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KEFI Minerals plc
(“KEFI” or the “Company”)

Changes in Ethiopia and Impact on Development Funding Plans for Tulu Kapi

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia is pleased to provide an update on developments in Ethiopia and the impact it has on the Company’s plans for developing its Tulu Kapi Gold Project (the “Project”).

Ethiopian Government changes and Impact on the Project

Since the appointment on 2 April 2018 of new Ethiopian Prime Minister, Dr Abiy Ahmed, there have been various appointments of new Ministers and, as of Friday of last week, new State Ministers (Deputy Ministers). This follows the resignation of the former Prime Minister to allow a transition to a new leadership.

The Company is in communication with all Government offices dealing with the Project in the Federal and Oromia Regional Governments to welcome the new appointments and maintain progress on various administrative tasks as pre-cursors to development. The Government is also KEFI’s partner in the Project company, Tulu Kapi Gold Mine Share Company Limited (“TKGM”), and its representatives on the TKGM board work closely with KEFI and other members of the Project consortium.

According to the IMF, Ethiopia is expected to be the highest growth country in Sub-Saharan Africa again this year. Mining is listed as a priority sector for Ethiopia and it is expected that the Project will play an important role in the country’s development.

Project Development Funding

KEFI has been advised that the international bond markets favourably view the Ethiopian Government’s smooth transition to its new leadership. Against this backdrop, market soundings currently indicate that the KEFI Infrastructure Bond (the “Bond”) will have a c.7% coupon based on the Bond being issued at par, subject to the completion of formal due diligence and market conditions at the time of the Bond issue. The Bond will be a senior secured sinking fund bond issued by KEFI’s Luxembourg SPV and listed in Luxembourg. Over the past year KEFI has been developing its Project funding plans with its consortium, targeting institutional investors via the specialist bond-arranger formally mandated on 8 May 2018.

Enquiries

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Further information can be viewed 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 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.

The Company has now refined contractual terms for project construction and operation. Estimates include open pit gold production of c. 140,000oz pa for a 7-year period. All-in Sustaining Costs (including operating, sustaining capital and closure but not including leasing and other financing charges) remain c. US\$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz.

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.

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. An area of 1,100 square kilometres adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans.

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 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, 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 over 20 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 announced 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.