

**13 April 2021**

**KEFI Gold and Copper plc**

("KEFI" or the "Company")

**Hawiah Copper-Gold VMS Project Update**

**Positive Phase 3 drilling results**

**Preliminary Feasibility Study Commenced, Targeting to Start Development in 2023**

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 pleased to provide an update on the Company's 34%-owned and operated Hawiah Project in Saudi Arabia ("Hawiah" or the "Project").

**Highlights:**

- A Maiden Mineral Resource Estimate ("MRE") was announced 19 August 2020 for the Volcanic Massive Sulphide deposit at Hawiah, of 19.2 million tonnes at 0.9% copper, 0.8% zinc, 0.6 g/t gold and 10.3g/t silver.
- The just-completed Phase 3 drilling programme has doubled the strike and plunge extension of the Camp Lode structure from the 2020 MRE area, with copper grades increasing down-plunge as anticipated by the geological model.
- The deepest massive sulphide intersection at the Camp Lode at a vertical depth of 590m extends the total plunging strike length of mineralisation to 1.2km from surface, with mineralisation remaining open.
- Drilling at the Crossroads Lode at Hawiah also confirms mineralisation remains open down-dip and down plunge with the current known limits of mineralisation at a vertical depth of only 380m.
- A total of 27 diamond drillholes covering 13,385m was completed in the Phase 3 drilling programme and 13,500m of diamond drilling is planned for the Phase 4 programme which has already been commenced.
- Baseline programmes for the Preliminary Feasibility Study ("PFS") have commenced with a potential lodgement of a mining licence application targeted for mid-2022 and the start of development in 2023.
- An updated MRE is planned to coincide with the completion of the Phase 4 drilling.

**Camp Lode Extension**

The Phase 3 programme has successfully demonstrated the down-plunge continuation of the southward plunging Camp Lode ore body, with the deepest intersection representing a 670m extension from the 2020 MRE area. The increase in copper grade as predicted by the geological model is particularly encouraging.

Highlights from the Phase 3 diamond drilling program include the following drillhole results:

- HWD-074- 10.4m at 1.6% Cu, 1.4% Zn, 0.5g/t Au and 6.3 g/t Ag
- HWD-079 - 9.7m at 1.5% Cu, 1.3% Zn, 0.5 g/t Au and 8.3 g/t Ag
- HWD-082 – 10.0m at 1.8% Cu, 1.6% Zn, 0.5 g/t Au and 11.8 g/t Ag

- HWD-084 - 8.7m at 1.1% Cu, 1.6% Zn, 0.6 g/t Au and 10.1 g/t Ag
- HWD-086 - 9.3m at 1.8% Cu, 0.6% Zn, 0.4 g/t Au and 6.7 g/t Ag
- HWD-092 - 5.5m at 1.6% Cu, 0.53% Zn, 0.3 g/t Au and 6.9 g/t Ag

A full summary of the Phase 3 drill results of the Camp Lode and Crossroads Lode as well as detailed assay and collar information are contained in the appendix to this RNS.

### **Crossroads Lode Extension**

Drilling at the Crossroads Lode has extended the mineralisation 110m deeper than previously explored. This is within the thickest part of the lode which is now defined to a vertical depth of 380m and remains open at depth. Received assay results have returned results in line with the 'up-dip' drillholes in this area. The outstanding drilling results will be announced in due course.

### **Phase 4 drilling and PFS Development**

The success of the early drilling phases has demonstrated that the tonnage and grade at Hawiah are robust enough to warrant moving the Project to the Preliminary Feasibility Study ("PFS") stage.

The already commenced 13,500m 'Phase 4' diamond-drilling programme, coupled with a post-drilling MRE, is intended to upgrade strategic portions of the Hawiah deposit to allow for preliminary mine planning and design as required during a PFS. Drilling will also close the drill-spacing on the recently delineated down-plunge Camp Lode area to allow for Inferred Resource classifications in these zones.

Drilling will also target the high-grade copper 'transition zone' which lies between the oxide and fresh sulphide domains across the Hawiah deposit. This zone lies between depths of 20-50m, with previous drilling returning assay results of more than 5% copper. This zone has only been subject to limited testing and additional drilling will allow for greater understanding of grade distributions within this higher-grade copper zone, which would likely be targeted during the early stages of any mine development.

In preparation for the PFS, the first stages of the environmental monitoring programme and geohydrological studies have been initiated. These programmes will continue in tandem with the rest of the Project development to ensure a baseline is established and all regulatory requirements are met, with the intention being to complete the PFS by Q2 2022, ahead of a mining licence application. The opening round of metallurgical testwork is also progressing well, with initial findings in-line with expectations.

### **Additional Exploration Licences**

The Project team recently welcomed visitors and inspectors from both the [define DMMR] (DMMR) and the local government to the Hawiah site for a successful site overview and Project development meeting.

After receiving positive reports, KEFI remains cautiously optimistic for the granting of additional Exploration Licences in the up-coming months, as per the Kingdom's Vision 2030 strategy. This includes the nearby Al Godeyer exploration licence application located 11km west of the Hawiah camp. Reconnaissance fieldwork by the geological team has confirmed mineralisation along 700m of strike length in this area, in a comparable style and characteristic to the main Hawiah gossans. Initial surface sampling has confirmed gold mineralisation within the gossans, with abundant copper showings also noted.

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

*"The drilling results to date show that the Hawiah deposit remains open at depth and along strike. The recent work programme has sought to quickly 'stretch' some of the extremities of the deposit*

*and as such we are greatly encouraged to see returns of significant intercepts as drilling continues to demonstrate the size and scale of the Hawiah deposit.*

*“I’m especially encouraged by the most southern hole extending the Camp Lode, which has intercepted massive sulphide with estimated true widths of more than 4 metres, which indicates strong potential for the deposit to continue further to the south.*

*“As previously reported, in addition to the deeper drilling being undertaken, targeting a substantial increase in the maiden Hawiah resource, the Phase 4 programme will also include infill drilling with a view to upgrading key areas of the resource to the indicated category so as to warrant mine planning and the estimation of an initial Ore Reserve.*

*“We have triggered a Preliminary Feasibility Study targeting a mining licence application in mid-2022 and potential start to development in 2023, together with further exploration of the surrounding area for a large stockwork zone or ‘feeder zone’ to the massive sulphides, which represents a separate and potentially even larger-scale target.*

*“We look forward to reporting further progress at Hawiah and outcomes of this major drilling programme in due course.”*

## **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.

## **Enquiries**

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## **Competent Person Statement**

The information in this announcement that relates to exploration results and Mineral Resources is based on information compiled by Mr Tomos Bryan, Exploration Manager for Gold & Minerals Limited. Mr Bryan is a member of the Australasian Institute of Mining and Metallurgy (“AusIMM”). Mr Bryan is a geologist with sufficient relevant experience for Company reporting to qualify as a Competent Person as defined in the JORC Code 2012. Mr Bryan consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

The Hawiah Mineral Resource was announced on 19 August 2020. KEFI confirms that it is not aware of any new information or data that materially affects the information in the above releases and that

all material assumptions and technical parameters, underpinning the estimates continue to apply and have not materially changed. KEFI confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

## **Notes to Editor**

### **KEFI Gold and Copper 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 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, together with assembling the full funding consortium and set the conditional terms for the development funding package of c.US\$221 million.

Estimates include gold production of c.190,000oz pa. 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 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 (ELA) 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.

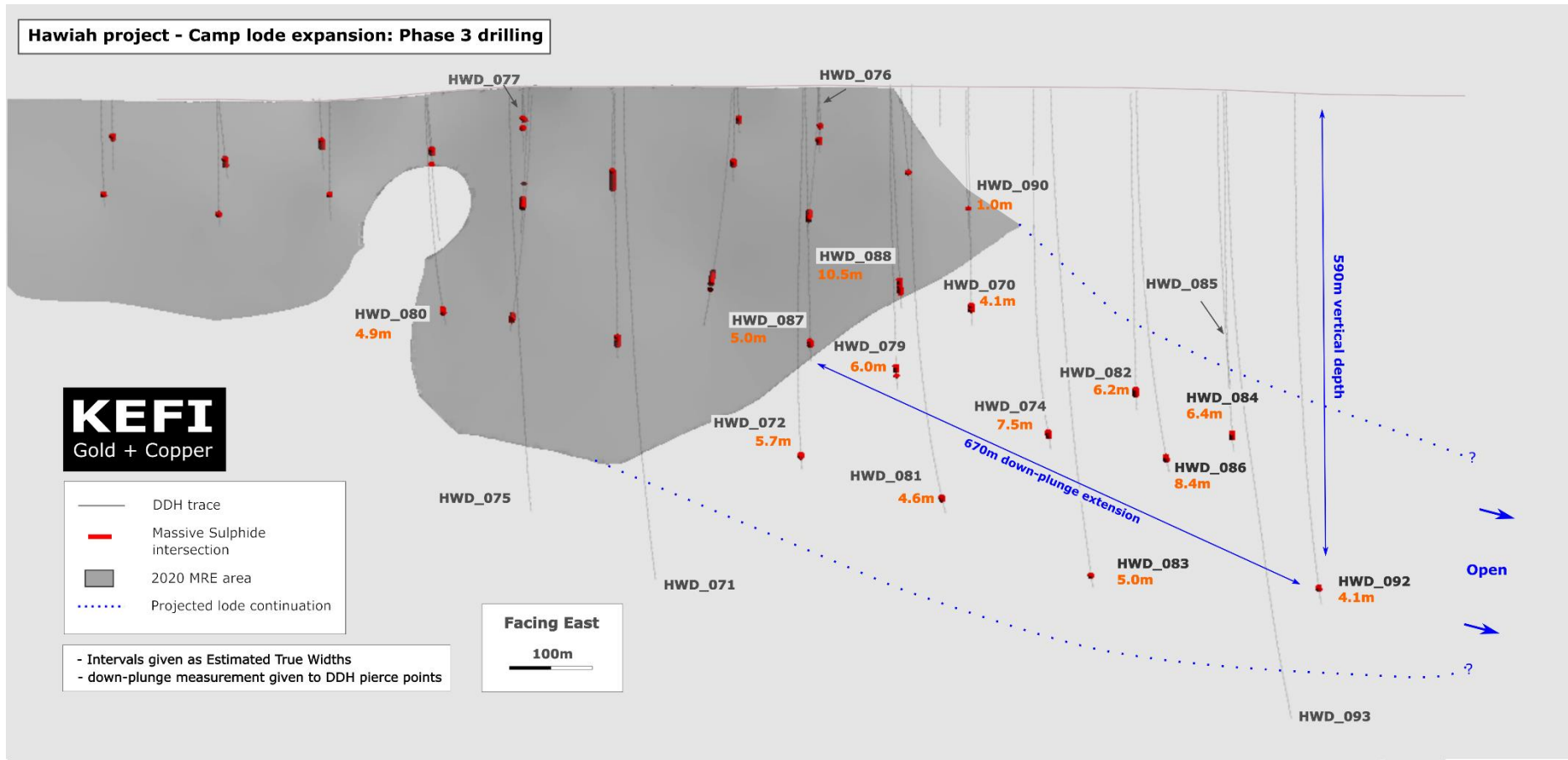
The Kingdom of Saudi Arabia has announced policies to encourage mineral exploration and development, and KEFI Minerals supports this priority by serving as the technical partner within G&M. ARTAR also serves this government policy as the major partner in G&M, which is one of the early movers in the modern resurgence of the Kingdom's minerals sector.

**Appendix: Table 2 - Assay and collar information – Phase 3 drilling.**

Hole ID	Easting	Northing	RL	Total Depth (m)	From (m)	To (m)	Downhole Interval (m)	Estimated true width (m)	Cu %	Zn %	Au g/t	Ag g/t	Mineralisation style
HWD_070	740779	2338175	1301	583.5	557.4	563.2	5.8	4.1	0.74	0.33	0.27	8.41	Massive sulphide
HWD_071	740707	2338390	1303	779.5	-	-	-		-	-	-	-	No Mineralisation
HWD_072	740905	2337978	1303	335.5	306.1	316.0	10.0	5.7	0.79	1.53	0.47	8.28	Massive sulphide
HWD_073	740796	2340419	1295	755.6	732.8	733.6	0.8		0.96	0.75	0.65	10.22	Massive sulphide
HWD_074	740752	2337901	1300	533.5	504.3	514.6	10.4	7.5	1.61	1.41	0.47	6.29	Massive sulphide
HWD_075	740859	2338526	1291	598.7	-	-	-		-	-	-	-	No Mineralisation
HWD_076	741102	2338156	1303	74.5	50.2	52.3	2.1	1.5	1.20	0.48	0.72	17.97	Transition
HWD_077	741178	2338510	1297	68	46.3	51.2	4.9	5.4	2.17	0.05	0.33	2.91	Transition
HWD_078	740946	2339154	1290	551.5	-	-	-	-	-	-	-	-	No Mineralisation
HWD_079	740848	2338072	1305	460	409.0	418.7	9.7	6.0	1.49	1.29	0.54	8.26	Massive sulphide
HWD_080	740921	2338627	1290	377.5	351.1	356.8	5.7	4.9	1.34	0.58	0.53	7.13	Massive sulphide
HWD_081	740745	2338046	1306	626.5	599.5	606.0	6.5	4.6	1.24	0.28	0.26	8.83	Massive sulphide
HWD_082	740826	2337785	1295	437.5	407.8	417.8	10.0	6.2	1.8	1.56	0.5	11.78	Massive sulphide
HWD_083	740637	2337881	1301	731.5	708.0	714.9	6.9	5.0	0.91	0.22	0.22	8.66	Massive sulphide
HWD_084	740726	2337675	1297	518.5	489.7	498.4	8.7	6.4	1.14	1.56	0.64	10.14	Massive sulphide
HWD_085	740825	2337682	1293	404.5	-	-	-	-	-	-	-	-	No Mineralisation
HWD_086	740678	2337778	1299	580.15	552.2	561.5	9.3	8.4	1.8	0.6	0.36	6.69	Massive sulphide
HWD_087	740915	2338173	1302	383.5	355.1	363.5	8.4	5.0	0.7	1.4	1.20	18.99	Massive sulphide
HWD_088	740946	2338072	1303	305.5	265.0	284.1	19.1	10.5	1.1	0.3	0.33	3.44	Massive sulphide
HWD_090	740695	2342246	1286	182.5	161.3	162.9	1.6	1.0	0.7	1.3	1.16	16.72	Massive sulphide
HWD_092	740994	2337981	1299	749.5	721.4	726.8	5.5	4.0	1.6	0.5	0.33	6.94	Massive sulphide
HWD_089	740712	2342132	1285	431.5	398.1	408.4	10.3	7.3	0.86	1.1	0.74	7.43	Massive sulphide
HWD_091	740541	2337592	1296	452.5	424.7	432.3	7.7	5.0	0.55	0.50	0.61	4.96	Massive sulphide
HWD_094	740453	2337673	1299	452.5	428.0	428.6	0.7	0.5	1.47	0.24	0.49	4.6	Massive sulphide

HWD_095	740665	2342375	1288	482.5	454.4	462.8	8.4	6.6	Pending	Pending	Pending	Pending	Massive sulphide
HWD_093	740713	2342014	1283	929.5	-	-	-	-	-	-	-	-	No Mineralisation
HWD_096	741476	2340984	1278	600	-	-	-	-	-	-	-	-	No Mineralisation

Figure 1 – Hawiah Camp Lode southern extension drilling with intercepted massive sulphide thickness shown (Estimated True Widths).



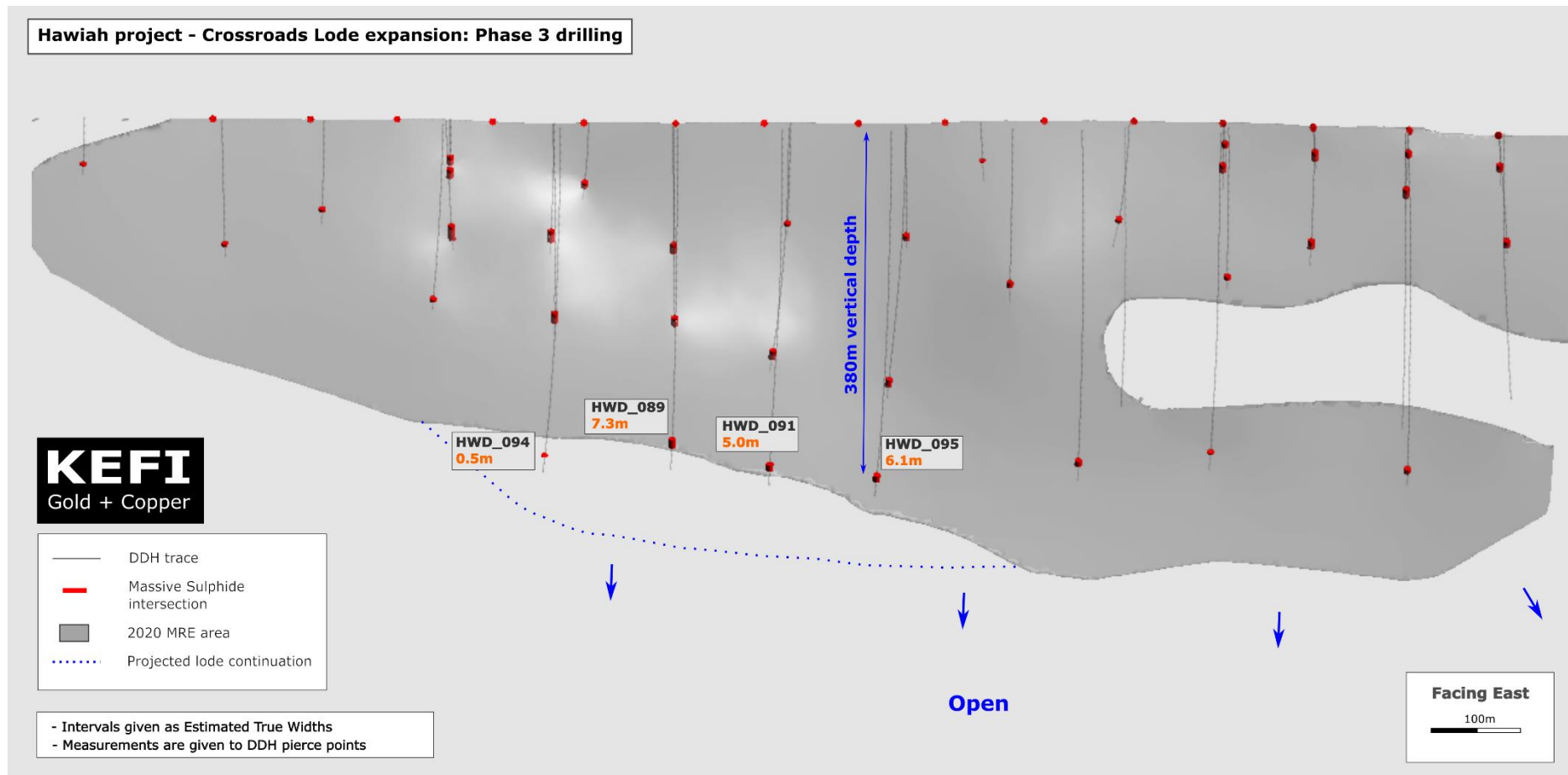
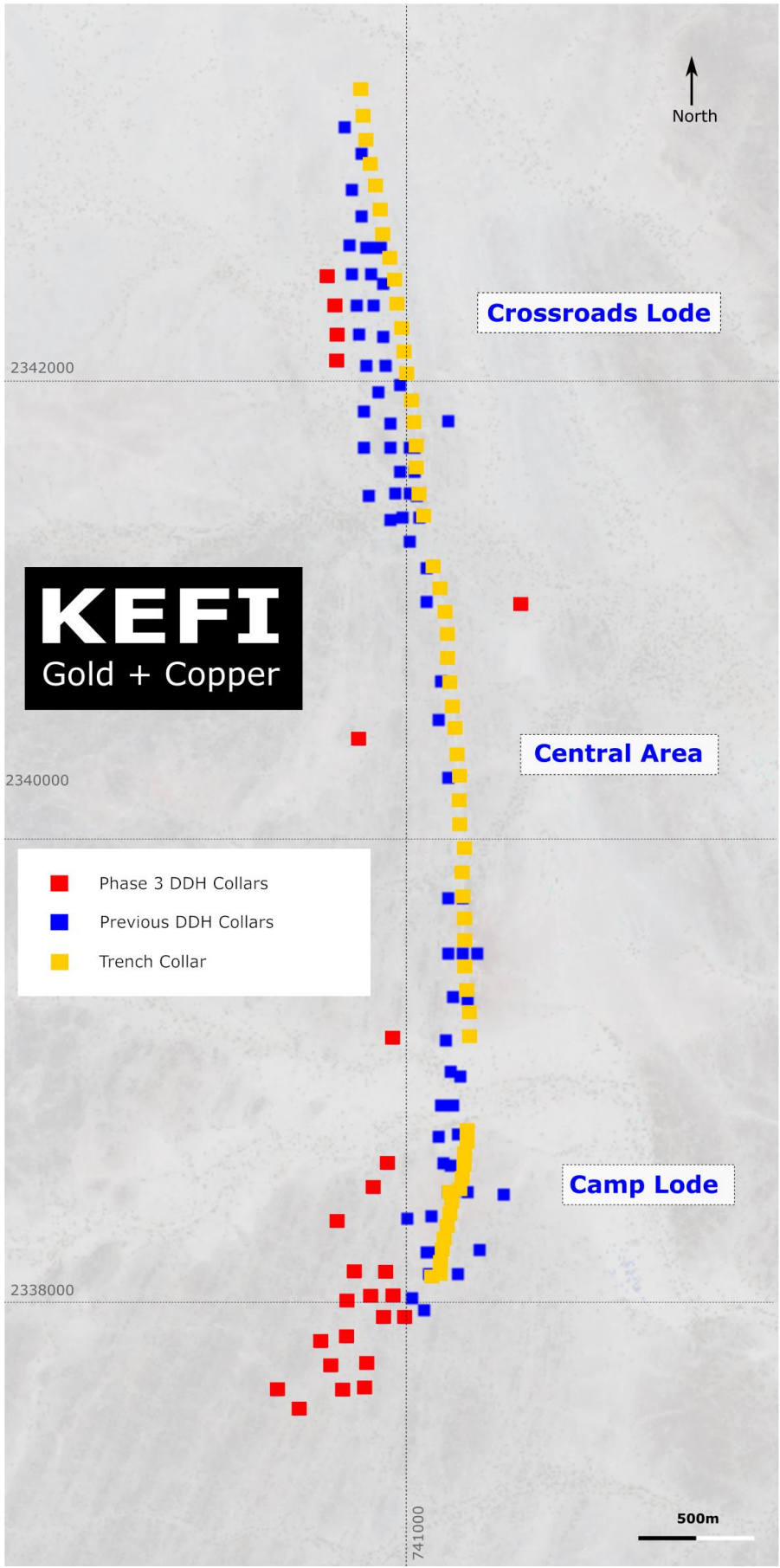


Figure 2 - Hawiah Crossroads Lode extension drilling with intercepted massive sulphide thickness shown (Estimated True Widths).



Crossroads Lode

2342000

**KEFI**  
Gold + Copper

2340000

Central Area

- Phase 3 DDH Collars
- Previous DDH Collars
- Trench Collar

2338000

Camp Lode

741000

500m