

**AIM: KEFI****14 April 2010****KEFI Minerals Plc**  
**(“KEFI Minerals” or the “Company”)****UPDATE ON ACTIVITIES IN SAUDI ARABIA**

KEFI Minerals, a gold and copper exploration company with projects in Turkey and the Kingdom of Saudi Arabia, is pleased to provide an update on its activities in the Kingdom of Saudi Arabia.

**Highlights**

- > KEFI Minerals is continuing to progress development opportunities with nearly a third of current portfolio at advanced stages of licence applications
- > A total of 21 Exploration Licence Applications (“ELAs”) have been lodged which cover ~2,100km<sup>2</sup>.
- > All of the ELAs contain historic workings for gold and/or copper, some contain visible gold in quartz veins.
- > In addition to progressing existing applications, reconnaissance and generative studies to identify other areas of interest within Saudi Arabia continue.
- > The primary target in Saudi Arabia is the discovery and development of a >1 million ounce gold deposits.

The Company continues to advance its Saudi Arabia operations, which commenced in 2008. The focus remains on the Precambrian Arabian Shield and the joint venture with Abdul Rahman Saad Al-Rashid & Sons Company Limited (“ARTAR”), a leading Saudi construction and investment group.

The JV Operating Company, Gold and Minerals (“G&M”), formerly named GEMCO, is in the final stages of being incorporated in Riyadh, Saudi Arabia. KEFI Minerals is the operating partner with a 40% interest. ARTAR holds the remaining 60%.

G&M has lodged a total of 21 Exploration Licence Applications (“ELAs”) covering an area of approximately 2,100km<sup>2</sup> following approval from the Deputy Ministry for Mineral Resources (“DMMR”) to conduct country-wide field reconnaissance through the issue of a Reconnaissance Licence.,

The ELAs submitted by G&M are in various stages of being processed by the DMMR, which has completed site visits at six of the 21 ELAs to date. Some of the applications lodged by G&M are at an advanced stage of the process and are expected to be granted soon.

**Background to licences and the surrounding area**

The ELAs are prospective for volcanic massive sulphide copper-gold deposits, shear related quartz–gold veins and porphyry copper-gold deposits. All of the ELAs contain historic workings for gold and/or copper, some contain visible gold in quartz veins and some have been subjected to limited drilling by the United States Geological Survey (“USGS”) and the Bureau de Recherches Géologiques et Minières (“BRGM”). Encouraging gold mineralisation has been intercepted in a number of drill holes and trenches in these ELAs.

When the relevant licences are granted, KEFI Minerals will then publicly release the details of these historical results and our field reconnaissance. Exploration activities will commence on these licences as soon as the statutory permitting process has been finalised.

Generative studies continue to be carried out, the Arabian Shield is vast and many prospective areas are open for pegging. Reconnaissance fieldwork is being progressively undertaken to assess these opportunities and further applications for Exploration Licences will be made where warranted.

KEFI Minerals' Managing Director Jeff Rayner commented that:

"One of our key objectives for 2010 is to expedite the granting of our Saudi Arabian ELAs and the KEFI Minerals team remains very keen to commence exploration of our quality prospects as soon as practicable.

"Our primary target in Saudi Arabia is the discovery and development of a >1 million ounce gold deposits in the under-explored Precambrian Arabian Shield.

"Saudi Arabia has a substantial historical mining heritage and our geologists have spent significant time researching and evaluating numerous prospects in the field that can be rapidly progressed once our applications are granted.

"The strategic and logistical support provided by ARTAR has been invaluable in establishing KEFI Minerals as an early mover in exploring for minerals in Saudi Arabia."

## Enquiries

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*References in this announcement to exploration results and potential have been approved for release by Mr Malcolm Stallman, B.App.Sc. Mr Stallman is a geologist and has more than 20 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.*

## About Minerals Exploration in Saudi Arabia

Saudi Arabia is a country with a long history of mining that dates back over 5,000 years and is now set for a resurgence under modernised mining laws that encourage investment.

The Saudi Arabian Deputy Ministry for Mineral Resources ("DMMR") commenced gold exploration in the 1970s, following a rise in value of the metal. The USGS and BRGM were commissioned to document and evaluate the mineral occurrences over a 25 to 30 year period from the 1970s to mid-1990s. Over 5,000 historic mines and occurrences were documented. Limited work was carried out on each prospect and up to 1994, only 51 of these prospects were drill tested.

The general tempo of exploration activity in Saudi Arabia has progressively increased following the new Saudi Mining Investment Code coming into effect in 2005.

Some of the key aspects of the new Mining Investment Code, which are attracting investment in the exploration and mining industry in Saudi Arabia, are:

- > 20% corporate tax rate;
- > no mineral royalties;
- > all commodities are available to all groups, including 100% foreign owned companies;

- > security of tenure through all stages of exploration and development;
- > no restrictions on foreign exchange
- > no restrictions on repatriation of capital and profits;
- > accelerated depreciation; and
- > exemption from import duties on capital items imported for mining projects.

The general process to apply for Exploration Licences in Saudi Arabia is:

1. EL Application submitted to the DMMR with a cash deposit of SAR 5,000.
2. Following confirmation from the DMMR that the area applied for is available, then the Company submits a five-year exploration plan and budget plus another cash deposit of SAR 5,000.
3. DMMR organises a visit to the ELA area by representatives of various committees and government departments.
4. Following the site visit, some areas may be required to be excised from the ELA, e.g. public roads, holy sites, and archaeological sites.
5. DMMR may then request the Company to submit a modified ELA.
6. DMMR then proceeds to grant or reject the ELA.

Exploration Licences (up to 100km<sup>2</sup>) are issued for five years and renewable for a further five years, with Mining Licences (up to 50km<sup>2</sup>) issued for up to 50 years.

Major gold deposits in the Arabian Shield of Saudi Arabia include Saudi Arabian Mining Company's ("Ma'aden") Mahd adh Dhahab Mine (>6 million ounces) and Al Amar Mine (>1 million ounces), and Ma'aden's recent greenfields discoveries, which total more than 8 million ounces.

## About KEFI Minerals

KEFI Minerals commenced trading on AIM in December 2006 and was formed with the aim of creating shareholder value through the discovery and exploitation of gold and copper deposits.

In **Turkey**, KEFI Minerals currently has the following exploration projects:

1. At Derinin Tepe in the Western Anatolia Region, low-sulphidation epithermal quartz veins have been identified with gold and silver mineralisation.
2. At Artvin, in northeastern Turkey, extensive hydrothermal alteration and gold and base metal mineralisation have been recognised in the project area, as well as historical workings indicating potential for economic mineralisation. Artvin is a joint venture operated by KEFI Minerals and funded by Centerra Gold Inc, who has the right to earn up to 70% interest in the property by spending US\$6 million.
3. Bakir Tepe, in southwestern Turkey, is prospective for VHMS polymetallic deposits. High-grade gold and copper crop out on the peripheries of a shallowly buried geophysical chargeability anomaly.
4. At Gumushane in eastern Turkey, areas of extensive hydrothermal alteration have been recognised in the project area, as well as coincident areas of interest identified through interpretation of Aster data.
5. Hasancelebi, in central Turkey, is prospective for high-sulphidation epithermal gold mineralisation and Iron-Oxide Copper-Gold ("IOCG") mineralisation.
6. Muratdag, in the Western Anatolia Region, is prospective for Carlin-style epithermal gold mineralisation.

In the Kingdom of **Saudi Arabia**, KEFI Minerals has a minerals exploration joint venture with leading Saudi construction and investment group Abdul Rahman Saad Al-Rashid & Sons Company Limited (“ARTAR”). KEFI Minerals is the operating partner with a 40% interest and the joint venture’s primary target is the discovery and development of a >1 million ounce gold deposit in the under-explored Precambrian Shield in Saudi Arabia.

KEFI Minerals' Board of Directors is comprised of Mr. Harry Anagnostaras-Adams (Chairman), Mr. Jeffrey Rayner (Managing Director), Professor Ian Plimer (Deputy Chairman) and John Leach (Finance Director).

Further information on KEFI Minerals is available at [www.kefi-minerals.com](http://www.kefi-minerals.com) and the Company’s AIM code is “KEFI”.

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