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KEFI Minerals plc

(“KEFI” or the “Company”)

Ethiopian Exploration Area Expansion

KEFI Minerals (AIM: KEFI), the gold and copper exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to report that, based on advice received from the Ethiopian Ministry of Mines, Petroleum and Natural Gas its Ethiopian exploration tenements will be expanded seven-fold to c.1,900 sq km to encompass the wider Tulu Kapi Gold Project (“Project”) District surrounding the 7 sq km mining licence area already held by the Company’s subsidiary Tulu Kapi Gold Mines Share Company (“TKGM”).

The Company understands that this expanded exploration land position is planned for granting after Project construction commences and encompasses all potential satellite deposits within trucking distance of the Project. The area contains several already-drill-intercepted Tulu Kapi style and volcanogenic massive sulphide (“VMS”) prospects as reported previously, plus significant additional areas of prospectivity.

Exploration funding is intended to be covered from the planned development funding and operational cash flows of TKGM which will have pre-emptive rights to any additional ore on arms-length terms and subject to financier approval. Independently verified financial models indicate an 8-year average annual TKGM Operating Cash Flow before Finance Charges and Tax from the Project of c. £50 million (US\$65 million or ETB1.7 billion) at the current spot gold price of US\$1,230/oz.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Enquiries

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Notes to Editor

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KEFI is focused primarily on the advanced Tulu Kapi Gold Project development project in Ethiopia, along with its pipeline of other projects within the highly prospective Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi generates cash flows for capital repayments, further exploration and expansion as warranted and, when appropriate, dividends to shareholders.

KEFI Minerals in Ethiopia

Ethiopia is currently undergoing a remarkable transformation both politically and economically.

The Tulu Kapi gold project in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

The Company has now refined contractual terms for project construction and operation. Estimates include open pit gold production of c. 140,000oz pa for a 7-year period. All-in Sustaining Costs (including operating, sustaining capital and closure but not including leasing and other financing charges) remain c. US\$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz.

All aspects of the Tulu Kapi (open pit) gold project have been reported in compliance with the JORC Code (2012) and subjected to reviews by appropriate independent experts.

A Preliminary Economic Assessment has been published that indicates the economic attractiveness of mining the underground deposit adjacent to the Tulu Kapi open pit, after the start-up of the open pit and after positive cash flows have begun to repay project debts. An area of over 1,000 square kilometres adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans.

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.

ARTAR, on behalf of G&M, holds over 20 EL applications. 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 announced 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.