

1 April 2022

KEFI Gold and Copper plc

("KEFI" or the "Company")

Q1 2022 Operational Update

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 its latest quarterly operational update.

This update encompasses the activities of KEFI Minerals (Ethiopia) Ltd ("KME") and Tulu Kapi Gold Mines Share Company ("TKGM") in Ethiopia, and Gold & Minerals Ltd ("G&M") in Saudi Arabia, for the period from 1 January 2022 to 31 March 2022 ("Q1 2022"). The Tulu Kapi Gold Project ("Tulu Kapi") is under TKGM (planned to be c. 70% owned by KEFI). The Hawiah Copper-Gold Project ("Hawiah") and the Jibal Qutman Gold Project ("Jibal Qutman") are under G&M (planned to be c. 30% owned by KEFI). Both TKGM and G&M are operated by KEFI.

Ethiopia

The security situation has improved enormously in Ethiopia over the past few months, with the end of the civil war in the country's northern regions during December 2021, the lifting of the national state of emergency in February 2022, the agreed ceasefire in March 2022, and the focus of the security forces having now switched to the policing of priority areas like the Tulu Kapi district.

Until a few years ago, Ethiopia was one of the world's top 10 growth countries for nearly 20 years running and now, having overcome its recent security issues, is demonstrating a clear determination to expedite the economic recovery and the pursuit of its economic objectives. Tulu Kapi will be the country's first large scale mining project for some 30 years and is designed to the highest international standards. It therefore is imposing many demands on a regulatory system which the Ethiopian Government is upgrading, under strong Ministerial leadership, determined to build a modern minerals sector.

During Q1 2022 TKGM reactivated Tulu Kapi project launch preparations and has recently formally advised the Ministry of Mines of its progress being on schedule and that it can close project finance by mid-year if the security situation is satisfactory and if the few remaining regulatory administrative tasks are also completed punctually.

In collaboration with the regulatory agencies at all four levels of the Ethiopian Government, TKGM is implementing a staged Tulu Kapi project launch, with progress to date as follows:

- essentially completed technical and legal due diligence, as directed by senior lenders' independent advisers - to satisfy conditions precedent to finance closing;
- triggered detailed engineering – minimising procurement and construction time;
- recommenced widespread community engagement, which had been suspended for some months due to previously reported security incidents;
- restarted district works which have a quick local impact, such as upgrading the exploration camp for the construction workforce and re-establishing the nursery for environmental management programmes. Some of these programmes were

scheduled for post-launch, but have been brought forward to rebuild stakeholder “safety confidence” over several months of undisturbed progress in the lead-up to financial close, along with the requisite independent security assessments;

- commenced regular independent security monitoring;
- facilitated the completion of the few remaining regulatory administrative tasks:
 - the Ministry of Mines has now endorsed historical costs up to 2020 of c.US\$60 million and is now addressing the remainder, incurred after that date or by other companies on behalf of TKGM;
 - the Ministry of Mines formally requested to allow re-commencement of exploration at satellite deposit prospects in the Tulu Kapi district;
 - the central bank now addressing permission for both development banks to be allowed to lend on the same terms. It has already revised, at TKGM’s request, local restrictions which effectively blocked modern mining project finance until now – such as the working rules for the London clearing account to avoid restrictions of capital controls, the capital ratio for project debt up to 70/30 debt/equity, the use of gold price hedging if desired, the use of offshore leasing and the application of market-based interest rates
- maintained the project syndicate, triggered final pricing by the principal contractors and distributed for review an updated term sheet in respect of the offtake-linked mezzanine facility, now to involve the senior lenders as well as the metals trader.

Saudi Arabia

On 6 January 2022, KEFI announced an updated Mineral Resource Estimate (“MRE”) for the Hawiah volcanic massive sulphide (“VMS”) deposit of 24.9 million tonnes at 0.90% copper, 0.85% zinc, 0.62 g/t gold and 9.81 g/t silver. This represents a c.30% increase in resource tonnage and c.5% increase in grade over the previous MRE. As a scale-comparison with the Company’s Tulu Kapi Gold Project, Hawiah’s recoverable metal is now estimated to be in the order of 2.2 million gold-equivalent ounces versus Tulu Kapi’s 1.2 million ounces.

Work at the Hawiah Copper-Gold Project during Q1 2022 has focussed on providing data for the Hawiah Preliminary Feasibility Study (“PFS”) and included:

- a 3,700m reverse-circulation (“RC”) drilling programme aimed at upgrading and expanding the oxide portion of the Hawiah MRE to an Indicated Resource category for open-pit mine planning;
- trenching across the Camp and Crossroad Lodes to collect bulk samples of the oxide mineralisation;
- further metallurgical test work on the sulphide mineralisation to determine the preferred flowsheets to recover the copper concentrates and zinc concentrates, as well as the gold and silver;
- a 1,800 metre geotechnical diamond drilling programme; and
- a 1,350 metre hydrogeological drilling and pump testing programme.

Two Exploration Licences (“ELs”) located immediately west of the Hawiah EL were granted in December 2021. Initial exploration of these Al Godeyer ELs has confirmed similar copper-gold

mineralisation to the Hawiah VMS deposit and indicated good continuity of the mineralised horizon. Exploration during the quarter included:

- a Self-Potential (“SP”) geophysical survey that defined a continuous anomaly 1.3km in strike and a second, shorter anomaly which correlate well with outcropping gossans;
- the presence of gold and copper gossans in all trenches over the main SP anomaly and the majority of trenches over the second SP anomaly. Rock chips taken during mapping these trenches confirmed copper-gold mineralisation with grades of up to 1.8% copper and 7.2g/t gold; and
- RC drilling intersected oxide and transition sulphides down to a vertical depth of 35 metres in the first six holes – assay results are pending for all drillholes.

The Al Godeyer’s exploration focus is to deliver an initial JORC Mineral Resource during 2022, with a diamond drilling programme set to commence in early April.

At the Jibal Qutman Project, development planning was re-activated following indications from the Saudi Arabian Ministry of Mineral Resources that the Mining Licence would progress in 2022. Jibal Qutman was KEFI’s first discovery in Saudi Arabia with a maiden MRE in excess of 700,000 oz of gold.

KEFI Group

The improvement in the local working environment in both Ethiopia (security) and Saudi Arabia (regulatory) since late 2021 has allowed KEFI to achieve rapid progress in both jurisdictions during Q1 2022. Combined with the recently reported excellent exploration results at Hawiah in Saudi Arabia, KEFI now has a much-improved position as an early-mover in both countries and with a more balanced portfolio of advancing projects.

Now having three (not one) advanced projects in two countries places the Company into a much better risk position than was hitherto the case.

Based on metal prices current at 31 December (note 1 below), the following high-level statistics illustrate the importance of KEFI’s newly-established position across the advanced projects and the two countries:

- KEFI’s beneficial interest in gold-equivalent mineral resources has grown from 1.2 million ounces in mid-2020 to 2.1 million ounces at the end of 2021 with growth anticipated for 2022 and subsequent years;
- KEFI’s market capitalisation at 0.8 pence per share represents the following:
 - US\$18/oz-equivalent on JORC resources;
 - 7% of NPV (8%) at current metal prices, 13% on Ethiopia alone and 16% on Saudi alone;
 - Estimated potential Net Operating Cash Flow (see note 2 below) is £137 million (c. US\$185 million) per annum from the combination of all three development projects at their targeted start-up production rates.
- NPV (see note 3 below) of KEFI of its projects has tripled since mid-2020, at 31 December 2021 metal prices and represents 12p per share in issue (6.5 pence per

share Ethiopia and 5.3 pence per share Saudi Arabia). All KEFI's projects have resources which remain open and there is a pipeline of nearby additional exploration projects with walk-up drill targets.

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

"During the first quarter of 2022 KEFI has made excellent progress on three now-advanced projects in two now-pro-development countries. This is in stark contrast to our situation only months ago when our priority was simply to preserve the Ethiopian project finance syndicate against security challenges and to prove up sufficient resources in Saudi Arabia to warrant development.

"I believe this recent pivot means that the first quarter of 2022 represents KEFI's watershed quarter and the most important since the IPO in 2006."

Investor Webinar

The Company will provide a Quarterly Update presentation via the Investor Meet Company platform on Friday 8 April 2022 at 3pm London time.

The presentation is open to all existing and potential shareholders. Questions can be submitted at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet KEFI via:

<https://www.investormeetcompany.com/kefi-gold-and-copper-plc/register-investor>

The webinar will subsequently be available on the Company's website at:

<http://www.kefi-minerals.com/news/webcasts>.

Market Abuse Regulation (MAR) Disclosure

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

(1) Metal prices:

31 December 2021 Metal Prices:	31 January 2021 Analyst Consensus Long Term Prices:
Gold Price is US\$1,830/oz	Gold Price is US\$1,607/oz
Copper Price is: US\$9,750/t	Copper Price is: US\$7,590/t
Zinc Price is US\$3,590/t	Zinc Price is US\$2,442/t
Silver Price is US\$23/oz	Silver Price is US\$21/oz

(2) Net Operating Cash Flow: *Same as Earnings Before Interest, Taxes (taxes and royalties payable), Depreciation and Amortisation*

(3) NPV

<i>NPV Explanatory Notes:</i>					
<i>* NPV is derived by KEFI using independently created financial models of net cash flows after tax</i>					
<i>and debt service, using a discount rate of 8%;</i>					
<i>* Tulu Kapi open pit model is based on the Definitive Feasibility Study (“DFS”) as updated for any</i>					
<i>refinements during project contracting and in-country experience;</i>					
<i>* Tulu Kapi underground mine model is based on the internal Preliminary Economic Assessment (“PEA”);</i>					
<i>* Hawiah assumes preliminary mine modelling for open pit and underground because the MRE has only</i>					
<i>recently been updated. Also includes preliminary debt leverage;</i>					
<i>* Jibal Qutman model is based on the internal PEA, preliminary debt-leverage applied.</i>					

KEFI Gold and Copper plc

KEFI is focused primarily on the development of the Tulu Kapi Gold Project in Ethiopia and its pipeline of highly prospective exploration projects in the Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi will generate cash flows for capital repayments, further exploration and dividends to shareholders.

KEFI Gold and Copper 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's wholly-owned Ethiopian subsidiaries upon commencement of development by TKGM, with a view to adding satellite deposits to development and production plans.

KEFI Gold and Copper 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 31.2% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, and G&M directly hold over 16 Exploration Licence (EL) applications pending the introduction of the new Mining Law. These new regulations have recently been proclaimed and G&M now holds three EL's. ELs are renewable for up to three years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) licence within the area.

In addition, G&M has a Mining Licence Application over the Jibal Qutman Gold Project which recent informal indications by the authorities provide some confidence that the licence will be granted in 2022.