

16 March 2015

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

TULU KAPI UPDATE

KEFI Minerals (KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, is pleased to provide the following update on its Tulu Kapi ("TK") gold project in Ethiopia.

The Ethiopian Ministry of Mines has approved the TK gold project. The Company's application is now before the Council of Ministers for approval to execute a Mining Agreement and the consequential issue of the Mining Licence and full permitting to develop, and then operate, the TK gold project for 20 years.

The planned development expenditure for TK to be funded by KEFI has been reduced from c. \$150 million to c. \$120 million based on initial bids received from mining contractors and on terms on offer to the Company for the acquisition of the identified suitable process plants.

The development funding plan for TK is for KEFI to draw down, in H2 2015, on a combination of debt and equity finance. This is expected to comprise c. \$100 million of project debt with the balance of c. \$20 million being financed by one of a number of possible sources currently being assembled, including financing from contractors and equity at the project or parent company level.

Executive Chairman, Harry Anagnostaras-Adams, said: "It is an exciting period for KEFI with a great deal of progress occurring across the board. As we rapidly move towards the receipt of the Mining Licence and advance our funding plans, we remain on track to start development at the Tulu Kapi gold project in 2015 for production in 2017."

KEFI Minerals plc

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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 2.1Moz (100% of Tulu Kapi's 1.9Moz and 40% of Jibal Qutman's 0.6Moz) Au 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, recoupment of development costs and, when appropriate, dividends to shareholders.

Expected milestones for the remainder of 2015 at Tulu Kapi include:

- Mining Licence for Tulu Kapi, comprising all major permits for construction and operation
- Independently refined and verified mine plan
- Independently verified capex, opex & closure costs
- Independently verified Ore Reserves
- Independently updated Definitive Feasibility Study for banking purposes
- Formalisation of bank syndicate, agreement of final terms for project finance
- Full development funding and commencement of construction

In addition, during 2015 KEFI anticipates submitting a Mining Licence Application for Jibal Qutman in Saudi Arabia through its joint venture company, Gold & Minerals Ltd ("G&M").

KEFI Minerals in Ethiopia

The Tulu Kapi gold project in Western Ethiopia is being rapidly progressed towards development. In October 2014, KEFI Minerals reactivated the Mining Licence Application and assembled indicative project finance terms.

A Definitive Feasibility Study is evaluating construction of a 1.2Mtpa processing plant with estimated annual gold production 86,000 oz at total operating costs of \$626/ounce. The planning parameters for the DFS have already been independently confirmed. The Company's milestones for 2015 include licensing, resettlement of affected households, arranging project finance in mid-2015 for major works to commence in the final quarter of 2015 and production commissioning at the end of 2016.

KEFI Minerals in the Kingdom of Saudi Arabia

KEFI Minerals has a 40% interest in the G&M joint Venture (G&M) and is the operating partner. G&M holds, other than Hawiah and Jibal Qutman, 23 ELAs that cover an area of approximately 1,484km². ELs are renewable for up to five years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) lease within the area.

In 2009, KEFI formed G&M, with Saudi partner ARTAR, to explore for gold and associated metals in the Arabian Shield. To date, G&M has conducted preliminary regional reconnaissance and had five ELs granted. Three have been relinquished after initial testing.

At Jibal Qutman Exploration Licence, G&M's flagship project, the total inferred category Mineral Resources, not yet JORC compliant, are now estimated at 22.0Mt at 0.90 g/t Au for 633,461 contained gold ounces compared with a JORC resource of 16.7 Mt at 0.92g/t Au for 495,194 contained gold ounces previously estimated in March 2014, both at a cut-off grade of 0.2g/t Au.

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.