

29 August 2017

KEFI Minerals plc

("KEFI" or the "Company")

Tulu Kapi Update

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 provide an update on the Company's Tulu Kapi gold project in Ethiopia (the "Project").

- All VAT refunds have now been received in full (equivalent of c. £2.5 million).
- KEFI and Oryx Management Limited ("Oryx"), the mandated project financier for the Project, have agreed the finance execution plan and assembling documentation across all the fronts for finance closing later in 2017.
- Approved that selected preliminary field works start as soon as the wet season ends in September 2017, such as geotechnical drilling of the planned sites for the plant and dams, to keep to fastest Project works schedule for production commencing late 2019.
- KEFI (via its wholly-owned subsidiary KEFI Minerals (Ethiopia) Limited ("KME") and the Federal Government of the Federal Democratic Republic of Ethiopia ("Government") have launched the new company to hold the Project, Tulu Kapi Gold Mines Share Company Limited ("TKGM").
 - Based on current estimates of capital spending and capital contributions, respective shareholdings will be 75-80% KEFI and 20-25% Government.
 - The Board of TKGM includes two representatives from the Government and four from KEFI. Of the KEFI appointees Harry Anagnostaras-Adams (KEFI Executive Chairman) has been appointed Chairman and Wayne Nicoletto (KEFI Chief Operating Officer) has been appointed Managing Director.
- TKGM is now implementing the agreed project plan, including:
 - Transferring the Project mining licence (the minerals rights and the overarching permit to develop and operate) from KME to TKGM.
 - Ancillary consents from local and regional authorities for the detailed Project construction activities such as road widening, power connections and waste management.
 - Resolving with local authorities as regards infrastructure for the resettlement sites.
 - Calculating the final compensation payable for displaced landholders in light of the now completed updates of property surveys and the collected independent data for landholders' product yield and market prices.

Commenting KEFI's Executive Chairman, Harry Anagnostaras-Adams, said:

"We are very pleased with the progress being made at Tulu Kapi. We have agreed with our partners both the execution plan to close the required financing and the Project works schedule.

“The launch of project company TKGM has cemented our relationship with the Government and everyone is pushing to complete the financing and get into development and production. We look forward to providing further updates as matters progress in the coming weeks and months.”

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.

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NOTES TO EDITORS

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 generates cash flows for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders.

KEFI Minerals in Ethiopia

The Tulu Kapi gold project in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

Following completion of KEFI’s Definitive Feasibility Study for Tulu Kapi, the Company is now progressing contractual terms for project construction and operation. Latest estimates for annual gold production are c. 120,000oz pa and All-in Sustaining Costs (including operating, sustaining capital and closure but not including financing charges) of <US\$800/oz. Tulu Kapi’s Ore Reserve estimate totals 15.4Mt at 2.12g/t gold, containing 1.05Moz.

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. These plans now also reflect the agreed construction and operating terms with project contractors, and have been independently reviewed by experts appointed for the project finance syndicate.

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.

The projected cash flows indicate that the net cash build-up (after servicing financing) in the first three production years is US\$61 million to US\$251 million for the gold price range of US\$1,100/oz to US\$1,900/oz which prevailed during the past seven years.

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 a large portfolio of 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 instituted, and is further overhauling, 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 can be found at www.kefi-minerals.com