

24 August 2021

KEFI Gold and Copper plc

(“KEFI” or the “Company”)

Hawiah Copper-Gold VMS Project Update

Further positive results from 15,500m drilling campaign

Resource upgrade in Q4 2021 with expected increase in grade and tonnage

Preliminary Feasibility Study commenced, targeting 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 status of the Hawiah Copper-Gold VMS Project in Saudi Arabia (“Hawiah” or the “Project”).

Highlights

- Phase 4 of Hawiah’s 2021 drilling programme is nearing completion – approximately 14,000m of 15,500m completed
- Updated Hawiah Mineral Resource Estimate (“MRE”) on track to be reported in Q4 2021
- The upgraded and expanded MRE is likely to enhance Project economics in the Preliminary Feasibility Study (“PFS”) due to higher grade and increased tonnes
- Metallurgical testing, environmental and hydrological programmes are progressing well
- Project work streams on track to achieve KEFI’s target of Hawiah commencing development in 2023

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

“KEFI continues to add significant value to our Hawiah copper-gold-zinc-silver project in Saudi Arabia, where we reported a maiden Mineral Resource Estimate of 19.3 million tonnes at 1.9% copper-equivalent in-situ in August 2020, after starting drilling less than 12 months earlier. At current market prices this represents a current in-situ value of over US\$3bn worth of metal.

“And now another 12 months later, the results indicate we will within a few months be in a position to report a larger resource at higher grade. Recent infill drilling has also better defined the ore lodes and will upgrade a substantial portion of the near-surface Inferred Resources to the Indicated category.

“Our team has also been advancing key work streams for the Preliminary Feasibility Study with metallurgical, environmental and hydrological programmes now well advanced. This work is supporting the assumptions of our 2020 Preliminary Economic Assessment, including that all four primary metals (copper, gold, zinc and silver) will be recovered and contribute to Project revenue.

“An economic project has already been identified, but we are still very much in the early days of defining the full potential of the Hawiah Project. The ore lodes drilled to date remain open and we have yet to locate the ‘feeder zone’ to the massive sulphide lodes, which represents a separate and potentially much larger-scale target.

“With copper prices now more than 30% higher than a year ago, Hawiah continues to increase in value and strongly complements our Tulu Kapi Gold Project in Ethiopia.”

Background

Gold & Minerals Limited ("G&M", 34%-owned and operated by KEFI) commenced drilling at Hawiah in September 2019 and quickly confirmed a large-scale Volcanogenic Massive Sulphide ("VMS") style of mineralisation underlying the outcropping 4.5km long gossanous ridge.

Whilst mineralisation is continuous across the 4.5km strike length, three distinct massive sulphide 'lodes' have been delineated in the north and south of the Project area, representing areas of greater sulphide thickness and containing copper ("Cu"), gold ("Au"), zinc ("Zn") and silver ("Ag") with intercepts of up to 5% copper-equivalent.

A maiden MRE was announced on 19 August 2020 with an initial inferred resource of 19.3Mt at 0.9% Cu, 0.8% Zn, 0.6g/t Au and 10.3g/t Ag.

The key outcomes of the Hawiah Preliminary Economic Assessment ("PEA") announced on 22 September 2020 were:

- Hawiah is a high-priority project, with a significant maiden resource of 19.3Mt at 1.9% copper equivalent in-situ, after only seven months of initial drilling;
- the MRE alone potentially supports a production rate of 2Mt p.a. for seven years for net operating cash flow of c.US\$70 million p.a. at (then) current metal prices. After initial and sustaining capital expenditure (then estimated) of c.US\$222 million and c.US\$46 million respectively, this would indicate an estimated net cash surplus of over US\$200 million before financing costs and tax; and
- clear potential for expansion of resources with further drilling below the currently drilled depth of 350m of this structurally consistent tabular structure.

On 13 April 2021 G&M announced the results of the Phase 3 drilling programme which:

- doubled the strike and plunge extension of the Camp Lode structure from the 2020 MRE area, remaining open and with copper grades increasing down-plunge as anticipated by the geological model; and
- confirmed that the Crossroads Lode also remained open down-dip and down plunge.

Phase 4 Drilling and Updated MRE

The Phase 4 drilling programme is nearing completion with approximately 14,000m of the 15,500m programme having now been drilled. An updated MRE to incorporate Phase 3 and Phase 4 drilling will be initiated on receipt of the final assay results, with the updated MRE expected to be completed during Q4 2021.

Assay highlights from the Phase 4 diamond drilling programme include:

- HWD-097 – 22.9m (14.5m Estimated True Width ("ETW")) at 1.1% Cu, 0.5% Zn, 0.61 g/t Au and 9.2 g/t Ag
- HWD-099 – 19.7m (11m ETW) at 0.7% Cu, 1.4% Zn, 1.54 g/t Au and 14.5 g/t Ag
- HWD-102 – 22.2m (12.2m ETW) at 1.6% Cu, 0.2% Zn, 0.52 g/t Au and 9.0 g/t Ag

- HWD-104 – 10.1m (5.5m ETW) at 1.5% Cu, 0.2 Zn, 0.16 g/t Au, 3.36 g/t Ag
- HWD-106 – 5.7m (4.4m ETW) at 0.9% Cu, 2.4% Zn, 0.71 g/t Au and 10.0 g/t Ag
- HWD-108 – 7.4m (4.7m ETW) at 1.3% Cu, 1.3% Zn, 0.47 g/t Au and 8.6 g/t Ag

All assays received to date for the Phase 4 diamond drilling programme are tabulated in Appendix 1 to this announcement. A long section showing the location of the Camp Lode Phase 4 drill intercepts forms Figure 2 in Appendix 2 and is available through the appended PDF accessible at [RNS to insert link].

The primary focus of the Phase 4 drilling has been to improve the drilling resolution in strategic portions of the Hawiah ore body. This should allow for approximately 10Mt of resources to be upgraded from Inferred to Indicated classification in the upcoming MRE. This will enable mine design and an initial Ore Reserve Statement as part of the PFS.

The updated MRE is also likely to have slightly better average grades as well as a substantial increase in tonnes, primarily relating to 2021 drilling extending the Camp Lode 670m down plunge.

An encouraging case is emerging for a potential +30,000 oz gold heap-leach open-cut operation of oxide material whilst the main Hawiah Project is being developed. This scenario of mining and leaching near-surface gold mineralisation will be evaluated in parallel with the updated MRE.

KEFI has to date referred only to internal PEA-based Project economics published on 22 September 2020 and based on the Maiden MRE.

PFS Preparations

Preparations and supporting works for the PFS remain a key focus for the team with metallurgical testing, environmental and hydrological programmes well advanced.

The 30-man base camp at Hawiah is now fully operational and plans are underway to increase the capacity of this camp.

The metallurgical test work is also well advanced, and a further bulk sample has been sent to independent consultants for pilot plant testing.

An independent environmental baseline scoping study is ready for submission to the Saudi Arabian environmental authorities in preparation for further base line studies as required under the Saudi Arabian Mining Investment Law. At the same time geo-hydrogeological studies are in progress and a consultancy group are on-site performing pump testing on a number of existing boreholes ahead of targeted pump testing and groundwater modelling.

Enquiry documents have been issued to a select group of consultants who KEFI believe are well placed to complete the additional elements required for the completion and sign-off of the PFS. Tender documents will be received by the end of August 2021 with review and final appointments taking place in September 2021.

These supporting works are aimed at ensuring that the Project can continue to be rapidly progressed towards KEFI's target of Hawiah commencing development in late 2023, to complement Tulu Kapi production which is scheduled to have already started.

This work programme will potentially also complement the investment criteria of the Saudi Industrial Development Fund ("SIDF"), which is mandated to prioritise mining with project loans of up to 75% of capital requirements, which may also include the final stages of the exploration process. The combination of Saudi Arabia's relative stability, the availability of domestic capital and KEFI's long-

established joint venture structure, is expected to make the project financing aspects much more straightforward in Saudi Arabia than they are in Ethiopia.

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.

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\$356 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 US\$800-900/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 ("EL") applications currently subject to approval from the various ministries as required under 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 1: Received assay and collar information – Phase 4 drilling

Hole ID	Easting	Northing	RL	Total Depth	From (m)	To (m)	Downhole Interval (m)	Estimated true width (m)	Cu %	Zn %	Au g/t	Ag g/t	Lode / area	Mineralisation style
HWD_097	741093	2338458	1296	182.5	138.9	161.8	22.9	14.5	1.1	0.5	0.61	9.17	Camp Lode	Massive sulphide
HWD_098	741031	2338514	1293	290.5	257.9	270.0	12.1	7.7	1.0	1.3	1.22	20.80	Camp Lode	Massive sulphide
HWD_099	741041	2338455	1295	266.5	227.7	247.4	19.7	11.0	0.7	1.4	1.54	14.54	Camp Lode	Massive sulphide
HWD_100	741089	2338327	1300	158.5	120.6	137.9	17.3	9.8	0.9	0.4	0.43	4.74	Camp Lode	Massive sulphide
HWD_101	741046	2338400	1297	242.1	200.9	219.5	18.6	11.2	1.0	0.5	0.69	7.93	Camp Lode	Massive sulphide
HWD_102	741045	2338335	1298	236.5	191.8	213.9	22.2	12.2	1.6	0.2	0.52	9.00	Camp Lode	Massive sulphide
HWD_103	741037	2338270	1298	245.5	205.5	226.9	21.4	9.6	1.3	0.3	0.32	6.23	Camp Lode	Massive sulphide
HWD_104	741051	2338215	1300	173.5	142.5	152.6	10.1	5.5	1.5	0.2	0.16	3.36	Camp Lode	Massive sulphide
HWD_105	741003	2338337	1297	299.5	273.4	278.7	5.3	4.7	1.1	0.6	0.74	10.47	Camp Lode	Massive sulphide
HWD_106	740995	2338457	1294	329.5	295.2	300.8	5.7	4.4	0.9	2.4	0.71	9.94	Camp Lode	Massive sulphide
HWD_107	741005	2338399	1296	299.5	270.5	278.1	7.6	5.4	1.1	1.3	1.00	12.85	Camp Lode	Massive sulphide
HWD_108	740985	2338055	1302	230.5	203.7	211.2	7.4	4.7	1.3	1.3	0.47	8.59	Camp Lode	Massive sulphide
HWD_109	740983	2341499	1281	80.50	49.4	60.1	10.7	7.3	1.0	0.5	0.4	8.4	Camp Lode	Transition
HWD_111	741138	2338345	1301	167.50	137.68	145.54	7.86	4	1.06	1.65	0.74	14.61	Crossroads Lode	Massive sulphide
HWD_110	741013	2341296	1280	173.50	143.91	151.74	7.83	3.8	0.61	1.87	0.89	13.92	Crossroads Lode	Massive sulphide
HWD_115	740864	2338286	1298	492.6	465.00	473.41	8.41	5	0.9	0.2	0.27	7.49	Camp Lode	Massive sulphide
HWD_116	741192	2338796	1286	128.5	97.90	104.12	6.22	5.75	0.7	2.3	0.53	9.53	Camp Lode	Massive sulphide
HWD_117	741136	2338801	1286	179.5	149.96	150.43	0.47	0.4	1.1	0.5	0.25	8.50	Camp Lode	Massive sulphide
HWD_118	740978	2341601	1286	146.5	118.06	126.28	8.22	5.6	0.5	0.9	0.67	15.29	Crossroads Lode	Massive sulphide
HWD_119	740998	2338110	1302	230.5	198.10	211.68	13.58	8.4	0.9	0.5	0.31	3.54	Camp Lode	Massive sulphide
HWD_120	741017	2341550	1286	100.4	64.20	77.50	13.30	6.4	1.1	1.3	0.98	16.95	Crossroads Lode	Massive sulphide
HWD_121	741064	2341249	1280	82.1	58.57	61.96	3.39	1.9	0.5	1.0	0.82	11.39	Crossroads Lode	Massive sulphide
HWD_122	741047	2338107	1302	149.5	119.00	130.38	11.38	6.2	0.9	1.0	0.44	8.87	Camp Lode	Massive sulphide

HWD_123	741025	2341341	1281	143.3	114.97	122.85	7.88	4.75	0.5	2.1	0.90	11.77	Crossroads Lode	Massive sulphide
HWD_124	740952	2338013	1302	269.1	243.65	248.70	5.05	3.3	1.2	1.2	0.41	9.32	Camp Lode	Massive sulphide
HWD_125	740998	2341745	1293	80.5	54.15	60.32	6.17	3.9	2.3	0.1	0.81	9.84	Crossroads Lode	Transition
HWD_126	740923	2341702	1290	215.5	190.36	196.59	6.23	3	0.9	0.8	0.54	11.63	Crossroads Lode	Massive sulphide
HWD_128	740944	2341596	1284	206.5	179.93	187.60	7.67	3.7	0.4	2.2	1.02	18.93	Crossroads Lode	Massive sulphide
HWD_130	741005	2341446	1281	152.4	108.08	131.66	23.58	10	1.0	0.8	0.52	9.18	Crossroads Lode	Massive sulphide

Appendix 2: Diagrams for Hawiah Project

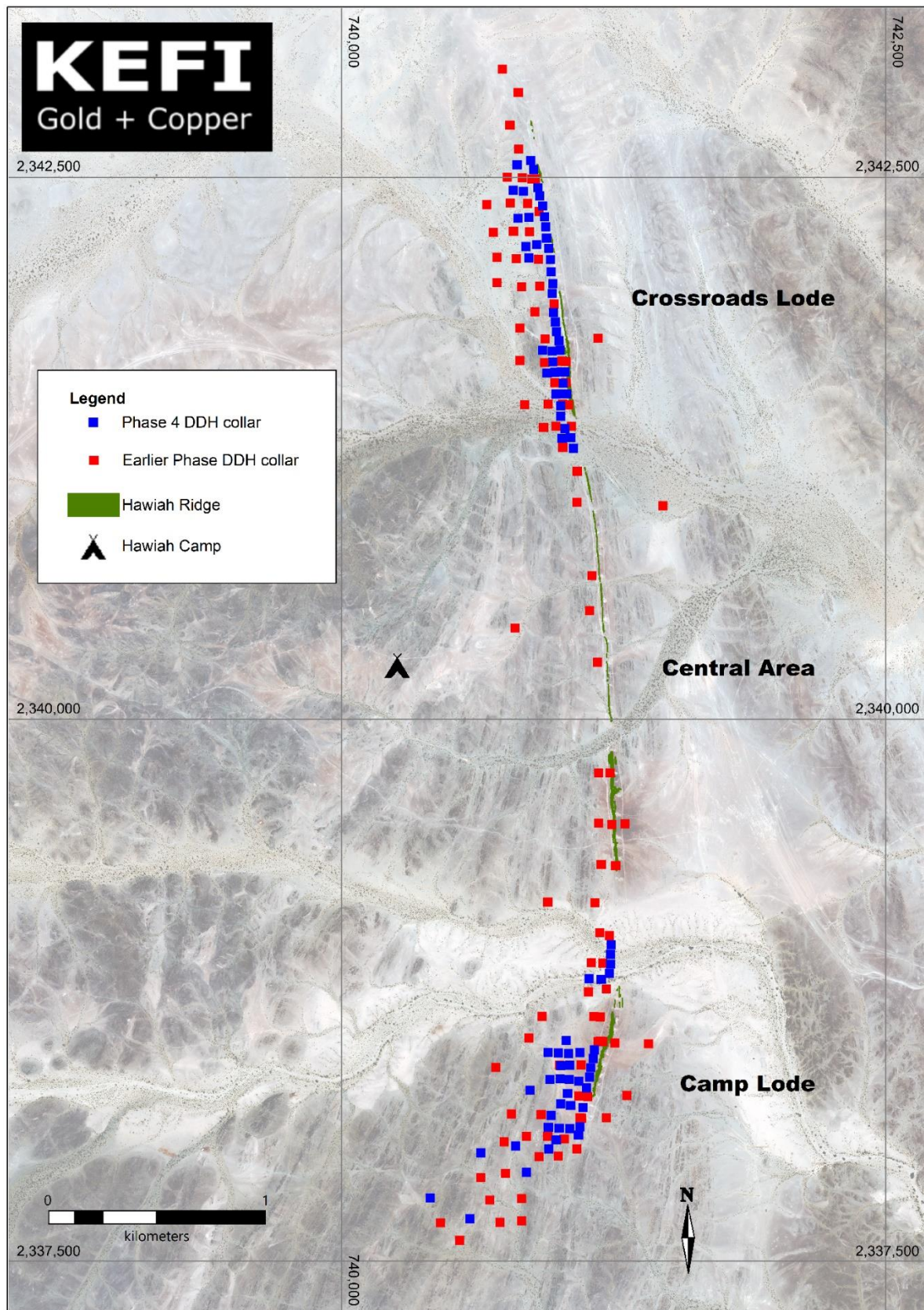


Figure 1 - Plan view of Hawiah Project showing location of diamond drill hole collars

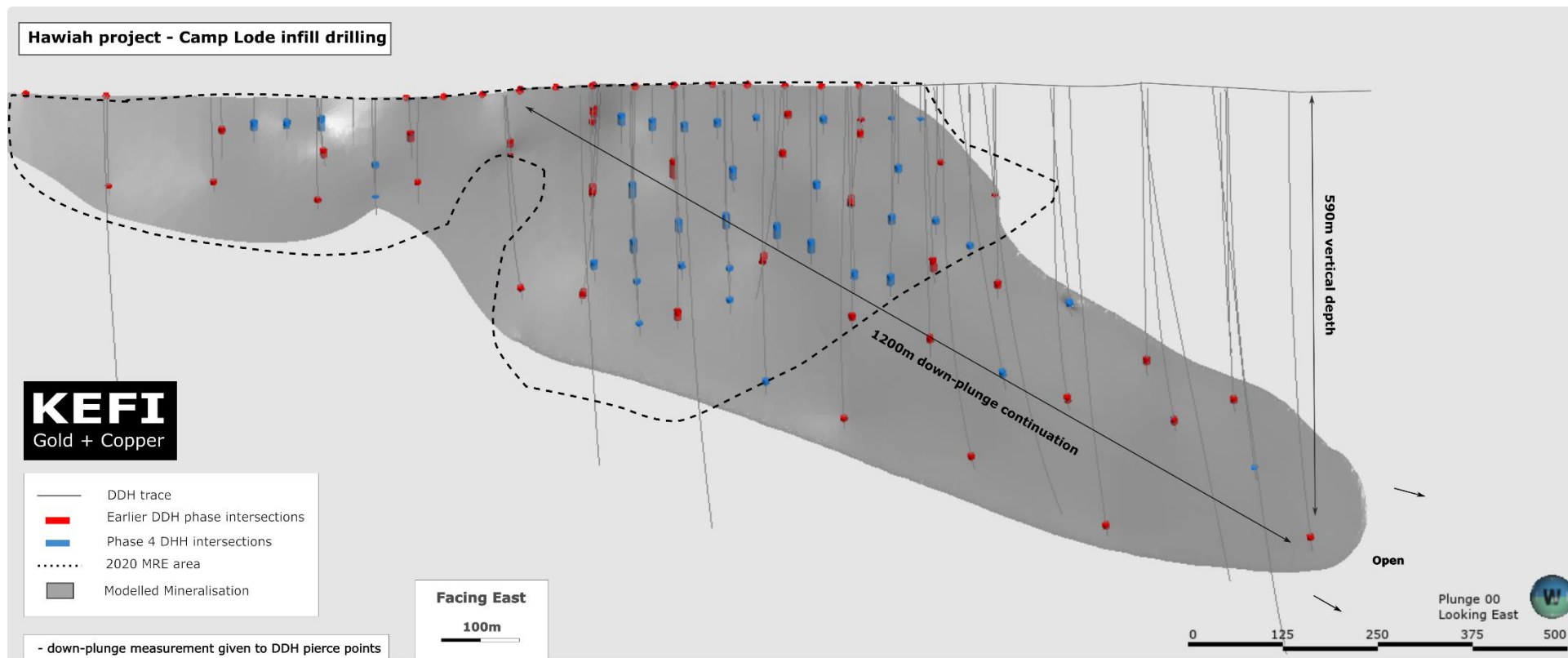


Figure 2 - Long section of the Camp Lode facing east with Phase 4 (blue) and early phase (red) massive sulphide intersections highlighted

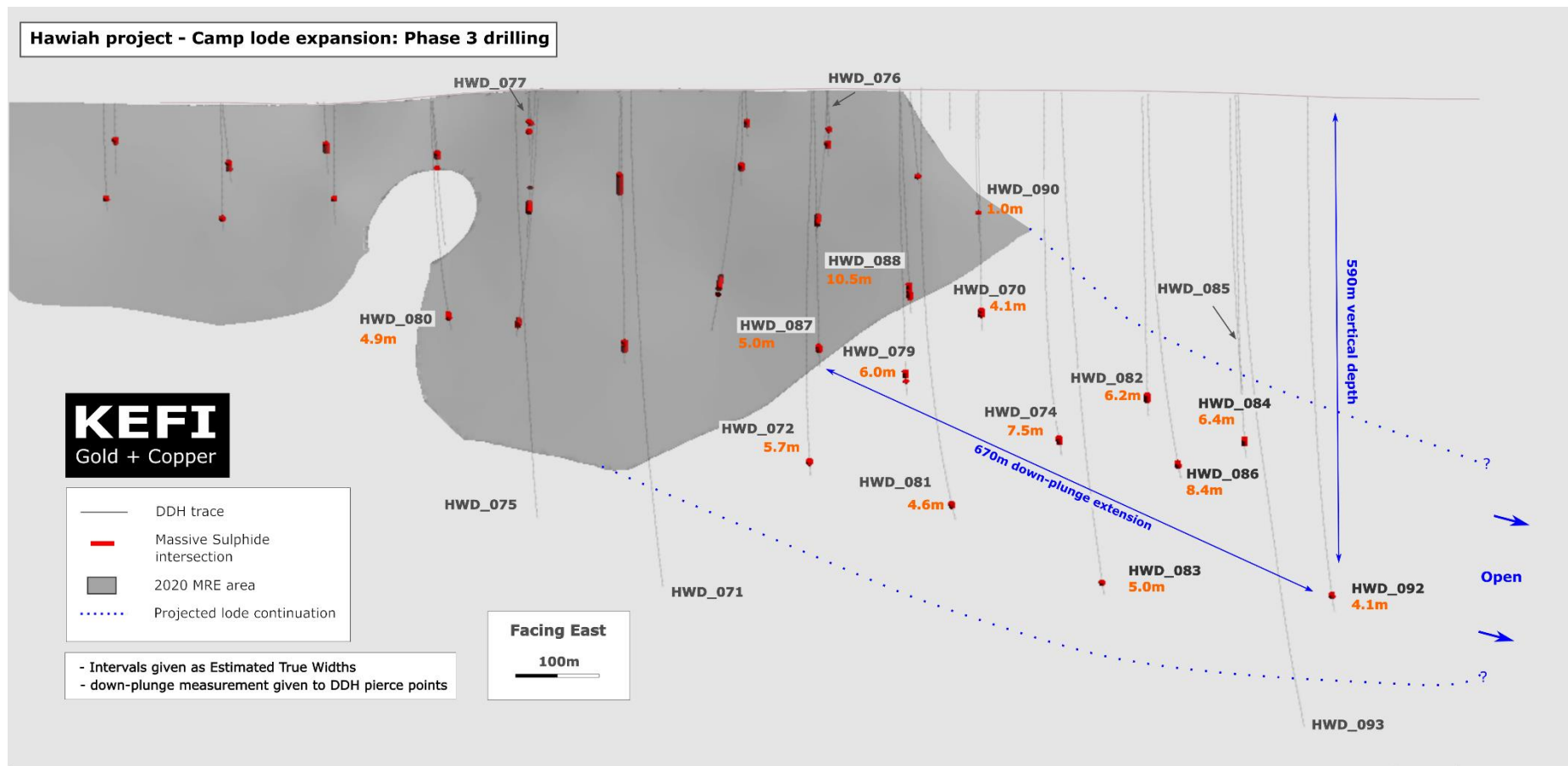


Figure 3 - Long section of the Camp Lode showing Phase 3 drilling that massive sulphide intersections highlighted that extended known mineralisation 670m down plunge

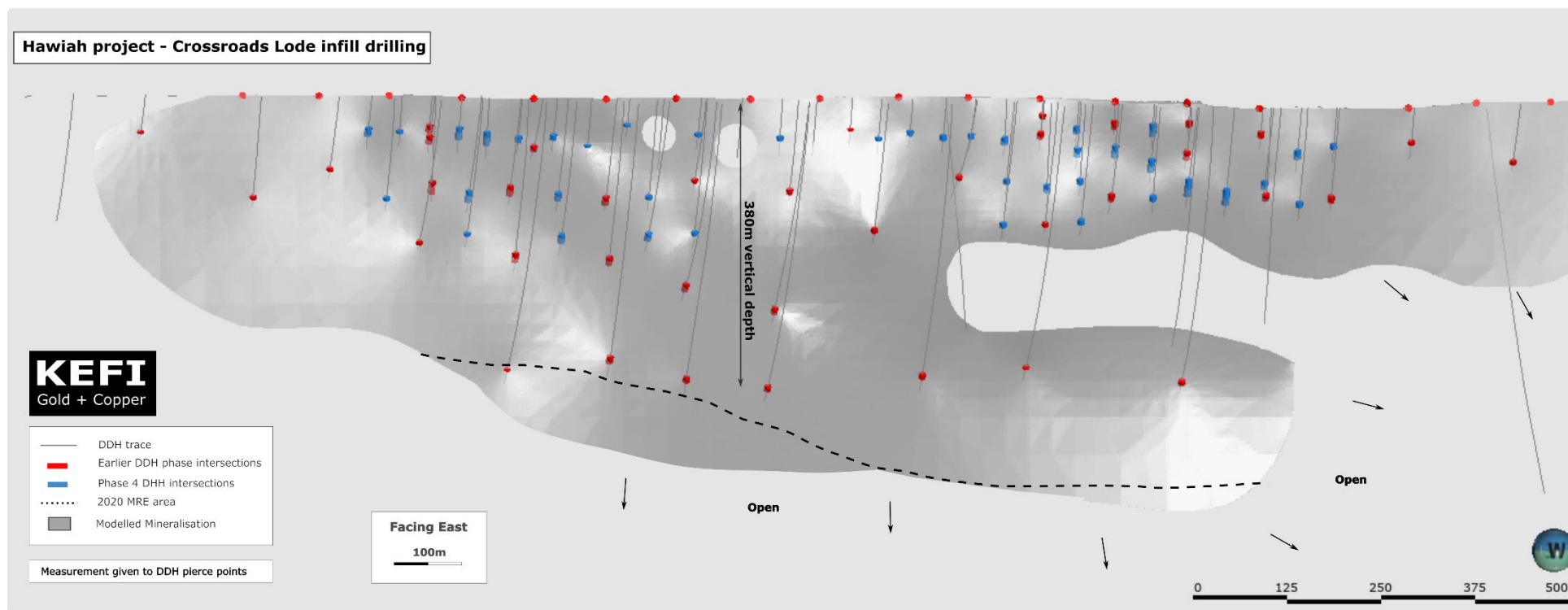


Figure 4 - Long section of the Crossroads Lode facing east with Phase 4 (blue) and early Phase (red) massive sulphide intersections highlighted