

AIM: KEFI**14 January 2013****KEFI Minerals Plc****("KEFI" or the "Company")****EXPLORATION UPDATE****CONTINUED EXPANSION OF MINERALISED ZONE AT JIBAL QUTMAN****AND PRELIMINARY METALLURGICAL TESTWORK RESULTS**

KEFI Minerals, the AIM-quoted gold and copper exploration company with projects in the Kingdom of Saudi Arabia and Ethiopia, is pleased to announce an exploration update from its Jibal Qutman Licence. This includes additional reverse circulation drilling results from the continuing exploration and infill drilling programme, and results from metallurgical testwork. KEFI Minerals is the operator for the project under the Company's 40%-owned Gold & Minerals Joint Venture ("G&M").

HIGHLIGHTS

- On-going drill and trench results continue to expand the zone of mineralisation on all four drilled deposits at Jibal Qutman with best RC drill results of 17m at 2.91g/t Au (including 7m at 6.00g/t Au), 3m at 5.86g/t Au, 5m at 4.86g/t Au and 5m at 9.25g/t Au;
- Results from ongoing Metallurgical Testwork for the Pre-Feasibility Study to test leaching characteristics of the typical higher grade mineralisation present in the shallow zones have been received.
- Bottle roll tests conducted on the three composites samples returned gold extractions of 94.8%, 95.6% and 96.5% at a grind of 80% passing 75 micron. Coarse bottle roll tests conducted at 12.5mm and 6.3mm returned recoveries ranging from 71.9% to 85.2% over a five day period.
- A second batch of assays on metallurgy core samples returned 8m at 2.00g/t Au, 4m at 1.41g/t Au, 4m at 1.16g/t Au.

Jeff Rayner, Managing Director of KEFI Minerals, commented:

"We are delighted with the continued expansion of mineralisation at the Jibal Qutman prospect. We are working hard as we progress towards our first mining lease application. We very much look forward to providing further development updates from our projects in both Saudi Arabia and Ethiopia and are excited about the year ahead."

JIBAL QUTMAN PROJECT

Exploration and Infill Drilling

Please refer to a Map of Jibal Qutman Licence http://www.kefi-minerals.com/jibal_a.html

Positive results have been returned from the ongoing exploration and infill RC drilling campaign at Jibal Qutman, which is supporting the current interpretation and expanding the mineralisation in the six drilled zones: Main, South, West, 3K Hill, 4K Hill and the East zone (see Table below).

Hole	From m	To m	Interval m	Grades	Zone
JQRC182	44	53	9 m @	2.68 g/t	South
	79	96	17 m @	2.91 g/t including 7m @ 6.0 g/t	South
JQRC183	39	49	10 m @	0.78 g/t	South
	75	76	1 m @	1.55 g/t	South
JQRC184	9	12	3 m @	5.86 g/t	4KHill
JQRC185	9	14	5 m @	1.13 g/t	South
	78	79	1 m @	1.58 g/t	South
JQRC186	21	27	6 m @	1.64 g/t	4KHill
JQRC191	14	17	3 m @	1.66 g/t	4KHill
JQRC192	74	81	7 m @	0.93 g/t	East
JQRC194	12	15	3 m @	3.12 g/t	East
JQRC195	11	16	5 m @	4.86 g/t including 3m @ 7.92 g/t	Main
JQRC198	13	18	5 m @	9.25 g/t	Main
JQRC199	5	11	6 m @	2.25 g/t including 2m @ 5.65 g/t	Main
JQRC197	12	19	7 m @	4.84 g/t	Main infill
JQRC201	4	11	7 m @	9.31 g/t	Main infill
JQRC202	4	10	6 m @	1.07 g/t	East
JQRC205	6	12	6 m @	0.97 g/t	Main infill
JQRC209	8	18	10 m @	1.30 g/t	East
JQRC216	7	20	13 m @	1.84 g/t	South

Drilling in South Zone continue to provide positive results, extending the known mineralised body 150m to the south-east, with hole JQRC182 returning 9m at 2.68g/t Au, and 17m at 2.91g/t Au (including 7m at 6.00g/t Au), hole JQRC185 returning 5m at 1.13g/t Au and hole JQRC216 returning 13m at 1.84g/t Au at shallow depth. The mineralisation is still open to the south.

First pass drilling was completed at 4K Hill prospect to test beneath the trench results previously announced. Drilling allow to define a set of mineralised east dipping quartz veins, with hole JQRC191

returning 3m at 1.7g/t Au, hole JQRC184 returning 3m at 5.86g/t Au, hole JQRC186 returning 6m at 1.64g/t Au, all of them at shallow depths. Drilling follow up continue in the area.

Metallurgical Testwork

The trench samples sent to ALS Perth, Australia were selected to be representative of the various grades and rock types of near surface mineralisation for the West, Main and South Zones. Tests for the heap leach amenability testwork included head analyses, coarse bottle leach and preliminary percolation tests.

Highlights of the testwork include:

- Bottle roll tests conducted on the three composites tested returned gold extractions of 94.8%, 95.6% and 96.5% at a grind of 80% passing 75 micron.
- Coarse bottle roll tests conducted at 12.5mm and 6.3mm returned recoveries ranging from 71.9% to 85.2% over a five day period.
- Recovery trajectories indicate gold would most likely be extracted in all composites after the five day period.
- Preliminary percolation test results indicate that no agglomeration would be required for the upper zone mineralisation.
- The coarse bottle roll tests conducted at 12.5mm and 6.3mm returned cyanide consumption ranging from 0.22kg/t to 0.30kg/t and lime consumption ranging from 0.23kg/t to 0.24kg/t over the five day period in which the coarse bottle roll tests were conducted.

A column test was initiated in the middle of December 2013 on one of the three composites tested as part of the heap leach amenability testwork programme.

As part of the metallurgical testwork, metallurgical diamond drilling was completed at Jibal Qutman. A total of 17 inclined holes (all of them dipping -60° and Azimuth N270°), were drilled for a total of 1,771m drilled at 3K Hill, West, Main and South Zones. Full core samples were sent to ALS Lab, Perth, Australia. A variability testwork programme to test leaching recoveries of the different mineralisation present in the upper and lower zones was initiated in January 2014.

Hole	From m	To m	Interval m	Grade	Zone
JQD 55	50	57	7 m @	0.99 g/t	3KHill
	61	67	6 m @	0.93 g/t	3KHill
JQD 56	48	51	3 m @	1.27 g/t	3KHill
	71	75	4 m @	1.16 g/t	3KHill
JQD 57	37	41	4 m @	1.41 g/t	West
JQD 60	15	23	8 m @	2.00 g/t	West
	43	49	6 m @	0.91 g/t	West

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References in this announcement to exploration results and mineral resources 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 consented to the inclusion of the material in the form and context in which it appears.

Further information on KEFI is available at www.kefi-minerals.com

KEFI Minerals in the Kingdom of Saudi Arabia

In 2009, KEFI formed the Gold and Minerals Joint Venture ("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. To date, the G&M has conducted preliminary regional reconnaissance and lodged 23 Exploration Licence Applications (ELAs), of which 4 have been granted.

The ELAs were initially applied for and granted to ARTAR. Incorporation of G&M has been completed and any granted Licences will be transferred into G&M in due course.

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.

KEFI in Ethiopia

KEFI Minerals has acquired 75% of Tulu Kapi licence in western Ethiopia and intends to refine the development plan for the project, aimed at reducing the previously planned capital and operating expenditure. Early studies have yielded encouraging results and was summarised in recent announcements in respect of the Tulu Kapi acquisition transaction.

The Company is now positioned as an operator of two advanced gold development projects within the highly prospective Arabian-Nubian Shield, with an attributable 1.6Moz of JORC-compliant mineral resource plus significant resource growth potential. By 2017, the aggregate estimated production at these projects attributable to KEFI Minerals could exceed 80,000oz pa Au, generating cashflows for further exploration and expansion as warranted, recouplement of development costs and, when appropriate, dividends to shareholders.

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