

16 June 2022

KEFI Gold and Copper plc

("KEFI" or the "Company")

Saudi Arabia Development Update

KEFI (AIM: KEFI), the gold and copper exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia is pleased to provide an update on the Company's Gold and Minerals Limited ("G&M") Hawiah Copper-Gold Project ("Hawiah") and Jibal Qutman Gold Project ("Jibal Qutman") in Saudi Arabia. G&M is owned 30% by KEFI and 70% by its partner Abdul Rahman Saad Al Rashid and Sons Ltd ("ARTAR").

Highlights

Hawiah:

- Hawiah Exploration Licence ("EL") has been renewed for five years
- Drilling programmes are proceeding as planned at both Hawiah and adjacent Al Godeyer ELs, with four drilling rigs operating across the licences
- On track to complete new Mineral Resource Estimates and Hawiah Preliminary Feasibility Study ("PFS") in Q4-2022

Jibal Qutman:

- Discussions with the Ministry of Industry and Mineral Resources regarding G&M's Jibal Qutman licence applications continue, and the Company remains hopeful this matter will be resolved in the near future
- Accordingly, G&M have initiated actions which will allow this project to be advanced rapidly. These include:
 - Independent audit of Mineral Resource Estimate;
 - Detailed mine planning and scheduling;
 - Engagement of Lycopodium to complete a 2 Mtpa carbon-in-leach ("CIL") Detailed Feasibility Study ("DFS") by December 2022; and
 - Updating the environmental and social studies to comply with new legislation.
- The intent is to be in a position to trigger project financing formalities for development commitments as soon as the necessary clarification is obtained
- A relatively quick financing and development schedule is targeted because the Saudi Government has simplified and sped up regulatory clearances for development and the financing thereof

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

"In Saudi Arabia, we now have two development projects in progress after being held up for many years awaiting a regulatory overhaul. We are looking to develop our Jibal Qutman Gold Project and then to follow with the start-up of the Hawiah Copper-Gold Project. Both projects are growing, but already in the feasibility study stage and, combined, the KEFI interest therein is already projected to

exceed that of the Company's Tulu Kapi Gold Project in Ethiopia in terms of NPV and cash flow generation.

“Drilling at Hawiah during 2022 should not only further grow the copper-gold resources but also upgrade the classification to the confidence required for mine planning in the PFS, to be completed by the end of this year. Drilling at Hawiah and the nearby Al Godeyer Prospect is also targeted to provide additional near-surface oxide gold resources to be mined first in open pits, expediting first revenue, prior to the underground mine and base metal processing facility being developed.

“With recent encouragement from the Saudi Government, Jibal Qutman is likely to be developed first as KEFI has already commenced work to update the PFS completed in 2014. The preferred development approach for Jibal Qutman is now likely to be a straight-forward CIL gold processing plant, at a larger scale than previously envisaged, as the economics for mining and processing the whole resource now are much more robust at the higher current gold prices. Another important consideration is that project financing in Saudi Arabia will not require foreign banks and that Jibal Qutman will not require the resettlement of communities.

“Our teams in Saudi Arabia and Ethiopia are all working hard towards potentially developing both Jibal Qutman and Tulu Kapi in 2023 and then Hawiah shortly afterwards.”

Hawiah

Hawiah was discovered in September 2019 and now ranks in the top three base metal projects in Saudi Arabia and one of the top 15% VMS projects worldwide. The G&M team is progressing at great speed on this exciting project which is located close to major infrastructure.

G&M has recently received confirmation from the Saudi Government that the Hawiah EL has been renewed for five years to 2027. This follows the granting in December 2021 of the two Al Godeyer ELs which are located immediately west of the Hawiah EL.

G&M is now well placed to complete the work required to apply for a Mining Licence at Hawiah in 2023. Integral to the Hawiah Mining Licence application will be the Preliminary Feasibility Study and updated Mineral Resource Estimates that the G&M team are working towards completing in late 2022.

The required work is proceeding as planned with:

- completion of initial geotechnical drilling and hydrology drilling programmes;
- drilling of the Central Zone and the Oxide/Transition Zones now well advanced;
- ongoing metallurgical test work to determine the preferred flowsheets, including on the bulk samples of the oxide mineralisation from trenches across the Camp and Crossroad Lodes;
- commencement of preliminary underground, open-pit, and surface infrastructure designs; and
- evaluation of building an oxide gold circuit that would add early cash flow.

Initial exploration of the Al Godeyer ELs has confirmed similar copper-gold mineralisation to the Hawiah VMS deposit and indicated good continuity of the mineralised horizon.

Trenching across the extensive Al Godeyer gossans has been completed as well as an initial 19 drill Reverse Circulation (“RC”) holes targeting oxide and transitional mineralisation. Assays from the

samples collected are awaited. Diamond drilling is currently ongoing, targeting deeper portions of the sulphide horizon.

The Al Godeyer exploration focus for the remainder of 2022 will be on drilling to define near-surface oxide gold resources that would contribute to early open-pit production at Hawiah.

Jibal Qutman

Jibal Qutman was KEFI's first discovery in Saudi Arabia with Mineral Resources in excess of 700,000 ounces of gold. Drilling undertaken by G&M identified gold resources in six areas - Main Zone, West Zone, South Zone, 3K Hill, 4K Hill and Red Hill. Given the established regional prospectivity for shallow oxide gold deposits, EL applications have been prepared for four additional areas near Jibal Qutman.

As a result of the new regulatory system and positive developments at the Saudi Arabian Ministry for Industry and Mineral Resources, development planning studies have recommenced at Jibal Qutman, and indications from Saudi Arabia's Government are that the Mining Licence will progress in 2022.

The current gold price is considerably higher than the US\$1,200/ounce used in 2015 when the Company lodged its initial Mining Licence application. Several alternative processing options are likely to have become more attractive since 2015, which may enable more of the known gold deposits to be economically mined. This would result in a larger resource and production profile.

Prior to receiving formal regulatory approvals which will enable the commencement of field activities, several consultants have been engaged to evaluate processing options for Jibal Qutman and update elements of the Mining Licence application. This work includes open-pit design and scheduling, metallurgy, processing options and updating the Environmental and Social Impact Assessment.

Given the higher gold price and increased Mineral Resources since studies were completed in 2015, the preferred development option is currently a 2 Mtpa open-pit mining operation feeding a standard CIL gold processing plant. Subject to metallurgical testwork confirming that more of the unoxidized gold mineralisation has good recoveries, the processing rate may double from that previously envisaged with a commensurate increase in gold production.

Lycopodium has been engaged to complete a Detailed Feasibility Study for Jibal Qutman by December 2022. The DFS will be essential to secure project finance with Saudi financial institutions (including the Saudi Industrial Development Fund (SIDF)) and build a mine.

Drilling at Jibal Qutman for the remainder of 2022 is aimed at collecting data required for the DFS:

- geotechnical data;
- metallurgical samples; and
- testing key areas to improve geological knowledge.

There is excellent potential to expand the Jibal Qutman Mineral Resources with drilling programmes to test various gold mineralised zones now being planned. The current Mineral Resource estimate for Jibal Qutman totals 28.4 million tonnes at 0.80g/t gold, containing 733,045 ounces, with the majority of the Mineral Resource in the Indicated category.

The G&M Board believes that this work will place them in a strong position to rapidly develop the Jibal Outman project and, should regulatory approvals be granted, allow the Company to commence gold production in 2024.

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.

Enquiries

KEFI Gold and Copper plc

Harry Anagnostaras-Adams (Managing Director) +357 99457843

John Leach (Finance Director) +357 99208130

SP Angel Corporate Finance LLP (Nominated Adviser) +44 (0) 20 3470 0470

Jeff Keating, Adam Cowl

Tavira Securities Limited (Lead Broker) +44 (0) 20 7100 5100

Oliver Stansfield, Jonathan Evans

WH Ireland Limited (Joint Broker) +44 (0) 20 7220 1666

Katy Mitchell, Andrew de Andrade

IFC Advisory Ltd (Financial PR and IR) +44 (0) 20 3934 6630

Tim Metcalfe, Florence Chandler

Competent Person Statement

The information in this announcement that relates to exploration results and Mineral Resources is based on information compiled by Mr Tomos Bryan, Exploration Manager for Gold & Minerals Limited. Mr Bryan is a member of the Australasian Institute of Mining and Metallurgy ("AusIMM"). Mr Bryan is a geologist with sufficient relevant experience for Company reporting to qualify as a Competent Person as defined in the JORC Code 2012. Mr Bryan consents to the inclusion in this announcement of the non-financial matters based on this information in the form and context in which it appears.

Notes to Editor

KEFI Gold and Copper PLC

Mission

The mission of KEFI is to discover and acquire economic gold and copper mineralisation and follow through with cost-effective responsible exploration, mine development and production in compliance with local laws and international best practice.

Our geological region of focus is the Arabian-Nubian Shield, due to its outstanding prospectivity for gold and copper.

Our activities provide a strong project pipeline covering the spectrum from our Tulu Kapi Gold Project at the funding stage in Ethiopia, to our Hawiah Copper-Gold and Jibal Qutman Gold Projects at the feasibility study stage in Saudi Arabia, and to walk-up drill targets in both countries.

Since incorporation 16 years ago, KEFI has invested some £72 million in these activities and today the Company sits with advanced projects that have project NPV's that are already multiples of the amount invested. KEFI has a leading position in the two countries that contain the majority of the Arabian-Nubian Shield. We now have three advanced projects in these now strongly pro-development countries and are focused on a sequential mine development path to build a mid-tier mining company over the next few years.

Approach

KEFI was launched in 2006 as a £2.5 million initial public offering ("IPO") on the AIM Market of the London Stock Exchange and was then led by exploration specialists. The 2014 acquisition of the Tulu Kapi Gold Project triggered the appointment of management with track records in developing and operating mines in Africa. KEFI partners with appropriate local organisations, such as Abdul Rahman Saad Al Rashid and Sons Limited ("ARTAR") in the Kingdom of Saudi Arabia in our Gold and Minerals Limited ("G&M") joint venture and with the Federal Government and the Oromia Regional Government in Ethiopia for our TKGGM joint venture.

Our community plans are in accordance with the International Finance Corporation (World Bank) Performance Standards and Equator Principles. Operationally, we align with industry specialists such as Lycopodium Limited ("Lycopodium") - our principal process plant contractors in both Ethiopia and Saudi Arabia.

Some elements of Tulu Kapi's development commenced in Q4-2019 and were stalled repeatedly by civil disturbance. These have now re-started and full construction is planned to begin in October 2022 once the local dry season begins. Annual gold production remains projected at 140,000 ounces from the Tulu Kapi open pit to increase to c.190,000 ounces when the underground mine starts up a few years later.

In Saudi Arabia, we now have two development projects in progress after being held up for many years awaiting a regulatory overhaul. We look to develop our Jibal Qutman Gold Project ("Jibal Qutman") and then to follow with the startup of the Hawiah Copper-Gold Project ("Hawiah"). Both projects are now in the feasibility study stage and are projected, between them, to add similar scale of gold-equivalent production to that projected for Tulu Kapi in Ethiopia. Copper will provide the majority of Hawiah's revenue.

We have also registered applications in Saudi Arabia for exploration of prospects selected from our proprietary database, covering four major new project areas and aggregating more than 1,000 square kilometres.

Timing

KEFI's objective is to have three projects in production by 2026 at a net production rate of c.4,000 gold-equivalent ounces (KEFI beneficial interest 200,000 oz gold-equivalent).

The potential net operating cash flow from these projects is currently estimated to exceed £137 million (US\$185 million) per annum. The next few years will be focused on multi-pronged development and exploration during which our cash flow production should commence and escalate.

The operating environment for KEFI has improved considerably in recent times. Since H1-2020, the estimated net present value ("NPV") of our assets has tripled to £348 million (c.9 pence per share, based on today's issued capital) due to exploration and permitting success in Saudi Arabia and an expected greater equity interest in Tulu Kapi. KEFI's current market capitalisation is c.£30 million (at 0.7 pence per share).