

8 December 2020

KEFI Gold and Copper plc
(“KEFI” or the “Company”)

Hawiah Project Update

Highlights

- Further success with the ongoing 13,000m drilling programme
- Current programme focused on increasing resource inventory through step-out drilling
- 6 holes representing circa 3,600m of drilling now complete
- HWD-073 encounters mineralisation at additional depth of 500m in the Central Zone
- HWD-074 extends mineralisation down-dip by 260m in the Camp Lode
- Inspection of intercepts suggest similar chalcopyrite mineralisation to previous drill holes
- Assay results pending
- Second rig now on site to accelerate the drill programme

KEFI (AIM: KEFI), the gold exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to provide an update on the current 13,000 metre drilling programme at the Company’s 34%-owned and operated Hawiah Project in Saudi Arabia (“Hawiah” or the “Project”).

The first six drill holes, representing approximately 3,600 metres have yielded some further highly encouraging results, intercepting the orebody at greater depths as intended. The current programme is aiming to significantly increase the maiden Hawiah Mineral Resource Estimate (“MRE”) of 19.3 million tonnes at 0.9% copper, 0.8% zinc, 0.6g/t gold and 10.3g/t silver. As reported in the Preliminary Economic Assessment (“PEA”) announcement on 22 September 2020, a doubling of the resource would increase the Project’s estimated after-tax NPV from US\$96 million to US\$362 million.

Current Drill Programme

The first phase of the current drilling programme is focused on resource expansion at the Camp Lode, due to elevated average copper grades in this area of the deposit. Drillholes have been stepped out to significant distances to quickly confirm that the deposit extends both along strike and at depth.

Exploratory drilling is also taking place within the Central Zone to follow up on geophysical targets highlighted during the 2019 IP/Rho survey and to expand on the previous shallow scout drilling results.

The later stages of this programme will focus on infill drilling as well as on targeted holes to improve definition within the higher-grade transition zone. As a result of encouraging results to date, a second drill rig has been introduced to speed up the drilling programme.

A summary of the latest drillholes is as follows:

Hole ID	Area	Mineralisation style	Total Depth (m)	From (m)	To (m)	True width (m)	Vertical depth (m)	Distance to nearest intersection (m)
HWD-070	Camp Lode – S	Massive sulphide	583.5	557.4	563.22	4.50	440	180
HWD-071	Camp Lode – N	No Mineralisation Intercepted	779.5	-	-	-	-	
HWD-072	Camp Lode – S	Massive sulphide	335.5	306.17	315.72	5.70	260	240

HWD-073	Central Zone	Massive Sulphide	755.6	732.77	733.6	0.83	580	500
HWD-074	Camp Lode - S	Massive sulphide	533.5	504.56	514.63	7.30	430	235
HWD-075	Camp Lode – S	No Mineralisation Intercepted	598.7	-	-	-	-	

These early intersections are highly encouraging, especially given the wide spacing of the drill locations, designed to provide a broad overview of the footprint of mineralisation. HWD-074 has confirmed the Camp Lode continues to the south, with the intersection (7.3m true-width) representing a 260m down-dip extension from the MRE. Further holes in the ongoing programme are aiming to expand the known boundaries of the deposit.

Visual inspection of these massive sulphide intercepts has identified chalcopyrite mineralisation in a similar style to the earlier drill holes within the Camp Lode. Assay results are pending.

The deep drilling at the Central Zone (HWD 073), an area largely untested during the initial phases of exploration to date, has demonstrated that mineralisation is present at a vertical depth of 580m, 500m below the previous drillhole at 80m. Whilst the intercept is relatively narrow, the result suggests that the area between Camp Lode and the Crossroads Lode (extending laterally over 1700m and to a depth of 600m) now has the potential to add additional resources and warrants further exploration.

A comprehensive update, including details of all drill holes, will be provided as soon as practical after the programme is completed and all assays are received. However, the Company will also report any further material results during this drilling programme as they arise.

Additional Exploration licences

KEFI is pleased to note the recent developments of the Saudi Arabian mining laws and regulations, in-line with the Kingdom's Vision 2030 strategy. The Company has been actively engaged with the Ministry of Industry and Mineral Resources ("DMMR") to ensure that the previous exploration licences are processed once the new regulations come into effect from 1 January 2021. The issuance of the new regulations represents the end of a 5-year hiatus on the granting of exploration licences in the Kingdom, and marks the launch of an intended high-growth phase for the sector.

To this end, KEFI is also actively pursuing additional ground within the Kingdom that meets with KEFI's strategy of growing Gold & Minerals Limited ("G&M"), in which KEFI has a 34% interest, to capitalise on its position as the leading private sector exploration and development company in Saudi Arabia. Further details on licencing will be announced in due course.

Harry Anagnostaras-Adams, Executive Chairman of KEFI, commented:

"The drilling results to date show that the Hawiah deposit remains open at depth and to the south. The work programme has sought to quickly 'stretch' some of the extremities of the deposit and as such we are greatly encouraged to see returns of significant intercepts as drilling continues to demonstrate the size and scale of the Hawiah deposit.

"As previously reported, in addition to the deeper drilling being undertaken targeting a substantial increase in the maiden Hawiah resource, this programme will also include infill drilling with a view of upgrading key areas of the resource to the indicated category so as to warrant mine planning and the estimation of an initial Ore Reserve.

"We remain focussed on the studies and survey required for the completion of a Preliminary Feasibility Study during 2021, together with further exploration of the surrounding area for a large

stockwork zone or 'feeder zone' to the massive sulphides, which represents a separate and potentially even larger-scale target.

"We look forward to reporting further progress at Hawiah and outcomes of this major drilling programme in due course."

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Enquiries

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Competent Person Statement

The information in this announcement that relates to exploration results and Mineral Resources is based on information compiled by Mr Tomos Bryan, Exploration Manager for Gold & Minerals Limited. Mr Bryan is a member of the Australasian Institute of Mining and Metallurgy. Mr Bryan is a geologist with sufficient relevant experience for Company reporting to qualify as a Competent Person as defined in the JORC Code 2012. Mr Bryan consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The Hawiah Mineral Resource was announced on 19 August 2020. KEFI confirms that it is not aware of any new information or data that materially affects the information in the above releases and that all material assumptions and technical parameters, underpinning the estimates continue to apply and have not materially changed. KEFI confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Notes to Editor

KEFI Gold and Copper 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 in Ethiopia

Ethiopia is currently undergoing a remarkable transformation both politically and economically.

The Tulu Kapi gold project in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

The Company has now refined contractual terms for project construction and operation, together with assembling the full funding consortium and set the conditional terms for the development funding package of c.US\$221 million.

Estimates include gold production of c.190,000oz pa. 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.

A PEA 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 in the Kingdom of Saudi Arabia

In 2009, KEFI formed 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 34% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, holds over 16 Exploration Licence applications pending the introduction of the new Mining Law. Exploration Licences 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 mineral 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.