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**1 March 2017**

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

**Chairman's GM Statement**

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, announces that at today's General Meeting (the "GM") Harry Anagnostaras-Adams, Chairman, will make the following statement. In addition, Mr Anagnostaras-Adams, along with John Leach, Finance Director and Wayne Nicoletto, Chief Operating Officer, will give an informal presentation on the progress of the Company. The presentation contains no material new information and will be made available on the Company's website ([www.kefi-minerals.com](http://www.kefi-minerals.com)) from 5.00pm GMT today.

"Let me begin by reminding all here about the progress we have made at Tulu Kapi and in Saudi Arabia since we were together at our AGM on 30 June 2016. Then I will briefly comment on the announcement we made on 13 February about the £5.62m conditional fundraising.

"KEFI has made solid progress towards becoming a gold production company. The calm and pro-development situation in Ethiopia, combined with the financing proposals being considered by KEFI today, make the Board confident about the future of the Tulu Kapi Gold Project. I am particularly pleased how the team recovered our progress after being temporarily stalled by the declaration of a State of Emergency in Ethiopia in October 2016.

"Since we met in June 2016 at the AGM, we have always continued to have strong collaboration with and commitment from all levels of the Ethiopian Government. Recent Government actions continue to provide domestic stability and improving governance whilst maintaining Ethiopia's position as one of the world's top 10 growth countries. And Government actions over the past few months indicate an even stronger resolve to proceed with Project development as soon as possible. The Prime Ministerial Committee established to fast-track the Project has reinforced its commitment to and collaboration with KEFI. The Shareholders' Agreement for the Government's partnership with KEFI was passed to the relevant Ministry for final review and execution. The Company re-confirmed with the Government's legal office the principles for determining the resettlement compensation in accordance with Ethiopian law. KEFI will not only comply with Ethiopian law but will also provide additional benefits in accordance with the Equator Principles and World Bank (IFC) principles. Our relationship with the Government of Ethiopia is solid, so much so that the Government has also encouraged KEFI to plan an ambitious exploration program in the district around Tulu Kapi and elsewhere in Ethiopia. Targets have been identified for both satellite gold deposits and stand-alone development projects.

"The project economics of Tulu Kapi also continues to look robust. All-in Sustaining Costs, ignoring finance servicing costs, are estimated at under US\$800/oz which places it in the best quartile globally. And based on the current front-runner proposed finance plans, all finance servicing costs are also expected to be covered by annual gold prices below the gold price range of the last 7 years of between circa \$1,050 and \$1,750/oz. Today's gold price is approximately \$1,250/oz.

"On the exploration side – in Saudi Arabia, we took the opportunity of current regulatory reviews to upgrade our pipeline of targets in a discrete and low-key manner via our Gold & Minerals joint venture company ("G&M") with 60% partner Abdulrahman Saad Al Rashid and Sons Company Limited ("ARTAR"). We have also been focusing on our near-term development proposition at Jibal Qutman and at Hawiah, we have identified a huge target for

precious and base metals based on the surface-sampling of a six kilometre long gossan (oxidised mineralisation exposed on the surface) and the results of the geophysical surveys of the ground beneath the gossan.

“The Board feels very comfortable with the complementarity of targeted short performance in Ethiopia and longer term targeted organic growth in both Ethiopia and Saudi Arabia. It is a well-balanced portfolio which we believe will spawn several operations within the next five years.

“As regards the milestones targeted over the next 12 months, most important are those required to trigger development of the Tulu Kapi Gold Project. These include shareholder agreements and foundation constitutional documents for the project company (to be named Tulu Kapi Gold Mines Limited), detailed contractual arrangements with Tulu Kapi mining and plant contractors, credit approvals and regulatory approvals for the planned debt and mezzanine finance at the project level and regional government implementation of the community resettlement plans. Of equal importance are the targeted milestones to progress our project pipeline for organic growth in addition to Tulu Kapi, both in Ethiopia and in Saudi Arabia.

“Moving on to the topic in consideration today. We provided full details in the statement we made on 13 February 2017, when we announced the fundraising of £5.62m conditional on the support of shareholders at this GM today. We are now at a pivotal stage of the Company's development. The proceeds of the fundraising complement our working capital to support the activities for over 12 months as we look to start development of Tulu Kapi project during the year. Similarly, the proposed consolidation of the Company's shares is also part of the Company seeking to increase its appeal to the broader investment community. The consolidation is on the basis of one new ordinary share for every 17 existing shares held and, if approved, the total issued capital of the Company will be reduced from 3,882,920,445 existing ordinary shares to 228,407,085 new ordinary shares, prior to the allotment of any shares under the fundraising.

“In conclusion, I would like to say a few words about the intense efforts of our team and of the Governments we deal with. In Ethiopia and Saudi Arabia, we have two governments which are clearly working to better facilitate growth of the minerals sector. In both jurisdictions, KEFI has the opportunity to take a leading position in the mining sector, which also brings with it a significant responsibility to assemble the best possible syndicate of stakeholders. This point brings us back to the essence of today's message. We have installed appropriate cornerstone shareholders, project contractors and a strong exploration and development team. And, as of today, we will have underpinned our runway with working capital for over 12 months. Of course, if things go well, we will part-way along this runway install a full development finance package to cover the \$150-160 million total funding requirement. We have many changes ahead on our pathway to becoming a cash flow producer, which we look forward to.

“We deeply appreciate the ongoing support of our shareholders, communities and other key stakeholders as we enter another exciting, and crucial, stage for KEFI.”

## **ENQUIRIES**

### **KEFI Minerals plc**

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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) 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, recoument of development costs and, when appropriate, dividends to shareholders.

**KEFI Minerals in Ethiopia**

Since the acquisition by KEFI in December 2013 of 75% (subsequently increased to 100%) of the Tulu Kapi Gold Project ("Tulu Kapi"), the Company has overhauled the project plans:

- Expanded the Indicated Resource by 50%; completely and successfully overhauled the development and operating plan; completed several independent cycles of due diligence on the optimised plans; received full permitting for development and operation; signed a bilateral agreement with the Government of Ethiopia setting out the fiscal regime for life of mine; and installed the project construction management team, project contractors and the lead bank.
- In August 2015, KEFI published the 2015 Definitive Feasibility Study setting out capital requirements at US\$176 million on an owner-operated basis, reduced from US\$289 million estimate of the previous owner. We also confirmed community resettlement plans.
- Subsequent refinements and the terms of appointment of the project contractors in October 2015 reduced the previous owner's estimated capital requirement of c. US\$300 million to KEFI's estimate of US\$150-160 million, which has since been the focus of the financing syndicate with a view to striking an appropriate balance between risk-mitigation and equity dilution.
- Tulu Kapi's annual gold production and All-in Sustaining Costs are estimated at c. 115,000oz pa from the open pit alone and c. US\$724/oz to US\$752/oz at a gold price range of US\$1,000/oz to US\$1,400/oz, placing it in the most competitive quartile when measured against existing gold producers globally.
- The project now has soundly-based robust economics and significant growth potential beyond the existing Ore Reserves estimate of 15.4Mt at 2.12g/t gold, containing 1.05Moz.
- KEFI is in the midst of assembling the development financing for Tulu Kapi.

**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 more 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 more than 20 EL applications that cover an area of over 1000km<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.