



KEFI Minerals plc

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24 November 2015

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

CONDITIONAL PLACING TO RAISE US\$4 MILLION

Highlights

- **Placing raising US\$4 million (c. £2.6 million) gross to progress development of Tulu Kapi**
- **Directors and Management of KEFI, and major shareholder Odey Asset Management LLP ("Odey"), subscribing for over two thirds of the sums raised. Odey will increase its shareholding to 26% of KEFI**
- **Follows appointment of contractors and confirmation of intent by the Government of Ethiopia to invest US\$15-20 million in Tulu Kapi project in return for an increased equity interest in the project holding company**

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 £2.6 million, before expenses, through the issue of 877,191,422 new ordinary shares of 0.1p each ("Placing Shares") at a price of 0.3p per share (the "Placing Price") by way of a placing through Brandon Hill Capital Limited ("Brandon Hill"), together with a subscription direct with the Company by Ausdrill International Pty Limited ("Ausdrill"), a leading service provider to the African mining industry and significant shareholder in the Company (the "Placing").

Background to the Placing

KEFI is undertaking the Placing to provide working capital for the implementation of its exploration and development activities in Ethiopia and Saudi Arabia, in particular the preparations for commencing the development of the Tulu Kapi gold project in western Ethiopia.

On 13 and 14 October 2015 respectively, KEFI announced the appointment of its contractors for plant construction and start-up and for mine start-up and operation. The terms agreed with the contractors indicate a capital requirement of US\$129 million, which is intended to be satisfied by c. US\$110 million from the aggregate of project debt and gold streaming finance and, as announced on 11 November 2015, US\$15-20 million from project-level equity from the Government of Ethiopia.

Now that the respective roles have been agreed with the contractors and Government, the Company can proceed to assemble the remainder of the preferred financing syndicate, and expects to be in a position to provide a further update before year-end. The proceeds of the Placing provide working capital for the Company whilst these processes continue. Contractors have mobilised forward-teams to Ethiopia to commence local procurement and other tasks as part of the 22-month target schedule to commencement of production in 2017.

The Placing proceeds are budgeted to cover expenditures pending initial drawdown of project finance and to cater for activities across the Company including development preparations in Ethiopia, preparation of the mining licence application for Jibal Qutman in Saudi Arabia, exploration activities, progressing project financing arrangements, payment of inherited VAT liabilities in Ethiopia and general corporate administration costs.

The Placing

The Company has conditionally raised approximately £2.6 million (before expenses) through the issue of 877,191,422 new Placing Shares at a price of 0.3p per share by way of placing through Brandon Hill and the subscription of 54,823,000 Placing Shares by Ausdrill.

The Placing is conditional, amongst other things, on the passing of certain resolutions (the “Resolutions”) to be proposed at a general meeting of shareholders of the Company and on the admission of the Placing Shares to trading on the AIM Market of the London Stock Exchange (“Admission”) by 8.00 a.m. on 11 December 2015 (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 December 2015).

A general meeting to approve the issue of the Placing Shares has been convened for 3.00 p.m. (AEDT) on 10 December 2015, to be held at the offices of Peakbound Holdings Pty Limited, Level 1, 219-241 Cleveland Street, Strawberry Hills, Sydney, NSW 2012, Australia (“General Meeting”). A circular convening the General Meeting is being posted today to the Company’s shareholders and will be available free of charge from the Company’s registered office during normal business hours on each day (excluding Saturday, Sunday 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.

Application has been made to the London Stock Exchange and it is expected that, subject to the passing of the Resolutions, Admission will become effective and that dealings will commence in the Placing Shares on 11 December 2015.

The Company has given certain customary warranties and indemnities to Brandon Hill and Ausdrill respectively in relation to the Placing and other matters relating to the Company and its affairs. The Company shall also, subject to the passing of the Resolutions, grant to Brandon Hill warrants to subscribe for 43,859,571 new ordinary shares of 0.1p each in the Company (“Ordinary Shares”) at the Placing Price (being equal to 5 per cent. of the Placing Shares). Such warrants will be exercisable for a period of three years following Admission.

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

Director & Significant Shareholder Participation

The Directors of the Company and certain existing substantial shareholders have agreed to subscribe for Placing Shares pursuant to the Placing – subscribing for an aggregate of over 60% of the sums raised. The number of Placing Shares to be subscribed by each Director or existing substantial shareholder and their resulting shareholdings on Admission are set out below:

	Number of existing Ordinary Shares	Percentage of existing issued share capital	Number of Placing Shares	Number of Ordinary Shares on Admission	Percentage of enlarged share capital on Admission
Odey Asset Management LLP	244,557,870	14.02%	438,596,491	683,154,361	26.06%
Harry Anagnostaras-Adams ^(a)	73,841,667	4.23%	16,666,667	90,508,334	3.45%
Ian Plimer	4,366,668	0.25%	2,083,333	6,450,001	0.25%
Jeffrey Rayner	14,676,083	0.84%	6,666,667	21,342,750	0.81%
John Leach	3,031,250	0.17%	8,333,333	11,364,583	0.43%
Norman Ling	781,250	0.04%	2,083,333	2,864,583	0.11%

- (a) Semarang Enterprises Limited (a company of which Harry Anagnostaras-Adams is the sole director and sole shareholder) holds 50,8141,667 Ordinary Shares and the Adams Superannuation Fund (of which Harry Anagnostaras-Adams or his wife are beneficiaries) holds 23,000,000 Ordinary Shares.

Following Admission, Ausdrill will hold 129,073,000 Ordinary Shares representing 4.92 per cent. of the Company's issued share capital.

As Odey Asset Management LLP currently holds over 10% of the Company's issued ordinary share capital, its participation in the Placing is deemed to be a related party transaction under the AIM Rules for Companies. The Directors of KEFI consider, having consulted with its nominated adviser SP Angel Corporate Finance LLP, that the terms of Odey's participation in the Placing are fair and reasonable insofar as KEFI's shareholders are concerned.

Harry Anagnostaras-Adams, Executive Chairman of KEFI, commented: "We are delighted by the faith shown by our shareholders as we move ever closer to becoming a gold producer. As a result of the Placing, we are now able to focus on finalising financing terms with our preferred syndicate including the already-selected contractors and the Government of Ethiopia. We have begun preparations for development and remain on track to commence production in 2017."

ENQUIRIES

KEFI Minerals plc

Harry Anagnostaras-Adams (Executive Chairman) +357 99457843

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Brandon Hill Capital Ltd (Joint Broker)

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Further information can be viewed on KEFI's website at www.kefi-minerals.com

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, recoupage of development costs and, when appropriate, dividends to shareholders.

Expected milestones for the remainder of 2015 include:

- Appointment of remainder of financing syndicate for Tulu Kapi (having already appointed preferred project contractors and confirmed Government intent to invest project equity)
- Joint venture company in Saudi Arabia, Gold & Minerals Ltd ("G&M"), to submit a Mining Licence Application for its discovery at Jibal Qutman

KEFI Minerals in Ethiopia

The Tulu Kapi gold project in Western Ethiopia is being rapidly progressed towards development with the Mining Licence being granted in April 2015.

KEFI's Definitive Feasibility Study was then completed and the Company is now refining contractual terms for project construction and operation. Latest estimates for annual gold production are c. 100,000 oz pa for a 10-year period and for All-in Sustaining Costs (including operating, sustaining capital and closure) are approximately US\$724/oz to US\$752/oz respectively at a gold price range of US\$1,000/oz to US\$1,400/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.12g/t gold, containing 1.05Moz.

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 1,484km². 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.