

20<sup>th</sup> June 2014

**KEFI Minerals Plc**

**(“KEFI” or the “Company”)**

**DEFINITIVE FEASIBILITY STUDY UPDATE**

**TULU KAPI PROJECT, ETHIOPIA**

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and Ethiopia, is pleased to announce an update as regards the revision of the Definitive Feasibility Study (“DFS”) at Tulu Kapi, in light of additional drill hole and trench results from the Company’s field work since taking control of the Tulu Kapi project in Ethiopia.

**HIGHLIGHTS**

- **The results of KEFI’s infill drilling and surface trenching support the Company’s structural interpretation and modelling of the orebody. This is significant as the Tulu Kapi project has complex geology/gold distribution and has required an equally complex methodology to allow interpretation for mine planning.**
  - **Reverse circulation (RC) infill drilling intercepted strong gold mineralisation at Tulu Kapi, with best results of 12m at 4.23g/t Au, 5m at 9.71g/t Au, 2m at 24.86g/t Au, 8m at 4.24g/t Au, 4m at 10.36g/t Au and 4m at 9.80g/t Au. More details are set out below.**
  - **Results of the surface trenching program at Tulu Kapi confirmed continuity of mapped mineralisation and returned new mineralised intervals, including 8.5m at 1.96g/t Au, 8.5m at 1.96g/t Au, 8.1m at 4.67g/t Au, 3.2m at 12.91g/t Au and 5.8m at 1.91g/t Au. More details are set out below.**
- **Having now completed that field work and classified 90% of the mineral resources within the indicated category of the JORC Code (for reporting resources and reserves), the Tulu Kapi resource is now considered ready for updating after which it will be used for estimating ore reserves and finalising mine planning.**

Jeff Rayner, Managing Director of KEFI Minerals, commented:

**“At Tulu Kapi these recent drill hole and trench results confirm the mineralisation as modelled. This validates our resource estimate methodology and we can now update resources, reserves, mine planning and the DFS required to reactivate the Mining Licence Application by the end of 2014 and trigger construction in 2015.”**

## Detailed tabulations of Tulu Kapi infill drilling and trenching

Positive results have been received from the RC infill drilling and trenching campaign at Tulu Kapi. Results confirm the mineralisation model and alteration pattern.

KEFI has drilled 30 holes for a total of 4,285 meters in the planned open pit area, of which 15 returned intercepts in excess of 1.0 g/t, which is taken to be material in the context of the current resource estimate. The details for these holes are shown in the table as below.

The following table summarizes results received to date from 15 RC drill holes.

Hole	From (m)	To (m)	Interval (m)	Gold Grade (g/t)	
TKRC_332	80	84	4	3.51	
	92	106	14	2.77	
Including	95	97	2	14.18	
TKRC_332	115	127	12	4.23	
Including	118	123	5	9.71	
TKRC_332	137	139	2	24.86	
	167	179	12	4.08	
Including	169	173	4	9.60	
TKRC_333	16	22	6	1.89	
	95	98	3	3.61	
	106	108	2	2.77	
TKRC_334	9	20	11	2.33	
	26	28	2	1.33	
	31	32	1	3.30	
	35	38	3	1.40	
	80	83	3	2.20	
TKRC_342	14	19	5	1.26	
	Including	14	15	1	4.35
	25	31	6	1.16	
	39	41	2	1.21	
	59	61	2	1.08	
	104	106	2	1.18	
	130	132	2	3.04	
TKRC_343	6	9	3	1.30	
	81	83	2	3.26	
	118	126	8	1.76	
	143	151	8	8.89	
	Including	143	149	6	11.77
TKRC_344	170	175	5	3.37	
	22	27	5	1.05	
	29	37	8	1.22	
	74	80	6	5.23	
TKRC_345	98	101	3	5.39	
	16	18	2	3.17	
	21	24	3	1.19	
	39	49	10	1.23	
	91	93	2	1.75	

	105	107	2	1.06
	121	125	4	3.31
Including	121	123	2	5.83
TKRC_346	15	21	6	3.53
Including	15	17	2	10.05
	37	42	5	1.27
	45	48	3	1.76
TKRC_347	44	63	19	1.62
Including	57	65	8	4.24
	93	97	4	2.08
	130	134	4	5.84
	136	141	5	6.49
	143	147	4	2.53
	158	162	4	1.71
TKRC_349	59	61	2	5.96
	74	75	1	4.04
TKRC_350	46	48	2	2.98
	81	94	13	1.80
TKRC_351	11	14	3	4.99
	42	46	4	10.36
TKRC_352	47	51	4	9.80
	55	59	4	1.06

Note: holes were drilled vertically or inclined up to 65° with azimuths ranging from N100 to N120. All intervals reported are downhole intervals.

KEFI has excavated 56 trenches for a total of 1,102 meters, of which 23 returned intercepts in excess of 1.0 g/t, which is taken to be material in the context of the current resource estimate. The details for these trenches are shown in the table as below.

The following table summarizes from 23 trench results:

Hole	From (m)	To (m)	Interval (m)	Gold Grade (g/t)
TKTR_024	0.00	1.12	2.48	2.48
TKTR_025	4.16	8.27	4.10	1.01
TKTR_033	14.17	22.66	8.49	1.96
	38.74	40.70	1.96	12.88
TKTR_033_SEE	13.40	18.10	4.70	1.08
TKTR_034	20.20	22.25	2.06	1.13
TKTR_038_NWE	34.68	37.25	2.56	1.04
TKTR_039	22.65	31.96	9.31	1.94
Including	28.98	31.96	2.95	4.48
TKTR_039	46.93	47.86	0.93	3.60
TKTR_039_NWE	16.98	21.29	4.31	1.19
TKTR_039_SEE	18.18	19.16	0.97	3.72
	25.68	33.80	8.12	4.67
Including	3.75	4.70	0.95	3.41
TKTR_040	27.47	30.70	3.23	12.91
TKTR_040_NWE	0.00	2.13	2.13	1.21
TKTR_041	3.77	7.40	3.63	1.74
	9.41	22.52	13.11	1.45

TKTR_041_SEE	2.88	5.99	3.11	1.98
TKTR_042	12.01	15.94	3.93	1.15
TKTR_042_SEE	7.77	10.80	3.03	2.74
TKTR_045	0.00	1.03	1.03	2.85
	3.00	8.78	5.78	1.91
TKTR_046	0.92	8.66	7.74	1.91
TKTR_047	0.00	8.98	8.98	1.68
TKTR_050_V1	0.00	0.84	0.84	12.23
TKTR_051	5.88	7.16	1.28	1.96
	14.15	20.14	5.99	1.01
TKTR_052	10.34	21.58	11.24	1.36
TKTR_054	20.51	32.74	12.23	1.24

The following table summarizes from 3 geotechnical diamond drillholes results, performed in 2011, analysed by KEFI:

Hole	From (m)	To (m)	Interval (m)	Gold Grade (g/t)
TKGT_032	54.0	61.9	7.9	1.07
TKGT_033	24.0	27.0	3.0	1.73
	35.0	37.0	2.0	1.02
TKGT_034	40.7	42.0	1.3	2.03
	47.0	47.8	0.8	8.86
	63.3	64.1	0.8	3.98
	73.8	75.2	1.4	2.86

All samples were prepared at the Tulu Kapi sample preparation laboratory and sent for analysis at internationally accredited laboratories ALS Romania and Al Amri Labs Kingdom of Saudi Arabia. Gold analysis was carried out by fire assay with an AA finish. KEFI monitors sample preparation and analysis for quality control and assurance.

All material results being reported are located within the outline of the existing resource and the purpose of the drilling and trenching was to infill selected areas of the resource as well as to confirm the geological model (rather than to materially expand the resource).

The foregoing information is provided for compliance with the JORC Code 2012, Table 1

#### Enquiries:

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*References in this announcement to exploration results and mineral resources have been approved for release by Mr. Jeffrey Rayner. Mr Rayner is KEFI's Managing Director, a geologist and has more than 25*



*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.*

Further information on KEFI is available at [www.kefi-minerals.com](http://www.kefi-minerals.com).

## **KEFI Minerals Plc**

KEFI is now positioned as an operator of two advanced gold development projects within the highly prospective Arabian-Nubian Shield, with an attributable 2.25Moz AU of JORC-compliant mineral resource plus significant resource growth potential. We currently target gold production at these projects attributable to KEFI of circa 80koz pa Au, generating cash flows for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders. Reliable estimates will emerge from refinement of the DFS in due course.

## **KEFI in Ethiopia**

KEFI Minerals has conditionally acquired the remaining 25% to have 100% ownership of the Tulu Kapi licence in western Ethiopia and intends to refine the development plan for the project, aimed at reducing the previously planned capital and operating expenditure. Early research has yielded encouraging results and was summarised in recent announcements in respect of the Tulu Kapi acquisition transaction.

## **KEFI Minerals in the Kingdom of Saudi Arabia**

In 2009, KEFI formed the Gold and Minerals Joint Venture Company ("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 Shield. To date, the G&M has conducted preliminary regional reconnaissance and lodged 30 Exploration Licence Applications (ELAs), of which four have been granted. Two of the granted ELs were relinquished in May 2014.

The ELAs were initially applied for and granted to ARTAR. Incorporation of G&M has been completed and any granted Licences will be transferred into G&M in due course.

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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