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13 February 2017

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

CONDITIONAL FUNDRAISING TO RAISE £5.62 MILLION

Highlights

- **Fundraising of £5.62 million (gross) by way of a:**
  - **placing by Brandon Hill Capital as the Company's agent raising £600,000 (gross)**
  - **subscription by certain of the Directors, employees and Lycopodium raising £400,000 (gross)**
  - **subscription by Lanstead Capital LP, an institutional investor, raising £4,620,000 (gross)**
- **Issue Price under the Fundraising of 5.61 pence per New Ordinary Share, being the equivalent of 0.33 pence per Existing Ordinary Share**
- **Proceeds to be used to fund the Company's expenditure for 2017, including finalisation of financing arrangements and the triggering of development at the Company's flagship Tulu Kapi project, as well as additional exploration work in Ethiopia and Saudi Arabia**
- **General meeting to approve Fundraising and consolidation of the Company's ordinary shares on a 17-for-1 basis**

Harry Anagnostaras-Adams, Executive Chairman of KEFI, commented:

"The Directors and our major shareholders welcome Lanstead as a cornerstone shareholder in KEFI. We have continued to advance the Tulu Kapi gold project in Ethiopia and are now at a pivotal stage of the Company's development. The proceeds of the Fundraising will underpin the activities for the whole of 2017 as we look to start development of this quality project during the year.

"I would also like to take the opportunity to thank my fellow Directors, managers and contractors for their continued support. Their confidence in the project is underpinned by the potential upside of Tulu Kapi and I look forward to updating shareholders on the development of Tulu Kapi throughout the year."

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 announce that it has conditionally raised approximately £5.62 million (approximately US$7.03 million), before expenses, pursuant to the Fundraising by way of:

- a placing of 10,695,182 Placing Shares to both existing and new shareholders at the Issue Price to raise £600,000 (before expenses) (the "**Placing**");

- a subscription by certain Directors, employees and a supplier of the Company for 7,130,118 Company Subscription Shares at the Issue Price to raise £400,000 (before expenses) (the "**Company Subscription**"); and

- a subscription of 82,352,941 Lanstead Subscription Shares by Lanstead at the Issue Price to raise £4,620,000 (before expenses) (the "**Lanstead Subscription**").

As the existing authorities of the Directors to issue Ordinary Shares for cash on a non-pre-emptive basis are insufficient to permit the issue of all Ordinary Shares pursuant to the Fundraising, the Placing, the Company Subscription and the Lanstead Subscription are each conditional on, amongst other things, the passing of the Resolutions at the General Meeting.

The Placing has been carried out by Brandon Hill Capital Limited as agent of the Company pursuant to the terms of a Placing Agreement. Under the Placing 10,695,182 New Ordinary Shares will be issued at the Issue Price. Pursuant to the Company Subscription, certain Directors and Lycopodium have conditionally subscribed for 7,130,118 New Ordinary Shares at the Issue Price direct with the Company.

In total 82,352,941 New Ordinary Shares have been conditionally subscribed for by Lanstead at the Issue Price. The Issue Price payable by Lanstead pursuant to the Lanstead Subscription is equivalent to the Issue Price pursuant to the Placing and the Company Subscription.

Of the gross proceeds of the Lanstead Subscription, £693,000 (being 15%) will be retained by the Company and the balance of £3,927,000 will be pledged by the Company pursuant to the Sharing Agreement. The Sharing Agreement entitles the Company to receive back those proceeds on a pro rata monthly basis over a period of 18 months, subject to adjustment upwards or downwards each month depending on the Company's share price at the time, as explained in more detail below. The Sharing Agreement provides the opportunity for the Company to benefit from positive future share price performance.

Readers of this announcement should note that the Fundraising will close following completion of the Consolidation, further details of which are set out below. The Issue Price of 5.61 pence per Fundraising Share is the equivalent to an issue price of 0.33 pence per Existing Ordinary Share.

Further details of the Fundraising and the Consolidation as well as defined terms used throughout this announcement are set out below.

Operational update

The capital markets for minerals exploration and development projects remain challenging. This is especially so for projects in new and upcoming regions for mining such as the Federal Republic of Ethiopia and the Kingdom of Saudi Arabia. However, both countries have put a strategic priority on the mining sector. In addition, they are within a geological region, the Arabian Nubian Shield, which has major potential for minerals discovery and in which KEFI is well positioned, having discovered and acquired mineral interests. KEFI feels confident that for these reasons, and because of its careful establishment and appreciation of local alliances, it has successfully developed a counter-cyclical opportunity to effectively establish successful operations in the region.

The Tulu Kapi Gold Project in Ethiopia remains the primary focus of KEFI’s activities and its development funding remains the Company’s main objective so that development can be triggered. The declaration of a six-month State of Emergency by the Ethiopian Government on 8 October 2016 had no effect on operations and activities continued as normal. During November 2016, the Government implemented a wide-ranging overhaul of its governance structures to address public concerns. This demonstrable determination by the Government to maintain responsible development for the long term is very positive for KEFI and international investors generally in Ethiopia. With KEFI in particular, its well established collaborative approach with the Government and project contractors augers well for its development prospects at Tulu Kapi.

This calm and improving situation in Ethiopia, combined with the range of financing scenarios being considered by the Company, make the Board confident that the Tulu Kapi Gold Project can proceed to development in 2017. The Board has set itself many milestones ahead for the remainder of 2017.

KEFI works closely with the Ethiopian Government which has reconfirmed its commitment to a project/equity investment of $20 million in exchange for an additional non-carried 20% interest at the project level above its original 5% carried interest. This implies a valuation of $75 million to the remaining 75% of Tulu Kapi held by Kefi Minerals. Further support is provided by the Development Bank of Ethiopia through its provision of attractive additional long-term development loans. In addition, KEFI is also actively working with several private sector parties considering project-level participation in equity and/or debt alongside the Government and the Company.

KEFI is actively working on the implementation of a non-equity financing proposal alongside the project contractors and the Ethiopian Government. Whilst this proposal offers a potentially attractive development funding package, it remains on a non-exclusive basis pending the close-out of various conditions precedent. This allows KEFI to preserve its options and maintain its discussions with alternative financiers. KEFI expects to update the market further on this in the current quarter.

Whilst the Board has been tightly managing the Company's cash flows and risk-management generally, it has also moved discretely to target some opportunities to add to the upside potential. In the Kingdom of Saudi Arabia the Company has overhauled and upgraded the portfolio of applications and in Ethiopia the Board has initiated an effort to expand tenure over additional prospective ground. It is worth noting that in Saudi Arabia, the Government has, during the past months, announced a revision of the mining sector with a view to accelerating growth. Accordingly, some of the proceeds from the Fundraising will be directed to advancing the Company's position in Saudi Arabia.

These initiatives, on both sides of the Red Sea, reflect the Board's conviction that the Arabian Nubian Shield has world-class prospectivity. KEFI has established a solid platform with strong partners in each jurisdiction, and it is an opportune time to press its advantage and expand the Company's exploration ground.

The Board's confidence and commitment is illustrated by the current Directors' re-investment of nearly all (98%) of their non-share-based remuneration into the Company's shares during the two reported financial years (2014 and 2015) following the acquisition of the Tulu Kapi Gold Project. This approach also prevailed during the latest quarter.

As announced on 13 July 2016, the role of Deputy Chairman and Senior Independent Director will pass from Professor Ian Plimer to Mr Mark Wellesley-Wood with effect from the closing of the General Meeting.

Further information concerning the Company's operations can be viewed on its website at www.kefi-minerals.com.

General Meeting

The Company has today published a circular to Shareholders to convene a general meeting to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom on 1 March 2017 at 11.00 a.m. to consider and, if thought appropriate, pass Resolutions to approve the Consolidation and to grant the Directors authority to allot the Fundraising Shares. Copies of the circular will be available free of charge from the Company's registered office during normal business hours on each day (excluding Saturdays, Sundays and public holidays) from today's date until the date of the General Meeting. Copies will also be available from the Company's website at www.kefi-minerals.com.

Admission of the Fundraising Shares and Total Voting Rights

Application will be made to London Stock Exchange for Admission of the Fundraising Shares to trading on AIM and it is expected that Admission will become effective and that dealings in the

Fundraising Shares will commence at 8.00 a.m. on 2 March 2017. Following Admission of the Fundraising Shares, the total issued share capital of the Company will consist of 332,702,973 New Ordinary Shares each with voting rights. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company will be 332,702,973 and this figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

ENQUIRIES

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Prior to publication, certain information contained within this announcement was deemed to constitute inside information for the purposes of Article 7 of EU Regulation 596/2014 ("**MAR**"). In addition, market soundings (as defined in MAR) were taken in respect of the Fundraising with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. Due to the publication of this announcement, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

Further Information on the Fundraising and the Consolidation

The Placing

The Company has conditionally raised approximately £600,000 (before expenses) through the issue of 10,695,182 New Ordinary Shares at a price of 5.61 pence per share through Brandon Hill pursuant to the Placing Agreement.

The Placing is conditional on, amongst other things, the passing of the Resolutions at the General Meeting and on Admission of the Placing Shares occurring on or before 8.00 a.m. on 2 March 2017 (or such later time and/or date as Brandon Hill and the Company may agree, being not later than 8.00 a.m. on 31 March 2017).

The Company has appointed Brandon Hill as its agent to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price pursuant to the Placing Agreement. The Company has agreed to pay Brandon Hill certain commissions and fees in connection with its appointment.

Under the terms of the Placing Agreement, the Company has given certain customary warranties and indemnities to Brandon Hill in connection with the Placing and other matters relating to the Company and its affairs.

The Placing Shares will be allotted and credited as fully paid and will rank *pari passu* in all respects with the New Ordinary Shares in issue immediately following the Consolidation, including the right to receive all dividends and other distributions declared, made or paid on or after the date on which they are issued.

Application will be made to London Stock Exchange for admission of the Placing Shares to trading on AIM and it is expected that Admission will become effective and dealings will commence in the Placing Shares at 8.00 a.m. on 2 March 2017. The Placing Shares will, when issued, represent approximately 3.2 per cent of the Enlarged Share Capital.

The Subscriptions

The Company Subscription

Certain of the Directors and employees of the Company together with Lycopodium have agreed to subscribe for 7,130,118 New Ordinary Shares at the Issue Price pursuant to the Company Subscription. The Company Subscription is conditional on, amongst other things, the passing of the Resolutions at the General Meeting and Admission of the Company Subscription Shares becoming effective.

The number of Company Subscription Shares to be subscribed by each Director and their resulting shareholdings on Admission are set out below:

Name	*Number of Existing Ordinary Shares*	*Percentage of existing issued share capital*	*Number of Company Subscription Shares*	*Number of New Ordinary Shares on Admission*	*Percentage of Enlarged Share Capital*
H Anagnostaras-Adams [(a)]	90,508,334	2.3%	577,932	5,901,951	1.8%
I Plimer	10,200,001	0.3%	222,816	822,816	0.2%
J Leach	16,364,583	0.4%	753,119	1,715,741	0.5%
N Ling	2,864,583	0.1%	117,647	286,151	0.1%

Notes:

(a) Semarang Enterprises Limited (a company of which Harry Anagnostaras-Adams is the sole director and sole shareholder) holds 61,908,334 Existing Ordinary Shares and the Adams Superannuation Fund (of which Harry Anagnostaras-Adams is a beneficiary) holds 28,600,000 Existing Ordinary Shares.

Application will be made to London Stock Exchange for admission of the Company Subscription Shares to trading on AIM and it is expected that Admission will become effective and dealings will commence in the Company Subscription Shares at 8.00 a.m. on 2 March 2017. The Company Subscription Shares will, when issued, represent approximately 2.1 per cent of the Enlarged Share Capital.

The Lanstead Subscription

Pursuant to the Lanstead Subscription Agreement, 82,352,941 New Ordinary Shares will be issued to Lanstead at the Issue Price for an aggregate amount of £4,620,000 (before expenses). The Lanstead Subscription is conditional, amongst other things, on the approval of the Resolutions, which grant the Directors authority to carry out the Consolidation, allot Ordinary Shares and disapply statutory pre-emption rights in relation to such allotment, and Admission.

Conditional on the passing of the Resolutions, £693,000 of the proceeds of the Lanstead Subscription (being 15 per cent of the Lanstead Subscription amount) will be retained by the Company and £3,927,000 will be pledged to Lanstead under the Sharing Agreement under which Lanstead will then make, subject to the terms and conditions of the Sharing Agreement, monthly settlements (subject to adjustments upwards or downwards) to the Company over 18 months, as detailed below.

In addition to the Resolutions, the Lanstead Subscription is conditional upon there being no breach of certain customary warranties given by the Company to Lanstead at any time prior to Admission and no force majeure event occurring prior to Admission.

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Lanstead Subscription will not proceed. As previously announced, the Company continues to seek additional funding to support its operations and the Lanstead Subscription comprises part of that additional funding. If the Resolutions are not approved at the General Meeting then the Company would need to seek an increased amount of additional funding from alternative sources in order to support its operations. There is no guarantee, however, that such increased amount of additional funding could be obtained in the requisite timeframe. Further, the Directors believe that any such funding, if obtained, would be on less favourable terms than the Lanstead Subscription. If the Resolutions are not approved at the General Meeting, and no alternative funding can be raised, the Company's ability to operate as a going concern may be put at risk.

If the Resolutions are passed, the Lanstead Subscription Shares are expected to be admitted to trading on AIM at 8.00 a.m. on 2 March 2017.

The Lanstead Subscription Shares will, when issued, represent approximately 24.75 per cent of the Enlarged Share Capital. The Issue Price represents a discount of approximately 15.38 per cent to the closing mid-market price of 0.39 pence for an Existing Ordinary Share on 10 February 2017, the trading date prior to the announcement of the Lanstead Subscription (or 6.63 pence adjusted to take account of the Consolidation).

As part of the Lanstead Subscription, the Company has entered into a Sharing Agreement, pursuant to which the Company will pledge an amount equal to 85 per cent of the gross proceeds of the Lanstead Subscription to Lanstead. The Sharing Agreement will enable the Company to share in any share price appreciation over the Benchmark Price (being 7.48 pence per New Ordinary Share). However if the Company's share price as determined by the Measured Price remains less than the Benchmark Price then the amount received by the Company under the Sharing Agreement will be less than the 85 per cent of the gross proceeds of the Lanstead Subscription which were pledged by the Company to Lanstead at the outset.

The Sharing Agreement provides that the Company will receive 18 equal monthly settlement amounts as measured against the Benchmark Price. The monthly settlement amounts for the Sharing Agreement is structured to commence two months following Admission of the Lanstead Subscription Shares under the Sharing Agreement.

If the Measured Price, calculated as the average volume weighted share price of the Ordinary Shares over an agreed period prior to the monthly settlement date, exceeds the Benchmark Price the Company will receive more than 100 per cent of that monthly settlement due on a pro rata basis according to the excess of the Measured Price over the Benchmark Price. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. Should the Measured Price be below the Benchmark Price, the Company will receive less than 100 per cent of the monthly settlement calculated on a pro rata basis and the Company will not be entitled to receive the shortfall at any later date.

For example, if on a monthly settlement date the calculated Measured Price exceeds the Benchmark Price by 10 per cent, the settlement on that monthly settlement date will be 110 per cent of the amount due from Lanstead on that date. If on the monthly settlement date, the Measured Price is below the Benchmark Price by 10 per cent, the settlement on the monthly settlement date will be 90 per cent of the amount due on that date. Each settlement as so calculated will be in final settlement of Lanstead's obligation on that settlement date.

Assuming the Measured Price equals the Benchmark Price on the date of each and every monthly amount, the Company would receive aggregate proceeds of £4,620,000 (before expenses) from the Lanstead Subscription and Sharing Agreement, made up of the £693,000 of the Lanstead Subscription initially retained by the Company and 18 monthly settlements of approximately £218,167.

The Company will pay Lanstead's legal costs incurred in the Lanstead Subscription and entering into the Sharing Agreement and, in addition, agreed to issue, in aggregate, 4,117,647 New Ordinary Shares to Lanstead, being the Value Payment Shares. The Value Payment Shares will, when issued, represent approximately 1.2 per cent of the Enlarged Share Capital.

In no event will fluctuations in the Company's share price result in any increase in the number of the Lanstead Subscription Shares issued by the Company or received by Lanstead. The Directors believe that a decline in the Company's share price would not result in any advantage accruing to Lanstead and the Sharing Agreement allows both Lanstead and the Company to benefit from future share price appreciation.

In total, Lanstead will be issued with 86,470,588 New Ordinary Shares pursuant to the Lanstead Subscription which, when issued, will equate to approximately 25.9 per cent of the Enlarged Issued Share Capital. Application will be made to London Stock Exchange for the Lanstead Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings for normal settlement in the Lanstead Shares will commence at 8.00 a.m. on 2 March 2017. No shares, warrants or additional fees are owed to Lanstead at any point during this agreement other than those disclosed above.

Use of Proceeds

The Company is raising approximately £5.56 million (net of expenses) pursuant to the Fundraising. The proceeds of the Fundraising, together with existing working capital, are budgeted to cover the Company's expenditures during 2017 including finalisation of the financing of Tulu Kapi, development preparations in Ethiopia, preparation of the mining licence application for Jibal Qutman in Saudi Arabia, exploration activities and general corporate administration costs. Expenditure planned during 2017 will take into account all factors including progress on the future financing as the Company proceeds throughout the year. KEFI will raise separate project funding in 2017 to fund major capex activities related to the Tulu Kapi project.

As previously disclosed, the Company has fully discharged the inherited VAT liability and is now entitled to a refund of approximately £2,600,000. KEFI has received formal confirmation that this payment is now owed to the Company by the Ethiopian tax authorities and will update the market accordingly upon resolution. Funds received from this repayment will further boost the Company's financial position and be directed to the advancement of Tulu Kapi.

Background to and Reasons for the Consolidation

The Company's current issued share capital consists of 3,882,920,433 Existing Ordinary Shares. The number of Ordinary Shares has resulted from a number of capital raisings since the Company's incorporation in order to fund its operations. The Board considers that the current issued share capital is considerably higher than similar sized companies on AIM and it believes that this affects negatively investors' perception of the Company. In addition, it is a condition of the Lanstead Subscription that the Existing Ordinary Shares are consolidated into New Ordinary Shares of a larger nominal amount. Accordingly, the Consolidation is being proposed in order to reduce the number of Ordinary Shares that are in issue to a level more in line with other comparable AIM listed companies.

The Directors believe that the Consolidation should improve the liquidity and marketability of the Ordinary Shares to a range of investors, including institutional investors. The Board is confident that the Consolidation will make the Ordinary Shares a more attractive investment proposition.

The Consolidation is based on every 17 Existing Ordinary Shares being consolidated into one New Ordinary Share.

Following the Consolidation, the Shareholders will still hold the same proportion of the Company's ordinary share capital as before the Consolidation. Other than a change in nominal value, consolidated New Ordinary Shares will carry equivalent rights under the Articles of Association to the Existing Ordinary Shares.

To effect the Consolidation, it will be necessary to issue an additional 12 Existing Ordinary Shares so that the Company's issued ordinary share capital is exactly divisible by 17. These 12 additional Existing Ordinary Shares would be issued to the Company's broker, Brandon Hill. Since these additional shares would only represent a fraction of a New Ordinary Share, this fraction would be sold pursuant to the arrangements for fractional entitlements described in the circular to shareholders.

Following the Consolidation and assuming completion of the Placing and the Subscriptions, the Company's issued ordinary share capital will comprise of 332,702,974 New Ordinary Shares.

Definitions

The following definitions apply throughout this announcement, unless the context otherwise requires:

"**Admission**" the admission to trading on AIM of the Fundraising Shares in accordance with the AIM Rules for Companies

"**AIM**" the market of that name operated by London Stock Exchange

"**Benchmark Price**" a benchmark share price of 7.48 pence per New Ordinary Share

"**Board**" or "**Directors**" the directors of the Company

"**Brandon Hill**" Brandon Hill Capital Limited, the Company's joint broker

"**Company**" or "**KEFI**" KEFI Minerals plc (incorporated and registered in England and Wales with registered number 05976748) whose registered office is at 27-28 Eastcastle Street, London W1W 8DH, United Kingdom

"**Company Subscription**" the conditional subscription for the Company Subscription Shares at the Issue Price by certain Directors, employees and Lycopodium

"**Company Subscription Shares**" the 7,130,118 New Ordinary Shares to be subscribed pursuant to the Company Subscription

"**Consolidation**" the proposed consolidation of every 17 Existing Ordinary Shares into one New Ordinary Share

"**Consolidation Record Date**" close of business on 1 March 2017 (or such later date as the Directors may determine and communicate to Shareholders via an appropriate announcement to a RIS), being the date by reference to which the Consolidation is calculated

"**Enlarged Share Capital**" the issued ordinary share capital of the Company immediately following Admission of the Fundraising Shares

"**Existing Ordinary Shares**" the existing ordinary shares of 0.1 pence each in the capital of the Company

"**Fundraising**" the Placing, the Company Subscription and the Lanstead Subscription

"**Fundraising Shares**" the Placing Shares, the Company Subscription Shares and the Lanstead Shares

"**General Meeting**" the general meeting of the Company to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom on 1 March 2017 at 11.00 a.m.

"**Issue Price**" 5.61 pence per Fundraising Share (being the equivalent of 0.33 pence per Existing Ordinary Share)

"**Lanstead**" Lanstead Capital L.P

"**Lanstead Shares**" the Lanstead Subscription Shares and the Value Payment Shares

"**Lanstead Subscription**" the conditional subscription by Lanstead for 82,352,941 New Ordinary Shares at an aggregate subscription price of £4,620,000, subject to the related Sharing Agreement

"**Lanstead Subscription Agreement**" the conditional agreement dated 13 February 2017 between the Company and Lanstead relating to the Lanstead Subscription

"**Lanstead Subscription Shares**" the 82,352,941 New Ordinary Shares which have been conditionally subscribed by Lanstead and are to be issued by the Company, pursuant to the Lanstead Subscription

"**London Stock Exchange**" London Stock Exchange plc

"**Lycopodium**" Lycopodium Minerals Pty Limited

"**Measured Price**" the price calculated as the average volume weighted share price of the Ordinary Shares over an agreed period prior to the monthly settlement date

"**New Ordinary Shares**" the ordinary shares of 1.7 pence each in the capital of the Company following the Consolidation

"**Ordinary Shares**" the Existing Ordinary Shares and/or the New Ordinary Shares as the context requires

"**Placing**" the placing of the Placing Shares pursuant to the Placing Agreement

"**Placing Agreement**" the conditional agreement dated 13 February 2017 between the Company and Brandon Hill relating to the Placing

"**Placing Shares**" the 10,695,182 New Ordinary Shares which have been conditionally subscribed pursuant to the Placing

"**Resolutions**" the resolutions to be proposed to Shareholders at the General Meeting

"**RIS**" a service approved by the Financial Conduct Authority for the distribution to the public or regulatory announcements

"**Shareholders**" holders of Ordinary Shares

"**Sharing Agreement**" the sharing agreement dated 13 February 2017 between the Company and Lanstead relating to the Subscription

"**Subscription Shares**" the Company Subscription Shares and the Lanstead Subscription Shares

"**Subscriptions**" the Company Subscription and the Lanstead Subscription

"**Value Payment Shares**" the 4,117,647 New Ordinary Shares to be issued to Lanstead in connection with the Sharing Agreement relating to the Lanstead Subscription

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 the acquisition by KEFI in December 2013 of 75% (subsequently increased to 100%) of the Tulu Kapi Gold Project ("Tulu Kapi"), the Company has overhauled the project plans:

- Expanded the Indicated Resource by 50%; completely and successfully overhauled the development and operating plan; completed several independent cycles of due diligence on the optimised plans; received full permitting for development and operation; signed a bilateral agreement with the Government of Ethiopia setting out the fiscal regime for life of mine; and installed the project construction management team, project contractors and the lead bank.
- In August 2015, KEFI published the 2015 Definitive Feasibility Study setting out capital requirements at US$176 million on an owner-operated basis, reduced from US$289 million estimate 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. 115,000oz 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 most competitive quartile when measured against existing gold producers globally.

- The project now has soundly-based robust economics and significant growth potential beyond the 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^2. 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.