

**2 June 2015**

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

**2015 DFS and Financing Update  
for Tulu Kapi gold project**

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to report that progress remains on schedule for updating the Definitive Feasibility Study ("2015 DFS") this month and for arranging full financing for the Tulu Kapi gold project in Ethiopia next quarter.

The project parameters and the progress of the Tulu Kapi 2015 DFS, and for the associated funding plan, remain consistent with those outlined in the Company's recently published Annual Report (available at [www.kefi-minerals.com](http://www.kefi-minerals.com)) and full year results announcement of 20 May 2015, including:

- Anticipated capital expenditure requirement of c. US\$120 million (excluding historical equity-funded costs of over US\$50 million), based on contract-mining and new process plant
- Open pit gold production of approximately 960,000oz over 13 years
- All-in-costs (including operating, sustaining capital and closure) of c. US\$783/oz (excluding initial investment)
- After-tax NPV of US\$112 million assuming an 8% discount rate and gold price of US\$1,250/oz and US\$73 million at a gold price of US\$1,150/oz
- The targeted funding mix is for up to approximately US\$100 million from debt-style financiers (conventional project financiers along with the structured supplements thereto) and the remainder from financing arrangements with project contractors and/or equity from investment institutions at the project or parent level

The draft of the 2015 DFS is now being reviewed by the short-listed secured lenders' independent technical consultants to ensure plans, and substantiation thereof, are aligned with financiers' expectations. The Company's management is also preparing final tender documents for the mining operations and for construction of the process plant and infrastructure. Short-listed project contractors have indicated willingness to participate in project funding.

Harry Anagnostaras-Adams, Executive Chairman of KEFI, commented: "We are pleased with the progress that KEFI has made in the first five months of 2015. The updated Definitive Feasibility Study is nearing completion and preparations for the full funding required for project development are also on schedule. We remain on track to commence construction in late 2015, plant commissioning in late 2016 and gold production in 2017."

## ENQUIRIES

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Further information can be viewed on KEFI's website at [www.kefi-minerals.com](http://www.kefi-minerals.com)

## NOTES TO EDITOR

### **KEFI Minerals plc**

KEFI is the operator of two advanced gold development projects within the highly prospective Arabian-Nubian Shield, with an attributable 1.93Moz (100% of Tulu Kapi's 1.72Moz and 40% of Jibal Qutman's 0.73Moz) Au Mineral Resources (JORC 2012) plus significant resource growth potential. KEFI targets that production at these projects generates cash flow for further exploration and expansion as warranted, recoument of development costs and, when appropriate, dividends to shareholders.

Expected milestones for the remainder of 2015 at Tulu Kapi include:

- Independently updated Definitive Feasibility Study for project finance purposes
- Formalisation of senior secured financing, agreement of final terms for project finance
- Full development funding and commencement of construction

In addition, during 2015 KEFI anticipates submitting a Mining Licence Application for Jibal Qutman in Saudi Arabia through its joint venture company, Gold & Minerals Ltd ("G&M").

### **KEFI Minerals in Ethiopia**

The Tulu Kapi gold project in Western Ethiopia is being rapidly progressed towards development. In October 2014, KEFI Minerals reactivated the Mining Licence Application and assembled indicative project finance terms. The Mining Licence was granted in April 2015 and the short-listed secured lenders' independent technical consultants have now commenced their due diligence.

A Definitive Feasibility Study is focused on the construction of a 1.2Mtpa processing plant with estimated annual gold production of 80-90,000oz and All-in-Costs (including operating, sustaining capital and closure) of c. US\$783/oz (excluding initial investment). The planning parameters for the updated DFS have already been independently confirmed. The Company anticipates arranging

project finance in Q3 2015 for major works to commence in Q4 2015, with a view to commissioning at the end of 2016.

### **KEFI Minerals in the Kingdom of Saudi Arabia**

In 2009, KEFI formed 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. KEFI has a 40% interest in G&M and is the operating partner. To date, G&M has conducted preliminary regional reconnaissance and has had five exploration licences ("EL") granted, including Jibal Qutman and the recently granted Hawiah exploration licence that contains over 6km strike length of outcropping gossans developed on VMS altered and mineralised rocks.

At Jibal Qutman, G&M's flagship project, the total Indicated and Inferred category Mineral Resources, JORC (2012) compliant, are now estimated at 28.4Mt at 0.80g/t Au for 733,045 contained gold ounces compared with 22.0Mt at 0.90g/t Au for 633,461 contained gold ounces previously estimated in March 2014, both at a cut-off grade of 0.2g/t Au.

ARTAR, on behalf of G&M, holds 24 exploration licence applications that cover an area of approximately 1,484km<sup>2</sup>. 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 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.