

26<sup>th</sup> July 2016

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

**Conditional Placing to Raise Approximately £3.8 million (Approximately US\$5.0 million)**

*Odey Asset Management to increase shareholding to 29.5%*

*Funds to be used for resettlement of the Tulu Kapi community as development progresses*

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 announce that it has conditionally raised approximately £3.8 million (approximately US\$5 million), before expenses, through the issue of 761,921,740 new ordinary shares of 0.1p each ("**Placing Shares**") at a price of 0.5p per share (the "**Placing Price**") by way of a placing through Brandon Hill Capital Limited ("**Brandon Hill**"), together with a subscription direct with the Company by Ausdrill International Pty Limited ("**Ausdrill**") (together, the "**Placing**").

Odey Asset Management LLP ("**Odey**") has subscribed in the Placing above its pro rata shareholding and, upon completion of the Placing, will have a beneficial interest in circa 29.5% of the issued share capital of the Company. Odey had also indicated its willingness, in principle, to underwrite the Placing at the Placing Price, subject to the receipt by Odey of the appropriate regulatory approvals. Due to the significant demand from other investors, the Company has not needed to call on any potential underwriting commitment.

Ausdrill International Pty Ltd, an existing 7.31% shareholder, has also subscribed in the Placing for approximately £266,160 (approximately US\$350,000) to maintain its pro rata shareholding in KEFI.

**Use of Net Proceeds**

Subject to continuing satisfactory progress on all fronts, the net proceeds of the Placing of approximately £3,565,000, together with the Company's current working capital of approximately £2.2 million, will be used primarily for the scheduled development activities of Tulu Kapi Gold Project finance, notably resettlement of the Tulu Kapi community and project finance syndication closure costs. In addition, exploration field work is budgeted to re-commence on the satellite deposits within trucking distance of Tulu Kapi in Ethiopia and at the Company's projects in Saudi Arabia.

**Mr Harry Anagnostaras-Adams, Executive Chairman, said:**

"We are pleased to receive the support of our existing shareholders as well as additional new subscribers in this placing, who share our belief that KEFI remains a highly attractive investment opportunity, particularly in the current global environment and in light of the strengthening gold price.

The funds raised from the placing will mainly be used for the resettlement of Tulu Kapi community which is the vital next step in the path to commencing construction at Tulu Kapi mine. This maintains our momentum towards the steady-state targeted production in 2018 of over

100,000 oz. p.a. from the Tulu Kapi open pit and additional production commencing as soon as possible thereafter from the Tulu Kapi underground. This, together with the potential Jibal Qutman open pit heap-leach mine in Saudi Arabia, should lift gold production to over 150,000 oz pa with All-in Sustaining Costs targeted to be c. US\$750/oz .”

## **The Placing**

The Company has conditionally raised approximately £3.8 million (approximately US\$5 million), before expenses, through the issue of 761,921,740 Placing Shares at a price of 0.5p per share by way of placing of 708,689,800 Placing Shares through Brandon Hill and the subscription of 53,231,940 Placing Shares by Ausdrill.

The Placing is conditional, amongst other things, on the admission of the Placing Shares to trading on the AIM Market of the London Stock Exchange (“**Admission**”) by 8.00 a.m. on 29 July 2016 (or such later time and/or date as Brandon Hill and the Company may agree, being not later than 8.00 a.m. on 12 August 2016).

Application has been made to the London Stock Exchange and it is expected that Admission will become effective and that dealings will commence in the Placing Shares on 29 July 2016.

The Company has given certain customary warranties and indemnities to Brandon Hill and Ausdrill respectively in relation to the Placing and other matters relating to the Company and its affairs. The Company has also granted to Brandon Hill warrants to subscribe for 38,096,087 new ordinary shares of 0.1 pence each in the share capital of the Company (“**Ordinary Shares**”) at the Placing Price (being equal to 5 per cent of the Placing Shares). Such warrants will be exercisable for a period of three years following Admission.

The Placing Shares will be allotted and credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date on which they are issued.

## **Significant Shareholder Participation and Related Party Transaction**

Odey has subscribed for 334,629,800 Placing Shares in the Placing and immediately following Admission it will hold 1,147,617,707 Ordinary Shares, representing approximately 29.5 per cent of the Company’s enlarged issued share capital. In addition, significant shareholder Ausdrill has subscribed for 53,231,940 Placing Shares in the Placing. Immediately following Admission, Ausdrill will hold 281,511,289 Ordinary Shares representing 7.25 per cent of the Company’s enlarged issued share capital.

As Odey currently holds over 10 per cent of the Company’s issued Ordinary Share capital, its participation in the Placing is deemed to be a related party transaction under Rule 13 of the AIM Rules for Companies. The directors of KEFI, having consulted with its nominated adviser SP Angel Corporate Finance LLP, consider that the terms of Odey's participation in the Placing are fair and reasonable insofar as KEFI's shareholders are concerned.

## **Director Participation**

Ian Plimer and John Leach have each agreed to subscribe for Placing Shares at the Placing Price as set out in the table below. The Company has set off the amounts payable by those Directors in respect of such Placing Shares against amounts due to them for accrued but unpaid fees and expenses.

	<b>Number of existing Ordinary Shares</b>	<b>Percentage of existing issued share capital</b>	<b>Number of Placing Shares</b>	<b>Number of Ordinary Shares on Admission</b>	<b>Percentage of enlarged share capital on Admission</b>
Ian Plimer	6,450,001	0.25%	3,750,000	10,200,001	0.26%
John Leach	11,364,583	0.43%	5,000,000	16,364,583	0.42%

Further information concerning Director participation in the Placing is set out below.

### **Total Voting Rights**

Following Admission, the total issued share capital of the Company will consist of 3,882,920,433 Ordinary Shares each with voting rights. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company is 3,882,920,433 and this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

### **Special note concerning the Market Abuse Regulation**

The information communicated in this announcement is inside information for the purposes of Article 7 of Market Abuse Regulation 596/2014 ("MAR"). Market soundings, as defined in MAR, were taken in respect of the Placing, with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

### **NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM**

1.	<b>Details of the person discharging managerial responsibilities/person closely associated</b>	
a)	Name:	Ian Plimer
2.	<b>Reason for the notification</b>	
a)	Position/status:	Non-executive Director
b)	Initial notification/Amendment:	Initial notification
3.	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name:	Kefi Minerals plc
b)	LEI:	

4.	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>					
a)	Description of the financial instrument, type of instrument:  Identification code:	Ordinary shares of 0.1 pence each  GB00B1HNYB75				
b)	Nature of the transaction:	Equity placing participation				
c)	Price(s) and volume(s):	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>0.5 pence</td> <td>3,750,000</td> </tr> </tbody> </table>	Price(s)	Volume(s)	0.5 pence	3,750,000
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e)	Date of the transaction:	2016-07-26  08.00hrs UTC				
f)	Place of the transaction:	Outside a trading venue				

NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM

1.	<b>Details of the person discharging managerial responsibilities/person closely associated</b>	
a)	Name:	John Leach
2.	<b>Reason for the notification</b>	
a)	Position/status:	Finance Director
b)	Initial notification/Amendment:	Initial notification
3.	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name:	Kefi Minerals plc
b)	LEI:	

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## ENQUIRIES

### KEFI Minerals plc

Harry Anagnostaras-Adams (Executive Chairman)  
John Leach (Finance Director)

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Further information can be viewed on KEFI's website at [www.kefi-minerals.com](http://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, with the Mining Licence 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. 100,000oz pa for a 10-year period and All-in Sustaining Costs (including operating, sustaining capital and closure) of approximately US\$741/oz to US\$762/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 immediately below 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\$190 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 23 EL applications that cover an area of approximately 1,303km<sup>2</sup>. 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.