

21 February 2019

**KEFI Minerals plc**

(“KEFI” or the “Company”)

**Placing and Tulu Kapi Consortium Plans Update**

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 report that:

- Various foreshadowed financing arrangements are being implemented for KEFI and for its Tulu Kapi Gold Project (the “Project”), through Project company, Tulu Kapi Gold Mines Share Company (“TKGM”), to reflect the intention to trigger the Project development schedule at the end of the current quarter. This intention was reinforced at meetings of the Project consortium earlier this month in Addis Ababa and Cape Town, South Africa, which were attended by the three Project partners (KEFI, the Ethiopian Government and ANS Mining Share Company Limited (“ANS”)) and the three principal Project contractors (Ausdrill/African Mining Services (mining services), Lycopodium (process plant) and MKS/PAMP (gold transport and refining)).
- Specific steps include:
  - Pursuant to the shareholder approvals received at the Company’s General Meeting on 17 December 2018, to fund current working capital of both KEFI and the Project, the Company has:
    - completed a £969,000 placing by issuing 57 million new ordinary shares of 1.7p each in the capital of the Company (the “Placing Shares”) at a price of 1.7 pence per share (the “Placing”).
  - As announced on 25 January 2019:
    - Ethiopian private-sector Project partner ANS has increased its total commitment from US\$30 million to US\$38 million (Ethiopian Birr equivalent); and
    - Ethiopian government-sector Project partner, the Federal Government of Ethiopia, has commenced project-engineering activities under its commitment to equity-fund US\$20 million (Ethiopian Birr equivalent) of offsite-infrastructure.

Amongst the advantages of these funding arrangements are that they will allow the scheduled activities in the first six months of the Project development schedule to target the reduction in the period between debt-drawdown and first gold production and, consequently, to increase the period between first gold production and first debt-repayment.

Also as part of the preparations for KEFI’s next stage of development, the Company has appointed SVS Securities PLC as Joint Broker, to focus on the retail investor markets.

**KEFI Managing Director and TKGM Chairman, Mr Harry Anagnostaras-Adams, said,** “KEFI would like to express its appreciation to our Ethiopian Project partners, the Government of Ethiopia and ANS for their respective commitments of Project equity alongside that of KEFI.

“Not only does this demonstrate their ongoing support for the Project, but it also enables certain development works to be expedited, thereby increasing the expected period between first gold production and first debt-repayment.”

## **Admission of New Ordinary Shares and Total Voting Rights**

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

Application will be made to the London Stock Exchange for 57 million new ordinary shares of nominal value 1.7p each in the capital of the Company ("New Ordinary Shares") to be admitted to trading on the AIM market of the London Stock Exchange ("Admission") with Admission expected to occur on or around 27 February 2019.

Following Admission of the New Ordinary Shares, the total issued share capital of the Company will consist of 628,702,973 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 will be 628,702,973 and this figure may be used by Shareholders 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.

## **Further Information on the Placing**

The Company has conditionally raised £969,000 (before expenses) through the issue of 57 million New Ordinary Shares at a price of 1.7 pence per share (the "Placing Shares") through Brandon Hill pursuant to a placing agreement between the Company and Brandon Hill (the "Placing Agreement").

The Placing is conditional on, amongst other things, the Admission of the Placing Shares occurring on or before 8.00 a.m. on 27 February 2019 (or such later time and/or date as Brandon Hill and the Company may agree, being not later than 8.00 a.m. on 14 March 2019).

The Company has appointed Brandon Hill as its agent to use its reasonable endeavours to procure subscribers for the Placing Shares at the placing price pursuant to the Placing Agreement. The Company has agreed to pay Brandon Hill certain commissions and fees in connection with its appointment.

## **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. In addition, 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 defined in MAR), as permitted by MAR. Due to the publication of this announcement, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

## **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 Gold and Minerals Ltd ("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 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.