

27 February 2020

KEFI Minerals plc

("KEFI" or the "Company")

Hawiah Exploration Project Update

Stage 2 Drilling Intersects Massive Sulphide in All Additional 19 Holes

Three Separate Zones Identified for Potential Mining, Further Targets Remain

Inaugural JORC Resource Targeted mid-2020

KEFI Minerals (AIM: KEFI), the gold 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 ongoing exploration programme at the Company's Hawiah exploration project in Saudi Arabia. KEFI's operations in Saudi Arabia are conducted through its 37% owned joint venture company, Gold and Minerals Co. Limited ("G&M"), where KEFI is the operating partner.

The Stage 1 Hawiah diamond drilling programme completed 26 drillholes in December 2019 and the initial results were announced on 23 January 2020. The results confirm the large-scale Volcanic Massive Sulphide ("VMS") style of mineralisation that underlies the 4km+ long surface gossanous ridgeline and coincident extensive and exceptionally strong geophysical anomalies. Copper-zinc-gold-silver sulphide mineralisation has been intercepted in drilling consistently over more than 4km of strike length, with intercepts of up to 5% Cu equivalent.

The Stage 2 Hawiah drilling programme has to date added a further 19 drillholes, all of which have intercepted massive sulphide and confirms the positive progress towards delineating an initial Mineral Resource in accordance with the JORC Code by mid-2020. Forty-five diamond drillholes have now been completed in total (Stage 1 and Stage 2) and assays have been received for 20 drillholes.

Sufficient drilling has now been completed to identify three separate zones with the following preliminary parameters for potentially mineable lodes, with all zones remaining open at depth:

- The 'Camp Lode': 1.2km long, with an average width of 6m with the widest intersection of 19m found at a depth of 90m. The lode has been drilled to a depth of 300m where 9m of massive sulphide was intersected;
- The 'Crossroads Lode': 700m long, with an average width of 4m with the widest intersection being 8m. This lode has been explored to a maximum depth of 385m where 5m of massive sulphide was intersected; and
- The 'Crossroads Extension Lode': 1,000m long, with average width of 4m with the widest intersection being 12m at a depth of 112m. This part of the orebody is also open at depth and the deepest drillhole of 130m intersected 8m of massive sulphide.

At present the assay results from the massive sulphide intercepts are summarised as follows:

- Camp Lode which provides a preliminary indication that this part of the orebody carries the following grades: Copper 1.4%; Zinc 0.6%; Gold 0.74g/t and Silver 12g/t over average true width of 6.2m.
- Assay results from the Crossroads lodes (including the extension) which so far provide a preliminary indication that this part of the ore body carries the following grades: Copper 1.5%; Zinc 1.12%; Gold 0.77g/t and Silver 14.4g/t over average true width of 4.9m.

The combination of these lodes on the sub-vertical structure drilled to date is considered likely to exceed 12 million tonnes in aggregate based on the results to date. For the purposes of indicating the potential relative importance for KEFI shareholders, at an assumed 2% copper-equivalent, the in-situ metal content of 12 million tonnes at current metal prices would approximate the analogous in-situ metal content of the 1 million ounce reserve at KEFI's Tulu Kapi Gold Project in Ethiopia.

A comprehensive update, including all details of all drillholes will be provided as soon as the majority of assays are received. In addition, the Company will also continue to assess the additional resource potential of Hawiah outside of the current drill programme, given drilling to date is yet to establish the extremities of the mineralisation at depth.

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 is based on information compiled by Mr Jeffrey Rayner. He is exploration adviser to KEFI, the Company's former Managing Director and a Member of the Australian Institute of Geoscientists ("AIG"). Mr Rayner is a geologist with sufficient relevant experience for Group reporting to qualify as a Competent Person as defined in the JORC Code 2012. Mr Rayner consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

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 40% 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.