

14 July 2014

KEFI Minerals Plc
("KEFI" or the "Company")

EXPLORATION UPDATE SAUDI ARABIA

JIBAL QUTMAN PROJECT

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, is pleased to announce an exploration update with additional drill hole results from the Jibal Qutman gold project in Saudi Arabia, where KEFI Minerals is the operator of the project under the Company's 40%-owned Gold & Minerals Limited ("G&M") joint venture.

Highlights

Ongoing drilling continues to intercept strong gold mineralisation at Jibal Qutman's South Zone and 4K Hill, with the best results including [17m at 3.72g/t](#) Au, 8m at 3.22g/t Au (including 3.0m at 7.21g/t Au), [13m at 2.27g/t](#) Au and [22m at 2.51g/t](#) Au. Drilling under shallow sand cover has extended mineralisation 450m further south from the South Zone drilling as reported in the March 2014 Mineral Resource update. This new mineralised zone remains open along strike to the south.

A total of 16 new trenches, for 1970m, was excavated in the South Zone south-eastern extension and 4K Hill zone at Jibal Qutman. Results are pending.

Jeff Rayner, Managing Director of KEFI Minerals, commented:

"At Jibal Qutman these recent drill hole results extend the known mineralisation of the South Zone and 4K Hill prospects. These strong gold intercepts were not included in the JORC-compliant Mineral Resource estimate totalling 0.5 million ounces announced on 5 March 2014, and drilling remains in progress to further extend and upgrade Jibal Qutman's Mineral Resource.

"The Preliminary Feasibility Study for Jibal Qutman that we completed in March 2014 is currently being reviewed with our partner ARTAR and by the Saudi authorities, and we are working towards submitting a Mining Licence Application. With this progress, combined with our latest drilling results, we are excited about the future prospects of this project and look forward to reporting further milestones in due course."

Jibal Qutman exploration and infill drilling and trenching

Positive results have been returned from the ongoing drilling campaign at Jibal Qutman, expanding the mineralisation in two areas: 4K Hill and the southern extension of the South Zone.

The following table summarises 16 reverse circulation ("RC") and 1 diamond drill hole results from the Phase Two drilling programme, which returned results in excess of 0.2 g/t Au:

| Hole | From (m) | To (m) | Interval (m) | Gold Grade (g/t) | Zone |
|------------------|----------|--------|--------------|------------------|--------------------------|
| JQD066 | 14.0 | 31.0 | 17.0 | 3.72 | South Zone |
| <i>including</i> | 22.0 | 24.0 | 2.0 | 4.29 | |
| <i>including</i> | 26.0 | 29.0 | 3.0 | 15.01 | |
| JQRC24 9 | 35.0 | 45.0 | 10.0 | 1.00 | South Zone SSE extension |
| <i>including</i> | 39.0 | 43.0 | 4.0 | 1.58 | |
| JQRC25 2 | 24.0 | 32.0 | 8.0 | 3.22 | South Zone SSE extension |
| <i>including</i> | 26.0 | 29.0 | 3.0 | 7.21 | |
| JQRC25 3 | 49.0 | 54.0 | 5.0 | 0.62 | 4K Hill |
| | 80.0 | 84.0 | 4.0 | 1.80 | |
| JQRC26 1 | 36.0 | 40.0 | 4.0 | 1.61 | Gap Zone |
| JQRC26 5 | 44.0 | 47.0 | 3.0 | 1.95 | South Zone SSE extension |
| | 71.0 | 74.0 | 3.0 | 1.05 | |
| | 78.0 | 81.0 | 3.0 | 1.37 | |
| JQRC26 6 | 57.0 | 60.0 | 3.0 | 0.89 | Gap Zone |
| | 61.0 | 64.0 | 3.0 | 1.28 | |
| JQRC27 5 | 6.0 | 23.0 | 17.0 | 1.02 | South Zone SSE extension |
| | 34.0 | 36.0 | 2.0 | 1.11 | |
| JQRC28 0 | 67.0 | 75.0 | 8.0 | 1.37 | South Zone SSE extension |
| | 88.0 | 101.0 | 13.0 | 2.27 | |
| JQRC28 7 | 70.0 | 74.0 | 4.0 | 1.12 | South Zone SSE extension |
| | 78.0 | 100.0 | 22.0 | 2.51 | |
| JQRC29 4 | 43.0 | 46.0 | 3.0 | 1.07 | Gap Zone |
| JQRC30 3 | 47.0 | 60.0 | 13.0 | 1.84 | 3K Hill |
| JQRC321 | 1.0 | 12.0 | 11.0 | 1.11 | 4K Hill |
| JQRC322 | 53.0 | 59.0 | 6.0 | 1.01 | 4K Hill |
| JQRC334 | 41.0 | 47.0 | 6.0 | 1.76 | South Zone SSE extension |
| JQRC341 | 36.0 | 40.0 | 4.0 | 1.71 | South Zone SSE extension |

Note: All holes were inclined at 60° to the west and all intervals reported are downhole intervals. Trenching and further drilling is being undertaken to better understand the orientation of these mineralised zones and appropriately estimate true widths. All samples were sent for preparation and analysis at the internationally accredited laboratory Al Amri Labs Kingdom of Saudi Arabia. Gold analysis was carried out by fire assay with an AA finish. KEFI monitors sample preparation and analysis for quality control and assurance. The majority of the results being reported are located outside the outline of the existing resource and the purpose of the drilling and trenching was to extend the resource as well as to confirm the geological model. The foregoing information is provided for compliance with the JORC Code 2012 (Table 1). Average grades calculated at a cut-off grade of 0.2g/t Au.

A total of 31 RC shallow drill holes has been drilled at 4K Hill on a 50m x 50m grid and a total of 8 trenches was excavated at 50m spacings. The recent RC drill hole results extend the mineralisation to the northwest and south from the March 2014 Mineral Resource.

Mineralisation remains open to the north and east in area under a thin sand cover. Drilling results have confirmed the interpretation that a set of mineralised quartz/stockwork veins dip shallowly to the east in a similar manner to the 3K Hill Prospect.

Recent drilling has extended the South Zone mineralisation a further 450m to the south of the March 2014 Mineral Resource with holes:

JQRC249 returning 10m at 1.00g/t Au from 35m;
JQRC252 returning 8m 3.22g/t Au from 24m; and
JQRC265 returning multiple mineralised intervals as 3m at 1.95 g/t Au, 3m at 1.05g/t Au and 3m at 1.37g/t Au.

These mineralised zones are completely masked at the surface by a thin sand cover of less than 1m and they remain open to the south along strike, with the southernmost drill section providing the best results, which include JQRC275 returning [17m at 1.02g/t Au](#); JQRC280 returning [13m at 2.27g/t Au](#); and JQRC287 returning [22m at 2.51g/t Au](#).

South Zone mineralisation has now been intercepted over a strike length of 900m and further RC drilling is planned to fully investigate the area.

Diamond drill hole JQD66 was targeted to provide samples from the South Zone for metallurgical test work and returned a best interval of 17m at 3.72 g/t Au.

Further information is available in the drill location maps that can be found on KEFI's website.

Further exploration

A wide-spaced drilling programme, as part of the current Phase Two drilling programme, is designed to expand the Mineral Resources by testing the areas between known mineralisation and also a number of conceptual targets that have been defined through satellite imagery and structural interpretation.

Surface mapping has discovered new quartz veins and wide alteration zones in the northern part of the Exploration Licence. Assay results are awaited from these new structures, along with a backlog of assays from 25 drill holes.

The Company's exploration team continues to actively explore the whole of the Nabitah-Tathlith fault corridor in the Jibal Qutman Exploration Licence.

Enquiries

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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.

KEFI Minerals Plc

KEFI is now positioned as an operator of two advanced gold development projects within the highly prospective Arabian-Nubian Shield, with an attributable 2.25Moz Au of JORC-compliant mineral resource plus significant resource growth potential. The Company currently targets gold production at these projects attributable to KEFI of circa 80koz pa Au, generating cash flows for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders. More certain estimates will emerge from refinement of the DFS in due course.

KEFI in Ethiopia

KEFI Minerals has conditionally acquired the remaining 25% to have 100% ownership of the Tulu Kapi licence in western Ethiopia and is in the process of overhauling the development plan for the project: introducing more selective mining and reducing the previously planned capital and operating expenditure. KEFI's due diligence has been in progress for approximately nine months through its onsite team and with the assistance of specialist independent consultants. Results to date are encouraging and have been summarised in recent announcements in respect of the Tulu Kapi acquisition transaction.

KEFI Minerals in the Kingdom of Saudi Arabia

In 2009, KEFI formed the Gold and Minerals Joint Venture Company ("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 30 Exploration Licence Applications ("ELAs"), of which four have been granted. Two of the granted Exploration Licences were relinquished in May 2014.

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.

Further information on KEFI and drill location maps for this press release are available at www.kefi-minerals.com.

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