

25 October 2022

KEFI Gold and Copper plc

(“KEFI” or the “Company”)

Q3 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 July 2022 to 30 September 2022 (“Q3 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 can build a local organisation suitable to manage long-term production activities, further exploration programmes and exploit future development opportunities.

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

“The improvement of our working environments in both Ethiopia and Saudi Arabia means that we now have a rapidly advancing gold project in each country. Both Tulu Kapi and Jibal Qutman are heading for commissioning in 2024 and steady-state production from 2025 and have 95% of their development financing needs being met at the subsidiary levels.

“We are completing the Preliminary Feasibility Study on our copper-gold VMS discovery at Hawiah in Saudi Arabia which is expected in Q4 2022.

“The quality of our projects and our teams is the reason we have assembled first-tier partners, contractors and financiers. We look forward to reporting more details as we advance each project.”

Investor Webinar

The Company will provide a presentation and live webinar via the Investor Meet Company platform on Wednesday 26 October 2022 at 16.30 London time.

The presentation is open to all existing and potential shareholders. Questions can be submitted at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet KEFI via:

<https://www.investormeetcompany.com/kefi-gold-and-copper-plc/register-investor>

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

<https://www.kefi-goldandcopper.com/news/webcasts>

Ethiopia

Since acquiring Tulu Kapi in 2014, KEFI has completed an extensive technical re-design of the project with independent reviews by leading international experts and we supported a modernisation of the finance-related regulations and policies by the relevant authorities. We also traversed the recent unpredicted, but well-publicised, events within the country and withstood many unpredicted challenges in a situation which continues to settle down.

Tulu Kapi Gold Project

During Q3-2022 TKGM continued to prepare for project launch which is now lining up for year-end as security conditions continue to improve, documentation continues to be agreed within the project syndicate and the other normal conditions precedent continue to be satisfied. We recently reported that:

- Project costs had been updated by suppliers and a 7% increase to US\$320 million in capital requirements (excluding the mining fleet supplied by the contractor) was accommodated within the planned syndicate.
- The updated project finance plan was distributed within the syndicate to be approved mid-November 2022 and, subject to senior lender consent in due course after open pit production has started, now caters for the start-up of the underground mine as well as the open-pit mine. This further improves project economics.
- A key condition precedent which had caused serious delays to financing progress to date was waived by the relevant financier, because sufficient progress had been achieved between that party and the Government in respect of that matter.
- The Ethiopian Ministry of Mines is regularly formally advised of TKGM's progress and of the tasks outstanding to preserve our record of compliance and to co-ordinate with all the Government agencies involved.
- TKGM held a three-day workshop in September with representatives of various Ethiopian Government agencies and community representatives. The group agreed on action plans, including the implementation of the first phase of the community resettlement, increasing employment of local personnel for site preparations, and upgrading of security protection as the movement of people increases.
- The updated cash flow estimates at current consensus gold price of US\$1,650/oz, and reflecting the preliminary integration of initial production from the underground mine, have been incorporated into the summary economic outlook set out below:
 - 1.7M oz JORC Resource; 1.3M oz processed; 1.2M oz recovered over 9 years
 - AISC US\$970/oz and AIC US\$1,200/oz
 - EBITDA US\$127 million (US\$89 million KEFI interest) average per annum first 7 years
 - Cash projected in first 2 years of production sufficient to repay debt
 - NPV to KEFI £113 million (US\$125 million) and at start of production estimated to have increased to £241 million (US\$268 million). Explanatory Footnotes below.
- The integrated (open-pit plus underground) mine plan will be optimised during construction of the open-pit when we can incorporate the results of scheduled in-fill

and other targeted drilling. We expect these optimisations to extend mine life to c.15 years, unless we choose to lift plant throughput rates to produce more quickly.

- We will then re-confirm the open-pit design with the updated gold price rather than the original design using US\$1,100/oz. And the in-fill closed-space drilling can concurrently define what our exploration team interprets as a high-grade domain (the “feeder structures within the open pit”) which could not hitherto be adequately assessed due to the angles of historical drilling. A separate announcement will be made on this topic.
- Below the open pit, we will target to extend the underground resource which remains open, with the last drill-intercept being c.90m at 3g/t gold.
- We also wish to re-commence exploration of the additional prospects KEFI 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.

Saudi Arabia

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 at what appears to have been a particularly propitious time. Saudi Arabia is taking off as a global mining destination and KEFI’s G&M is at the forefront.

G&M is rapidly becoming a leading explorer/developer/producer in the fast-emerging Saudi minerals sector with:

- the largest exploration team in the country; and
- two major projects advancing towards development:
 - Hawiah Copper Gold Project at the Preliminary Feasibility Study (‘PFS’) stage; and
 - Jibal Qutman Gold Project at the Definitive Feasibility Study (‘DFS’) stage.

G&M’s growth has coincided with the Saudi Government’s widely publicised recent initiatives to welcome international expertise and fast-track the growth of its mining sector.

Going forward the Company’s Saudi assets are expected to have shorter gestation, approval, financing and development schedules given:

- G&M’s long-established proprietary database and successful exploration teams;
- there is no need to resettle communities;
- less restrictive security protocols; and
- established capital markets and funding options.

G&M’s activities during Q3 2022 showed rapid progress, as outlined below.

Jibal Qutman Gold Project - Our First Discovery

Because of the gold price improvement since this discovery approximately 10 years ago, our initially contemplated c.200,000 oz heap leach development of Jibal Qutman has been enlarged to a + 500,000 oz production plan for extraction over 10 years based on a conventional open pit/CIL (Carbon-in-Leach process).

G&M received formal notification from the Saudi Arabian Ministry of Industry and Mineral Resources (“MIM”) that land access issues which halted the mine development application in 2016 are now resolved.

G&M has recently been granted Exploration Licences (“EL’s”) covering an area of over 270Km². These EL’s contain Jibal Qutman’s 733,045 oz gold resource as well as a significant land package along strike to the north and south along the highly prospective ‘Nabitah-Tathlith’ gold belt.

Having awaited the grant of the three EL’ s, field programmes can now commence which include the construction of the pioneer’s camp, environmental baseline studies, as well as geotechnical and metallurgical diamond drilling,

The Definitive Feasibility Study (“DFS”) being undertaken by Lycopodium continues to progress, with Front End Engineering and Design (“FEED”), plant layout and reserve definition nearing completion. Metallurgical testing continues and preliminary geotechnical design parameters have been agreed.

Whilst much of the DFS is being completed remotely, recent access to the project area has allowed us to mobilise the teams so as to establish the baseline as part of the Environmental and Social Impact Assessment (“ESIA”) and to complete the final geotechnical evaluation of the proposed open pits as well as metallurgical and comminution testwork.

G&M has also initiated discussions with the Saudi Investment Development Fund (SIDF) and other local development finance institutions regarding project funding to be finalised once the Mining Licence has been awarded.

Jibal Qutman remains on track to proceed with financing and Mining Licence submission in early 2023. Subject to regulatory approvals and financing, Jibal Qutman may be commissioning gold production around the same time as targeted for Tulu Kapi in Ethiopia at the end of 2024.

Hawiah Copper-Gold Project – Our Second Discovery

Hawiah was discovered in September 2019 and now ranks in the:

- top three base metal projects in Saudi Arabia; and
- top 15% VMS projects worldwide.

A three-year 42,000m drilling programme has delineated a Mineral Resource of 24.9 million tonnes at 0.90% copper, 0.85% zinc, 0.62g/t gold and 9.8g/t silver.

Work at the Hawiah Project (including its adjacent recently granted Al Godeyer exploration licences) continued during Q3 2022, focusing on providing inputs across all required fronts

for the updated Mineral Resource Estimate and Hawiah Preliminary Feasibility Study (“PFS”), also scheduled for completion by end of 2022.

The recent drilling at Hawiah is expected to upgrade and increase resources which, in gold-equivalent terms, are already approximately those of Tulu Kapi and Jibal Qutman combined before any further resource uplift.

More New Projects Added in Saudi Arabia – Abu Salal South, Jadib Al Qahtanah, Jabal Hillit and Qunnah

G&M’s exploration areas are being expanded in Saudi Arabia where the newly overhauled regulatory regime is speeding up progress. Four further EL’s have now been awarded (outside of the Hawiah and Jibal Qutman project areas) for an initial five-year term, bringing the number of EL’s issued to G&M to a total of nine EL’s covering an area of 634km².

The granting of the Jabal Hillit and Qunnah “Al Qassim” EL’s (announced on 12 July 2022) and the granting of Abu Salal south and Jadib Al Qahtanah EL’s (announced 1 August 2022) represents the start of a new and exciting phase of exploration and discovery for the Company.

G&M’s exploration teams have mobilised to these new frontiers:

- the Jabal Hillit and Qunnah “Al Qassim” EL’s straddle the prospective Ad Dawadimi and Afif terranes in the eastern portion of the Arabian Shield in Saudi Arabia;
- the Jadib Al Qahtanah EL is located 45km east of the Mahad Ad Dahab mine, the principal historic Saudi gold and silver mine; and
- the Abu Salal South EL is 50km south of Hawiah in the Wadhi Bidha Mineral Belt and is a VMS target where exploration work is concentrated on a 2km long surface anomaly.

Most of these EL’s have ancient workings and identified gold occurrences within shear-hosted quartz veins, with grades of up to 15.3g/t gold at Jabal Hillit and 46g/t gold at Qunnah as noted by the BRGM and USGS.

KEFI Group

The working environment in both Ethiopia (security) and Saudi Arabia (regulatory) since late 2021 allows 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. These projects rank as highly important in both countries – as first movers in their respective revitalised minerals sectors.

Financial markets, and the AIM Market in particular, have shown some volatility and weakness flowing from global and UK political events. However, 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 2 September 2022, with the consensus forecast for gold moving from US\$1,641/oz to US\$1,650/oz, copper from US\$3.51/lb to US\$3.59/lb, zinc

US\$1.13/lb to US\$1.14/lb and silver remaining unchanged at US\$21/oz. Nevertheless, the current weakness of the AIM Market reinforces KEFI's strategy of primarily sourcing project-level and subsidiary-level project financing.

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. All of KEFI's projects have resources which remain open and there is a pipeline of additional exploration projects with walk-up drill targets;
- At 2 September 2022 consensus gold prices, KEFI's market capitalisation of approximately £24 million at 0.6 pence per share represents US\$12/oz-equivalent on JORC resources and 9% of NPV (see explanatory note below) of all 3 development projects £244 million; and
- The NPV (see explanatory note below) for KEFI of its projects now approximates a 50/50 split between Ethiopia and Saudi Arabia.

Enquiries

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Notes

Explanatory Comments on the Use of NPV (Net Present Value) and the Basis of Calculations

All three of KEFI's advanced projects report NPV's based on:

- recoverable JORC Resources as reported up to end 2021
- net cash flows after debt service and after taxes i.e. net cash available for shareholders
- 8% discount rate
- Nil value for potential expansion of project resources or any other discovery

We report NPV as at today and as at completion of the first two projects and commencement of their production in 2025. This provides a measure of where NPV attributable to KEFI is heading.

For our most advanced project, Tulu Kapi's planned open pit mine, the modelling was built independently for use by the project syndicate and is based on the DFS (Definitive Feasibility Study) as updated for refinements in consultation with lenders, contractors and input pricing updates generally. KEFI management use this modelling as the basis for analyses from equity investors' viewpoint

All other KEFI projects are less advanced and are at various stages of feasibility study. Accordingly we present Preliminary Economic Assessments based on models derived with the input of our specialist advisers and consultants. We highlight that the integration of the preliminary plans for the Tulu Kapi underground mine into a combined profile with the open pit mine will be revised to DFS-stage during construction of the open pit mine.