

**4 March 2015****KEFI Minerals plc**  
**("KEFI" or the "Company")****EXPLORATION UPDATE - SAUDI ARABIA**

KEFI Minerals (KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, is pleased to report the latest exploration results in Saudi Arabia. KEFI is the operator of the Company's 40%-owned Gold & Minerals Joint Venture ("G&M").

**HIGHLIGHTS OF RECENT RESULTS****Jibal Qutman:**

- Ongoing drill and trench results at the recently discovered Red Hill prospect continue to expand the zone of mineralisation, with best results including:
  - 17m at 2.65 g/t Au and 14m at 1.00 g/t Au from drilling
  - 24m at 1.90 g/t Au, 20m at 2.92 g/t Au and 26m at 2.23 g/t Au from trenching; and
  - 34m at 1.41 g/t Au from rock chips along channels.
  - The trenching results extend the Red Hill zone of mineralisation by 600m, to 1,600m long
- Extension drilling at the 3K Hill prospect returned best results of 13m at 1.12 g/t Au and 9m at 1.72 g/t Au
- Trenching at 4K Hill returned best results of 24m at 1.90 g/t Au (including 4m at 5.12 g/t Au)
- Mineral resources (non JORC-compliant) at 15 December 2014 stand at 201,237 ounces at 0.93 g/t Au within the oxidised zone, with an additional 428,711 ounces at 0.90 g/t Au in the deeper sulphide ore which could potentially be mined at a stage subsequent to the contemplated heap leach (HL) project
- Diamond drilling for (HL) metallurgical testwork has been completed in four of the prospects and the HL simulations are underway at ALS-Ammtec in Perth, with results expected in Q2 2015

**Hawiah:**

- Following the granting of the Hawiah Exploration Licence ("Hawiah EL") in December 2014, a first pass trenching program has been completed. A total of 53 trenches have been excavated over a 6km long gossanous horizon which is thought to overlie volcanogenic massive sulphide copper-gold style of mineralization
- From results received to date, almost all trenches contained anomalous gold, including 6m at 2.22 g/t Au, 2m at 8.69 g/t Au, 6m at 1.94 g/t Au, 3m at 5.76 g/t Au, 2m at 7.54 g/t Au and 8m at 3.04 g/t Au
- A self-potential (SP) geophysical survey has commenced to identify metals at depth. Initial survey results indicate the presence of a low resistivity anomaly directly below the gossans and a parallel anomaly 200m further east. An induced polarization (IP) survey will test the SP anomalies in preparation for deeper diamond drill testing

**The foregoing results serve the following business plan objectives:****Jibal Qutman:**

- To assemble sufficient mineral resources (c. 250,000 ounces Au in oxidised material) at surface to justify the staged development of a series of shallow open pits and processing by HL methods
- To demonstrate economic metallurgical recovery by the HL process. Surface trench samples demonstrated fast leach kinetics and +90% gold recovery in 2014 bottle-roll test work. Testing is now being performed on oxides in drill core down to 40-50m depths using column leaching
- To initiate a bankable feasibility study in 2015 to develop a low-cost HL mining operation

- To permit regional Exploration Licence Applications (“ELAs”) which have high prospectivity for additional resources
- To develop Jibal Qutman as an opportunity to self-fund:
  - the capex to build a carbon-in-leach processing plant for the deeper sulphide ore; and
  - the Company’s program of exploring G&M’s large portfolio of targets as part of the development of a strong Saudi mining operation for the long term.

**Hawiah:**

- To demonstrate the potential for economic gold resources at surface (in the gossan)
- To apply geophysical techniques to identify large base metal (copper, gold and zinc) targets at depth
- To then follow through with targeted drilling programs within this second of the Company’s two mineral provinces in Saudi Arabia

**Jeff Rayner, Exploration Director of KEFI Minerals, commented:**

**“We are pleased to report good progress at both licences in Saudi Arabia. At Jibal Qutman, we keep adding ounces that have real potential for development in the short term and, at the other Saudi region where we are active, Hawiah, our initial exploration has confirmed that the 6km-long gossanous zone is enriched in gold and the mineralisation has good continuity. This is also an affirmation of establishing our operating platforms within the highly prospective Arabian Nubian Shield. Excellent progress in Saudi Arabia and Ethiopia pave the way for us to judiciously pursue larger regional targets over the longer term.”**

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

*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.*

## Jibal Qutman: Exploration Drilling and Trenching

Positive results have been returned from the ongoing exploration drilling (reverse circulation or “RC” drilling) and trenching campaigns at Jibal Qutman, expanding along strike the known mineralisation to the north and south of the recently discovered Red Hill prospect. Gold mineralisation is related to quartz vein stockwork hosted in carbonate-silica altered serpentinite (“Listwaenites”), exposed along the eastern flank of a 600m long NS trending ridge. In the discovery zone results from drilling on a 30 by 50m spaced grid confirms the presence of two subparallel and subvertical continuous mineralised bodies. A total of 8 RC drillholes were drilled, returning multiple intercepts including 14m at 1.00 g/t Au, 9m at 1.18 g/t Au, 31m at 1.64 g/t Au (including 17m at 2.65 g/t Au). Three infill rock chip channels, performed across the top and the eastern flank of the ridge, returned best results of 34m at 1.41 g/t Au. Further trenching and RC drilling are in progress in the area.

Trenching results extend the mineralization 600m further north of the discovery zone (trench JQT315 with a best result of 20m at 2.92 g/t Au), and 1km south of the discovery zone (trench JQT307 with best results of 26m at 2.23 g/t Au and 4m at 14.12 g/t Au).

At 3K Hill further drilling extends the mineralisation 100m to the north. Drillhole JQRC387 returned 9m at 1.72 g/t Au and 4m at 3.94 g/t Au; and JQRC388, drilled where the mineralisation is covered under “Wadi” sand cover, returning best result of 13m at 1.12 g/t Au

Further drilling is now warranted at the 4K Hill prospect, as new trench results extends the mineralisation to the North-East, returning best results of 3m at 4.86 g/t Au, 24m at 1.90 g/t Au (including 4m at 5.12 g/t Au) and 7m at 1.08 g/t Au.

A metallurgical diamond drilling program, for a total 10 holes and 436m drilled, was completed in January 2015 at Jibal Qutman. Drillholes targeted the oxidised and transitional mineralisation at South Zone, Main Zone, West Zone and 3K Hill prospects. Samples were dispatched to ALS Ammtec Metallurgy lab in Perth, and column leach testwork is in progress. Initial results of tests are expected in Q2 2015.

The following tables summarise the best drilling and trenches not reported previously:

Hole	From M	To m	Interval m	Gold g/t	Zone
JQRC387	0	9	9	@ 1.72	3K Hill
	14	18	4	@ 3.94	
JQRC388	2	15	13	@ 1.12	3K Hill
JQRC391	31	39	8	@ 0.94	3K Hill
JQRC393	58	72	14	@ 1	
JQRC394	7	16	9	@ 1.18	
	22	53	31	@ 1.64	
	incl	35	52	@ 2.65	
JQRC396	11	16	5	@ 4.88	Red Hill
	25	48	23	@ 1.07	
	62	67	5	@ 1.22	
JQRC397	81	92	11	@ 1.36	
	97	105	8	@ 1.27	

Trench and channels	From M	To m	Interval M		Gold g/t	Zone
JQT287	11	21	10	@	0.73	4K HILL
incl	16	19	3	@	1.11	
JQT285	90	94	4	@	1.08	
JQT284NE	219	243	24	@	1.9	
including	227	230	3	@	4.86	
JQT306	14	21	7	@	1.08	
JQT307	260	279	19	@	0.71	
JQT315	0	20	20	@	2.92	
incl	16	19	3	@	10.02	
JQT322	22	26	4	@	7.81	
	38	39	1	@	3.14	
JQT323	9	11	2	@	1.35	RED HILL
	27	34	7	@	1	
JQT234	29	35	6	@	1.02	
	44	46	2	@	0.89	
JQT325	33	37	4	@	1.54	
JQT337	13	39	26	@	2.23	
incl	21	35	14	@	3.61	
	52	56	4	@	14.12	
JQC008	25	26	3	@	1.09	
JQC009	46	47	34	@	1.41	
JQC009	79	80	2	@	2.56	
JQC009	82	83	1	@	1.51	
JQC009	84	85	1	@	1.1	



Drilling at Jibal Qutman Red Hill Prospect

### Hawiah: First Pass Exploration Trenching Results

At Hawiah a first pass, wide spaced trenching program was completed in February 2015. A total of 53 trenches, for a total of 1,620m, were excavated over a 6km almost continuous north-south exposure of highly silicified and variably gossanous horizon, with abundant secondary copper showings. This zone was mapped and trenched by France's Bureau De Recherches Geologiques et Minières (BRGM) in the 1980s, which identified its gold-bearing potential. KEFI's newly performed trenches repeated some of the BRGM's trenches and also extended the well-known exposure both to the south and to the north.

Best results from this initial trenching program include 6m at 2.22 g/t Au, 5m at 1.08 g/t Au, 4m at 2.64 g/t Au, 2m at 8.64 g/t Au, 6m at 1.93 g/t Au, 8m at 1.33 g/t Au, 3m at 5.76 g/t Au, 2m at 2.26 g/t Au, 2m at 7.54 g/t Au, 8m at 3.04 g/t Au. Results of trenching confirm that gold grades occur with good continuity along the strike length, and the shallow potential of the Au mineralisation. Results from multi-element analyses (base metals and path finder elements) are pending.

A geophysical orientation Self Potential (SP) survey is in progress in Hawiah: A total of 69 east-west trending 1.7km long survey lines, covering the whole extension of the 6km mineralised exposure, has been designed, targeting potentially deep seated disseminated to sub-massive sulphide (Cu-Au-Zn) bodies associated with volcanically hosted massive sulphides (VHMS) bodies. Low resistivity targets generated by the SP survey will be followed-up with a more detailed geophysical IP survey. The IP survey is designed to test for electrical conductors (i.e. massive sulphides) down to vertical depth of 200-250m. The IP anomalies will provide vertical depths to target and will be tested by diamond drilling.

The following table summarises the trenching results received to date (assay results for 4 more trenches are pending):

Trench	From m	To m	Interval m		Gold g/t
HAT001	4	6	2	@	1.26
HAT004	9	13	4	@	1.06
HAT005	12	18	6	@	2.22
HAT006	12	17	5	@	1.43

incl	14	16	2	@	2.87
HAT007	11	16	5	@	1.08
HAT008	14	18	4	@	2.64
HAT010	16	19	3	@	1.98
HAT012	11	13	2	@	1.16
HAT012	23	25	2	@	1.78
HAT013	24	26	2	@	8.69
HAT015	18	21	3	@	1.01
HAT016	10	16	6	@	1.93
HAT017	9	11	2	@	3.22
HAT017	19	20	1	@	2.23
HAT019	7	9	2	@	1.03
HAT022	8	16	8	@	1.33
HAT023	10	13	3	@	1.59
HAT025	7	9	2	@	1.60
HAT027	9	10	1	@	1.41
HAT028	8	9	1	@	1.67
HAT029	9	12	3	@	5.76
HAT030	7	9	2	@	1.01
HAT033	5	7	2	@	2.26
HAT034	18	20	2	@	7.54
HAT036	15	23	8	@	3.04
HAT042	10	15	5	@	1.00
HAT043	12	13	1	@	1.77
HAT045	4	5	1	@	1.92
HAT049	14	15	1	@	2.67

## **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 2.1M ounces (100% of Tulu Kapi's 1.9M ounces and 40% of Jibal Qutman's 0.6M ounces) Au 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:

- Mining Licence for Tulu Kapi, comprising all major permits for construction and operation
- Independently refined and verified mine plan
- Independently verified capex, opex & closure costs
- Independently verified Ore Reserves
- Independently updated Definitive Feasibility Study for banking purposes
- Formalisation of bank syndicate, 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 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.

A Definitive Feasibility Study is evaluating construction of a 1.2Mtpa processing plant with estimated annual gold production 86,000 ounces at total operating costs of \$626/ounce. The planning parameters for the DFS have already been independently confirmed. The Company's milestones for 2015 include licencing, resettlement of affected households, arranging project finance in mid-2015 for major works to commence in the final quarter of 2015 and production commissioning at the end of 2016.

The Company has received strong support from the Ethiopian authorities, who have confirmed their intention to expedite the processing of the Mining Licence Application and issue approvals in early 2015.

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

KEFI Minerals has a 40% interest in the G&M joint Venture (G&M) and is the operating partner. G&M holds, other than Hawiah and Jibal Qutman, 23 ELAs that cover an area of approximately 1,484km<sup>2</sup>. EL's are renewable for up to five years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) lease within the area.

In 2009, KEFI formed G&M, with Saudi partner ARTAR, to explore for gold and associated metals in the Arabian Shield. To date, G&M has conducted preliminary regional reconnaissance and had five EL's granted. Three have been relinquished after initial testing.

At Jibal Qutman Exploration Licence, G&M's flagship project, the total inferred category Mineral Resources, not yet JORC compliant, are estimated at 22.0Mt at 0.90 g/t Au for 633,461 contained gold ounces compared with a JORC resource of 16.7 Mt at 0.92g/t Au for 495,194 contained gold ounces previously estimated in March 2014, both at a cut-off grade of 0.2g/t Au.

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.