

4 June 2015

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

**EXPLORATION UPDATE ON LICENCES ADJACENT TO TULU KAPI MINE
LONGER TERM TARGET TO DOUBLE THE EXISTING TULU KAPI ORE RESERVE**

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 report the first trench sampling results from three prospects in adjacent exploration licences to the planned 1 million oz Tulu Kapi open pit gold mine in Ethiopia. The gold mineralisation could potentially provide satellite feed to the central processing plant at Tulu Kapi or be developed as standalone heap leach projects.

The Company is focusing its near-mine exploration under the planned open pit and in the adjacent exploration licences. Two parallel shear zones immediately west of Tulu Kapi, the Komto-Guji Shear and the Bila-Gulliso Shear, are host to a number of gold prospects that have similar geology to Tulu Kapi and have potential to provide satellite ore feed to the planned Tulu Kapi processing plant.

Indicated resources have been reported for the zone underneath the planned open pit and pre-resource mineralisation has been quantified using polygonal estimation for shallow mineralisation in the adjacent licences. In aggregate, these relatively untested zones provide sufficient scope to target, over the longer term, a doubling of the existing 1 million ore reserve at Tulu Kapi.

Komto 1 and Komto 2 Prospects

At the Komto 1 and Komto 2 prospects, mineralisation is hosted in a ferruginous stockwork in meta-sandstone. The mineralisation style has potential to host a bulk tonnage open cut resource. Only one drill hole had previously been drilled, in the 1970s at the Komto 1 prospect, and it returned a 10.5m intercept at 1.5g/t Au.

A total of eight trenches have recently been excavated by hand in accessible areas and all trenches returned positive ore grade intercepts over a 3km strike length, with best results including:

- K1003: 7m at 7.27g/t Au
- K2012: 13m at 1.07g/t Au
- K2013: 6m at 1.24g/t Au and 5m at 1.07g/t Au

The Komto 1 and 2 shear zone and ferruginous stockwork continues north for a further 2km where it joins the Guji prospect, where previous drilling has identified a low grade gold resource in saprolite (weathered) rock. KEFI performed a limited drilling programme at Guji in 2014 and extended the mineralisation 200m north and south (which remains open along the strike length) with a best intercept of 44m at 1.7g/t Au.

The Guji and Komto prospects are within 7km of the proposed Tulu Kapi mine, and also have the potential to host heap leachable oxide resources. Further trenching and reverse circulation ("RC") drilling is planned.

Soyoma Prospect

The Soyoma prospect is located on the Bila-Gulliso Shear, 15km north-west of Tulu Kapi. Gold mineralisation is hosted in quartz veins. Previous wide-spaced trench sampling returned 14.2m at 8.2g/t Au. A small gravel pit for road base was recently excavated over the top of two trenches, which revealed a series of flat-lying stacked quartz veins. These individual veins have been channel sampled and returned best results of 3m at 4.2g/t Au, 2m at 2.75g/t Au and 1m at 2.65g/t Au. The vein zone and historic workings have been mapped over a 2km strike and further trenching and RC drilling is planned.

Jeff Rayner, Exploration Director of KEFI Minerals, commented: "As we continue to make significant progress with the mine development planning at the 1 million ounce Tulu Kapi gold project, KEFI is now beginning to explore the potential in the adjacent licence areas. Encouraging trenching results indicate deposits with gold mineralisation that could either provide satellite feed to the central processing plant or operate as standalone heap leach projects. We already see the potential to double the current 1 million ounce reserve at Tulu Kapi."

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Further information can be viewed on KEFI's website at www.kefi-minerals.com

COMPETENT PERSON STATEMENT

References in this announcement to exploration results, resources, interpretations and prospects 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 reviewed and consented to the inclusion of the material in the form and context in which it appears.

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.