

12 July 2018

KEFI Minerals plc

("KEFI" or the "Company")

AGM Statement

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, announces that at today's Annual General Meeting ("AGM") Harry Anagnostaras-Adams, Executive Chairman, will make the following statement. In addition, Mr Anagnostaras-Adams, will give a presentation on the progress of the Company. The presentation contains no material new information and will be made available on the Company's website (www.kefi-minerals.com) later today.

"KEFI was born in December 2006 with an IPO value of only £2.5 million – a fledgling explorer of targeted emerging frontiers for the modern mining industry. Throughout the world this is a long process, with the typical duration from discovery to production being in the order of 15 years. We have a great exploration team and we made good progress, especially in the world class Arabian-Nubian Shield ("ANS") via our operatorship of a joint venture there with the large Saudi group ARTAR.

In 2014 the Company seized an opportunity in the fastest growing country within the ANS, Ethiopia, to speed up its transformation into a developer and producer by taking control of the Tulu Kapi Gold Project. Tulu Kapi was a wonderful opportunity to establish robust cash flow and to support the pursuit of the other exciting opportunities assembled by our exploration team.

In 2014 and 2015, KEFI overhauled Tulu Kapi's plans and the Government of Ethiopia granted all permits for development and production. In 2016 and 2017, KEFI assembled first tier project contractors and senior operational management and secured the Government's commitment to partner KEFI as an equity investor in the project company, Tulu Kapi Gold Mines S.C ("TKGM"). The piece of the puzzle that eluded us during those past two years of political instability in Ethiopia was the project debt-based finance.

Now in 2018 we have all the required consortium members at the table working hard to close the full project financing this year and to commence Tulu Kapi's development. Today KEFI stands ready to develop Tulu Kapi as Ethiopia's first modern gold mine and then pursue organic growth via KEFI's already-established project pipeline in Ethiopia and in Saudi Arabia.

The new Ethiopian Government leadership has just this past week reaffirmed support for the Tulu Kapi development.

Also during the past week, the Ethiopianisation of our project ownership has taken another step forward with the re-affirmation by local investors of their intention to subscribe for equity at the Ethiopian corporate level.

TKGM is a joint venture company between KEFI Minerals Ethiopia and the Government of Ethiopia. KEFI has assembled for TKGM the full project funding consortium including contractors, equity and non-equity capital. In essence, we have taken what was originally a US\$300 million project and arranged all major project development funding at the project level. The finance plan remains subject to completion of all formalities in Government processes, due diligence and documentation.

It is obvious that we work in a geopolitical environment of rapid change and, whilst this offers abundant opportunity, this has obviously created challenges for KEFI. We suffered delays over the past two years in particular, during which both Ethiopia and Saudi Arabia have undergone substantive political changes. This has cost us dearly in having to raise capital at disappointingly low share prices to fund our activities. And whilst we cannot underestimate the work ahead to close our financings and start development, we can certainly say that we have assembled a first-class platform to complete the task, that all consortium members are hard-working and focused and that both host countries have emerged with new governments that have demonstrably pro-development leadership.

We are extremely grateful for the patience and support of the community in Tulu Kapi, the contractors Ausdrill and Lycopodium, our hard-working small organisation of highly-experienced personnel and, of course, our shareholders. We run a tight and low-cost operation and all key people have skin in the game.

KEFI will continue to transition itself appropriately for the development and production tasks ahead and changes will continue to flow such as:

- our recent increase in planned production at Tulu Kapi;
- the lowering of the planned cost of Tulu Kapi's project finance; and
- senior management appointments in preparation for Tulu Kapi development.

KEFI's vision is to be a dividend-paying high-growth mining leader in the ANS. This may sound bold when our market capitalisation currently sits at only £14 million. But let's remind ourselves how far we have come since the IPO value of £2.5 million in 2006 and the acquisition of an unpermitted and unfinanced Tulu Kapi in 2014.

The operating leverage for shareholders is considered attractive in that a 10% increase in annual tonnage throughput at Tulu Kapi increases NPV by c. 50%. Also, a 10% increase in gold price above the base case of US\$1,300/oz increases NPV by c. 50%. The underlying economic estimates for 100% of Tulu Kapi at US\$1,300/oz are for average net cash flow (after debt repayments and all other planned commitments) of US\$32 million per annum. All-in Sustaining Costs ("AISC") remain c. US\$800/oz and All-in Costs ("AIC") c. \$1,000/oz. And Tulu Kapi's Ore Reserves of 1.0 million ounces and Mineral Resources of 1.7 million ounces have significant upside potential.

Business growth potential beyond those NPV-based measures of value-upside include the underground extensions at Tulu Kapi, satellite deposits near Tulu Kapi and our Saudi prospects. It would be difficult to find another platform such as that we have assembled in one of the world's highest growth, yet under-explored countries, Ethiopia.

The Government has welcomed KEFI's plans to explore the district around Tulu Kapi so as to target a longer life to this planned development. In October 2017, KEFI received confirmation from the Ethiopian Government that the area proposed to be explored by KEFI has been set aside with the intention of being granted to KEFI upon commencement of development of Tulu Kapi. This Exploration Licence Application ("ELA") covers an area in excess of 1,000 km² with known gold prospects within c. 50km of Tulu Kapi, which is considered an economic trucking distance to the planned processing plant.

KEFI is now fortunate to have a c. 3,000 km² portfolio of exploration properties at various stages within the highly prospective ANS. Within this, KEFI notably has a set of volcanogenic massive sulphide ("VMS") copper-gold prospects near Tulu Kapi in Ethiopia and in the Wadi Bidah Mineral District ("WBMD") near the Hawiah prospect in Saudi Arabia. We are currently undertaking a strategic review of exploration priorities in the context of the apparent imminent opening of Saudi Arabia to the mining majors and the opportunities that may create to speed up progress there also.

We have achieved this progress with a very small team around whom we will build the full operating team in conjunction with the project contractors, both of whom have over 20 years of mine building experience in Africa. We are also well supported by a number of high calibre, quality specialist advisers also selected for their pre-eminence in start-ups of this nature.

To all these people and to our other stakeholders, on behalf of the Board of Directors I would like to sincerely thank you and we look forward to the next year with great anticipation and determination. On the matter of the Board, one of our founding Directors, Professor Ian Plimer, resigned in late 2017 to focus on activities closer to his home in Adelaide. We thank Ian for his support of the exploration activities that established KEFI and consider him a great friend. Our Board composition will remain under review and will be adjusted as KEFI moves forward.

Lastly, today's presentation to shareholders and the questions and answers will be recorded and uploaded to our website."

Enquiries

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Notes to Editor

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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

Ethiopia is currently undergoing a remarkable transformation both politically and economically.

The Tulu Kapi gold project in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

The Company has now refined contractual terms for project construction and operation. Estimates include open pit gold production of c. 140,000oz pa for a 7-year period. All-in Sustaining Costs (including operating, sustaining capital and closure but not including leasing and other financing charges) remain c. US\$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz.

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.

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. An area of 1,100 square kilometres adjacent to Tulu Kapi has been reserved for exploration by KEFI upon commencement of development, with a view to adding satellite deposits to development and production plans.

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 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, 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 20 EL applications. 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 announced 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.