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

GOVERNMENT OF ETHIOPIA TO INVEST US\$15-20M IN TULU KAPI GOLD PROJECT

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 that it has received formal confirmation from the Government of Ethiopia of its intent to invest US\$15-20 million in the Tulu Kapi Gold Project (the "Project"). This investment will provide the Government of Ethiopia with an equity interest in KEFI Minerals (Ethiopia) Ltd ("KME"), a wholly-owned subsidiary of KEFI Minerals plc that owns and operates the Project, of approximately 20-25% based on the projected enlarged paid-up share capital of KME (c. 25-30% including the Government's pre-existing 5% free carried-interest).

The intended investment by the Government implies a Project value of approximately US\$75 million at its current stage of development and reflects the aggregate of equity capital invested into KME. At a typical consensus gold price of US\$1,250/oz, Project NPV is c. US\$168 million, once fully funded and based on the unleveraged after tax cash flows discounted at 8%.

Monies invested by the Government will be used to fund the roads, power and certain other associated infrastructure required by the Project. This formal investment decision follows last month's appointment of the preferred project contractors and supports the Company's timetable to assemble the full financing syndicate in Q4 2015.

Mr Harry Anagnostaras-Adams, Executive Chairman, said: "KEFI Minerals is honoured to have received from the Government of Ethiopia the formal confirmation of its intended equity investment into the Tulu Kapi Gold Project. This demonstrates their commitment to the project and confidence in our ability to deliver it. We look forward to exploring other growth opportunities within Ethiopia in full compliance with the Government's policies and regulations, and to supporting the expansion of their minerals sector."

The Government's Project equity investment, within the context of the Full Funding Plan

The next stage of the financing process is to finalise selection of the remaining members of the preferred syndicate and agreed terms, and to move into full syndicate documentation for approval by all participants and the National Bank of Ethiopia. Updated information has been submitted to the relevant parties for formal consideration.

The latest financial projections provided by KEFI's preferred contractors have further improved the Project's economic outlook. Annual gold production during the first eight years has been increased from the average estimate contained with the 2015 Definitive Feasibility Study ("2015 DFS") of 95,000 to 115,000 oz. Combined with the terms being discussed with potential syndicate members, the latest projections indicate that, at a gold price range of US\$1,100 to US\$1,400/oz, All-in Sustaining Costs would be reduced to US\$731-752/oz and all debts could be repaid by the end of the third or second year of production respectively.

The tenor of proposed loan facilities will be four to eight years and debt-service obligations designed around appropriately conservative gold prices below the current spot price. KEFI is considering a range of alternative finance structures comprising senior debt facilities of c. US\$70 million with the balance

sourced from a combination of streaming of c. US\$40 million and Project equity of c. US\$20 million (in addition to historical equity invested into KME of c. US\$50 million). The finalisation of the equity component will take place in early 2016 after procurement has been completed to ensure adequate cost-overrun facilities.

The 2015 DFS and independent technical reviews thereof have been completed, and contractors have commenced the FEED (front end engineering design) stage of the construction contract and associated in-country preparatory activities. Pending finalisation of procurement and drawdown of project finance, development activities in the meantime are to be funded largely by contractors under their respective arrangements and potentially by initial gold stream drawdowns.

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

Expected milestones for the remainder of 2015 at Tulu Kapi include:

- Formalisation of project contracting, senior secured financing and equity funding syndicate.
- Full development funding and commencement of construction activities.

In addition, during 2015 KEFI anticipates that, through its joint venture company in Saudi Arabia, Gold & Minerals Ltd ("G&M"), it will commence drilling at new licence Hawiah and assemble a Mining Licence Application for its discovery at Jibal Qutman.

KEFI Minerals in Ethiopia

The Tulu Kapi gold project in Western Ethiopia is being rapidly progressed towards development with the Mining Licence being granted in April 2015.

KEFI's Definitive Feasibility Study was then completed and the Company is now refining contractual terms for project construction and operation. Latest estimates for annual gold production are c. 100,000 oz pa for a 10-year period and for All-in Sustaining Costs (including operating, sustaining capital and closure) are c. US\$760/oz (excluding initial investment). Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.12g/t gold, containing 1.05Moz.

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 24 EL 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.