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KEFI Gold and Copper plc

("KEFI" or the "Company")

Q2 2022 Operational Update

KEFI (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 its latest quarterly operational update.

This update encompasses the activities of KEFI Minerals (Ethiopia) Ltd ("KME") and Tulu Kapi Gold Mines Share Company ("TKGM") in Ethiopia, and Gold & Minerals Ltd ("G&M") in Saudi Arabia, for the period from 1 April 2022 to 30 June 2022 ("Q2 2022"), along with any material subsequent developments.

The Tulu Kapi Gold Project ("Tulu Kapi") is under TKGM (planned to be c. 70% owned by KEFI). The Hawiah Copper-Gold Project ("Hawiah"), the Jibal Qutman Gold Project ("Jibal Qutman") and other Saudi projects are under G&M (planned to be c. 30% owned by KEFI). Both TKGM and G&M are technically guided and supported by KEFI so that each of these operating joint venture companies as soon as possible builds the local organisational structure suitable for long term production as well as exploration and future development opportunities.

Ethiopia

The security situation has materially improved in Ethiopia since the end of last year, with the end of the civil war in the country's northern regions during December 2021, the lifting of the national state of emergency in February 2022 and the agreed ceasefire in March 2022. The focus of the political rivals is now peaceful negotiation and the focus of the domestic security forces has now switched to the policing of priority areas which still experience localised conflicts from time to time. No such conflicts have taken place in the vicinity of the project site. Tulu Kapi's stakeholder management and security systems (apparatus, policies, procedures and team structure) have been upgraded, whilst field activities within the Tulu Kapi district have continued to build ahead of full project launch, focusing both on the site and its transport and supply routes.

TKGM seeks to maintain its strong social licence through intense relationship management. There is no artisanal activity at or near Tulu Kapi, no mining legacy issues, no inter-ethnic rivalry and despite the wide-ranging changes in local politics over recent years it remains the case that no local parties have ever sought to obstruct TKGM and that the community's enthusiasm for the project remains strong.

Tulu Kapi

No other mining project of this scale in Ethiopia has been brought to Tulu Kapi's stage of advancement during recent years and Tulu Kapi will be the first industrial scale mine development in Ethiopia in over 30 years. It has taken years of extensive technical re-design of the project, years of overhaul by the Ethiopian authorities of financial policies which previously hindered mining project finance and the patient and cautious traversing by the Company of recent well-publicised events within the country. The project has imposed many

demands on a regulatory system which the Ethiopian Government continues to upgrade, determined to build a modern minerals sector. KEFI is honored to play its part in this process and has assembled a first-tier syndicate of international industry expert management, contractors, banks and investors.

During Q2-2022 TKGM continued its project launch preparations and has regularly formally advised the Ethiopian Ministry of Mines of its progress and of the tasks outstanding to ensure joint collaborative focus. The project financing Umbrella Agreement has been signed in Q2 2022, the associated documentation has been assembled with the project's lead lenders and equity investors, and the focus has been maintained on full project launch in the Ethiopian dry season starting in October 2022, pre-conditioned on the security situation being independently assessed as completely ready and the few remaining regulatory administrative tasks being completed.

In collaboration with the regulatory agencies at all four levels of the Ethiopian Government, notable progress during Q2-2022 included:

- initial community youth employment programmes being established which support the project, such as those covering road maintenance and expansion of revegetation nurseries;
- the Ministry of Mines has now audited and endorsed the historical project costs incurred up to 2020 of c.US\$80 million and can now report this to the Ethiopian central bank; and
- the central bank has now permitted that both development banks be allowed to lend on the same terms and formal ratification is awaited from the Government.

Tulu Kapi District Exploration

KEFI remains keen to re-commence its exploration of the additional prospects it has successfully identified within the Tulu Kapi district exploration area from within which the mining licence was duly excised as a result of the successful discovery of the Tulu Kapi deposit. Whilst most historical drilling was naturally of the Tulu Kapi deposit, there was significant work done on many further prospects which await follow-up.

Whilst awaiting regulatory permission to re-activate the Company's Ethiopian exploration, which is critical for long term planning for all stakeholders in the community as well as the Company, the exploration focus has been successfully switched to Saudi Arabia.

Saudi Arabia

In recent years KEFI's Saudi operating joint venture company G&M has built the largest exploration team in the country and has brought two major projects to the feasibility study stage for development. This has coincided with the Saudi Government's widely publicised recent initiatives to welcome international expertise and fast-track the development of its mining sector. G&M's activities during Q2 2022 showed rapid progress, as outlined below.

Jibal Qutman

As previously announced, KEFI's local partner ARTAR (on behalf of G&M) has been actively engaged in discussions with the Saudi Arabian Ministry for Industry and Mineral Resources

("MIM") regarding its Jibal Qutman mining licence application. These discussions have now reached an advanced stage and it is the view of G&M's management that a positive outcome to these discussions is now imminent.

In line with these discussions, G&M will need to submit an updated Development Plan and Environmental and Social Impact Assessment to enable the resubmission of the mining licence application under the new Saudi Arabian Mining Investment law, ahead of the award of the expected Jibal Qutman Mining Licence ("ML").

In advance of this, it is anticipated that G&M will be granted three exploration licences covering the Jibal Qutman area to enable the above studies to be completed.

As announced on 16 June 2022, G&M has engaged one of TKGM's principal contractors Lycopodium to complete a Detailed Feasibility Study ("DFS") for Jibal Qutman by December 2022. In addition to this, the Company has initiated steps to re-establish its operational base in the nearby city of Bisha.

The initial Jibal Qutman development project is now seen as a + 500,000 oz production plan for extraction over 10 years based on a conventional open pit/CIL (Carbon-in-Leach Process). Subject to regulatory approvals and financing, Jibal Qutman may be in production around the same time or potentially before Tulu Kapi in Ethiopia.

Hawiah

Work at the Hawiah Copper-Gold Project (including its adjacent recently granted Al Godeyer exploration licences) continued during Q2 2022, focusing on providing inputs across all required fronts for the Hawiah Preliminary Feasibility Study ("PFS"), also scheduled for completion in H2 2022.

Hawiah's in-situ metal content already ranks this project as KEFI's largest at present and it is intended to produce copper, gold, zinc and silver. Four drill rigs were operational in the period, enabling significant progress on the resource upgrade and expansion programme. Early assay results from this programme are expected to be reported during the current quarter, contributing to an upgraded JORC Resource being released later this year. A positive outcome of ongoing exploration work is the expectation of an initial open pit mine, which would have the effect of reducing initial capital expenditure and expediting early cash flows from a development that would likely follow soon after the start-up of Tulu Kapi and Jibal Qutman.

Two New Projects Added in Saudi Arabia - Jabal Hillit and Qunnah

The granting of the Jabal Hillit and Qunnah "Al Qassim" exploration licences, as announced on 12 July 2022, represents the start of a new and exciting phase of exploration and discovery for the Company. These licences are situated approximately 30km apart, straddling the Ad Dawadimi and Afif terranes in the eastern portion of the Arabian Shield in Saudi Arabia. Both represent attractive gold exploration targets, and the granting of these additional licences represents a new frontier for the G&M exploration team.

- The exploration licences are situated within the eastern area of the Arabian Shield, located 30km apart and cover a combined area of 184.29 km² of prospective ground
- 23 known gold occurrences have been historically documented, with significant ancient workings located within the tenements
- The exploration licences have identified gold within shear-hosted quartz veins, with grades of up to 15.3g/t at Jabal Hillit and 46 g/t Au at Qunnah as noted by the Bureau de Recherches Géologiques et Minières (BRGM) and United States Geological Survey (USGS)
- The Exploration Licences present an excellent opportunity to make discoveries within a highly prospective and under explored area of the Arabian shield

The G&M regional exploration team are gearing up for a busy summer of mapping and sampling within these new licences to ground truth historical data, extend the known limits of mineralisation and define the structural framework controlling mineralisation, ahead of more advanced exploration works this year.

KEFI Group

The improvement in the local working environment in both Ethiopia (security) and Saudi Arabia (regulatory) since late 2021 has allowed KEFI to continue the rapid progress of the previous quarter in both jurisdictions. KEFI now has a much-improved position as an early-mover in both countries and with a more balanced portfolio of advancing projects.

Now having three (not one) advanced projects in two countries places the Company into a much better risk position than was hitherto the case. KEFI also de-risked the balance sheet by raising £8 million of equity in April 2022 to repay all outstanding liabilities and reinforce the momentum of its projects.

Since that capital raising, broader financial markets, and the AIM Market in particular, have shown some volatility and weakness flowing from global events. We note that long term consensus metal prices (as published by CIBC) have remained relatively stable based on the comparison as at 2 May 2022 and as at 30 June 2022, with the consensus forecast for gold moving from US\$1,641/oz to US\$1,651/oz, copper from US\$3.51/lb to US\$3.60/lb, zinc US\$1.13/lb to US\$1.14/lb and silver remaining unchanged at US\$22/oz.

The following high-level statistics illustrate the importance of KEFI's newly-established position across its three advanced projects in the two countries:

- KEFI's beneficial interest in gold-equivalent mineral resources has grown from 1.2 million ounces in mid-2020 to 2.1 million ounces at the end of 2021, with further growth anticipated in 2022 and subsequent years.
- KEFI's market capitalisation of approximately £28 million at 0.7 pence per share represents US\$17/oz-equivalent on JORC resources and the following at December 2021 metal prices:
 - Estimated 7% of NPV (8%); and
 - Estimated potential net operating cash flow (earnings before interest, taxes (taxes and royalties payable), depreciation and amortisation) is £137 million (c. US\$185

million) per annum from the combination of all three development projects at their targeted start-up production rates.

- The NPV (see note 2 below) for KEFI of its projects has tripled from mid-2020 (£114 million) to mid-2022 (£348 million), at the same set of 31 December 2021 metal prices. At the current KEFI shares in issue this represents a tripling from 3p per share to 9p per share (now approximately 50/50 split between Ethiopia and Saudi Arabia). All KEFI's projects have resources which remain open and there is a pipeline of additional exploration projects with walk-up drill targets.

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

“Work is gathering pace on many fronts. We are firmly on track to achieve the following milestones in Q4 2022: in Ethiopia for financial close and the launch of construction of our Tulu Kapi Gold Project and in Saudi Arabia our larger Hawiah Copper-Gold Project to deliver its PFS.

“In addition, we have other exciting developments in Saudi Arabia. Our Jibal Qutman Gold Project is fast-tracking its DFS, mining licence and financing work so as to launch in 2023. Plus we have been greatly honoured by the Saudi authorities to be granted two new exciting gold exploration projects.

“KEFI now has an excellent project pipeline in two fast-improving (for mining) large jurisdictions within the highly prospective Arabian Nubian Shield. Three development projects lined up for sequential construction schedules leading to combined production of c. 400,000 oz gold or gold-equivalent per annum by 2026. Plus exciting earlier-stage exploration projects which can be addressed concurrently.

“This marks the beginning of an exciting chapter for both our joint-venture partnerships and continues to demonstrate our ability to operate as a first-mover explorer and developer in challenging environments.”

Investor Webinar

The Company will provide a presentation and live webinar via the Investor Meet Company platform during August 2022, in light of having recently conducted the Annual General Meeting presentation. Details will be published closer to the time.

The webinar will subsequently be available on the Company's website at:

<http://www.kefi-minerals.com/news/webcasts>.

Enquiries

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Notes

Note 1 - Metal prices:

31 December 2021 Metal Prices:	31 January 2021 Analyst Consensus Long Term Prices:
Gold Price is US\$1,830/oz	Gold Price is US\$1,607/oz
Copper Price is: US\$9,750/t	Copper Price is: US\$7,590/t
Zinc Price is US\$3,590/t	Zinc Price is US\$2,442/t
Silver Price is US\$23/oz	Silver Price is US\$21/oz

Note 2 - NPV

<i>Explanatory Notes:</i>					
<i>* NPV is derived by KEFI using independently created financial models of net cash flows after tax and debt service, using a discount rate of 8%;</i>					
<i>* Tulu Kapi open pit model is based on the Definitive Feasibility Study (“DFS”) as updated for any refinements during project contracting and in-country experience;</i>					
<i>* Tulu Kapi underground mine model is based on the internal Preliminary Economic Assessment (“PEA”);</i>					
<i>* Hawiah assumes preliminary mine modelling for open pit and underground because the MRE has only recently been updated. Also includes preliminary debt leverage;</i>					
<i>* Jibal Qutman model is based on the internal PEA, preliminary debt-leverage applied.</i>					

KEFI Gold and Copper plc

KEFI is focused primarily on the advancement of its three development projects in Ethiopia and Saudi Arabia, plus its pipeline of highly prospective exploration projects in these two large jurisdictions of the under-explored Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi in Ethiopia and Jibal Qutman in Saudi Arabia will, between them, generate cash flows for capital repayments, further organic growth and dividends to shareholders.

Both TKGM and G&M are technically guided and supported by KEFI so that each of these operating joint venture companies as soon as possible builds the local organisational structure suitable for long term production as well as exploration and future development opportunities.

KEFI Gold and Copper 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. No other mining project of this scale in Ethiopia has been brought to Tulu Kapi's stage of advancement during recent years and Tulu Kapi will be the first industrial scale mine development in Ethiopia in over 30 years. It has taken years of extensive technical re-design of the project, years of overhaul by the Ethiopian authorities of financial policies which previously hindered mining project finance and the patient and cautious traversing by the Company of recent well-publicised events within the country. The project has imposed many demands on a regulatory system which the Ethiopian Government continues to upgrade, determined to build a modern minerals sector. KEFI is honored to play its part in this process and has assembled a first-tier syndicate of international industry expert management, contractors, banks and investors.

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, royalties and closure but not including leasing and other financing charges) remain c. US\$800-900/oz depending on the gold price. 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.

KEFI remains keen to re-commence its exploration of the additional prospects it has successfully identified within the Tulu Kapi district exploration area from within which the mining licence was duly excised as a result of the successful discovery of the Tulu Kapi deposit. Whilst most historical drilling was naturally of the Tulu Kapi deposit, there was significant work done on many further prospects which await follow-up.

Whilst awaiting regulatory permission to re-activate the Company's Ethiopian exploration, which is critical for long term planning for all stakeholders in the community as well as the Company, the exploration focus has been successfully switched to Saudi Arabia.

KEFI Gold and Copper 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 c. 30% interest in G&M.

ARTAR, on behalf of G&M, and G&M directly held over 16 Exploration Licence (EL) applications pending the introduction of the new Mining Law. These new regulations have recently been proclaimed and G&M has had five new licences issued in the past seven months. ELs are renewable for up to five years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) licence within the area.

In addition, G&M has a Mining Licence Application over the Jibal Qutman Gold Project which recent informal indications by the authorities provide some confidence that the licence will be granted shortly.