

5 October 2015**KEFI Minerals plc
("KEFI" or the "Company")****PROGRESS AT JIBAL QUTMAN, SAUDI ARABIA****DISCOVERY OF ADDITIONAL AREAS OF GOLD MINERALISATION****AND PREPARATIONS OF MINING LICENCE APPLICATION**

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 progress at the Jibal Qutman Project in Saudi Arabia. Jibal Qutman is being progressed towards a low-capex development of a conventional open-pit, heap-leach (HL) oxide gold operation following the start-up of Tulu Kapi Gold Project in Ethiopia.

Highlights

Jibal Qutman - Preparation of Technical Studies for Mining Licence Application:

- Approximately 75% of the infill drilling program (RC and diamond drilling) totalling 5,415m has been completed. The aim of the program is to upgrade Inferred Resources to Indicated Resources for the oxide gold mineralisation in-pit or proximal to preliminary open-pit designs.
- Metallurgical testing (column leach) has been completed on the oxide mineralisation from four potential open cut areas for HL processing. Gold recoveries range from 70% to 75% with a weighted average of 73%. These gold recoveries are slightly better than earlier bottle roll test work with an average estimated recovery of 69%.
- A mine scoping study on a HL operation was completed by AMC Consultants. Based on resources defined as at March 2015, the potential mineable resources in a series of shallow open pits totalled 6.6Mt at 0.95g/t Au, for 201,600oz.
- The AMC study supported the internal preliminary assessment announced by KEFI on 6 May 2015. A HL recovery factor of 70% was utilised during the optimisation and evaluation process.
- Ongoing drilling at Jibal Qutman is identifying additional areas of gold mineralisation, especially at the prospects known as 4K Hill, 3K Hill, Pyrite Hill, Main, West and South Zones.
- The primary focus of exploration drilling will shortly transfer from Jibal Qutman to Hawiah

Hawiah – large gold and base metal target

- Drilling at Hawiah will target a 6km-long gold-mineralised gossan and the underlying copper-gold-zinc massive sulfide target as identified by recent geophysical surveys.

Jeff Rayner, Exploration Director of KEFI Minerals, commented:

“We are pleased to report that the oxide heap leach project at Jibal Qutman continues to deliver positive results and is progressing towards applying for regulatory permits for a low-capex development.

Exploration drilling continues to expand and provide new discoveries whilst technical studies are being assembled for lodgement of the Mining Licence Application. We look forward to reporting further progress in due course.”

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Further information can be viewed on KEFI’s website at www.kefi-minerals.com

COMPETENT PERSONS’ STATEMENTS

References in this announcement to exploration results, resources, interpretations and prospects have been approved for release by Mr. Jeffrey Rayner. Mr Rayner is a geologist and has more than 27 years’ relevant experience in the field of activity concerned. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has reviewed and consented to the inclusion of the material in the form and context in which it appears.

BACKGROUND

Exploration Progress

Exploration drilling and trenching has continued at Jibal Qutman during the summer months. RC drilling has focused on extensions to gold mineralisation at the 4K Hill prospect and at the Red Hill prospect.

Best results include 43m at 1.50 g/t Au, 14m at 2.51 g/t Au, 11m at 1.36 g/t Au and 16m at 1.02 g/t Au. The following table summarizes the best assay results from the exploration drilling, which comprised 32 inclined RC drill holes totaling 2,300m.

Table 1 - Exploration Drilling Results

Hole	Northing	Easting	From m	To m	Interval m		Au g/t	Zone
JQRC397	334682.68	2252923.08	47	63	16	@	1.02	Red Hill
			81	92	11	@	1.36	
JQRC398	336987.89	2249199.47	55	61	6	@	2.14	Red Hill
			77	93	16	@	1.02	
JQRC400	336164.17	2247482.04	96	106	10	@	1.02	South
JQRC403			1	18	17	@	0.95	4K Hill
			93	97	4	@	1.08	
			116	120	4	@	1.15	
JQRC405	335724.15	2253799.72	6	14	8	@	1.17	Pyrite Hill
JQRC411	336963.90	2249904.53	9	18	9	@	1.23	RH North
JQRC415	336980.49	2249250.25	90	96	6	@	1.52	Red Hill
JQRC416	336855.27	2248798.37	90	93	3	@	1.39	Red Hill
JQRC428	335417.91	2254330.55	12	16	4	@	1.43	4K Hill
			38	42	4	@	1.20	
JQRC429	335103.94	2254547.79	25	28	3	@	1.12	4K Hill
			45	48	3	@	1.07	
JQRC431	335818.577	2250095.18	31	34	3	@	1.09	Main Zone
JQRC433	336945.61	2249271.06	27	70	43	@	1.50	Red Hill
JQRC434	336929.32	2249299.40	31	37	6	@	1.59	Red Hill
JQRC435	336951.29	2249297.71	24	28	4	@	1.11	Red Hill
			32	37	5	@	1.15	
			56	70	14	@	1.60	
JQRC440	336847.88	2247931.19	18	32	14	@	2.51	RH South

			35	36	1	@	2.86	
			39	41	2	@	1.24	
JQRC442	336840.30	2247886.50	87	89	2	@	2.27	RH South

All drillholes designed at an azimuth of 270°, inclined at -60°. True width is estimated at 65-70% of downhole width in each area.

Detailed outcrop mapping and sampling continues over the entire EL, with encouraging assay results from rock-chip samples. Samples JQR556 and JQRC588, containing visible gold, returned respectively grades of 283g/t Au and 89.2g/t Au. These samples were taken from a 30m long outcropping trend of quartz veins and carbonate alteration. This area is located 3km along strike to the north of the Red Hill prospect. Further activity, including channel sampling, is underway with aim to identify the host and extent of this high-grade mineralisation.

A new area of mineralisation, Jabal Mikhyat, was discovered in the northwest sector of the licence. The prospect consists of at least three main target zones, associated with ancient workings. Gold mineralisation is related with a lamprophyre dyke swarm, trending northwest-southeast, associated with rare quartz veining, strong silicification and pyrite impregnation of the host rock. A preliminary trenching campaign comprising 25 trenches returned the following assay results:

Table 2 - Trench Sampling Results Jabal Mikhyat

Trench	Interval m		Au g/t
JQT345	3	@	2.25
JQT347	2	@	4.31
JQT343	18	@	2.49
including	2	@	7.17
JQT353	2	@	1.05
JQT354	4	@	3.47
JQT355	2	@	1.94
JQT356	1	@	28.40
JQT364	5	@	7.73
including	2	@	18.46

Following these promising trench results at the Jabal Mikhyat prospect, a reconnaissance program comprising four RC drill holes has been completed and results received. All holes intersected the alteration/mineralisation zones at expected depths. However drill hole interpretation of the mineralised intervals shows more complexity than previously thought: more geological investigations are required to properly plan further drilling.

Infill drilling program underway

A infill program on 25m centres commenced in late June 2015 at Jibal Qutman. It comprises of 5,415m of RC drilling across 4K Hill, 3K Hill, Main, West and SC zones. The aims of the program are to upgrade current Inferred Resources to the Indicated category and to add additional oxide material through the drilling of zones proximal to the current designed pits.

About 75% of the program has been completed to date with no delays, and the program is expected to be completed by mid-October.

The current drilling at 4K Hill, 3K Hill and West Zone has shown mineralisation and alteration in-line with expectations adding confidence to the current model. A list of best intervals is reported below:

Table 3 - Infill RC Drilling Results

Hole	Northing	Easting	From m	To m	Interval m		Au g/t	Zone
JQRC465	335201.19	2254323.64	35	39	4	@	1.57	4K Hill
JQRC466	335258.82	2254323.53	68	71	3	@	8.14	4K Hill
JQRC470	335425.26	2254259.86	46	47	1	@	3.53	4K Hill
JQRC473	335132.85	2254224.55	22	26	4	@	1.50	4K Hill
			31	35	4	@	1.04	
			51	53	2	@	1.29	
JQRC476	335149.07	2254183.89	24	33	9	@	1.60	4K Hill
JQRC477	335198.62	2254177.73	36	42	6	@	1.33	4K Hill
JQRC478	335299.301	2254175.11	66	69	3	@	1.16	4K Hill
JQRC485	334769.32	2252754.46	32	40	8	@	2.99	3K Hill
JQRC486	334723.45	2252712.70	0	5	5	@	1.65	3K Hill
			12	16	4	@	1.51	3K Hill
JQRC489	334647.54	2253137.89	27	30	3	@	2.23	3K Hill
JQRC491	334674.34	2252897.19	0	4	4	@	1.44	3K Hill
JQRC495	335453.04	2249784.49	26	28	2	@	2.91	West Zone
			26	33	7	@	1.05	
			46	51	5	@	6.02	
			77	92	15	@	1.06	
			including	79	81	2	@	
JQRC496	335574.04	2249758.71	27	32	5	@	1.12	West Zone
JQRC497	335530.30	2249759.71	7	11	4	@	1.51	West Zone
			73	79	6	@	2.60	
JQRC498	335492.32	2249758.89	40	42	2	@	1.86	West Zone
JQRC499	335416.71	2249683.78	49	52	3	@	3.17	West Zone
JQRC500	335602.92	2249664.20	47	50	3	@	1.09	West Zone
JQRC502	335432.16	2249628.27	32	36	4	@	2.41	West Zone
JQRC503	335446.32	2249575.46	27	31	4	@	31.12	West Zone
JQRC504	335503.44	2249538.42	33	34	2	@	1.39	West Zone
			54	55	3	@	1.38	
			66	67	6	@	3.16	

JQRC505	335581.76	2249503.79	28	29	1	@	1.15	West Zone
			44	45	2	@	1.08	
JQRC506	335544.54	2249549.04	16	17	4	@	2.37	West Zone
JQRC507	335576.79	2249603.80	45	46	12	@	1.12	West Zone

All drillholes designed at an azimuth of 270°, inclined at -60°. True width is estimated at 65-70% of downhole width in each area. Coordinates, UTM, WGS84, 38N.

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 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:

- Formalisation of project contracting, senior secured financing and equity funding
- Full development funding and commencement of construction

In addition, during 2015 KEFI anticipates that through its joint venture company in Saudi Arabia, Gold & Minerals Ltd ("G&M"), it will commence drilling at new licence Hawiah and assemble a Mining Licence Application for its discovery at Jibal Qutman in Saudi Arabia.

KEFI Minerals in Ethiopia

The Tulu Kapi gold project in Western Ethiopia is being rapidly progressed towards development with the Mining Licence being granted in April 2015.

KEFI's Definitive Feasibility Study was then completed and the Company is now refining contractual terms for project construction and operation. Latest estimates for annual gold production are c. 100,000 oz pa for a 10-year period and for All-in Sustaining Costs (including operating, sustaining capital and closure) of c. US\$760/oz (excluding initial investment). Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.12g/t gold, containing 1.05 million ounces.

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 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 24 EL applications that cover an area of approximately 1,484km². 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 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.

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