

29 October 2019

KEFI Minerals plc

("KEFI" or the "Company")

Tulu Kapi Project Update

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, today provides an update in respect of the Company's Tulu Kapi Gold Project (the "Project") in Ethiopia.

KEFI confirms the receipt by Tulu Kapi Gold Mines Share Company ("TKGM") of all the Government permits and independent consultants reports required for closing the Project equity financing and triggering the development of the Project. The only outstanding matter now is for the Ethiopian Government to resolve certain internal administrative matters.

KEFI has also received re-confirmation from its partners, and TKGM from its contractors, of their respective commitments to proceed as soon as the Government has resolved its internal administrative arrangements in a manner which does not impede other shareholders' protections.

The Company understands that meetings are taking place daily within the Ethiopian Government to resolve these internal matters which pertain to how it manages its shareholding in TKGM – a high-profile public-private partnership in a new industrial sector for the country. As previously reported by the Company, the budget for the Project investment has already been approved by the Ethiopian Parliament and the associated infrastructure work for which it pays has already commenced. TKGM has the potential to be the largest single export-generator for Ethiopia.

The Minister for Mines and Petroleum of the Federal Democratic Republic of Ethiopia, Dr Samuel Urkato, has confirmed to KEFI that the Government is keen to proceed with the Project and has authorised the Company to report to its shareholders that: *"The Tulu Kapi project remains of the highest priority for the Government at all levels and that there is just one outstanding administrative matter, internal to the Government, which will be resolved shortly, so that the development may commence."*

The Company will provide further updates as appropriate and looks forward to starting development of the Project as soon as the Company receives the confirmation that these administrative matters have been resolved within the Government.

Commenting, Mr Harry Anagnostaras-Adams, Executive Chairman of KEFI, said, "Whilst it is disappointing we will not be able to close the Project equity funding before the end of October 2019, as we had previously envisaged, we appreciate the enormous importance of the Project to the Ethiopian Government and that they need to complete their internal processes. All stakeholders continue to work very hard and we look forward to this being resolved shortly so that the Project equity funding can be closed and development of the Project started."

Quarterly webinar

On 30 October 2019 the Company will provide its detailed regular Quarterly Update along with an accompanying presentation and also conduct its quarterly webinar.

The Company will host its live quarterly webinar at 2pm London time on 30 October 2019 which can be accessed via the following link:

<https://webcasting.brrmedia.co.uk/broadcast/5d91f4e3cbe3ca44a572e3f9>

Shareholders are encouraged to submit questions by emailing: questions@brrmedia.co.uk

The webinar will subsequently be available on the Company's website at <http://www.kefi-minerals.com/news/webcasts>.

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.

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Notes to Editor

KEFI Minerals plc

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 seven-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, 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.