

30 June 2022

KEFI Gold and Copper plc

("KEFI" or the "Company")

2022 AGM Statement and Board Change

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, is hosting its 2022 Annual General Meeting ("AGM") today at 10.00 a.m. at Marlin Waterloo, Lower Ground Floor, 111 Westminster Bridge Road, Waterloo, London SE1 7HR, United Kingdom. At the AGM, Harry Anagnostaras-Adams, Executive Chairman of the Company, will make the following statement:

"Due to the improvement in the local working environment in both Ethiopia (security) and Saudi Arabia (regulatory) since late 2021, KEFI now has three (not one) advanced projects in two countries. Combined with the recently reported excellent exploration results at Hawiah and Al-Godeyer 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.

It is obvious to anyone that follows us closely that the Company has to work hard to traverse various frontier market risks including still-being-developed regulatory regimes and security challenges. I am pleased to report that your Company has not only maintained its excellent record of safety and tenure management, but we are now very well positioned to emerge over the next few years as a leading explorer-developer-producer in one of world's great minerals regions – the Arabian Nubia Shield.

Every now and then a comment is made by an independent specialist expert that resonates for me and I would like to share one such snippet with you today. A security specialist was recently involved in monitoring and supporting some actions that we took to discretely protect our people on the ground and I would like to take the liberty to share one of that expert's comments. The comment made in the wrap-up report was as follows: 'I appreciate the professionalism and commitment you and your colleagues displayed during the circumstances experienced last week. All the individuals involved barely needed assistance and knew exactly what to do (*and not to do*). I would feel extremely safe if I was an employee of KEFI in Africa.' I share this because I am proud of our team's integrity, dedication and professionalism. Our people in the field work tirelessly and usually below the radar of public recognition. I therefore would like to acknowledge our field teams publicly to our shareholders. And I am referring to our highly driven teams in both Ethiopia and Saudi Arabia as well as our specialists in Cyprus and elsewhere. I am deeply proud of all these teams and, although the share price does not reflect what we have achieved, we have indeed a very strong foundation for value creation here at KEFI – both in the discovered and acquired projects but also in the quality of our people and systems.

We can at last focus on a sequential development path to build a mid-tier mining company with aggregate annual production of 365,000 ounces of gold and gold equivalent, in which KEFI will have a beneficial interest of 187,000 ounces of gold and gold equivalent.

Our reported Mineral Resources provide a solid starting position for our imminent growth. Since mid-2021, total Mineral Resources have increased from 3.9 million to 4.7 million gold-equivalent ounces. KEFI's beneficial interest in the in-situ metal content of our three projects now totals 2.1 million gold-equivalent ounces. KEFI's current market capitalisation of circa £20 million equates only to approximately US\$12 per gold-equivalent ounce which compares very favourably to the prevailing gold price range during 2022 of approximately US\$1,830-2000/ounce.

The underlying intrinsic value of KEFI's assets has increased from December 2020 to December 2021 based on the three projects' NPV (at an 8% discount rate and using 31 December 2021 metal prices). At that same deck of metal prices, NPV per share has grown from 3 pence as at mid-2020 to 7 pence as at mid-2021 and 9 pence as at mid-2022 (calculated on the shares in issue today).

The growth in underlying intrinsic value is due to our progress in Saudi Arabia in particular – at the Hawiah Copper-Gold Project and the Jibal Qutman Gold Project. These statistics are merely illustrative indicators, but the same pattern emerges whether one assumes prevailing metal prices or analysts' consensus forecast metal prices.

Our operating alliances are with the following strong organisations:

- Partners:
 - in Saudi Arabia: Abdul Rahman Saad Al Rashid and Sons Ltd (“ARTAR”)
 - in Ethiopia:
 - Federal Government of the Democratic Republic of Ethiopia
 - Oromia Regional Government
- Principal contractor for process plants in both Ethiopia and Saudi Arabia: Lycopodium Ltd (“Lycopodium”).
- Senior project finance lenders for Tulu Kapi:
 - East African Trade and Development Bank Ltd (“TDB”)
 - African Finance Corporation Limited (“AFC”)

Ethiopia - Tulu Kapi

Until a few years ago, Ethiopia had been one of the world's top 10 growth countries for nearly 20 years and now, having overcome its recent security issues, is demonstrating a clear determination to expedite economic recovery and pursue 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, the Government is determined to build a modern minerals sector.

There is significant potential to increase Tulu Kapi's current Ore Reserves of 1.05 million ounces of gold and Mineral Resources of 1.7 million ounces. Economic projections for the Tulu Kapi open pit indicate the following returns assuming a gold price of US\$1,591/ounce:

- Average EBITDA of \$100 million per annum (KEFI's now planned c. 70% interest being c. \$70 million);
- All-in Sustaining Costs (“AISC”) of US\$826/ounce, (note that royalty costs increase with the gold price); and

- All-in Costs (“AIC”) of US\$1,048/ounce.

The assumptions underlying these projections are detailed in the footnotes to the table on page 21 of the Annual Report.

We reactivated Tulu Kapi project launch preparations in early 2022. Ethiopia’s Ministry of Mines has recently been formally advised that progress is on schedule to launch in Q4 this year with the dry season, if the security situation is satisfactory and if the few remaining regulatory administrative tasks are also completed punctually.

Saudi Arabia – Jibal Qutman

Jibal Qutman was KEFI’s first discovery in Saudi Arabia with Mineral Resources in excess of 700,000 ounce of gold.

As a result of a new regulatory system and indications from the Saudi Arabia’s Government that the Mining Licence would progress in 2022, development planning studies have recommenced at Jibal Qutman.

The current gold price is considerably higher than the US\$1,200/ounce used in 2015 when the Company lodged its initial Mining Licence application. Another key change is that several alternative processing options are likely to have become more attractive since 2015.

Several consultants have recently been engaged to evaluate processing options for Jibal Qutman and update elements of the Mining Licence application. This work includes open-pit design and scheduling, metallurgy, processing options and updating the Environmental and Social Impact Assessment.

Saudi Arabia – Hawiah

Hawiah was discovered in September 2019 and now ranks in the:

- top three base metal projects in Saudi Arabia; and
- top 15% VMS projects worldwide.

A three-year 42,000m drilling program has delineated a Mineral Resource of 24.9 million tonnes at 0.90% copper, 0.85% zinc, 0.62g/t gold and 9.8g/t silver. As a scale-comparison with Tulu Kapi, 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 of gold.

The team is progressing at great speed on this exciting project which is located close to major infrastructure. We are working towards completing a Preliminary Feasibility Study (“PFS”) and an updated Mineral Resource in late 2022.

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.

Conclusion

KEFI is preparing to develop the Tulu Kapi Gold Project, advancing development studies on the Jibal Qutman Gold Project, progressing the PFS for the Hawiah Copper-Gold Project and testing exploration targets in Ethiopia and Saudi Arabia.

Simultaneous with the triggering of full development at Tulu Kapi, we intend to re-commence exploration programs in Ethiopia and expand our exploration program in Saudi Arabia. In Ethiopia, the initial focus will be underneath the planned open pit where we already have established an initial resource for underground mining at an average grade of 5.7g/t gold. We also intend to follow-up drilling which indicated good potential for nearby gold deposits in the Tulu Kapi District. In Saudi Arabia, further drilling is in progress at Hawiah and the adjacent Al Godeyer prospect.

Along with my fellow Directors, I am very sensitive to the need to generate returns on investment. It is frustrating and disappointing that the pandemic and the geopolitics of both Ethiopia and Saudi Arabia has retarded our progress in recent years and we have been unable to achieve targeted progress. However, our operating environment has turned for the better in both countries and we can now progress on all fronts.

By emphasising conventional project-level development financing, we seek to alleviate the past responsibility of KEFI shareholders to provide all funding and therefore more than 80% of the development capital is planned to be contributed by our partners and other syndicate parties. However, exploration and other pre-development funding will continue to rely exclusively on equity funding by KEFI and its in-country partners.

The Directors expect that as milestones are achieved, the Company's share price should naturally narrow the gap between the Company's market capitalisation and what we believe to be the significantly higher fundamental valuations of the Company's projects using conventional measures such as NPV.

We are indeed at an opportune moment, created by our team's hard work, your support as shareholders and the serendipity of markets strengthening as we launch our projects. The Directors are deeply appreciative of all personnel's tenacity and steadfast dedication and of the support the Company receives from shareholders and other stakeholders.

Lastly, I would like to inform shareholders of the retirement as at the close of today's AGM of our longest serving independent Director, Ambassador Norman Ling. Norman has been a great counsel to the Board and management of KEFI, being an especially experienced diplomat in Africa and Ethiopia in particular. Unfortunately, Norman and Selma Ling could not make it to today's meeting as planned because of family bereavement. I extend to them our deepest condolences and gratitude for years of support and service to KEFI."

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