

17 May 2021

KEFI Gold and Copper plc

(“KEFI” or the “Company”)

Statement re Press Speculation

KEFI Gold and Copper (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, notes the recent media commentary in Ethiopia regarding an Ethiopian Mines Ministry briefing held on 14 May 2021 at which it is understood reference was made to the cancellation of licences awarded to 27 mining and exploration companies and which included a verbal reference by a ministry official to an intention to issue warning letters to three other companies, including ‘Tulu Kapi Gold Mines’.

Neither KEFI nor its subsidiaries, KEFI Minerals (Ethiopia) Limited and Tulu Kapi Gold Mines Share Company (“TKGM”), nor any of their associate companies, are aware of any breach of any licence conditions and have not received any such warning letter nor had notice of such an intended letter flagged to them formally or informally.

The Directors of KEFI believe they have an especially close working relationship with the Ethiopian Government, which is a shareholder in TKGM at both the Federal and Oromia Regional levels.

Last week, formal meetings of the TKGM shareholders, board of directors and Project task force (comprising senior representatives of TKGM and all involving Ethiopian Government agencies) were held which agreed the tasks and timetable for development of the Company’s Tulu Kapi gold project (“Tulu Kapi” or the “Project”) to commence in the coming months.

It was agreed by all that, in this time of heightened anxiety around arguably the most important democratic elections in Ethiopia’s history (which are scheduled for the end of June 2021), it remains most important for all parties joint focus to remain on reinforcing the collaborative efforts to complete the preparations for Project launch.

KEFI and TKGM are particularly grateful for the Ethiopian Government’s efforts at all levels regarding the jointly-owned Project and its undertakings to complete its requisite final preparations for development to commence. Notwithstanding the obvious distraction of election time, it was agreed last week to upscale security around the Project, endorse KEFI’s historical Project expenditure, confirm KEFI’s exploration licences and confirm the construction schedule for the offsite infrastructure (roads and electricity connection). KEFI acknowledges and appreciates the huge effort required from such busy Government agencies.

All parties involved in the Project are extremely busy closing the financing and development preparations as outlined in the Company’s recent announcements. KEFI consider it a privilege to have the opportunity to play a small part in the overwhelmingly positive transformation that is occurring in Ethiopia and KEFI are extremely proud that our joint KEFI-Ethiopian Government owned Project remains on schedule to launch shortly with the goal of ultimately contributing over US\$250 million per annum to Ethiopia’s export revenues.

KEFI remains focused on completing preparations for full Project launch as soon as possible after the Company’s Annual General Meeting, which will be convened in due course for a date before the end of June 2021.

The Company will make further announcements as appropriate.

Enquiries

KEFI Gold and Copper plc

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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\$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 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.