

27 May 2020

KEFI Minerals plc

("KEFI" or the "Company")

Hawiah Exploration Update

Stage 2 Programme Completed With 69 Drill Holes

Assays Re-Affirm Three Separate Zones for Potential Mining

Further Targets Remain

Inaugural JORC Resource Targeted Mid-2020

KEFI Minerals (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 ongoing exploration programme at the Company's Hawiah exploration project in Saudi Arabia. KEFI's operations in Saudi Arabia are conducted through its 34% owned joint venture company, Gold and Minerals Co. Limited ("G&M"), where KEFI is the operating partner.

G&M has now completed Stage 2 of the Hawiah diamond drilling programme, increasing the number of completed diamond drill holes to 69 since the first drill hole in October 2019.

Copper-zinc-gold-silver sulphide mineralisation has been intercepted in drilling consistently over more than 4km of strike length, with intercepts within the supergene zone of up to 4.4% Copper over a 6m true width interval, including 5.8% Copper over a 3m true width. The results re-affirm the large-scale Volcanic Massive Sulphide ("VMS") style of mineralisation that underlies the +4km long surface gossanous ridgeline. Assays have been received for 59 of the 69 drill holes and confirm the positive progress towards delineating an initial Mineral Resource in accordance with the JORC Code in mid-2020.

Sufficient drilling has now been completed to identify three zones with the following preliminary parameters for potentially mineable massive sulphide lodes, with all zones remaining open at depth:

- The 'Camp Lode': 1.2km long, with an average width of 7.5m with the widest intersection of 20m found at a depth of 90m. The lode has been drilled to a depth of 300m where 9m true width of massive sulphide was intersected;
- The 'Crossroads Lodes': 800m long, with an average width of 5m with the widest intersection being 8m true width. This lode has been explored to a maximum vertical depth of 350m where 7m of massive sulphide was intersected; and
- The 'Crossroads Extension Lode': 1,000m long, with an average width of 5m with the widest intersection being 12m true width. This lode has been explored to a maximum vertical depth of 270m where 9m of massive sulphide was intersected.

Drilling spans over 4.4km of strike length of the prospect with a current drill spacing on the Camp and Crossroads Lodes of approximately 150 x 150m, with only few short scout holes drilled into the Central Area

Assay results, which were held up until recently due to a COVID-19 induced temporary suspension of operations at the assay laboratory, to date indicate the following approximate average grades within these lodes:

- Camp Lode: Copper 1.2%; Zinc 0.9%; Gold 0.5g/t and Silver 9.7g/t over an average true width of 7.5m, approximately 2.2% copper-equivalent at current spot prices;
- Crossroads Lode: Copper 1.0%; Zinc 0.8%; Gold 0.8g/t and Silver 12.0g/t over an average true width of 5m, approximately 2.2% copper-equivalent at current spot prices; and
- Crossroads Extension assays are still largely pending.

The combined volume of these lodes in the sub-vertical structure drilled to date is still considered likely to exceed 12 million tonnes in aggregate based on the results to date, as reported on 27 February 2020. For the purposes of indicating the potential relative importance for KEFI shareholders, at an assumed approximate 2% copper-equivalent, which initial assay results would support, the in-situ metal content of 12 million tonnes at current metal prices would approximate the analogous in-situ metal content of the one million ounce Ore Reserve in the planned open-pit mine at KEFI's Tulu Kapi Gold Project in Ethiopia.

Exploration potential remains significant at depth below all areas. The downdip continuation of Camp Lode is of particular interest with the deepest two holes, HWD_005 returning 1.27% Copper over a true width of 9m and HWD_059 returning 1.55% Copper over a true width of 7.5m.

Drilling has also extended the gold-mineralised oxide zone from surface:

- Surface trenches reported encouraging gold grades in 2015 before the field programme was suspended at that time for since-resolved security and regulatory obstacles; and
- Initial drilling has returned an average grade of 1.7g/t gold across 7 drill holes with an average vertical depth of 35m.

A comprehensive update, including details of all drill holes will be provided as soon as practical after all assays are received.

G&M has appointed an independent Competent Person to assist in the estimation of the planned maiden Mineral Resource and consequential Preliminary Economic Assessment. These studies will facilitate the planning and sequencing of exploration and potential development activities at Hawiah.

The G&M joint venture looks forward to participating in the development and expansion in the Saudi Arabian minerals sector which the Saudi Government has made a national strategic priority. Potential development funding for Hawiah is anticipated to be more straightforward than in Ethiopia because of the simpler partnership structure and given the financial strength of the local development lending institutions for this prioritised sector.

The Company will also continue to assess further resource potential at Hawiah, given that drilling to date has yet to establish the extremities of the mineralisation at depth and along strike.

Presentation

A new presentation containing further illustrative background material on the Company's Hawiah project is available on the Company's website at: <https://www.kefi-minerals.com/news/presentations>

Commenting, Harry Anagnostaras-Adams, Executive Chairman of KEFI, said:

"We are very pleased with the results to date of the drilling at our copper-gold-zinc-silver discovery at Hawiah in Saudi Arabia. Hawiah already appears to have a more valuable metal content than Tulu Kapi in Ethiopia as we have only drilled the top of the system, which remains open at depth below all zones drilled to date.

"The rapid pace of progress since completing the first drill hole in October 2019 is testament to our excellent team at G&M, managed by KEFI and tightly integrating the specialist personnel contributed by KEFI and our Saudi Arabian partner ARTAR."

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 is based on information compiled by Mr Tomos Bryan and Mr Jeffrey Rayner, respectively Exploration Manager G&M and Exploration Adviser to KEFI, Mr Bryan is a member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and Mr Rayner is a Member of the Australian Institute of Geoscientists ("AIG"). Mr Bryan and Mr Rayner are geologists with sufficient relevant experience for Group reporting to qualify as a Competent Person as defined in the

JORC Code 2012. Mr Bryan and Mr Rayner consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Notes to Editor

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

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. Estimates include open pit gold production of c. 140,000oz pa for a 7-year period. 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 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 40% 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.