

28 June 2023

KEFI Gold and Copper plc

("KEFI" or the "Company")

Positive PFS and Associated Studies for Hawiah Copper-Gold Project ("Hawiah")

Highlights

- The Pre-Feasibility Study ("PFS") on the Hawiah open-pit and associated studies on the underground mine have provided a positive foundation for the optimisation and development of Hawiah, in Saudi Arabia;
- Project NPV₈ of US\$301 million and post-tax IRR of 75%, based on mining current Indicated and Inferred Resources, Life of Mine ("LOM") revenue of US\$2.7 billion, operating cashflow of US\$1.1 billion and pre-production capital expenditure of US\$295 million. These estimates are based on spot gold prices as at 30 April 2023 and an assumed mining rate starting at 2 million tonnes per annum ("Mtpa") and peaking at 3 Mtpa over 10 years;
- It is envisaged that initial open pit mining will be followed by, and complemented by, underground mining. Metallurgical test results, based on limited samples to date, indicate that a conventional processing flowsheet provides high metal recoveries to a c.25% copper concentrate and a c.50% zinc concentrate and gold doré; and
- Optimisation studies will in due course consider a range of scenarios including various aggregate production rates and the ideal timing for starting-up the underground operation. For the time being, unit costs of production have been based on an assumed production rate of 2 Mtpa and the sequential mining of underground after an open cut phase.

KEFI Executive Chairman, Harry Anagnostaras-Adams, commented:

"The PFS demonstrates an attractive project at Hawiah.

"To date we have only tested a small part of the Hawiah district and we already have a project that can be optimised for development.

"Following the recent capital-raise, work is already underway on the +50,000 metre drilling programme which will complement the Hawiah PFS and associated studies. We look forward to reporting exploration results as we establish a globally significant VMS project at Hawiah. We are also wrapping up a 13,000 metre programme at Jibal Qutman Gold and assessing initial results from reconnaissance over the fourteen exploration licences granted in the past eighteen months to our operating joint venture company. This is a truly exciting rate of progress in what today is perhaps the world's most exciting jurisdiction for minerals exploration.

"KEFI has now established its leadership position in the Arabian-Nubian Shield and has assembled development finance at the subsidiary and project levels for all three advanced projects which have combined c.5 million ounces gold-equivalent resources which remain open for extensional drilling.

“The aggregate NPV of our three advanced projects is approximately £318 million or about ten times the Company’s current market capitalisation, providing a preliminary indicator of the upside value potential as we de-risk the projects and add more value through exploration and development.”

Summary

KEFI Gold and Copper (AIM: KEFI), the gold and copper exploration and development company with a leadership position in the high-growth Arabian Nubian Shield, is pleased to announce the positive assessment of the PFS for Hawiah, the largest discovery to date by KEFI’s 27%-owned Saudi Arabian joint-venture Gold and Minerals Company Limited (“GMCO”).

Hawiah is a part of a larger mineralised system and the January 2023 Mineral Resource Estimate (“MRE”) contains a total of 258,000 tonnes (569 million lbs) of copper, 272,000 tonnes (600 million lbs) of zinc, 620,000 ounces of gold and 9.4 million ounces of silver. Hawiah already ranks amongst the top three base metal projects in Saudi Arabia and the largest 15% VMS (“Volcanogenic Massive Sulphide”) systems globally.

KEFI also announced a maiden MRE for the nearby (12km from Hawiah) Al Godeyer deposit of 1.35Mt at 0.6% copper, 0.54% zinc, 1.4g/t gold and 6.6g/t silver on 3 April 2023.

GMCO drilling totalling 58,194 metres (“m”) since discovery in 2019 has established the Hawiah MRE of 29.0 million tonnes (“Mt”) at 0.89% copper, 0.94% zinc, 0.67g/t gold and 10.1g/t silver (see Company announcement on 9 January 2023). Whilst the primary focus of the PFS was the relatively close-to-surface portion of the MRE in the Indicated Resource category, complementary studies on the Inferred Resource reported for the deeper part of the orebody (the near-vertical tabular structure drill-intercepted over more than four kilometres strike length) have allowed a clear positive assessment to be made of Hawiah’s economic merits without taking into account expected further Resource growth.

The Definitive Feasibility Study (“DFS”) will in due course refine and optimise the entire Hawiah Complex.

Project Metrics

In order to summarise the key overall project metrics, KEFI has combined independent PFS-level estimates for the open pit and its own scoping-level estimates for the underground mine based on the current Hawiah MRE. These resources total 30.35Mt, of which Inferred Resources comprising 17.85Mt relate to the tabular orebody to be mined by underground methods.

Set out below are the current estimates of recoverable tonnes before infill-drilling is completed within current resources, project design-concept finalisation, value-engineering and project optimisation. It is also likely that the current Mineral Resources will be increased at both Hawiah and the satellite deposit at nearby Al Godeyer.

Please note that there is a lower level of geological confidence associated with Inferred Resources and there is no certainty that further drilling will result in conversion to Measured or Indicated Resources or the ore tonnes mined in the Life-of-Mine (“LOM”) plan summarised below.

Project Physicals –LOM Totals

	Total / Average
Open Pits – Oxide Ore	1.8Mt
Open Pits – Transitional and Fresh Ore	9.5Mt
Underground – Fresh Ore	15.3Mt
Total Ore Tonnes Mined	26.5Mt
Copper Concentrate Grade	25%
Zinc Concentrate Grade	50%
Copper-Equivalent Production	290,000 t
Gold-Equivalent Production	1.36 Moz

Components of Project Operating Costs – LOM Average

US\$ / Tonne of Ore Processed	Open Pit Ore	Underground Ore
Mining and Rehandling	\$21.5	\$21.0
Processing	\$20.6	\$20.6
G&A	\$2.5	\$2.5
Cash Operating Cost	\$44.6	\$45.5
Sustaining Capex (excl. disposal value on closure)	\$0.6	\$19.0
All-in Sustaining Cost (opex and capex)	\$45.2	\$64.5

This table is based on processing 2Mt per annum of ore, which intentionally errs on the side of conservatism for estimation of unit costs.

All-in Sustaining Costs (“AISC”) associated with mining, processing and general & administrative (“G&A”) at Hawiah are currently estimated to be US\$45/tonne for Phase 1 (open pits) and US\$64.5/tonne for Phase 2 (underground mine).

The open-pit mining cost averages US\$2.21/tonne and the average waste to ore ratio is 8.2.

Indicative Components of Project Revenue

US\$	Copper	Zinc	Gold	Silver
Spot Prices as at 30 April 2023*	\$8,554/t	\$2,6466/t	\$1,989/oz	\$25/oz
RoM Grade	0.73%	0.75%	0.60g/t	8.2g/t
Overall Recoveries	92%	71%	77%	83%
Concentrate Payable Metal	96.4%	84%	90%	90%
% of Total Revenue	56%	9%	29%	5%

At the metal prices detailed in the table above, the average Net Smelter Return (“NSR”) is US\$97/tonne processed. This table is based on processing 2Mtpa of ore.

Payable metal percentages are for copper concentrate except zinc in the zinc concentrate. Revenue is net of freight charges and typical treatment and refining charges.

Summary of Project Economics – LOM Totals (Metal prices as at 30 April 2023)

US\$	Total
Revenue – at Spot Prices as at 30 April 2023 *	\$2,696M
Operating Costs – **	\$1,149M
Sustaining CapEx – mostly underground mine development	\$339M
Operating Cash Flow	\$1,208M
Total Net Free Cash Flow After Royalties and Tax *** (pre-debt)	\$689M
Total Net Free Cash Flow After Royalties and Tax *** (post-debt)	\$579M
After-tax NPV (8% discount rate)****	\$301M
After-tax IRR (assuming 75% project debt against capex and DFS)	75%
Pre-production Capital Expenditure	\$295M

* *Metal Prices: for consistency with KEFI’s recent 2022 Annual Report published 9 June 2023, these tabulations are based on spot prices as at 30 April 2023 of US\$1,989/ounce for gold, US\$3.88/pound for copper, US\$1.20/pound for zinc and US\$25/ounce for silver.*

***Operating Costs: production costs estimated as set out in the foregoing tables. Closure costs offset by disposal value at end of LOM based on current MRE, assumed at 10% of original capex. Considered conservative for a fully equipped licenced site in an under-explored VMS district.*

*** *Income tax rate in Saudi Arabia is 20% and applicable royalties are 2.0% for zinc and 1.5% for copper, gold and silver.*

**** *approximately 10-year LOM has been assumed, by compressing the approximately 14-year of LOM of the PFS, reflecting annual output building up to 3Mtpa rather than 2Mtpa, by concurrently mining, rather than sequentially mining, the open pit and underground. This and other planning assumptions will be finalised upon completion of the DFS.*

The next study phase is optimisation on several key levels.

Portfolio Economics for KEFI

The following is an overview of the high-level economic metrics (Net Present Values are at 8% discount rate on net after tax cash flows to equity – NPV₈) for the group’s three advanced projects, ignoring any contribution by the exploration pipeline. This aggregates all projects, based on the most recent published resource estimates and KEFI’s currently targeted ownership of each project.

Tulu Kapi NPV (KEFI c.74% share)	US\$243M
Jibal Qutman’s (KEFI c.27% share)	US\$73M
Hawiah’s NPV (KEFI c.27% share)	US\$81M
Aggregate NPV (KEFI share in USD)	US\$397M

Aggregate NPV (KEFI share in GBP at US\$1.25:GBP1.00)	£318M
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The above aggregate NPV of £318 million is c. 10 times KEFI's current market capitalisation and is based on:

- 2023 PFS on Hawiah open pit aggregated with scoping-level analyses on the underground mine, as summarised herein.

And, as presented in the recently published 2022 KEFI Annual Report:

- 2023 Mine Plan for Tulu Kapi, for which the open pit is considered bankable and contributes c.980,000 oz of aggregate production and the underground mine contributes c.220,000 oz of aggregate production and is considered at Preliminary Economic Assessment ("PEA") status;
- 2022 PEA-level modelling for Jibal Qutman. Alternative development scenarios are currently being assessed prior to finalising the direction of the DFS aimed at fast-tracking development.

KEFI Group Development Funding Strategy

- KEFI's policy is that development capital requirements be, in so far as is reasonable, met at the subsidiary or project level through a combination of project debt finance and subsidiary-level equity funding. This has been overwhelmingly successful at Tulu Kapi.
- The same policy applies in Saudi Arabia, where good progress is being made:
 - GMCO is already liaising with the Ministry of Industry and Mines ("MIM") and other Saudi Government regulators as regards development permitting on completion of the DFS, and also with the Saudi Industrial development Fund ("SIDF") regarding project financing. SIDF provides up to 75% of aggregate DFS and construction costs.
 - The licences for the two advanced projects are now in the process of transfer from ARTAR into GMCO and its project companies in preparation for project financing. This is standard project financing procedure, as was done in Ethiopia as a precursor to development financing at the level of the project subsidiary company.
- KEFI plans minimal reliance, if any, on the public equity stock markets for development finance.

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.

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Notes to Editor

KEFI Gold and Copper plc

KEFI is focused primarily on the development of the Tulu Kapi Gold Project in Ethiopia and its pipeline of highly prospective exploration and development projects in the Kingdom of Saudi Arabia, also in the Arabian-Nubian Shield. KEFI targets that Tulu Kapi Gold, along with its two most advanced Saudi projects Jibal Qutman Gold and Hawiah Copper-Gold will come into production over the period 2025-2027 and will generate cash flows for capital repayments, further exploration and dividends to shareholders.

Background on the Hawiah Project and the PFS

In order to expedite the PFS, the timetable required that most of the detailed work was based on the January 2022 Hawiah MRE. Given that the Mineral Resources have increased significantly since that MRE, the outcomes presented herein are based on:

- PFS level operating and capital cost estimates for the open pit ore and processing plant;
- Scoping Study level operating and capital cost estimates for the underground mine; and
- Scoping Study level mining schedules derived from the current 29.0Mt Hawiah resource plus the maiden Al Godeyer 1.35Mt resource.

There remains considerable potential to increase both of these resources as well as discovering further satellite orebodies.

The Project area is located approximately 30 km east-south-east of the regional town of Turbah and can be accessed via a high-quality tarred road (Highway 273) which passes within 20km of the licence area. Access to site is via graded tracks suitable for two-wheel drive vehicles.

The small, semi-abandoned village of “Khumrah” is c. 6 km from the project site. This village is the closest permanent settlement to the project area and serves as a base for GMCO’s contractors. Amenities including grid power and water pumped from local wells for both local needs and exploration activities.

Located at an elevation of approximately 1,150m above sea level, the climate is relatively mild by Saudi Arabian standards with daytime temperatures ranging from a minimum of 7 degrees Celsius in the winter to in excess of 40 degrees Celsius in mid-summer. This region is inhabited by the local Bedouin who are nomadic herders and as such they move across the region on a regular basis.

Hawiah is located within the Wadi Bidah Mineral District (“WBMD”) in the southwest of the Arabian Shield. The WBMD is a 120-kilometre-long belt which hosts over 20 Volcanic Massive Sulphide (“VMS”) known occurrences and historic workings for copper and gold.

GMCO commenced drilling the Hawiah deposit in September 2019 and quickly confirmed a large-scale VMS style of deposit 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, representing areas of greater sulphide thickness. The polymetallic massive sulphide mineralisation comprises copper, gold, zinc and silver with intercepts of up to 5% copper equivalent.

Diamond drilling has shown that the unweathered subsurface extension of the ridgeline is comprised of massive sulphide hosted within a greenschist altered volcanic package. This package near surface has been subject to variable supergene alteration as a result of rock-groundwater interactions. This has resulted in three weathering/alteration domains across the length of the ridgeline:

- **Oxide** (0-35m depth) – preferentially enriched in gold
- **Transitional** (35-70m depth) – preferentially enriched in copper
- **Fresh** (>70m depth) – representing ~88% of the known deposit

Since the commencement of major exploration works at Hawiah in early 2019, KEFI announced a maiden MRE in August 2020 which formed the basis for the mine plan in the 2020 PEA.

An updated MRE of 24.9Mt at a 0.90% copper, 0.85% zinc, 0.62 g/t gold and 9.8 g/t silver was finalised in December 2021 which formed the basis for the mine planning in this PFS for the open pit and the scoping-level work for the underground.

Diamond and reverse circulation (“RC”) drilling have since continued, bringing the Project total to 58,194m of drilling by the end of 2022. Drilling during 2022 had three main objectives:

- Improve the level of geological control in the upper portion of sparsely explored Central Zone and northern portion of the Camp Lode;
- Explore the Crossroads Extension Lode and further define the deeper portion of the orebody; and
- Better define the upper oxide and transition zones and increase the known gold resource.

These objectives were achieved and with the deposit remaining open at depth, the Hawiah orebody has additional potential for further expansion.

Following the conclusion of the 2022 drilling programme, an updated **Hawiah Mineral Resource was estimated to total 29.0 million tonnes at 0.89% copper, 0.94% zinc, 0.67 g/t gold and 10.1 g/t silver.**

This MRE is reported in accordance with the JORC Code and is classified as:

- **Indicated - Open Pit** - 9.2 Mt at 0.88% copper, 0.70% zinc, 0.84 g/t gold and 9.9 g/t silver
- **Indicated - Underground** - 3.2 Mt at 0.82% copper, 1.07% zinc, 0.59 g/t gold and 9.5 g/t silver
- **Inferred - Open Pit** - 1.8 Mt at 0.99% copper, 1.02% zinc, 0.67 g/t gold and 12.4 g/t silver
- **Inferred - Underground** – 14.7 Mt at 0.90% copper, 1.05% zinc, 0.58 g/t gold and 10.1 g/t

silver

This Hawiah MRE contains a total of 258,000 tonnes (569 million lbs) of copper, 272,000 tonnes (600 million lbs) of zinc, 620,000 ounces of gold and 9.4 million ounces of silver.

Total Indicated and Inferred Resources reporting to the Open-Pit Scenario have increased to 11.1Mt (up 32% from 8.4Mt).

Further information on this MRE is detailed in KEFI's announcement "Hawiah Mineral Resource increased by 16% to 29 million tonnes" dated 9 January 2023.

Ongoing drilling at Hawiah is aimed at extending planned mine life by further increasing the Mineral Resource and converting more Inferred Resources to the Indicated category.

It is notable that in gold-equivalent terms, the Hawiah resource is already larger than Tulu Kapi and Jibal Qutman combined before any further resource uplift.

Hawiah's Exploration Potential

The Hawiah massive sulphide deposit remains open along strike and down-plunge, with the deepest mineralised intercept of 590 metres below surface.

The massive sulphides at Hawiah show evidence of being mechanically transported from the source vent structures. Breccia clasts of sulphides, sedimentary structures and the lack of hydrothermal alteration in the immediate footwall rocks under the sulphides indicates that the areas of the deposit drilled to date likely formed on the flank of a laterally extensive, linear rift. Massive sulphides are interpreted to have accumulated in extensional rifts parallel to these rift sites, with evidence of secondary mineralising enrichment post deposition.

VMS deposits are well understood to form in clusters, and Hawiah is no exception. A number of gossans have been identified in the areas immediately surrounding the Hawiah deposit.

Exploration commenced the nearby Al Godeyer Project in early 2022 and drilling under gossan quickly confirmed similar copper-gold mineralisation to the Hawiah VMS deposit. A maiden MRE for Al Godeyer was announced in April 2023 of 1.35Mt at 0.6% copper, 0.54% zinc, 1.4g/t gold and 6.6g/t silver. Further information on the Al Godeyer MRE is in the announcement "Maiden Al Godeyer Resource to contribute to the Hawiah Project Open Pittable Resources" dated 3 April 2023.

Located only 12km from the proposed Hawiah processing plant, there is excellent potential for Al Godeyer to provide additional ore. The Al Godeyer deposit has only been drill tested to a vertical depth of 200 metres below the surface and it remains open at depth and along strike to the southeast.

Exploration activities at Abu Salal South, located approximately 50km south of Hawiah, have recently included geological mapping of the main gossan ridgeline and the completion of a self-potential ("SP") geophysical survey. The geological mapping has established two significant north-south trending outcropping gossans which appear to be situated on the same paleohorizon. This horizon extends beyond the Abu Salal South EL northern boundary into the recently granted Abu Salal North EL where outcropping gossans have also been confirmed. Gossans widths range from 40m down to several centimetres, with the SP survey demonstrating a robust and continuous anomaly across the 1.6km strike length of the northern gossan suggesting mineralisation is continuous at depth. The

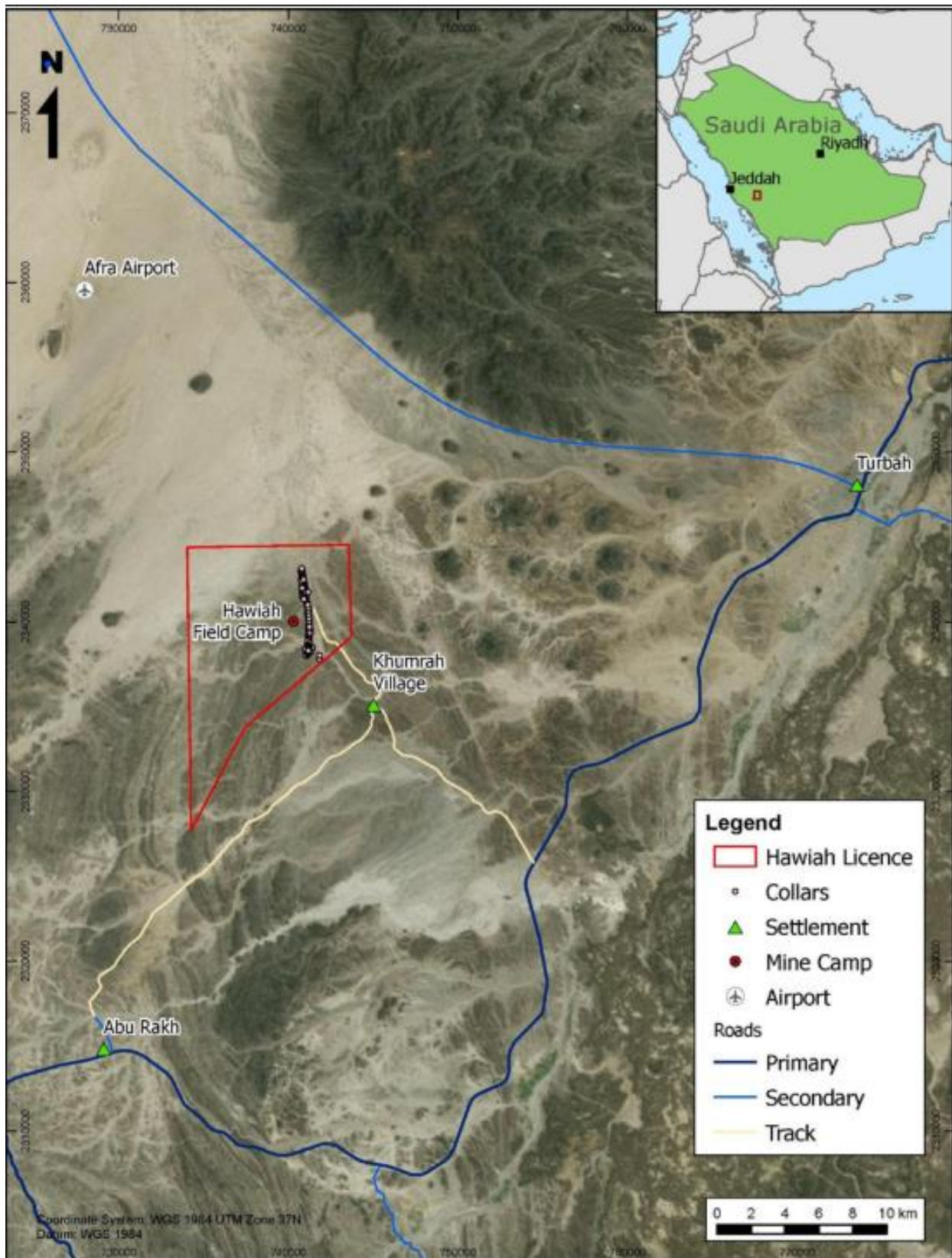
shorter strike length southern gossan has returned a less encouraging geophysical response. Rock chip sampling of these gossans has confirmed gold mineralisation with grades of up to 4.75 g/t Au. Trenching and scout drilling of these gossans is planned to be undertaken later this year.

Al Godeyer and Abu Salal are both high-priority exploration projects as potential satellite ore sources for the Hawiah processing plant.

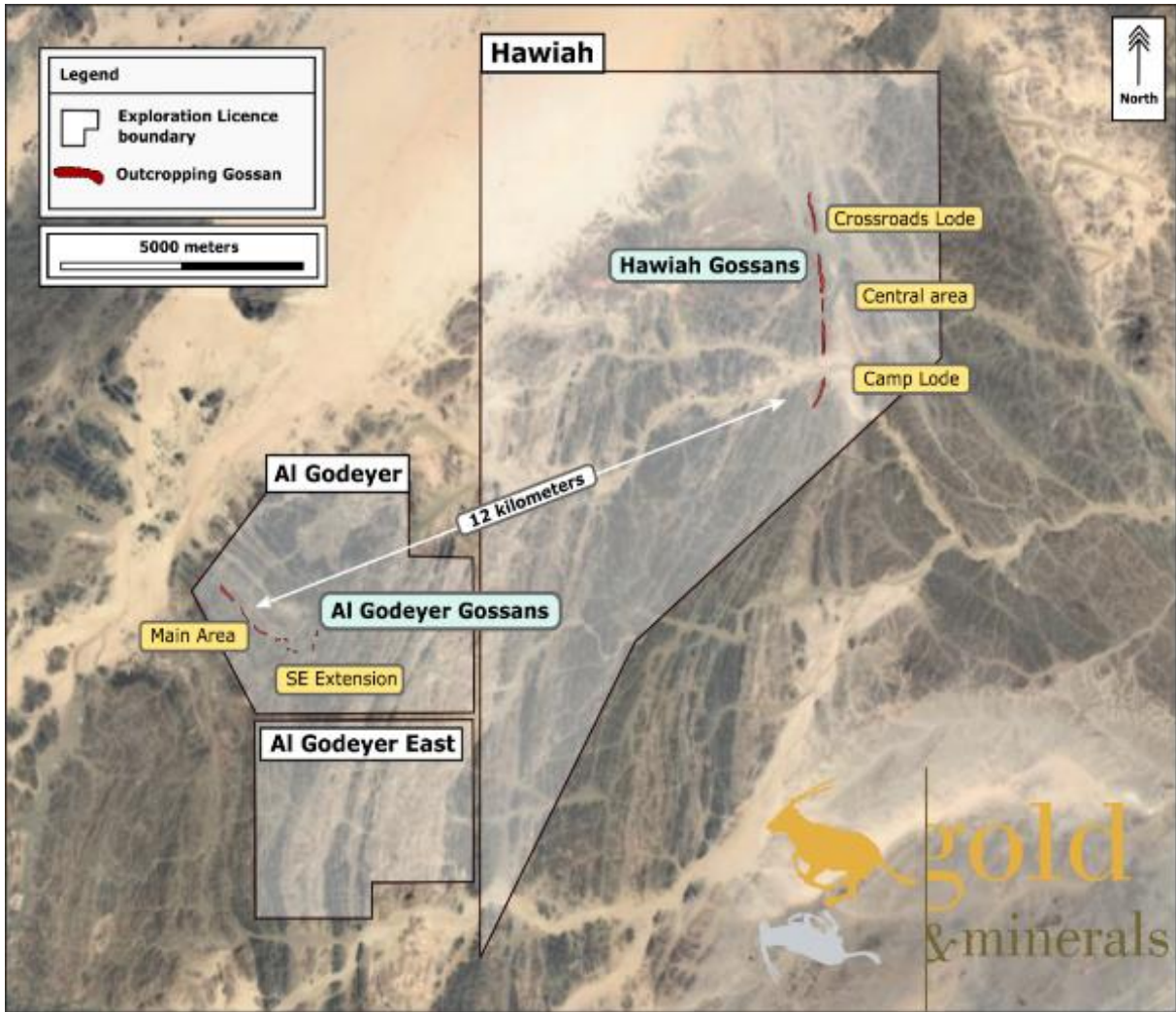
Appendix A – Glossary of Technical Terms

Ag	Silver
AAS	Atomic Absorption Spectroscopy
AIC	All-in Costs
Arabian-Nubian Shield or ANS	The Arabian-Nubian Shield is a large area of Precambrian rocks in various countries surrounding the Red Sea
ARTAR	Abdul Rahman Saad Al Rashid & Sons Company Limited
Au	Gold
Cu	Copper
DFS	Definitive Feasibility Study
g/t	Grams per tonne
Gossan	An iron-bearing weathered product overlying a sulphide deposit
ICP-AES	Inductively Coupled Plasma-Atomic Emission Spectroscopy
IDW	Inverse Distance Weighted
IP	Induced polarisation - a ground-based geophysical survey technique measuring the intensity of an induced electric current, used to identify disseminated sulphide deposits
JORC	Joint Ore Reserves Committee
JORC Code 2012	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
m	Metres
Massive sulphide	Rock comprised of more than 40% sulphide minerals
Mt	Million tonnes
Mtpa	Million tonnes per annum
MRE	Mineral Resource Estimate
NSR	Net Smelter Return
oz	Troy ounce of gold
PCT	Percent
PEA	Preliminary Economic Assessment
PFS	Pre-Feasibility Study
PPM	Parts per million
Precambrian	Era of geological time before the Cambrian, from approximately 4,600 to 542 million years ago
VMS deposits	Volcanogenic massive sulphides; refers to massive sulphide deposits formed in a volcanic environment with varying base metals (copper, lead and zinc) often with significant additional gold and silver
Zn	Zinc

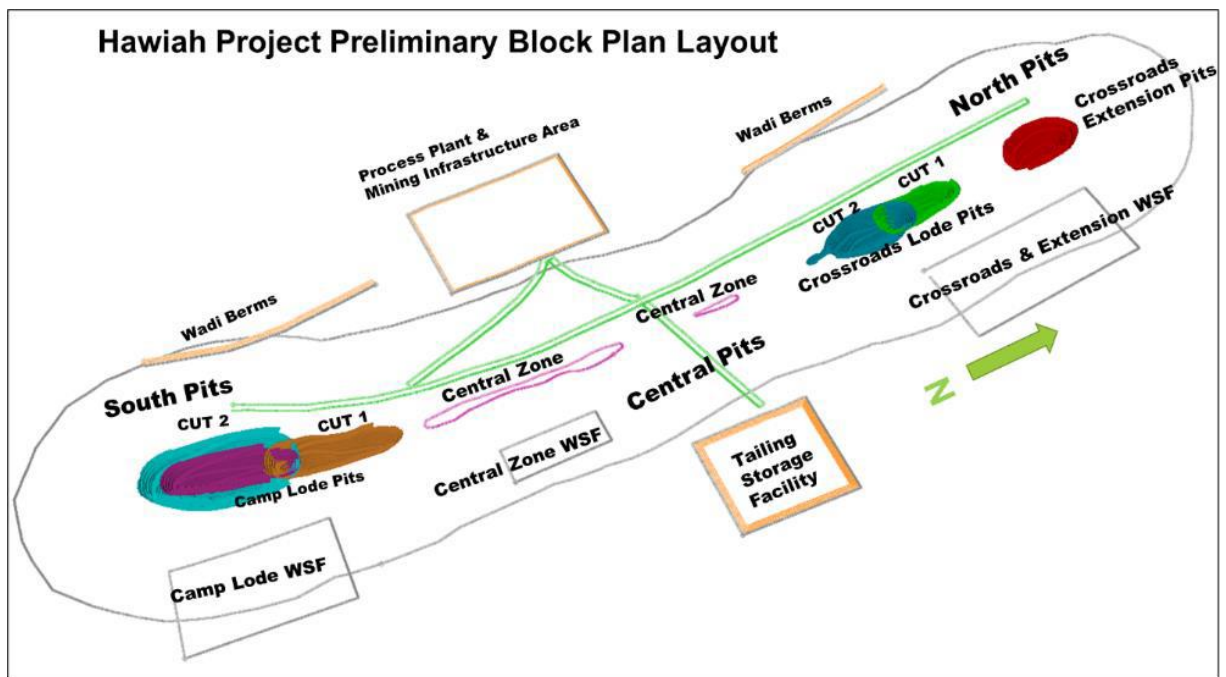
Appendix B – Diagrams



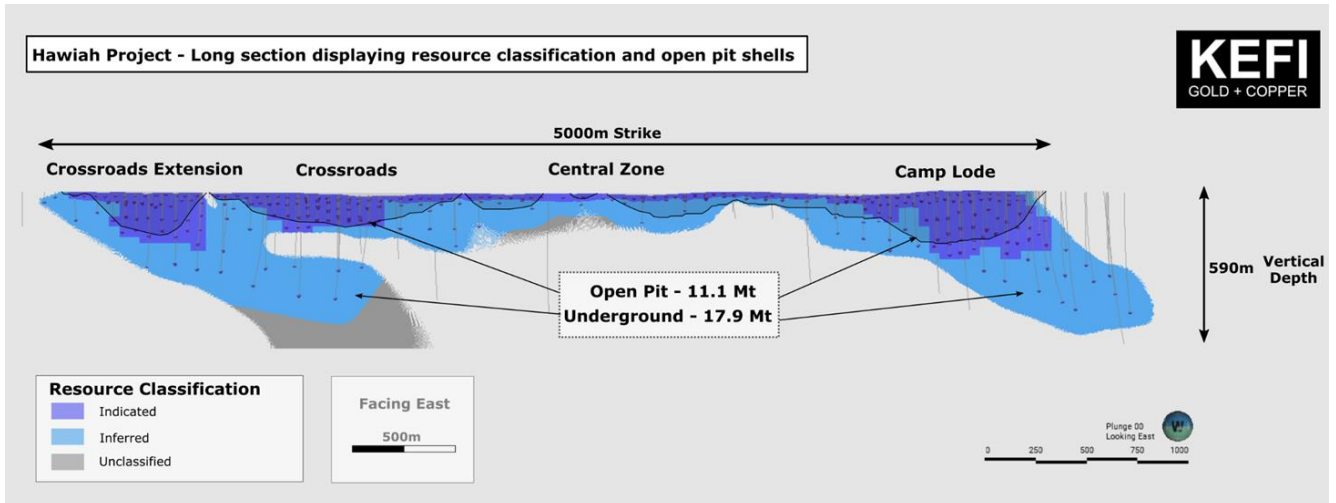
General Location Map for Hawiah



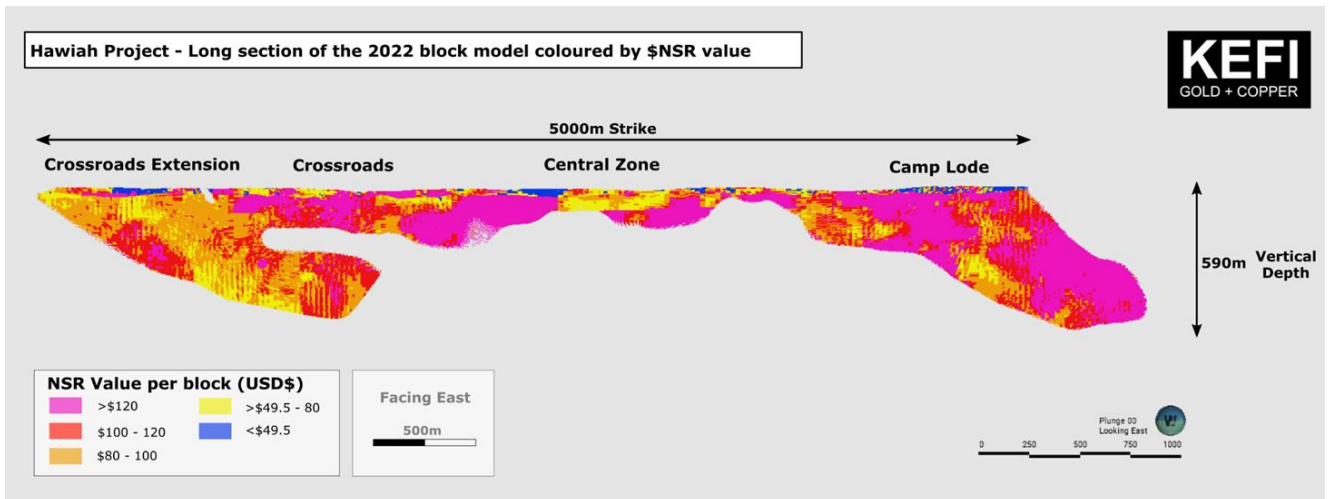
Plan showing Al-Godeyer and Hawiah gossans in relation to ELs



Hawiah Project Preliminary Block Plan Layout



Long section of Hawiah deposit displaying resource classification and the open pit locations



Long section of the Hawiah deposit displaying Resource NSR values within the Block Model