



KEFI Minerals Plc

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15 June 2015

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

Chairman's AGM Statement

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, announces that at today's Annual General Meeting (the "AGM") Harry Anagnostaras-Adams, Chairman, will make the following statement. In addition, Mr Anagnostaras-Adams, along with Jeff Rayner, Exploration Director of KEFI, and Wayne Nicoletto, Managing Director of KEFI Minerals (Ethiopia) Limited, will give an informal presentation on the progress of the Company. The presentation contains no material new information and will be made available on the Company's website (www.kefi-minerals.com) from 5pm BST today.

"KEFI Minerals has, again, made tremendous progress over the past year and is now well on the way towards planned gold production in 2017 following commencing construction in late 2015 and plant commissioning at the end of 2016.

We now have two advanced, and complementary, projects from which we expect to generate cash flow and provide solid foundations for growth.

In Saudi Arabia, via our Gold & Minerals joint venture company ("G&M") with 60% partner Abdulrahman Saad Al Rashid and Sons Company Limited ("ARTAR"), we have a near-term development proposition at Jibal Qutman where the mineral resources currently stand at 733,045 ounces of gold – all of which has been discovered since we were granted the licence in mid-2012. It is shaping up to be a viable cash flow producer with a low-capex requirement and with a capacity to generate the net cash flows for financing, in due course, the prospecting of our very large pipeline of exploration licence applications. At Hawiah, an exploration licence granted only seven months ago, we have identified a huge target for precious and base metals based on the surface-sampling of a six kilometre long gossan (oxidised mineralisation exposed on the surface) and the results of the geophysical surveys of the ground beneath the gossan. Hawiah will be drilled in the second half of this year.

In Ethiopia, we have a 95% beneficial interest in the Tulu Kapi gold project acquired just eighteen months ago. Since then we have overhauled its development plan, which we proceeded to independently validate, and have obtained full regulatory approval. It has progressed at a cracking pace, and we now have short-listed project contractors and short-listed financiers with whom we plan to make development commitments during the next quarter. KEFI's successful overhaul of the development plan for Tulu Kapi has reduced the capital requirement from approximately \$290 million to approximately \$120 million whilst increasing planned open pit production from approximately 900,000 ounces to approximately 1 million ounces with improved planned unit costs and overall profitability. We have also started focusing on the longer-term potential to double the 1 million ounce Ore Reserve by addressing the prospects identified under, and around, Tulu Kapi.

Now I would like to say a few words about the tremendous efforts of our team and some of the stakeholders who have made these advances possible.

In Saudi Arabia, our partner, ARTAR, has been fundamental to the success of G&M in gaining licences to explore, where other parties have failed. Our shared vision for G&M is to open up a vast minerals province with an abundance of walk-up drill targets that deserve modern exploration. It is a long-term mission, but it is a rare opportunity and it has been made possible by ARTAR.

Our exploration team is second to none in the Arabian Nubian Shield and is the reason KEFI was invited into G&M – and is the reason we are able to make such rapid progress upon the grant of an exploration licence.

The quality of the exploration opportunity is, in our view, unsurpassed globally and we look forward to working through our pipeline of targets in a methodical manner in close collaboration with the regulatory authorities.

In Ethiopia, it is impossible to exaggerate the determination of the Ethiopian Government and its instrumentalities. They have been supportive throughout and our dealings with them have been unequivocal and effortless. In addition, with entitlement to a royalty and 5% free-carried interest in Tulu Kapi, the Government is also a true partner in the financial sense.

Our development planning team has kept everything on track since we made the acquisition. The latest milestone is the completion, in the last week, of the overhaul of Definitive Feasibility Study, which is now ready for review and approval over coming weeks.

Our advisers, short-listed contractors, service providers and financiers are all working diligently towards commencing major construction at Tulu Kapi later this year.

I would like to close with some comments on our overall progress.

Two years ago KEFI's Mineral Resources and Ore Reserves stood at 200,000 oz and nil respectively and today they stand at approximately 2 million ounces and 1 million ounces respectively. In two years from now, we expect to have started production and have our operational base at Tulu Kapi, with a development base at Jibal Qutman. Throughout this transformation, KEFI is committed to maintaining its tight cost-control, with a small corporate office and all operational management based at project sites.

We are very aware of the tasks and challenges that we will face in order to achieve our objectives, and we will progressively add people with the appropriate skills to complement the Company's experienced Board and Management. On that note, I make special mention of Wayne Nicoletto, who joined us recently as Managing Director of KEFI Minerals (Ethiopia) Limited and Group Head of Operations. Under Wayne's leadership, we will start assembling the construction and operating teams for Tulu Kapi in the next quarter, coinciding with arranging the development funding.

It is notable that existing and new shareholders have indicated their intention to participate in the planned financings of the Company. We deeply appreciate the ongoing support of our shareholders, communities and other key stakeholders as we enter another exciting, and crucial, stage for KEFI.

ENQUIRIES

KEFI Minerals plc

Harry Anagnostaras-Adams (Executive Chairman)	+357 9945 7843
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Further information can be viewed on KEFI's website at www.kefi-minerals.com

COMPETENT PERSON STATEMENT

References in this announcement to exploration results, resources, interpretations and prospects have been approved for release by Mr. Jeffrey Rayner. Mr Rayner is a geologist and has more than 25 years' relevant experience in the field of activity concerned. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has reviewed and consented to the inclusion of the material in the form and context in which it appears.

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) Au Mineral Resources (JORC 2012) plus significant resource growth potential. KEFI targets that production at these projects generates cash flow for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders.

Expected milestones for the remainder of 2015 at Tulu Kapi include:

- Independently updated Definitive Feasibility Study for project finance purposes
- Formalisation of senior secured financing, agreement of final terms for project finance
- Full development funding and commencement of construction

In addition, during 2015 KEFI anticipates submitting a Mining Licence Application for Jibal Qutman in Saudi Arabia through its joint venture company, Gold & Minerals Ltd ("G&M").

KEFI Minerals in Ethiopia

The Tulu Kapi gold project in Western Ethiopia is being rapidly progressed towards development. In October 2014, KEFI Minerals reactivated the Mining Licence Application and assembled indicative project finance terms. The Mining Licence was granted in April 2015 and the short-listed secured lenders' independent technical consultants have now commenced their due diligence.

A Definitive Feasibility Study is focused on construction of a 1.2Mtpa processing plant with estimated annual gold production of 80-90,000oz – total open pit gold production of approximately 960,000oz over 13 years –and All-in-Costs (including operating, sustaining capital and closure) of c. US\$783/oz (excluding initial investment). The planning parameters for the updated DFS have already been independently confirmed. The Company

anticipates arranging project finance in Q3 2015 for major works to commence in Q4 2015, with a view to commissioning at the end of 2016.

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 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 ("EL") granted, including Jibal Qutman and the recently granted Hawiah exploration licence that contains over 6km strike length of outcropping gossans developed on VMS altered and mineralised rocks.

At Jibal Qutman, G&M's flagship project, the total Indicated and Inferred category Mineral Resources, JORC (2012) compliant, are now estimated at 28.4Mt at 0.80g/t Au for 733,045 contained gold ounces compared with 22.0Mt at 0.90g/t Au for 633,461 contained gold ounces previously estimated in March 2014, both at a cut-off grade of 0.2g/t Au.

ARTAR, on behalf of G&M, holds 24 exploration licence applications that cover an area of approximately 1,484km². 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.