

6 June 2019

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

Central Bank Approval for Project Finance Package

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to announce that it has received the last remaining federal government consent for the financing and development of the Company's Tulu Kapi Gold Project (the "Project") from the National Bank of Ethiopia, the Ethiopian central bank. The National Bank of Ethiopia has now provided its formal approval of the terms of the proposed full Project finance package.

As background:

- the Ethiopian central bank held back this long-anticipated formal confirmation until it had also simultaneously approved a policy directive for general public application;
- the approvals now received as regards the terms of the proposed full Project finance package include the right to use leasing as a form of finance, a debt/equity capital ratio of up to 70/30, recognition of historical expenditure in the calculation of the capital ratio, the right to use gold price hedging and the application of market-based long-term fixed interest rates;
- this set of central bank and other approvals clears the way for KEFI's Project-level partners to subscribe to TKGM shares for their combined US\$58 million (Ethiopian Birr equivalent) equity investment and also for the mandated US\$160 million infrastructure financing. Whilst waiting for this central bank confirmation letter and policy directive, the Company has already obtained the two other third party approvals required by the various interlinked arrangements:
 - KEFI's secured working capital financier, Sanderson Capital Partners Limited, has agreed to security sharing arrangements with ANS Mining Share Company ("ANS Mining"), KEFI's private-sector Project equity partner in Tulu Kapi Gold Mines Share Company ("TKGM"). Such short term security arrangements fall away on the closing of full TKGM Project financing and, in the meantime, facilitate KEFI's working capital arrangements and the Project equity funding of the first part of the 24 month Project development programme; and
 - KEFI's Government-sector Project partner in TKGM, the Ethiopian Ministry of Finance, has also agreed to the undertakings requested by ANS Mining. Consequently, upon the execution of subscription documents by all three partners in TKGM (KEFI, ANS Mining and Ministry of Finance), reflecting the previously agreed terms, this will allow execution and settlement of the first ANS Mining equity instalment of US\$11.4 million (Ethiopian Birr equivalent) in June 2019, as outlined in the Company's announcement on 8 April 2019.

- Implementation of financing can now flow between the consortium members and the Project can also proceed on the ground with the community and local authorities.
- The publicly guided development schedule provides for a cautious build up of site activities, whilst site security, detailed engineering and the first small community resettlement are carefully dealt with.

Commenting KEFI and TKGGM Chairman, Mr Harry Anagnostaras-Adams, said, "KEFI would like to express its appreciation of the enormous efforts by the Ministry of Finance, the Ethiopian central bank and other authorities to establish regulatory frameworks to oversee and support policies and actions being dealt with for the first time, as the Tulu Kapi Gold Project is the first-mover in modern Ethiopian mining.

"Likewise, we would like to thank the consortium members for their patience and support as we work through the compliance requirements of the various jurisdictions for this +US\$200 million funding package assembled at the Project level."

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Enquiries

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Notes to Editor

KEFI Minerals plc

KEFI is focused primarily on the advanced Tulu Kapi Gold Project development project in Ethiopia, along with its pipeline of other projects within the highly prospective Arabian-Nubian Shield. KEFI targets that production at Tulu Kapi generates cash flows for capital

repayments, further exploration and expansion as warranted 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 over 1,000 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, 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.

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.