

23 October 2019

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

First Hawiah drill hole hits 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 that following the commencement of drilling activities at the Company's Hawiah Exploration Licence in Saudi Arabia, as announced on 30 September 2019, the first drill hole (HWD_001) has intercepted a 15.8 metre interval (true width estimated at 8 metres) of massive sulphide at a vertical depth of 125 metres. The mineralisation encountered presents dominantly as pyrite and chalcopyrite (a principal ore for copper), and minor bornite, with associated alteration and lithology consistent with that of a Volcanic Massive Sulphide "VMS" system.

Assay results are pending for this hole and will be reported in due course.

This initial intersection confirms that VMS mineralisation is the source of the previously reported 5.5km long geophysical anomaly and that the mineralisation is copper bearing. This builds on the previous exploration work that demonstrated that the Hawiah Ridgeline is enriched in gold at surface with abundant secondary copper showings. Geophysical surveys identifying a strong and continuous anomaly under the ridge that remains open both along strike and down dip.

The drill intersection marks the successful start to the diamond drilling programme and adds further strength to the geological model as developed by the KEFI joint venture exploration team (Gold and Minerals Limited, or "G&M"). This model describes the Hawiah Ridge line as the oxidised surface expression of an extensive VMS system that hosts enriched gold mineralisation within the oxide portion (upper 25-30m) and copper bearing massive sulphide mineralisation below this depth.

The diamond drilling programme is designed to test this geological model and the geometry of both the near surface oxide gold mineralisation and massive sulphide copper target at depth. Drill spacing is set at circa 250 metre intervals, with holes designed to test these targets over a strike of 1.5km.

KEFI is the operating partner of G&M, the joint venture company with the Company's long-standing partner, Saudi conglomerate ARTAR.

Commenting KEFI's Executive Chairman, Mr Harry Anagnostaras-Adams, said, "We are very pleased with this result straightaway with our first drill hole at the large Hawiah target. This first drill intercept of massive sulphide confirms our exploration model and reinforces our confidence in the area's high prospectivity for gold and copper."

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

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.