

12 November 2019

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

**Encouraging copper and gold grades returned from the first Hawiah drill hole
Second and third holes also hit the targeted massive sulphides**

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 report encouraging results at the start of the scout drilling programme at the Company's Hawiah Exploration Licence in Saudi Arabia:

- assay results for the first drill hole have been received and HWD_001 intercepted 15.8 metres of massive sulphide from 150.75 depth (true width 8 metres) at 1.2% copper, 0.51% zinc, 0.51g/t gold and 9.1g/t silver;
- additional holes, HWD_003 and HWD_004, collared on an east-west profile line 250 metres south of HWD_001, have successfully intercepted mineralisation with 8.6 metres width (true width 6.0 metres) from 38 metre depth and 16.2 metres width (true width 11.0 metres) from 267.5 metre depth respectively. Assay results are pending for these holes; and
- HWD_002 targeted the near-surface gold-bearing oxidised zone. Assay results are pending for this hole.

These additional drill intercepts push the extent of the known massive sulphide mineralisation down to a depth of 240 metres below surface. Visual inspection of the drill core in HWD_003 and HWD_004 indicates that sulphide mineralisation presents in a similar fashion to HWD_001.

These early encouraging results represent just the start of the planned 2,500 metre scout drilling programme and confirm that the Volcanic Massive Sulphide ("VMS") mineralisation is the source of the previously reported 5.5km long geophysical anomaly, and that the mineralisation is copper, gold and zinc bearing.

This builds on the previous exploration work that demonstrated that the Hawiah ridgeline is enriched in gold at surface, with potential for copper-gold-zinc at depth. Geophysical surveys identified a strong and continuous anomaly under the ridge that remains open both along strike and down dip.

In due course, the programme will test three key target zones:

- the near-surface oxidised zone for gold;
- the massive sulphide at depth for copper-gold-zinc; and
- the potential stockwork zone for a larger-scale development for copper-gold-zinc.

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, Mineral Resources and Ore Reserves 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

Assay Results

Assay results for zinc are still pending as additional methods of detection are required for material grading higher than 10,000ppm (1%) Zn. The results are presented in Table 1 and a summary is as follows:

- The entire massive sulphide zone grades: at 16m at 1.2% Cu, 0.51% Zn, 0.51g/t Au, 9.1g/t Ag
- The upper zone grades at: 7.7m at 0.4% Cu, 0.75% Zn, 0.76g/t Au, 10.29g/t Ag
- The lower copper zone grades: at 7.8m at 2.05% Cu, 0.3%Zn, 0.3g/t Au, 8.37g/t Ag

Table 1. Simplified geology and assay from HWD_001

Simplified geology	From	To	Cu ppm	Zn ppm	Au g/t	Ag g/t
Greenschist	147	148	58	93	0.01	<0.2
Greenschist	148	149	64	95	0.01	<0.2

Greenschist	149	150	49	81	0.01	<0.2
Greenschist	150	151	818	133	0.17	2.9
Massive sulphide	151	152	1760	2980	0.92	5.9
Massive sulphide	152	153	1990	3000	1.01	6.7
Massive sulphide	153	154	941	>10000	0.96	5.1
Massive sulphide	154	155	2770	>10000	0.47	5.1
Massive sulphide	155	156	12300	>10000	0.55	13.7
Massive sulphide	156	157	0.987	6300	0.8	15.6
Massive sulphide	157	158	4950	8720	0.74	17.2
Massive sulphide	158	158.7	11150	9970	0.53	14.2
Dyke	158.7	159.2	741	647	0.07	2
Massive sulphide	159.2	160	19700	9430	0.41	9
Massive sulphide	160	161	30700	7280	0.41	15.5
Massive sulphide	161	162	21800	3340	0.33	11.5
Massive sulphide	162	163	20500	3890	0.44	9.7
Massive sulphide	163	164	8300	585	0.42	4
Massive sulphide	164	165	21000	192	0.17	6.3
Massive sulphide	165	166	28100	155	0.17	7.8
Massive sulphide	166	167	13600	383	0.04	3.3
Greenschist	167	168	126	82	0.01	<0.2
Greenschist	168	169	180	83	0.01	<0.2
Greenschist	169	170	104	66	0.01	<0.2
Greenschist	170	171	37	85	0.01	<0.2

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.