

18 October 2021

KEFI Gold and Copper plc

("KEFI" or the "Company")

Response to Media Comment

KEFI (AIM: KEFI), the gold exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, announces that on 16 October 2021 a local Ethiopian newspaper reported that the Ethiopian Ministry of Mines (the "Ministry") had rejected any claim that security was impacting the launch of the Tulu Kapi Gold Project (the "Project") and reasserted the need for the Company to demonstrate readiness to launch by 31 October 2021. The Company therefore provides this clarification, pending fair determination of the substantive matters by the Ministry in due course, in respect of which the Company is confident of its position.

In September 2021 a serious safety / security incident occurred in the West Wolega Zone, and specifically in the Tulu Kapi district, affecting the Project, in respect of which all local stakeholders were immediately notified. Project company Tulu Kapi Gold Mines Share Company ("TKGM") duly obeyed the instruction of the relevant Ethiopian Government authorities to temporarily suspend Project site visits and inspections which had been scheduled for the coming weeks as part of the standard procedures for Project financing and launch.

The Ministry was immediately informed of the potential impact on the Project timetable, and that financing preparations nevertheless continued in earnest within the constraints of those temporary security restrictions. TKGM and the Ministry are in contact with respect to the short-term effects of the constraints; an announcement was made by KEFI outlining the situation on 29 September 2021; and the Project financing syndicate was duly informed at the time, it continued to work closely with the Company and retains every intention of proceeding with the Project as soon as security restrictions allow.

It is correct that the Ministry wrote to TKGM on 11 October 2021 questioning whether security was an issue impacting the Project and demanding that TKGM respect its obligations under the regulations. This topic was reported by local media publication without checking any aspects with either KEFI or TKGM, which is majority-owned by KEFI and partly owned by the Ethiopian Government and Regional Government of Oromia. Unreported by the local media outlet is the fact that TKGM responded promptly, updating the Ministry of the security situation and confirming that it indeed continued to comply and fulfil its licence obligations. These compliance requirements are set out as conditions of the Project mining licence and the consequential detailed work plans submitted from time to time – all are industry-standard requirements for any licensee, its contractors and its financiers.

Commenting, Mr Harry Anagnostaras-Adams, Executive Chairman of KEFI, said: "The Company wholeheartedly agrees with the Ministry of Mines' determination to start the Project as soon as physically possible. Based on our enquiries, we believe that not all facts were understood within the Ministry at the time of the media interview and we are confident of fair and reasonable decision-making when all facts are compiled and reported with due process.

“In summary, we remain confident of TKGM’s licence tenure in light of any licensee’s obligation to deal with any security situation in accordance with the mining licence requirements and normal industry practice. We also greatly appreciate the ongoing support of the Project finance syndicate and have no doubt that TKGM can be developed as a showcase Ethiopian 21st century mine development with the support of all regulators and stakeholders.”

Enquiries

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Notes to Editor

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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 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, together with assembling the full funding consortium and set the conditional terms for the development funding package of c.US\$356 million.

Estimates include gold production of c.190,000oz pa. All-in Sustaining Costs (including operating, sustaining capital and closure but not including leasing and other financing charges) remain US\$800-900/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 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 34% interest in G&M and is the operating partner.

ARTAR, on behalf of G&M, holds over 16 Exploration Licence (ELA) 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 mineral 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.