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

**TULU KAPI GOLD PROJECT UPDATE
APPOINTMENT OF PREFERRED MINING CONTRACTORS**

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Federal Democratic Republic of Ethiopia, is pleased to provide an update on progress on the Tulu Kapi Gold Project in Ethiopia.

KEFI has appointed African Mining Services ("AMS"), a wholly-owned subsidiary of Ausdrill Limited (www.ausdrill.com.au), as Preferred Contractor for Mine Establishment and Operation. AMS has strong African operations and a successful track record.

The principal terms and consequences of this appointment are set out below, all of which are subject to full detailed documentation:

- Scope covers certain pre-mining earthworks as well as the life-of-open-pit mining operation.
- Contractual payment rate to be based on per cubic metre delivered.
- Direct purchases by KEFI of certain key input costs such as explosives and fuel.
- The next step is for KEFI and AMS to jointly optimise the detailed operating plan for the benefit of the project and to prepare matching detailed contractual documentation.
- In the meantime, project financial projections are re-affirmed at All-in-Sustaining Costs of c. US\$760/oz, peak funding requirements of c. US\$120 million, and funding to be sourced from a combination of debt and gold streaming of c. US\$100 million along with project-level equity of US\$20 million. The provisions for cost overrun and finance charges will be checked and allocated between the funding/contracting syndicate as part of finalising inter-creditor arrangements.

Wayne Nicoletto, Chief Operating Officer of KEFI Minerals, commented: "Today's appointment of industry stalwart Ausdrill/AMS as Preferred Mining Contractor is a profoundly important step forward in setting up Tulu Kapi both for development and for long term operation."

Harry Anagnostaras-Adams, Executive Chairman, added: "KEFI was privileged to have received bids from many prominent industry specialists, all of whom invested much effort into their proposals. We are pleased to have joined forces with Ausdrill and its long-standing African subsidiary, AMS, which have a record second to none. KEFI greatly appreciates the support and commitment, and looks forward to starting the work on the ground."

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Further information can be viewed on KEFI's website at 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) gold Mineral Resources (JORC 2012) plus significant resource growth potential. KEFI targets that production at these projects generate cash flows for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders.

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

- Formalisation of project contracting, senior secured financing and equity funding.
- Full development funding and commencement of construction.

In addition, during 2015 KEFI anticipates that, through its joint venture company in Saudi Arabia, Gold & Minerals Ltd ("G&M"), it will commence drilling at new licence Hawiah and assemble a Mining Licence Application for its discovery at Jibal Qutman in Saudi Arabia.

KEFI Minerals in Ethiopia

The Tulu Kapi gold project in Western Ethiopia is being rapidly progressed towards development with the Mining Licence being granted in April 2015.

KEFI's Definitive Feasibility Study was then completed and the Company is now refining contractual terms for project construction and operation. Latest estimates for annual gold production are c. 100,000 oz pa for a 10-year period and for all-in sustaining costs (including operating, sustaining capital and closure) are c. US\$760/oz (excluding initial investment). Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.12g/t gold, containing 1.05 million ounces.

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-Nubian 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 ("ELs") granted, including Jibal Qutman and the recently granted Hawiah EL that contains over 6km strike length of outcropping gossans developed on altered and mineralised rocks with all the hallmarks of a copper-gold-zinc VHMS deposit.

At Jibal Qutman, G&M's flagship project, Mineral Resources are estimated to total 28.4Mt at 0.80g/t gold for 733,045 contained ounces. The shallow oxide portion of this resource is being evaluated as a low capital expenditure heap-leach mine development.

ARTAR, on behalf of G&M, holds 24 EL applications that cover an area of approximately 1,484km². 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.