

28 February 2022

KEFI Gold and Copper plc
("KEFI" or the "Company")

Rapid Progress Continues in Saudi Arabia

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, is pleased to announce that exploration and development studies at the KEFI-operated Gold & Minerals Limited ("G&M") Hawiah Copper-Gold Project ("Hawiah") and the contiguous Al Godeyer Exploration Licences ("Al Godeyer") in Saudi Arabia continue to make rapid progress. The development in due course of G&M's rapidly growing projects is intended to be funded as to c.25% by the G&M shareholders (KEFI 30% and ARTAR 70%) and c.75% by project debt-funding. G&M's projects look likely to be developed following construction of the Company's Tulu Kapi Gold Project in Ethiopia, the full launch of which is targeted by mid-2022.

Hawiah

Exploration drilling and trenching at Hawiah has continued following the substantial diamond drilling programmes completed during 2021 and the upgraded Hawiah Mineral Resource Estimate ("MRE") announced on 6 January 2022. Current work streams are focussed on providing data for the Hawiah Preliminary Feasibility Study ("PFS") and include:

- A 3,700m reverse-circulation ("RC") drilling programme which commenced in late January 2022 aimed at upgrading and expanding the oxide portion of the Hawiah MRE to an Indicated Resource category for open pit mine planning;
- A now completed, targeted trenching programme across the Camp and Crossroad Lodes, which enabled the collection of bulk samples of the oxide material which have been dispatched for analysis;
- 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 recently commenced 1,800m geotechnical diamond drilling ("DD") programme; and
- A 1,350m hydrogeological drilling and pump testing programme which is scheduled to start in early March.

Al Godeyer

The two Al Godeyer Exploration Licences ("EL") granted in December 2021 are located immediately west of the Hawiah EL and contains historically recognised and newly identified gossans that crop-out over a 2km strike (see the appended Figure 1). These are considered to be the weathered surface expression of a Volcanic Massive Sulphide ("VMS") deposit, a direct geological analogue of the Hawiah deposit. Initial exploration has focussed on establishing continuity of the main gossans and work in the first two months includes:

- Mapping and rock chip sampling; which has returned gold grades of up to 7.2g/t and copper up to 1.8% within the gossan;
- Completion of the field data collection for the Self-Potential ("SP") geophysical survey;
- Systematic trenching across the mapped gossans with 13 of the planned 28 trenches completed and dispatched for analysis; and
- Planning for the Q2 2022 scout diamond drilling programme.

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

"Our 2022 projects in Saudi Arabia took off two months ago, with the reporting of a significantly expanded and upgraded Mineral Resource Estimate at Hawiah, the granting of the Al Godeyer Exploration Licences and the informal indications from the Saudi Arabian Ministry of Mineral Resources that our Jibal Qutman Gold Project will have its mining licence application processed this year.

“Our field teams have immediately responded and are focussed on achieving our key 2022 objectives in Saudi Arabia of completing the Hawiah Copper-Gold Project PFS, updating Jibal Qutman’s development plans and rapidly hitting the ground at Al Godeyer, where early results indicate significant VMS potential, similar to the copper-gold deposits at Hawiah. Success at Al Godeyer would potentially add substantial value to the development of the Hawiah project.

“VMS deposits typically form in clusters and Al Godeyer is only one of the many VMS prospects in the G&M pipeline of exploration targets.”

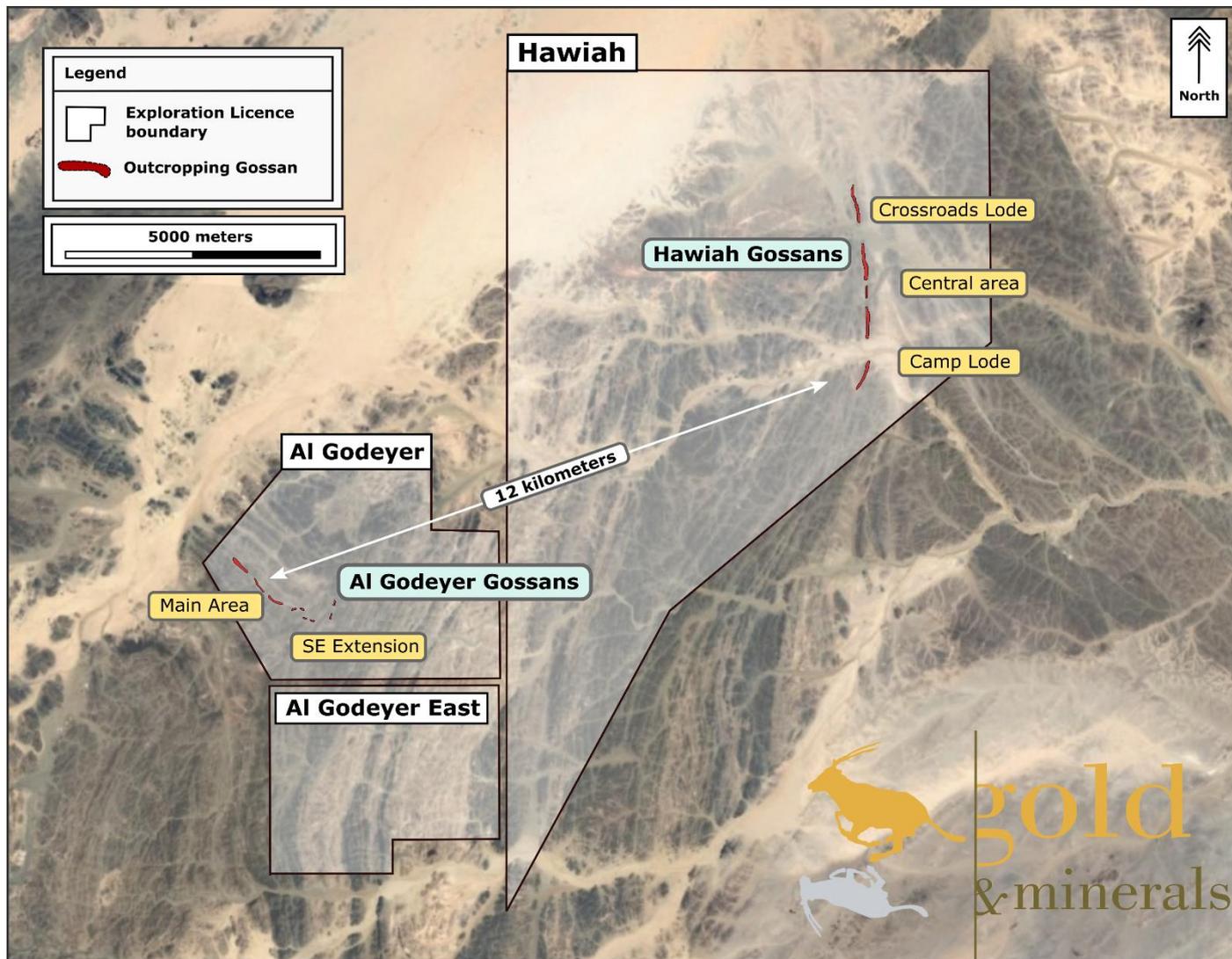


Figure 1 - Location map showing the Hawiah, Al Godeyer and Al Godeyer East exploration licences, as well as the mapped gossan horizons.

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.

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 ("AusIMM"). 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 non-financial matters based on this information in the form and context in which it appears.

The upgraded Hawiah Mineral Resource was announced on 6 January 2022. 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 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.

The following tabular summary presents KEFI's updated estimated share of the project NPV's :

	Tulu Kapi	Hawiah	Jibal Qutman	Total	Issued	Pence
	NPV	NPV	NPV	NPV	Shares	Per
Net Present Value for KEFI						Share
30/06/2020	£114m	0	0	£114m	1,867m	6
31/12/2020	£164m	£80m	0	£244m	2,137m	11
30/06/2021	£205m	£74m	0	£279m	2,153m	13
31/12/2021	£191m	£128m	£29m	£348m	2,939m	12

Footnotes:

Assumed exchange rate was rate US\$1.35:£1.00

31 December 2021 Metal Prices:

Gold Price is US\$1,830/oz

Copper Price is: US\$9,750/t

Zinc Price is US\$3,590/t

Silver Price is US\$23/oz

Explanatory Notes:

** NPV is derived by KEFI using independently created financial models of net cash flows after tax and debt service, using a discount rate of 8%;*

** Tulu Kapi open pit model is based on the Definitive Feasibility Study ("DFS") as updated for any refinements during project contracting and in-country experience;*

** Tulu Kapi underground mine model is based on the internal Preliminary Economic Assessment ("PEA");*

** Hawiah assumes preliminary mine modelling for open pit and underground because the MRE has only recently been updated. Also includes preliminary debt leverage;*

** Jibal Qutman model is based on the internal PEA, preliminary debt-leverage applied.*

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 30% 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 3 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.