

3 December 2019

KEFI Minerals plc
("KEFI" or the "Company")

Hawiah drilling returns grades of 4.2% copper over 6m plus gold, silver and zinc

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 report further encouraging assay results from the drilling programme at the Company's Hawiah Exploration Licence in Saudi Arabia.

New Assay Results Received

- Drillhole **HWD 002** returned 2.6m at 2.5% copper, 0.1% zinc, 1.9g/t gold, 17.8g/t silver from 37.35m (with estimated true width ("ETW") of 2m).
- Drillhole **HWD 003** returned 8.7m at 4.2% copper, 0.2% Zinc 0.7g/t gold, 15.6g/t silver from 38.65m (ETW of 6m).

Drilling has so far targeted the southern 1.5km section of the previously reported 5km long outcropping gossanous ridge and coincident geophysical anomalies. These further encouraging results confirm that Volcanic Massive Sulphide ("VMS") mineralisation is the source and that the mineralisation is comprised of copper, gold, silver and zinc.

The VMS mineralisation is proving to be continuous both along strike and down dip, consistently intersected along the currently drill tested 1.5km long southern portion of the Hawiah ridge. Drillhole HWD 005 has demonstrated that massive sulphide mineralisation continues to a vertical depth of greater than 250m.

Assay Results Pending

Whilst assays have been received for only the first three of the nine drillholes completed to date, the following drillholes have also intersected significant massive sulphide mineralisation:

- **HWD 004** - 1m (ETW 0.65m) massive sulphide from 263.3m and 16.18m (ETW 10.8m) massive sulphide from 267.7m.
- **HWD 005** – 12.5m (ETW 9m) of massive sulphide from 358.5m.
- **HWD 009** – 2.3m (ETW 2m) of massive sulphide from 100.0m and 2.2m (ETW 2m) of massive sulphide from 109.6m.

In all instances, the sulphide mineralisation encountered is composed dominantly of pyrite with veins and disseminations of chalcopyrite (a principal ore for copper).

Holes HWD 006 to HWD 008 were drilled to test for the presence of supergene enriched gold in the upper weathered portion of the ridgeline (oxidised zones). Interpreted zones of oxidised gossan were intersected in drillholes:

- **HWD 006** – from 10.2m to 25.5 (15m with ETW 7m).
- **HWD 007** – from 15.0m to 42.3m (27m with ETW 19m).
- **HWD 008** – from 5.5m to 32.5m (27m with ETW 17m).

As is often the case when drilling the oxide portions of a VMS system, cavities have been encountered in this portion of the system, which in turn impacts drill core recovery. This is typical of

gossan formation and is associated with the supergene weathering processes. The depth of weathering varies from 20m to 40m below surface. Accordingly, as the Company's understanding of the oxide portion of the deposit improves (as the exploration programme progresses) the Company expects to address these hurdles with refined drilling and other sampling techniques.

The footwall and hanging wall rocks surrounding the massive sulphides present with a weak and narrow alteration halo, this coupled with the clastic sulphide textures indicate that the sulphides have been remobilised from a central source by sedimentary processes. This is a classic presentation of the apron areas of VMS deposits which surround the central vent source, which is typically comprised of thicker and higher-grade mineralisation underlain by stockwork vein feeder zones where one typically targets the larger lower-grade parts of a deposit.

Remaining Initial Scout Drilling Programme

The remainder of the 2,500 metre scout diamond drilling programme will continue to test three key target zones:

- near-surface oxidised zone for supergene enriched gold;
- massive sulphides at depth for copper-gold-zinc; and
- stockwork zones for a larger-scale development of copper-gold-zinc.

***Executive Chairman of KEFI, Mr Harry Anagnostaras-Adams, commented:** "Our few drill holes so far are consistently hitting massive sulphide with encouraging base and precious metal content, including +4% copper. These intersections are over both long horizontal and vertical distances. This has been an excellent start to testing what KEFI believes is a large VMS system, which appears potentially analogous to some world class discoveries in the Arabian-Nubian Shield."*

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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Annexure

The Company will provide a more comprehensive report on this scout drilling program in due course when it is more advanced and more meaningful conclusions can be drawn.

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Zn %	Ag g/t	Au g/t
HWD 002	37.35	38.15	0.80	3.78	1.24	38.2	2.10
HWD 002	38.15	39.00	0.85	2.16	1.36	10.8	0.53
HWD 002	39.00	40.00	1.00	1.73	0.82	7.4	0.32

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Zn %	Ag ppm	Au ppm
HWD 003	38.60	39.75	1.1	1.76	0.29	12.3	0.60
HWD 003	39.75	40.50	0.75	2.19	0.29	19.3	0.67
HWD 003	40.50	41.00	0.5	2.35	0.58	12.8	0.61
HWD 003	41.00	42.00	1.0	4.55	0.52	16.5	0.64
HWD 003	42.00	43.00	1.0	8.32	0.22	23.7	0.56
HWD 003	43.00	44.00	1.0	6.61	0.41	21.5	0.61
HWD 003	44.00	45.00	1.0	5.41	2.32	15.3	0.61
HWD 003	45.00	46.00	1.0	4.12	1.67	14.3	0.72
HWD 003	46.00	47.00	1.0	3.01	5.76	7.7	0.72
HWD 003	47.00	47.44	0.44	1.21	3.35	8.4	0.79

Competent Person Statement

The information in this announcement that relates to exploration results is based on information compiled by Mr Jeffrey Rayner. He is exploration adviser to KEFI, the Company's former Managing Director and a Member of the Australian Institute of Geoscientists ("AIG"). Mr Rayner is a geologist with sufficient relevant experience for Group reporting to qualify as a Competent Person as defined in the JORC Code 2012. Mr Rayner consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Notes to Editor**KEFI Minerals 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 Minerals 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 upon commencement of development, with a view to adding satellite deposits to development and production plans.

KEFI Minerals 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 40% interest in G&M and is the operating partner.

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