

3 November 2021

KEFI Gold and Copper plc

("KEFI" or the "Company")

Tulu Kapi Mining Licence Tenure Confirmed to 2035

KEFI (AIM: KEFI) is pleased to report receipt on 2 November 2021 from the Ethiopian Ministry of Mines ("MoM") of formal confirmation that the mining licence for the Tulu Kapi Gold project ("Tulu Kapi" or the "Project"), held by Project company Tulu Kapi Gold Mines Share Company ("TKGM"), remains in good standing (for expiry per the terms of issuance in 2035) subject to TKGM's on-going compliance with the regulations and the MoM's requirement for TKGM to re-confirm by 31 January 2022 that it has procured the necessary Project finance. Subject to those conditions and a successful Project launch, the licence can be renewed by TKGM on expiry in 2035 should the Project prove successful in expanding ore reserves and mine life.

The Company has confirmed to the MoM its intention to launch key Project development activities and confirm the identified Project finance in December 2021. The Company remains focused on production commissioning in 2023.

We are appreciative of the time and effort given to recent consultations by the MoM and also by the lead-financiers and contractors to TKGM, all of whom are supportive and have reiterated that they intend to proceed subject to normal conditions for drawdown.

The lead-finance parties have already been collaborating for over three years preparing the Project for launch, during which time technical and legal due diligence has been completed and, at the same time, we have arranged for several important Ethiopian Government documentary confirmations. These include the endorsement of historical pre-development expenditures, and the definitive development commitments regarding electricity-connection and new additional road access. During this period there have also been some pre-requisite policy proclamations by the relevant Ethiopian Government agencies to accommodate normal international mining project finance conditions, including the permission for bank accounts in major international financial centres, a project finance capital ratio of 70/30 debt/equity and permission for market-based private-sector borrowing costs.

This significant progress to date and the Project's general state of readiness places Tulu Kapi as the first-mover in modern Ethiopian large-scale mining. The Company notes that on the evening of 2 November 2021 the Ethiopian Federal Council of Ministers declared a nationwide State of Emergency in response to the ongoing Tigray conflict that has spread to a town on a route approximately 250 kilometres to the national capital Addis Ababa, but is approximately 1,000 kilometres from Tulu Kapi, which remains a quiet rural setting. The State of Emergency, which is to take effect immediately and to last for up to six months, allows the Government to impose certain security measures, including curfews and disrupting transport and communications services.

Whilst the geopolitical environment has proved more challenging than was envisaged at the time of the Company's arrival in Ethiopia in 2014, the opportunity and potential value from the Project is larger and more important than it has ever been.

The Company will report further material developments and make further progress reports as appropriate.

Enquiries

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Notes to Editor**KEFI Gold and Copper plc**

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.