffirms the Government's ongoing support of the Company and its project finance plan for Tulu Kapi Gold Mines Share Company ("TKGM"), as set out in the Company's announcement of 2 December 2019. As previously stated, the two proposed senior debt underwriters and co-lenders are leading African banks and this approval will now trigger their normal processes for credit approval and documentation, with a view to full financial closure later this year in accordance with recent Company guidance.

In addition, the Company has also received confirmation that the National Bank of Ethiopia has now registered the past investment in the Project of US\$49 million in the period to 31 December 2014 by TKGM, which inherited the rights and obligations of the historical work and spending by KEFI Minerals (Ethiopia) Ltd, a wholly-owned subsidiary of KEFI. Subsequent pre-development investment will also be registered in due course, relating to expenditure during the period 2015-2019 in the lead-up to the recent commencement of Project development activities. This is important because this past investment ensures compliance with the 30%:70% (equity:debt) capital ratio as approved specifically for foreign direct investment into the Project.

These central bank approvals are material to KEFI as they clear the way for full project finance completion, as do the various related and previously reported approvals by the central bank, which included the setting of the permissible capital ratio for the Project, permission for gold price hedging as and when required, and for the establishment and use of bank accounts in major international financial centres. Whilst these matters are conventional for mining project finance internationally, they are new to Ethiopia and required lengthy due process by KEFI as first-mover in this new priority sector.

Other finance-related steps recently taken by the Ethiopian Government also include an agreement to transfer the TKGM Project equity that will be earned by the Government from its US\$20 million (Birr equivalent) investment in the Project, to an Oromia Regional Mining Fund. The Government has also signed various procurement contracts for building offsite roads and the electricity transmission connection. In addition, the Government and KEFI have agreed changes to their shareholder agreement and the TKGM foundation documents to admit additional Project equity investors into TKGM if required, although both parties are actively collaborating directly with the proposed Project private equity investors to facilitate their subscription as per the closing timetable, set out in the Company announcement of 24 April 2020. KEFI's percentage interest within TKGM remains unaffected.

Harry Anagnostaras-Adams, KEFI’s Executive Chairman, commented:

“We are pleased to receive the formal consent of the Ethiopian central bank to the Project’s finance plan and terms, once again highlighting the support KEFI is receiving in country for the development of Tulu Kapi. This permits the triggering of the Project lenders’ formal processes for credit approval and documentation with a view full financial closure in October 2020.

“The strengthening gold price and US Dollar exchange rate to Ethiopian Birr have further improved the economics of Tulu Kapi and the robustness of the development to meet the various conventional covenants required by the financing banks.

“I look forward to updating shareholders on subsequent developments.”

Enquiries

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KEFI Minerals plc

KEFI is focused primarily on the advanced Tulu Kapi Gold Project development project in Ethiopia, along with its pipeline of other projects within the highly prospective Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi generates cash flows for capital repayments, further exploration and expansion as warranted and, when appropriate, dividends to shareholders.

KEFI Minerals in Ethiopia

The Company has regularly refined contractual terms for project construction and operation with principal contractors Lycopodium (processing) and Perenti (mining), both Australian mining industry leaders with some 30 years of successful track record in various African countries. Estimates include open pit gold production of c. 140,000oz pa for a 7-year period. These contractual arrangements are now entering the closing phase for sign-offs. Based on the most recent estimates, All-in Sustaining Costs (including operating, sustaining capital and

closure but not including leasing and other financing charges) remain c. US\$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz.

All aspects of the Tulu Kapi (open pit) gold project have been reported in compliance with the JORC Code (2012) and subjected to reviews by appropriate independent experts.

All plans are made with regard to the World Bank IFC Standards for social, environmental and other aspects.

A Preliminary Economic Assessment has been published that indicates the economic attractiveness of mining the underground deposit adjacent to the Tulu Kapi open pit, after the start-up of the open pit and after positive cash flows have begun to repay project debts.

An area of over 1,000 square kilometres adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans.

KEFI Minerals in the Kingdom of Saudi Arabia

In 2009, KEFI formed Gold & Minerals Limited ("G&M") in Saudi Arabia with local Saudi partner, ARTAR, to explore for gold and associated metals in the Arabian-Nubian Shield. KEFI has a 37.5% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, holds over 16 Exploration Licence (EL) applications pending the introduction of the new Mining Law. ELs are renewable for up to three years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) lease within the area.

The Kingdom of Saudi Arabia has announced policies to encourage minerals exploration and development, and KEFI Minerals supports this priority by serving as the technical partner within G&M. ARTAR also serves this government policy as the major partner in G&M, which is one of the early movers in the modern resurgence of the Kingdom's minerals sector.