

14 August 2018

**KEFI Minerals plc**

("KEFI" or the "Company")

**Tulu Kapi 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, is pleased to report that its preparations for the development of the Company's Tulu Kapi Gold Project (the "Project") continue in earnest with the recent appointment of the Head of Project Implementation, his construction oversight team and the commencement of their engagement with the principal Project contractors Lycopodium and Ausdrill.

On the financing front, the planned Project-level equity investment by a local syndicate is the next key milestone and this remains on track for the syndicate to provide its planned US\$30 million equity investment to complement the US\$20 million equity investment by the Government of Ethiopia, leaving KEFI with a c. 54% interest in the Project, as described in the Company's announcement on 11 June 2018. In aggregate with equity already invested in the Project, total Project equity capital investment is expected ultimately to exceed US\$110 million.

Recent political developments within Ethiopia also complement the country's positive progress as one of the world's highest growth countries. For instance, last week a reconciliation was signed between the Federal Government of Ethiopia and the Oromia Liberation Front, to end a long-running friction, another positive factor for our Oromia-based Project.

**Managing Director, Mr Harry Anagnostaras-Adams said** "Work continues methodically to prepare for the Tulu Kapi Project development and now includes the final preparations by the Ethiopian equity investment syndicate. The widespread positive atmosphere in Ethiopia is a notable turnaround from that seen during the state of emergency that was lifted in early June 2018 upon the appointment of the new Government."

**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**

### **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 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.