



KEFI Minerals plc

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20 October 2016

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

Quarterly Update Webinar

Further to the announcement on 18 October, Mr Harry Anagnostaras-Adams, Executive Chairman, 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 hosting a live Webinar at 4pm BST today, Thursday 20 October 2016, via:

<http://webcasting.brrmedia.co.uk/broadcast/5804a464645b2ebf5620e2e2>.

Listeners are encouraged to submit questions by clicking on the link at the foot of the page or by emailing questions@brrmedia.co.uk. The webinar will subsequently be available on the Company's website at <http://www.kefi-minerals.com/news/videos>.

The Company's October 2016 Investor Presentation has been uploaded to its website and provides no new material information.

Highlights of comparison with the September 2016 Investor Presentation include:

- Project timetable unchanged.
 - Project is strongly supported by community and Government.
 - The small Tulu Kapi community resettlement program is carefully controlled by the Government and the Company performs a supportive role.
- Capital requirements have increased from US\$130-140 million to US\$150-160 million, attributable more or less equally to the following four factors:
 - Cost and exchange rate changes since the 2015 project tenders, emerging from detailed project contractor documentation in the past month.
 - The bringing forward of production-control drilling and systems build-up, as recently requested by potential lenders.
 - An increase in contingency provision.
 - Inclusion of non-Tulu Kapi costs for the next two years.
- Project NPV (8% discount rate applied against unleveraged after tax cash flows, at US\$1,300/oz gold) has nevertheless increased slightly from US\$185 million to US\$190 million due to refinements to the project expenditure schedule. KEFI's beneficial interest in the project will also increase slightly because the project-equity investment amount of US\$20 million to be provided by the Government of Ethiopia represents a smaller component of funding.
- The indicative sources of funds set out in the Investor Presentation show that the amount of equity or mezzanine funds to be raised by the Company has increased to an indicative US\$37 million (US\$32-42 million, up from an indicative US\$15-45 million). This reinforces the Company's preference towards finance proposals which minimise equity issues at the parent company level. Several financing proposals are being considered.

ENQUIRIES

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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 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 rapidly progressed towards development, following a grant of a Mining Licence 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. 100,000oz pa for a 10-year period and All-in Sustaining Costs (including operating, sustaining capital and closure) of approximately US\$766/oz to US\$787/oz at a gold price range of US\$1,200/oz to US\$1,500/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.12g/t gold, containing 1.05Moz. The first eight production years of the open pit are estimated to yield an average of 115,000oz pa.

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. These plans now also reflect the agreed construction and operating terms with project contractors, and have been independently reviewed by experts appointed for the project finance syndicate.

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.

At a gold price of US\$1,350/oz, the projected cash flows indicate a cash build-up in the first three production years of US\$191 million, which would be sufficient to repay all project debts, fund the development of the underground mine and commence paying dividends to shareholders.

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 more 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 over EL applications that cover an area of over 1,000km². 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, and is further overhauling, 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.