

16 June 2015

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

CONDITIONAL PLACING TO RAISE £2.9 MILLION

Highlights

- **Placing raising £2.9 million to fund development of Tulu Kapi**
- **Directors of KEFI and certain existing shareholders participating**
- **Definitive feasibility study and project financing at advanced stage: expect to make development commitments with short-listed project financiers in Q3 2015**

KEFI Minerals (AIM: KEFI), an emerging gold miner with projects in the Kingdom of Saudi Arabia and the Federal Democratic Republic of Ethiopia, is pleased to announce that it has conditionally raised £2.9 million, before expenses, through the issue of 362,500,000 new Ordinary Shares of 0.1p each ("Placing Shares") at a price of 0.8p per share (the "Placing Price") by way of a placing through Brandon Hill Capital Limited ("Brandon Hill") and Beaufort Securities Limited ("Beaufort"), together with a subscription direct with the Company by a leading service provider to the African mining industry, Ausdrill International Pty Limited (the "Placing").

The Placing

The Directors obtained authority from shareholders to issue shares for cash on a non-pre-emptive basis at the AGM yesterday in order to reinstate the Company's flexibility regarding the funding of its working capital and other ongoing requirements.

The Company has conditionally raised £2.9 million (before expenses) pursuant to the Placing. The Placing proceeds are primarily intended to fund the Company through the next phase of its development with the majority of funds to be expended on progressing the flagship Tulu Kapi project in Ethiopia and on further exploration.

The Placing is conditional, amongst other things, on the admission of the Placing Shares to trading on the AIM Market of the London Stock Exchange ("Admission") by 8.00 a.m. on 19 June 2015 (or such later date as the Company may agree with Brandon Hill and Beaufort, being not later than 30 June 2015). Application has been made to the London Stock Exchange and it is expected that Admission will become effective and that dealings will commence in the Placing Shares on 19 June 2015.

The Company has also granted to Brandon Hill warrants to subscribe for 12,156,250 Ordinary Shares and to Beaufort warrants to subscribe for 2,343,750 Ordinary Shares (in aggregate being equal to 4 per cent. of the number of Placing Shares) exercisable for three years at the Placing Price.

Director Participation

Following the Company ceasing to be in a close period, and the Company having the requisite authorities to issue further ordinary shares, certain Directors have subscribed for 31,250,000 Placing Shares in the Placing

at the Placing Price. The number of Placing Shares to be subscribed by each Director and their resulting shareholdings on Admission are set out below:

	Number of existing Ordinary Shares	Percentage of existing issued share capital	Number of Placing Shares	Number of Ordinary Shares on Admission	Percentage of enlarged share capital on Admission
Harry Anagnostaras-Adams	56,966,667	4.12%	25,000,000	81,966,667	4.70%
Ian Plimer	4,366,668	0.32%	-	4,366,668	0.25%
Jeffrey Rayner	7,383,333	0.46%	4,687,500	12,070,833	0.69%
John Leach	2,250,000	0.16%	781,250	3,031,250	0.17%
Norman Ling	-	-	781,250	781,250	0.04%

Following Admission, Ausdrill International Pty Limited will hold 74,250,000 Ordinary Shares representing 4.26 per cent. of the Company's issued share capital.

Total Voting Rights

Following Admission, KEFI will have 1,744,447,480 Ordinary Shares in issue (and no ordinary shares held in treasury) and this is the figure which should be used as the denominator for the calculations by which shareholders will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure and Transparency Rules.

Harry Anagnostaras-Adams, Executive Chairman of KEFI, commented: "We are delighted by the faith shown by our shareholders and new shareholders as we move ever closer to becoming a gold producer. As a result of the Placing, the progress being made in Ethiopia and the expected finalising of project finance in Q3 2015, we remain on track to commence major construction work later in the year and be in production in 2017."

ENQUIRIES

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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) 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, recoupment 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 construction of a 1.2Mtpa processing plant with estimated annual gold production of 80-90,000oz - total open pit gold production of approximately 960,000oz over 13 years -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 1,484km². 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.

