

19 January 2016

**KEFI Minerals plc**

**(“KEFI” or the “Company”)**

**GRANT OF SHARE OPTIONS**

KEFI Minerals, the AIM-quoted gold and copper exploration and development company with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, announces that, in accordance with the shareholder-approved share option scheme of the Company (the "Scheme"), the Directors have approved the recommendation of the Remuneration and Nominations Committee to make a grant of share options over 80 million new ordinary shares of 0.1p of the Company (“Ordinary Shares”) to Directors and senior managers (the "Options"). Following the grant of the Options, there will be options outstanding under the Scheme and pursuant to earlier arrangements over 6.2% of the issued Ordinary Share capital as compared with the Scheme limit of 10%.

The Options have an exercise price of 0.42 pence per Ordinary Share, representing a 33% premium above the volume-weighted-average-price of the Ordinary Shares over the past 5 trading days and a 22% per cent. premium to the closing mid-market price of the Ordinary Shares on 18 January 2016. The Options expire after 6 years and, in normal circumstances, vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve month period.

The Scheme is designed to align the interest of senior employees with those of shareholders and promote the retention of the Company's senior management team.

Details of the Options granted to Directors today are set out below:

| <b>Name</b>              | <b>Title</b>                     | <b>Number of Ordinary Shares under option</b> | <b>Ordinary Shares under option as a percentage of current issued share capital</b> |
|--------------------------|----------------------------------|---|---|
| Harry Anagnostaras-Adams | Non-Executive Chairman           | 16,038,000                                    | 0.61  |
| Jeff Rayner              | Exploration Director             | 16,038,000                                    | 0.61  |
| John Leach               | Finance Director (Non-Executive) | 5,346,000                                     | 0.20  |
| Ian Plimer               | Non-Executive Deputy Chairman    | 5,346,000                                     | 0.20  |
| Norman Ling              | Non- Executive                   | 5,346,000                                     | 0.20  |

In addition to the 48,114,000 Options issued to the Directors today, a further 31,886,000 Options have today been granted to non-Board members of the senior management team.

Following the above grant, there are now a total of 162,450,000 incentive share options granted over unissued Ordinary Shares, representing 6.2% of the Company's current issued Ordinary Share capital of 2,621,638,902 Ordinary Shares.

## **Enquiries**

### **KEFI Minerals plc**

|   |                |
|---|----------------|
| Harry Anagnostaras-Adams (Executive Chairman) | +357 99457843  |
| Jeff Rayner (Exploration Director)            | +905 339281913 |

### **SP Angel Corporate Finance LLP (Nominated Adviser)**

|                            |                  |
|----------------------------|------------------|
| Ewan Leggat / Jeff Keating | +44 20 3470 0470 |
|----------------------------|------------------|

### **Brandon Hill Capital Ltd (Broker)**

|                                   |                  |
|-----------------------------------|------------------|
| Oliver Stansfield, Jonathan Evans | +44 20 3463 5000 |
|-----------------------------------|------------------|

### **Luther Pendragon Ltd (Financial PR)**

|  |                  |
|--|------------------|
| Harry Chathli, Claire Norbury, Oli Hibberd | +44 207 618 9100 |
|--|------------------|

## **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.

### **KEFI Minerals in Ethiopia**

Since acquisition in December 2013, Tulu Kapi Gold Project ("Tulu Kapi") plans have been overhauled by KEFI

- In December 2013, KEFI acquired 75% of Tulu Kapi and since has proceeded to acquire 100%, expand the Indicated Resource by 50%, completely and successfully overhaul the development and operating plan, complete several independent cycles of due diligence of the optimised plans, fully permit development and operation, sign a bilateral agreement with the Government of Ethiopia setting out the fiscal regime for life of mine and install the project construction management team, project contractors and the lead bank.
- In August 2015, KEFI published the 2015 DFS setting out capital requirements at US\$176 million on an owner-operated basis, reduced from US\$289 million of the previous owner.

- Subsequent refinements and the terms of appointment of the project contractors in October 2015 reduced this to a funding requirement of US\$129 million, which has since been the focus of the financing syndicate with a view to striking an appropriate balance between risk-mitigation and equity dilution.
- Tulu Kapi's annual gold production and All-in Sustaining Costs are estimated at c. 115,000 oz pa and c. US\$724/oz to US\$752/oz at a gold price range of US\$1,000/oz to US\$1,400/oz, placing it in the best quartile when measured against existing gold producers globally.
- The project now has soundly-based robust economics and significant growth potential beyond existing Ore Reserves estimate of 15.4Mt at 2.12g/t gold, containing 1.05Moz.
- KEFI is in the midst of assembling the development financing for Tulu Kapi.

### **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 1,484km<sup>2</sup>. 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.

**-END-**