

13 August 2020

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

AGM Statement

KEFI Minerals (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, announces that at today's Annual General Meeting ("AGM") of the Company, Executive Chairman Harry Anagnostaras-Adams will make the following statement:

"Welcome to the AGM of our Company, at which we propose to rename it from KEFI Minerals PLC to KEFI Gold and Copper PLC.

KEFI's patience and tenacity has established our position at the forefront of the gold and copper sector in one of the world's great under-developed minerals provinces – the Arabian-Nubian Shield ("ANS"). Over the past year KEFI has continued to advance the Tulu Kapi Gold Project (the "Project" or "Tulu Kapi") toward development in Ethiopia and has discovered a copper-zinc-gold-silver deposit (predominantly copper-gold) at Hawiah in Saudi Arabia.

Our proposed new name communicates our mission more clearly and recognises our now-established position in gold and copper through the discoveries and acquisitions we have made.

The investment opportunity presented by our strong pipeline of gold development projects has become even more attractive with the recent gold price surge to more than US\$2,000/ounce.

Tulu Kapi gold production is forecast to be 140,000 ounces per annum at an All-in Sustaining Cost of c. US\$800-900 per ounce over the initial seven years of mining the open pit. Based on the current Tulu Kapi Mineral Resource, there is further potential for an underground mine to add additional gold production of c. 50,000 ounces per annum. The orebody remains open at depth and KEFI also has a portfolio of identified gold exploration targets in the Tulu Kapi district. We have previously reported the potential for 3 million ounces around Tulu Kapi.

KEFI shareholders have further gold exposure via the advanced Jibal Qutman Gold Project in Saudi Arabia. Studies have demonstrated the potential for a low capex and low operating cost gold operation producing c. 140,000 ounces over an initial mine life of four to five years from the maiden Jibal Qutman Mineral Resource, from the oxide ore at surface, without including the deeper sulphides and of course without including the untested further potential.

Copper has now become an important part of KEFI's portfolio with the successful drilling of the Hawiah copper-zinc-gold-silver deposit over the past year. Despite a number of challenges brought on by the COVID-19 pandemic, our team will very soon deliver an initial Mineral Resource for Hawiah - less than a year after drilling commenced.

A Preliminary Economic Assessment (“PEA”) for Hawiah is also advancing well and should be completed in September, setting out our preliminary thoughts on initial production parameters based on the maiden resource. This would be a good starting position after only 9 months of drilling, and obviously we would need to complete the follow-up drilling and feasibility studies to fully define the scope of the project.

It is notable that both Ethiopia and Saudi Arabia have prioritised development of the mining sector and the relatively new leaders of both countries are implementing reforms to further develop and open up their societies and economies.

KEFI welcomes the approval by the Saudi Arabian Cabinet in June 2020 of a new Mining Investment Law which is aimed at boosting the country’s mining industry and is part of Saudi Arabia’s plan to diversify its economy away from hydrocarbons. The Company also welcomes the expanded role of the Saudi Investment Development Fund specifically to support mining project finance.

As KEFI Minerals has been preparing to develop Tulu Kapi in Ethiopia and potentially Hawiah and Jibal Qutman in Saudi Arabia, the Company’s senior management team has been expanded with the appointments of the following individuals to the senior team alongside the Executive Chairman and Finance Director. The Company’s Executive Committee comprises the following individuals, who are assigned as required to the project joint venture companies:

- **Harry Anagnostaras-Adams, Executive Chairman** – KEFI’s founder assumed executive duties in 2014 and has held leadership roles for decades in companies which made successful discoveries, acquisitions and developments, internationally and in Australia where he also served as Deputy Chairman of the Australian Gold Council;
- **John Leach, Finance Director** – a founding director who assumed executive duties in 2016, having had over 30 years’ experience in senior financial and executive director positions within the mining industry internationally;
- **David Munro, Operations** – assumed executive duties in 2017. Mining engineer who previously was Managing Director of Billiton BV and President Strategy and Development of BHP Billiton;
- **Eddy Solbrandt, Systems** – assumed executive duties in 2017. Founder of GPR Dehler, an independent, international management consultancy which specialises productivity improvement for mining companies worldwide;
- **Brian Hosking, Exploration and Technical Planning** – assumed executive duties in 2017. Originally a geologist, he founded Meyer Hosking and has also focussed on human resources for the mining industry; and
- **Norman Green, Head of Projects** – assumed executive duties in 2019. Founder of Green Team International, a longstanding project construction management consultancy to the extractive industries.

Wayne Nicoletto who is Managing Director, Ethiopia – a metallurgical engineer who has led the start-up and operation of mines in Africa and elsewhere over many years. Appointments have also been made within the team under Wayne, including Project Manager, AK Roux, Senior Site Services Manager, Pete Smith, Government Relations Head, Dr Kebede Belete, Chief Financial Officer, Theron Brand, and others in our social licence and project teams. Liaising between lenders and certain other third parties and KEFI’s operations, finance and corporate teams is Rob Williams, General Manager Corporate, who has served as project

manager for mining majors, mining juniors and international mining consultancies.

I greatly appreciate the support of this team, the high quality of which reflects the scale of the opportunity we see ahead for KEFI and for the local partners we serve in each jurisdiction, the Federal and Regional Government in Ethiopia and major industrial group ARTAR in the Kingdom of Saudi Arabia.

RAB Capital recently became the largest shareholder in KEFI. We welcome Adam Taylor as RAB Capital's nominee to KEFI's Board of Directors.

KEFI remains focused on the preparations and subsequent completion of the outlined finance milestones to ensure the closing of full Project funding in October 2020 and for gold production to commence in 2022, in line with recent guidance. This month we focus on finalisation of the detailed terms sheets with the preferred provider of subordinated debt/offtake-linked finance, likewise for the Project equity.

The current price provides compelling economics for KEFI's projects and, in my view, gold prices could continue to increase as interest rates remain low as monetary expansion and government debt continues to rise globally.

The spot gold price is currently more than US\$800/oz higher than our Ore Reserves assumption of US\$1,098/oz and US\$600/oz higher than our base case assumption of US\$1,300/oz used for Tulu Kapi financing plans. Recent industry analysts' consensus forecasts seem to be for a new base case of US\$1,500 with upside beyond US\$2,000/oz.

As announced on 19 June 2020, the strong Project fundamentals are summarised below at different gold prices, based on the 2020 Tulu Kapi Plan for the open pit added to that of the PEA-based NPV of the underground project. NPV's are based on after-debt and after-tax cash flows discounted at 8% from the viewpoint of KEFI shareholders as at today.

Tulu Kapi Gold Project	Assumed Long-Term Gold Price		
	US\$1,400/oz	US\$1,700/oz	US\$2,000/oz
IRR for Open Pit Only	29%	52%	70%
All-in Sustaining Costs ("AISC") – USD/oz	856	877	898
All-in Costs ("AIC") – USD/oz	1,066	1,087	1,108
Average EBITDA for 100% of Project (USD Millions)	79	111	148
NPV's for 100% of Project			
USD Millions	236	422	607
GBP Millions	189	337	485
NPV's for KEFI 45-70% of Project			
USD Millions	105-165	190-295	273-425
GBP Millions	85-132	152-236	218-340

These illustrative NPV's are shown for 100% of the Project and for KEFI's assumed 45-70% beneficial interest i.e. the previous base case beneficial interest of 45% is now redundant and will be higher. We now target up to 70%.

The value-indicators set out above with ranges of £85-340 million exclude KEFI's two other advanced projects - Hawiah (copper-gold) and Jibal Qutman (gold) projects in Saudi Arabia and compare favourably with the Company's current market capitalisation of approximately £35 million.

As announced on 1 July 2020, based on discussions and proposals received to date from specialist mining financiers and Ethiopian investors, Project company, Tulu Kapi Gold Mining Share Company ("TKGM"), is now also seeking to potentially reduce the number of shares it issues to any third party by increasing the amount of funds raised by TKGM from specialist mining financiers in other acceptable forms, and by doing so, increasing existing TKGM shareholders' ultimate beneficial interest in TKGM. This would have the effect of increasing KEFI's beneficial interest in TKGM.

Along with fellow Directors and Management, I strongly believe that we now have the opportunity to advance and excel in what will be a rebound for our sector and our locations. This targeted success will have resulted from your support and the Company's caution, focus and tenacity. Now should be opportune to develop our first operation and for KEFI to also go onto the front foot in both Ethiopia and Saudi Arabia for growth from exploration.

KEFI was until recently a grass roots explorer, but is now an explorer, developer and operator of mining joint ventures for influential and financially strong local partners in the Arabian-Nubian Shield, in both Ethiopia and in Saudi Arabia, along with leading African project contractors, and development and operating management.

We have much to do to reward our shareholders for their confidence, support and patience for which we are deeply grateful and respectful. It gives me more than a little pleasure to be able to hold this meeting in Sydney, my hometown, and also to pay tribute to the large number of Australian shareholders we absorbed into KEFI from the previous owner of the Tulu Kapi Gold Project. Over US\$60 million has so far been invested by our now-combined shareholders and it is great that the Project is finally coming to life after a fifteen year gestation period; and doing so at a very exciting time for the gold industry, the country of Ethiopia and for KEFI."

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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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 34% 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.

Further information is available at www.kefi-minerals.com