

**KEFI Minerals plc**

**(“KEFI” or the “Company”)**

**Government Clearance of Community Resettlement and Project Timetable**

KEFI Minerals (AIM: KEFI), the gold and copper exploration and development company with projects in the Kingdom of Saudi Arabia and the Federal Democratic Republic of Ethiopia, is delighted to confirm, in relation to the Company’s Tulu Kapi Gold Project (the “Project”), that the local, zonal and regional authorities, have confirmed their intention to trigger resettlement of the Tulu Kapi community as soon as possible, with an agreed target date of 1 January 2019. This follows meetings which took place in the Tulu Kapi area with the directors of KEFI and also of ANS Mining Share Company (“ANS”), KEFI’s co-investor in Tulu Kapi Gold Mines Limited (“TKGM”), working alongside the federal government.

Preparatory activities for the resettlement will now turn to an exhaustive community communication and consultation program on the various aspects of the home and livelihood restoration plans down to the individual household level. The physical preparations will be launched as soon as the wet season ends shortly, including that the resettlement work teams building roads into new host lands and the preparation of new host lands. During this time the community will harvest its crops in Tulu Kapi and TKGM will clear new farm lands to assist the community’s re-establishment of livelihoods.

As part of this plan, TKGM has recently completed the Project wet season base line environmental surveys and also community socio-economic surveys. The Project, which is designed to comply with national and international environmental and social standards (in particular Equator Principles and World Bank Standards), will be directly employing and training over 1,000 people by the end of 2019 if all goes according to plan, and is expected to generate significant indirect benefits to local and regional stakeholders for the long term, in addition to export revenues of approximately US\$200 million per annum.

This overall Project plan and timetable complements the work being done with the other consortium members and is focused on starting construction in early 2019 and commissioning production during H2 2020. Project activities on the ground in the next month will include site surveys and geotechnical drilling of final foundation layouts for on-site infrastructure.

The recent leadership changes in Federal and Oromia Regional Governments have unleashed a progressive transformation across Ethiopia and all Tulu Kapi stakeholders are focused on ensuring the Project proceeds smoothly. The Oromia Regional Government is overseeing the community implementation program to ensure maintenance of the excellent community relations at Tulu Kapi.

Managing Director of KEFI and Chairman of TKGM, Mr Harry Anagnostaras-Adams, said “In many ways this is the most welcome recent development, because it takes years to establish the sort of trust required for a smooth project launch when a country and region is going through such rapid change.

“KEFI and its partners in Tulu Kapi Gold Mines deeply appreciate the support of the community and of the authorities and are committed to maximising the local benefits of the Project.”

## **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, 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.

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.