

4 September 2019

**KEFI Minerals plc**

("KEFI" or the "Company")

**Planned Start of Tulu Kapi Gold Project Development**

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 KEFI and its partners in Tulu Kapi Gold Mine Share Company Limited ("TKGM") have confirmed their respective commitments to the start of development at the Tulu Kapi Gold Project (the "Project") in October 2019 and issued the following public statements on Wednesday 4 September 2019 in Perth, Australia, at the opening of the Africa Down Under Conference (2am London time).

- **Statement by the Executive Chairman of KEFI and TKGM, Mr Harry Anagnostaras-Adams:** "It is exciting that the Tulu Kapi Gold Mine development is starting and especially pleasing that it is in joint venture with both the Ethiopian Government and private sectors. All parties are completing the last-minute actions for next month's start of the 24-month development schedule to achieve full production in 2021. This will be the first modern mine development in Ethiopia for decades and has taken great determination and collaborative effort by all parties, for which we are most grateful."
- **Statement by Ethiopian Minister for Mines, Petroleum and Natural Gas, H.E Samuel Kurke:** "The Tulu Kapi Gold Project has full support from the Ethiopian Government at all levels because it is a priority for the country and community. We work closely with KEFI and look forward to the start of development next month."
- **Statement by ANS Mining Director, Ato Demissie Demissie:** "ANS Mining is an Ethiopian investment company formed by a syndicate of leading Ethiopian investment institutions to participate in the Tulu Kapi Gold Project and then to consider follow-up investments in the newly prioritised mining sector in Ethiopia. As investors we have done this before in other industrial sectors and now mining is a top priority given the Government's policies and the growth potential we see."

The Africa Down Under Conference is attended by representatives of many of the 54 African countries and many of the 200 Australian mining companies operating in the continent, including TKGM's principal project contractors.

These statements and the intention to commence Project development next month follows recent intense preparations on the ground in Tulu Kapi for the project go-ahead, including increased security and administrative measures.

The Company also is pleased to report that the scheduled independent security update has been received and that we are pleased with its findings. The last report was prepared in 2016 and this update has taken into account subsequent changes in circumstances and organisational preparations. The report analyses the Project security situation in detail and its conclusions and recommendations set out where and how to continue to ensure risks are managed and kept at appropriate levels. Its conclusions

include that KEFI Minerals have put in place strong, well qualified leadership and have drafted comprehensive security and crisis management plans. These plans, once refined in detail and fully resourced, will maintain security risk at a level that should be acceptable.

### **Total Voting Rights**

Following Admission of the 16,941,604 New Ordinary Shares, the total issued share capital of the Company will consist of 723,720,052 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 723,720,052 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 and Transparency Rules.

### **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 seven-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.