

4 February 2022

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

Tulu Kapi Gold Project Update and Rescheduling of Investor Webinar

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 provide an update in respect of the Company's Tulu Kapi Gold Project (the "Project" or "Tulu Kapi"), part of the KEFI-operated Ethiopia joint-venture Tulu Kapi Gold Mines Share Company ("TKGM").

Project Update

- Ethiopia's civil war abated at the end of Q4-2021 and its State of Emergency is being lifted
- Security conditions at the Tulu Kapi site, district and transport routes are improving
- The Project finance syndicate remains in place to launch the Project as soon as normal conditions that govern the execution of such a project and its financing are satisfied
- TKGM is in extensive consultations with the Ethiopian Ministry of Mines (the "Ministry"), to provide the assurances being sought to minimise further project delays. Meetings have now been scheduled for next week, including high-level meetings on 7 February 2022
- Operationally our activities continue:
 - this month's Project priorities include reviewing detailed resettlement plans for the affected households with the newly-appointed local government administration and to complete all outstanding documentation with the Ministry and other Government agencies; and
 - in the following few months to finalise documentation for execution whilst, on the ground, finish preparing the new lands for resettling households.
- All parties are acting in good faith to prepare to implement the Project launch. Progress is intended to be quick but will rely on the continued improvement of security and completion of all documentation and other standard confirmations, such as insurance, to the satisfaction of the Ministry and other authorities, the senior lenders and other syndicate members.

Investor Webinar

In light of the unavailability of certain members of the Company's senior management team next week, due to official meetings due to take place in Ethiopia, the Company is postponing the Investor Webinar on the Investor Meet Company platform, which had been scheduled for 7 February 2022. The Company apologises for any inconvenience and will reschedule as soon as possible.

KEFI Executive Chairman, Harry Anagnostaras-Adams, commented:

"We are proud to be continuing to work tirelessly on the ground in Ethiopia, alongside the Tulu Kapi community and the Ethiopian Government to progress the Project. This work has continued throughout the recent challenges, which are now rapidly abating, and we anticipate making further progress in the coming weeks.

“KEFI have exciting projects in both Ethiopia and Saudi Arabia and the minerals sector is taking off in both countries. We have lots of milestones to achieve in 2022 to further de-risk our projects and hopefully to start closing the valuation gap between the stock market price and the underlying fundamentals.”

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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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 NPV	Hawiah NPV	Jibal Qutman NPV	Total NPV	Issued Shares	Pence Per Share
Net Present Value for KEFI						
30/06/2020	£114m	0	0	£114m	1,867m	6
31/12/2020	£164m	£90m	0	£244m	1,876m	13
30/06/2021	£205m	£74m	0	£279m	2,159m	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, 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 TKGGM, 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 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.