

1 November 2018

KEFI Minerals plc

(“KEFI” or the “Company”)

### Key Saudi Exploration Licence Issued

#### Hawiah Prospect for Gold at Surface and for Underlying Base and Precious Metals

KEFI Minerals (AIM: KEFI), the gold and copper exploration and development company with projects in the Federal Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to report the formal renewal of the Hawiah Exploration Licence (the “EL” or the “Hawiah EL”) in Saudi Arabia.

The Hawiah EL is held for KEFI’s local joint venture company Gold and Minerals Limited (“G&M”) by partner Abdul Rahman Saad Al Rashid & Sons Company Limited (“ARTAR”). Reconnaissance activities will now be re-activated by KEFI in its role as operator of G&M, with the focus on refining plans for a drilling campaign targeting gold at the surface and the underlying volcanogenic massive sulphide (“VMS”) copper-gold-zinc sulphide orebody. Whilst the work over the next six months is expected to be low-cost, it has a high potential impact on the effectiveness of drilling which is planned to commence in Q2 2019 after the Company has started the planned construction at the Tulu Kapi Gold Project in Ethiopia (“Tulu Kapi”). This program follows a hiatus for G&M of over two years whilst the Saudi Government undertook a thorough review of its mining code to encourage external investment into its potentially prolific mining sector.

The Hawiah EL is located within the Wadi Bidah Mineral District (“WBMD”) in the southwest of the Arabian Shield. The WBMD is a 120km-long belt which hosts over 24 VMS occurrences, volcano-sedimentary deposits associated with disseminated to sub-massive sulphides and shear zone and quartz vein hosted deposits. There are some historic workings in the area for copper and gold.

The Company’s prior field work at the Hawiah EL was suspended in 2016 due to certain community requests. G&M has since ensured that the correct steps have been taken with local stakeholders to ensure the licence to operate is robust within the WBMD. G&M’s past work included the following:

- wide-spaced trenching programme over the 6km-long gossanous horizon. Almost all of G&M’s trenches contained anomalous gold, including 6m at 2.2g/t gold, 2m at 8.7g/t gold, 6m at 1.9g/t gold, 3m at 5.8g/t gold, 2m at 7.5g/t gold and 8m at 3.0g/t gold; and
- in order to test the deeper VMS potential, KEFI used geophysics and geochemistry to define zones for drill targets. Self-potential (“SP”) geophysical surveys were completed over the 6 km-long gossanous horizon. Two strong anomalies were identified:
  - An intense north-south trending SP anomaly with a continuous maxima of 350 millivolts, located between 125m and 300m below surface with an 800m strike length. The intensity of this anomaly is consistent with the presence of a massive sulphide source, or to a high and contiguous concentration of disseminated sulphides at depth; and

- A parallel SP anomaly with a similar, but less continuous, intensity located 600m to the east.

The EL area and the WBMD as a whole are considered to be very prospective for gold and VMS deposits, analogous to some major deposits which have been developed in the Arabian Nubian Shield in recent years. The Company's Hawiah/WBMD program in Saudi Arabia will address a high-upside set of targets and will be run alongside the construction of the Tulu Kapi Gold Mine and the exploration of the Tulu Kapi district in Ethiopia.

**Harry Anagnostaras-Adams, Managing Director of KEFI, commented:** "We are very pleased to have received the formal renewal of the Hawiah EL. The Hawiah area is very prospective and our planned exploration activities there will sit well alongside our planned production at Tulu Kapi and further exploration in the Tulu Kapi district.

"Our near-term plans at Hawiah are expected to be at a low cost to the Company, but they have the potential to be high impact and will ensure that the planned drilling activities in Q2 2019 are appropriately targeted."

#### **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.