

15 June 2022

KEFI Gold and Copper plc

("KEFI" or the "Company")

Ethiopia Development Update

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 for the Company's Tulu Kapi Gold Mines Share Company ("TKGM") joint venture project in Ethiopia.

Progress in Ethiopia over the past month has remained on track, with further advancement on the multi-party project financing activities and the early development works. We have kept the Ethiopian Ministry of Mines (the "Ministry") informed to ensure that the procedure is satisfactory to demonstrate good faith and progress that is as fast as reasonably possible. KEFI has maintained the full funding syndicate for the Tulu Kapi Gold Project ("Tulu Kapi" or the "Project") and the plan is to:

- Sign the funding 'Umbrella Agreement' during June 2022 to demonstrate the full funding commitment, in particular to the Ministry
- Evidence the full funding capacity of each syndicate member to the Ministry
- Clearly set out any outstanding conditions for execution of the underlying definitive agreements between the respective individual counterparties to the Umbrella Agreement
- Trigger full Project construction in the Ethiopian dry season starting in October 2022
- Execute the underlying detailed funding agreements with each of the individual counterparties to the Umbrella Agreement upon demonstration of requisite progress as regards the satisfaction of the few remaining conditions precedent, which themselves are internationally standard for a transaction of this nature and include:
 - security protection on transport routes as well as at the Project sites;
 - insurance policies;
 - registration of mortgages and direct agreements between the banks and Government; and
 - the remaining few Government tasks, including confirming security arrangements and confirmations of various other Project matters and protections for the banks, such as registration of historical costs, exploration rights in the areas worked by KEFI and from within which the Tulu Kapi mine development was successfully planned, details of international bank accounts for clearing development and operational fund flows as approved by the central bank and confirmation the two lending banks have the same terms of engagement.

Project activities undertaken in the last month included:

- Receiving a final pricing proposal from the mining contractor, which is being reviewed;
- Commissioning further refinements of the process plant construction contract and pricing. Current supply chain strains internationally warrant intensified due diligence on this matter;
- Collaborating with the local Government authorities to implement the first stage of resettlement and compensation under the agreed protocols as per World Bank IFC Performance Standards;
- A multitude of community and local-authority engagement meetings;

- Presentation at the Mine Africa forum in Toronto to promote Ethiopia for mining development (the presentation will be available on the KEFI website: <https://www.kefi-minerals.com>)

Harry Anagnostaras-Adams, Executive Chairman of KEFI, commented:

“We continue to accelerate activities in preparation for signing the financing syndicate Umbrella Agreement this month, then signing individual definitive agreements over the following few months, enabling full Tulu Kapi construction to commence from the end of the wet season in October 2022.

“KEFI has significant momentum as we progress our three advanced projects in two countries that are now overtly pro-development. These three projects provide the opportunity for the Company to establish itself as a production leader in the Arabian Nubian Shield, having already established itself as an exploration leader with a now-established Mineral Resources of c.4.7 million ounces gold-equivalent in Ethiopia and Saudi Arabia.”

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.

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Notes to Editor

KEFI Gold and Copper PLC

Mission

The mission of KEFI is to discover and acquire economic gold and copper mineralisation and follow through with cost-effective responsible exploration, mine development and production in compliance with local laws and international best practice.

Our geological region of focus is the Arabian-Nubian Shield, due to its outstanding prospectivity for gold and copper.

Our activities provide a strong project pipeline covering the spectrum from our Tulu Kapi Gold Project at the funding stage in Ethiopia, to our Hawiah Copper-Gold and Jibal Qutman Gold Projects at the feasibility study stage in Saudi Arabia, and to walk-up drill targets in both countries.

Since incorporation 16 years ago, KEFI has invested some £72 million in these activities and today the Company sits with advanced projects that have project NPV's that are already multiples of the amount invested. KEFI has a leading position in the two countries that contain the majority of the Arabian-Nubian Shield. We now have three advanced projects in these now strongly pro-development countries and are focused on a sequential mine development path to build a mid-tier mining company over the next few years.

Approach

KEFI was launched in 2006 as a £2.5 million initial public offering ("IPO") on the AIM Market of the London Stock Exchange and was then led by exploration specialists. The 2014 acquisition of the Tulu Kapi Gold Project triggered the appointment of management with track records in developing and operating mines in Africa. KEFI partners with appropriate local organisations, such as Abdul Rahman Saad Al Rashid and Sons Limited ("ARTAR") in the Kingdom of Saudi Arabia in our Gold and Minerals Limited ("G&M") joint venture and with the Federal Government and the Oromia Regional Government in Ethiopia for our TKGM joint venture.

Our community plans are in accordance with the International Finance Corporation (World Bank) Performance Standards and Equator Principles. Operationally, we align with industry specialists such as Lycopodium Limited ("Lycopodium") - our principal process plant contractors in both Ethiopia and Saudi Arabia.

Some elements of Tulu Kapi's development commenced in Q4-2019 and were stalled repeatedly by civil disturbance. These have now re-started and full construction is planned to begin in October 2022 once the local dry season begins. Annual gold production remains projected at 140,000 ounces from the Tulu Kapi open pit to increase to c.190,000 ounces when the underground mine starts up a few years later.

In Saudi Arabia, we now have two development projects in progress after being held up for many years awaiting a regulatory overhaul. We look to develop our Jibal Qutman Gold Project ("Jibal Qutman") and then to follow with the startup of the Hawiah Copper-Gold Project ("Hawiah"). Both projects are now in the feasibility study stage and are projected, between them, to add similar scale of gold-equivalent production to that projected for Tulu Kapi in Ethiopia. Copper will provide the majority of Hawiah's revenue.

We have also registered applications in Saudi Arabia for exploration of prospects selected from our proprietary database, covering four major new project areas and aggregating more than 1,000 square kilometres.

Timing

KEFI's objective is to have three projects in production by 2026 at a net production rate of c.4,000 gold-equivalent ounces (KEFI beneficial interest 200,000 oz gold-equivalent).

The potential net operating cash flow from these projects is currently estimated to exceed £137 million (US\$185 million) per annum. The next few years will be focused on multi-pronged development and exploration during which our cash flow production should commence and escalate.

The operating environment for KEFI has improved considerably in recent times. Since H1-2020, the estimated net present value ("NPV") of our assets has tripled to £348 million (c.9 pence per share, based on today's issued capital) due to exploration and permitting success in Saudi Arabia and an expected greater equity interest in Tulu Kapi. KEFI's current market capitalisation is c.£30 million (at 0.7 pence per share).