

**AIM: KEFI**

**18 September 2013**

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

**INCREASED JORC RESOURCE  
EXPLORATION UPDATE**

KEFI Minerals, the AIM-quoted gold and copper exploration company with projects in the Kingdom of Saudi Arabia, is pleased to announce an updated JORC compliant Inferred Resource of 14.5Mt at 0.89g/t Au for 415,000oz Au at its Jibal Qutman prospect.

The Company's ongoing trench channel sampling and drilling programme at the Jibal Qutman Licence continues to expand the mineralised system, which is yet to be closed off. Kefi Minerals is the operator of the project under the Company's 40%-owned Gold & Minerals Joint Venture ("G&M").

**HIGHLIGHTS**

- A 33% increase in the JORC compliant Inferred Resource to 14.5Mt at 0.89g/t Au for 415,000oz Au has been calculated at a cut-off of 0.2g/t Au.
- The 3K Hill prospect discovered in June 2013 provided significant contribution to the upgrade;
- The second phase RC drilling programme is on-going with mineralisation remaining open along strike at the Main, South, West and 3K Hill Zones. Drilling aims to extend the resource, and continues returning encouraging intersections, including: 9m at 14.20g/t Au, 25m at 1.25g/t Au, 10m at 2.18g/t Au, 9m at 1.36g/t Au and 8m at 1.01g/t Au.;
- Trench channel sampling over a newly discovered set of shear zone-hosted quartz bodies at 4K Hill returned encouraging intersections, including 8m at 1.03g/t Au, 12m at 1.37g/t Au and 1m at 28.31g/t Au;
- A Diamond Drill Hole programme to deliver samples and progress metallurgical testwork has been initiated.

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

"The results of the on-going RC drilling and trenching at Jibal Qutman continue to increase the size of the mineralised system. We are very excited about the potential to develop a significant resource in the region and once more the drilling results have vindicated our team's efforts.

"Our drilling is continuing to find more gold and we have yet to close off the mineralisation along strike of any of the drilled areas. Additional drilling capacity is being sought to step up the work rate at Jibal Qutman with the continued focus on moving towards a pre-feasibility study. We look forward to further developing our drilling programme and updating the market in due course."

### Jibal Qutman Resource Update

At Jibal Qutman an updated resource has been calculated from additional drill and trench sampling results received up to 9 September 2013. Previous interpretation from polygonal estimates has been updated for new understanding with significant additional data and a revised geology model created. The data set considered is comprised of 50 diamond drill holes, 114 RC drill holes and 201 trenches. There were 9,000 drill hole assays and 7,500 trench assays for 16,500 assays in total considered. Geostatistics has been performed on each separate deposit and top-cuts ranging from 10.5g/t to 25.4g/t Au applied.

Drilling was carried out on 50m x 25m and 50m x 40m spacings to nominally 120m depths. Trenches were excavated at 50m and 25m spaced sections.

At 3K Hill, gold mineralisation shows the same features as the other southern zones and comprises massive wide quartz vein zones with higher grade (1-25g/t Au) gold mineralisation, intercalated by pyrite rich shear-zone hosted stockworks.

The resource estimate has been confined to maximum depths of 50m to 70m below surface and an approximate overall strip ratio of less than 4:1 (waste:ore) can be calculated in four "pit shells" to the base of the mineralised blocks.

An inverse distance squared block model has been produced in Surpac, supported by basic geo-statistics to fill all of the interpreted orebody solids with grade for an updated inferred resource estimate:

Zone	Volume	Tonnes	Au g/t	Ounces
Main - West - South	4,466,452	11,836,102	0.85	322,621
3K Hill	1,022,498	2,709,621	1.06	92,114
Total	5,488,950	14,545,723	0.89	414,735

Additional information obtained since July 2013 allowed confirmation of the general size and shape of main-west-south block with an addition of some 2Mt at similar grade. The deposit structure has been confirmed and is still open at depth and along strike.

3K Hill has proved an excellent discovery, effectively adding since July 3Mt bulk near surface tonnage, open at depth to the north and along strike north and south.

### Ongoing Exploration

The second phase RC drill programme continues and since July 2013, a second drill contractor has been operating on site. The aim is to define the limits of the Main, West, South and 3K Hill Zones and to subsequently infill RC drill at 25m x 20m where required. This work is expected to be completed in Q4 2013.

In the 3K Hill prospect, trenching and RC drilling has extended the quartz vein mineralisation to over 400m to the North and South. Mineralisation is masked by shallow sand cover (1-2m) going Northwards and further RC drilling is planned.

The best results from the recently drilled RC drill holes include:

Hole No	From (m)	To (m)	Interval (m)	Au g/t	Zone
JQRC079	20	45	25	1.25	3KHill
JQRC80	55	60	5	1.55	West
JQRC82	24	26	2	1.17	West
JQRC086	28	39	11	0.86	3KHill
JQRC88	8	10	2	3.48	West
JQRC089	6	8	2	1.32	3KHill
JQRC090	58	69	11	0.99	3KHill
and	84	87	3	1.78	3KHill
JQRC091	41	43	2	1.70	3KHill
JQRC096	33	40	7	1.70	West
JQRC98	55	64	9	14.20	3KHill
including	60	64	4	29.75	3KHill
JQRC102	15	24	9	1.36	3KHill
JQRC106	74	79	5	1.35	West
JQRC108	63	66	3	1.07	West
JQRC109	32	35	3	1.16	Main
JQRC112	15	23	8	1.01	Main
JQRC114	7	17	10	2.18	Main

Reconnaissance sampling and mapping has resulted in new discoveries of gold-bearing quartz vein structures in other parts of the Jibal Qutman Licence. The most promising is an area located 1.2km Northeast of the 3K Hill prospects, with veins gently dipping to the East, similar to the West Zone and mapped over 300m of strike (4K Hill prospect).

Trenching, spaced 50m apart along sections at 4K Hill, confirmed that mineralisation extends for strike of over 300m. A list of best intersections received to date includes:

Hole No	Interval (m)	Au g/t	Zone
JQT198	3	1.32	4KHill
JQT200	12	1.37	4KHill
JQT202	5	1.02	4KHill

Four RC holes were drilled at 4K Hill and most samples are still being processed in the laboratory.

Trenching over the northern extension of the 3K Hill prospect, completely hidden by alluvial sediments, provided indications that the mineralisation, as shown in the table below, could be extended 100m to the north:

Hole No	Interval (m)	Au g/t	Zone
JQT205	1	28.31	3K Hill

Further RC drilling and trenching to extend the 3K Hill and 4K Hill zones is also planned. Currently, two RC rigs are operating on single shift.

## Others

Feasibility study: G&M plans to complete a Pre-Feasibility Study in Q1 2014 and subsequently apply for a Mining Licence for the G&M JV. Feasibility study related works including geophysical water exploration were initiated in late August 2013.

Metallurgy: metallurgical testwork is continuing, indicating that recoveries in excess of 90% can be obtained in the upper oxide zones. Although metallurgy is complex, indications are that overall recoveries above 80% should be achievable on sulphide zone samples.

A diamond drilling programme started in August with the aim to collect sulphide-zone samples for further metallurgical testworks.

## **Enquiries**

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*References in this announcement to exploration results and potential 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 consented to the inclusion of the material in the form and context in which it appears.*

Further information on KEFI Minerals is available at [www.kefi-minerals.com](http://www.kefi-minerals.com)

## **KEFI Minerals' Strategic Plan in the Kingdom of Saudi Arabia**

In 2009, KEFI Minerals formed the Gold and Minerals Joint Venture ("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. To date, the G&M has conducted preliminary regional reconnaissance and lodged 23 Exploration Licence Applications (ELAs), of which 4 have been granted.

The ELAs were initially applied for and granted to ARTAR. Incorporation of G&M has been completed and any granted Licences will be transferred into G&M in due course.

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.

**-Ends-**