

29 September 2021

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

Operational Update

KEFI (AIM: KEFI), the gold and copper exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, announces that during preparations for the expected October 2021 launch of the development phase of the Company's Tulu Kapi Gold project ("Tulu Kapi" or the "Project") security concerns have arisen. Consequently, KEFI and the Project company, Tulu Kapi Gold Mines Share Company ("TKGM"), have elected to temporarily pause the launch to ensure that these matters have been satisfactorily addressed.

The local community has been consulted, and the Ethiopian Ministry of Mines has been notified, as have the other Government agencies and the Company's financing partners. All parties acknowledge the need to ensure the security situation is completely ready for the Project construction to proceed and, whilst no guarantee can be given, all continue to prepare for launch as soon as appropriate during Q4 2021. In the meantime, the Company's Hawiah Copper-Gold Project ("Hawiah") in Saudi Arabia continues its fast-track programme to produce an upgraded and expanded Mineral Resource Estimate and the Preliminary Feasibility Study for development.

The Company will make further announcements as appropriate and remains optimistic that the development phase of the Tulu Kapi Gold Project in Ethiopia can still be launched before the end of 2021 with the start-up of production in 2023, ahead of development of the Hawiah project in Saudi Arabia.

The Company's interim financial results for the six months to 30 June 2021 will be released on Thursday 30 September 2021 and its quarterly shareholder webinar will be conducted on Wednesday 13 October 2021, further details of which will be announced with the Company's interim results.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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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\$356 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 US\$800-900/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 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 34% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, holds over 16 Exploration Licence (ELA) 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 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.