

AIM: KEFI

4th December 2012

**KEFI Minerals Plc
("KEFI Minerals" or the "Company")**

EXPLORATION UPDATE

KEFI Minerals, an AIM-listed gold and copper exploration company with projects in the Kingdom of Saudi Arabia, is pleased to announce additional diamond drill results from the initial drilling programme at the Jibal Qutman Licence and the completion of the geophysical IP survey at the Selib North Licence for the Company's 40%-owned Gold & Minerals Joint Venture ("G&M").

HIGHLIGHTS

- **Diamond Drilling at Jibal Qutman returns encouraging intersections, including 7m at 6.13g/t Au and 3.8m at 5.46g/t Au**
- **Trench sampling at Jibal Qutman returns 15m at 4.67g/t Au, 3m at 6.59g/t Au and 20m at 1.89g/t Au**
- **IP and SP Survey complete at Selib North and preliminary interpretation identified 3 target zones for drill testing**

JIBAL QUTMAN

The Jibal Qutman Licence was granted in July 2012 and exploration work has progressed rapidly from surface mapping and trenching to commencement of the first phase of diamond drilling.

A total of 35 diamond drill holes have been completed testing the shallow open cut potential of the gold mineralisation, which is hosted in a series of quartz veins over a 3km zone. Five holes are to be re-drilled due to low drill core recoveries (as low as 10% over several metres) in the mineralised zones. It is observed from trench mapping that higher gold grades are associated with the highly fractured parts of the quartz veins, which are often lost in the drilling process, and that there is supergene enrichment.

The main vein dips at 45° to the east and parallel veins form stringer zones around the Main Vein ("MV"). In addition, sets of flat lying veins have been recently recognised in a separate area in the Western Zone ("WZ") and Southern Zone ("SZ") of the prospect area.

Diamond drilling is being performed on initial 100m x 25m and 50m x 25m grids. The best results not reported previously, include:

Hole No.	From	Interval	g/t Au	g/t Ag (>20)	Zone
JDQ 7	25.4m	1.6m	9.01*	200.5	[MV]
	42.4m	7.1m	5.85*	59.61	

JDQ 12	74.0m	3.4m	1.69	-	MV
JDQ 13	(Pending)				MV
JDQ 15	56.0m	6.0m	1.00	-	WZ
JDQ 16	17.0m	1.0m	2.01	-	WZ
	31.2m	1.0m	1.10	-	
	40.0m	13.0m	1.17	-	
JDQ 17	15.5m	3.2m	1.08	-	MV
JDQ 18	34.4m	13.0m	1.29	-	MV
	58.5m	2.2m	4.77	-	
JDQ 19	20.0m	4.0m	2.69	38.5	WZ
JQD 21	18.5m	6.2m	2.57	25.5	MV
JQD 23	20.0m	1.3m	7.17	100.2	MV
JQD 24	33.9m	7.0m	6.13	-	MV
JQD 26	29.2m	3.8m	5.46	-	MV
JQD 27	45.0m	30.00m	0.60	-	MV

* Au grades previously reported

TRENCHES

Trench No.	Interval	g/t Au	Zone
JQT 57	13.0m	1.07	MV
JQT 58	15.0m	4.67	MV
JQT 59	16.0m	0.77	MV
JQT 60	3.0m	6.59	SZ
JQT 69	3.0m	3.67	SZ
JQT 84	1.7m	4.25	SZ
JQT 87	20.6m	1.89	WZ
JQT 89	11.3m	1.34	WZ

Drilling is continuing over all 3 zones. The latest drill holes completed have extended the Main Vein a further 75-100m south of previous drilling.

A dyke unit with disseminated and fractures filled with pyrite has been intersected in the Western and Main Vein zones, with low grade of 0.3 to 1.0g/t Au in up to 30m widths. This is an unexpected style of mineralisation and is different from quartz vein style.

Drilling is underway in the Southern Zone, testing the encouraging trench results included above.

SELIB NORTH

IP (induced polarisation and resistivity) and SP (Self Potential) survey was completed around the Camel Hill prospect at Selib North and surrounding area. A total of 11 sections spaced 100m apart, for a total of 12.7km line over a 1.2km² area has been acquired.

The IP and SP survey was designed to identify sulphide-bearing (pyrite) north-south, southeast dykes, which host the gold mineralisation identified by recent trenching, with a best result of 17m at 3.43g/t Au, and diamond drilling best intersection of 11m at 3.11g/t Au.

Interpretation of IP and SP data was carried out in conjunction with other data sets, which included multi-element geochemistry of rock chip samples, Landsat ETM+, ASTER, Cluster Analysis of the IP data and direct measurements of the IP and resistivity parameters of mineralised and unmineralised drill core.

The resulting model of the physical properties has been successful and allowed to reconstruct the three-dimensional geometry and distribution of several lithological and alteration types.

A further 2 new target zones have been identified from preliminary processing and interpretation of the geophysical data. The 3 target zones are: i) beneath the previous shallow drilling at Camel Hill; ii) coincident with major North South trending faults in the centre of the survey area; and iii) in a high chargeability zone in the Southeast of the survey area.

A follow-up RC/diamond drill programme is being designed to test both the IP anomalies and zones along strike intersected by previous drilling. Drilling is expected to start in late December 2012.

Jeff Rayner , Managing Director of KEFI Minerals, commented:

“Drill results from Jibal Qutman continue to support high grade gold in quartz veins, surrounded by lower grade quartz stringer zone and in separate zones of stacked flat lying veins in the west and south of the prospect. At Selib North, drilling will test the targets already identified from ongoing interpretation of recently acquired geophysical surveys.”

KEFI Minerals’ Strategic Plan in the Kingdom of Saudi Arabia

In 2009, KEFI Minerals formed the Gold and Minerals Joint Venture (“G&M”) in Saudi Arabia with local Saudi partner Abdul Rahman Saad Al-Rashid & Sons Company Limited (“ARTAR”), to explore for gold and associated metals in the Arabian Shield. To date, the G&M has conducted preliminary regional reconnaissance and lodged 23 Exploration Licence Applications (ELAs), of which 4 have been granted.

The ELAs were initially applied for and granted to ARTAR. Incorporation of G&M is now complete and granted Licences will be transferred into G&M in due course.

The Kingdom of Saudi Arabia has instituted policies to encourage minerals 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.

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Enquiries



KEFI Minerals

Jeffrey Rayner +90 533 928 1913

Fox-Davies Capital

Simon Leathers +44 203 463 5010

Bishopsgate Communications

Nick Rome +44 20 7562 3395

References in this announcement to exploration results and potential have been approved for release by Mr. Jeffrey Rayner. Mr Rayner is a geologist and has more than 25 years' relevant experience in the field of activity concerned. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has consented to the inclusion of the material in the form and context in which it appears.

Further information on KEFI Minerals is available at www.kefi-minerals.com