

KEFI Minerals plc

PROGRESS WITH TULU KAPI PROJECT FINANCE

KEFI Minerals (AIM: KEFI) (“KEFI” or the “Company”), confirms that it has made considerable progress towards finalising the US\$140 million infrastructure finance lease facility for the development of the Tulu Kapi Gold Project (the “Project”).

Major milestones achieved included the documentation having been lodged with the Ethiopian Government for approval and the Ethiopian Minister of Finance and Economic Development has formalised budget approval for the Government to proceed with their construction and investment roles for the Project.

The proposed financing structure has been refined in response to soundings with potential investors in the listed bonds and the placing of the bonds is now expected to commence during Q1 2018, with drawdown expected soon thereafter conditional on equity capital subscription. The c. US\$20 million residual equity requirement will then be triggered and may comprise, in order of preference, equity issues at one or more of the intermediate, project, or parent company levels.

Project construction is expected to take place over 2018-2019 and production commissioning at the end of 2019.

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

KEFI Minerals plc

Harry Anagnostaras-Adams (Executive Chairman) +357 99457843

John Leach (Finance Director) +357 99208130

SP Angel Corporate Finance LLP (Nominated Adviser)

Ewan Leggat, Jeff Keating, Soltan Tagiev +44 20 3470 0470

Brandon Hill Capital Ltd (Joint Broker)

Oliver Stansfield, Alex Walker, Jonathan Evans +44 20 7936 5200

RFC Ambrian Ltd (Joint Broker)

Jonathan Williams and Charlie Cryer +44 20 3440 6800

Beaufort Securities Ltd (Joint Broker)

Elliot Hance +44 20 7382 8300

IFC Advisory Ltd (Financial PR and IR)

Tim Metcalfe, Heather Armstrong +44 20 3053 8671

NOTES TO EDITORS

KEFI Minerals plc

KEFI is the operator of two advanced gold development projects within the highly prospective Arabian-Nubian Shield, with an attributable 1.93Moz (100% of Tulu Kapi's 1.72Moz and 40% of Jibal Qutman's 0.73Moz) gold Mineral Resources (JORC 2012) plus significant resource growth potential. KEFI targets that production at these projects generates cash flows for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders.

KEFI Minerals in Ethiopia

The Tulu Kapi gold project in western Ethiopia is being progressed towards development, following a grant of a Mining Licence in April 2015.

Following completion of KEFI's Definitive Feasibility Study for Tulu Kapi, the Company is now refining contractual terms for project construction and operation. Latest estimates are that gold production may be brought forward to c. 144,000 oz pa over 7 years by increasing processing capacity, as compared with the DFS estimates of c. 100,000oz pa for a 10-year period. All-in Sustaining Cost estimates (including operating, sustaining capital and closure but not including leasing and other financing charges) remain <US\$800/oz. Tulu Kapi's Ore Reserve estimate totals 15.4Mt at 2.1g/t gold, containing 1.1Moz. Ongoing refinements will be reported as they get finalised.

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. These plans now also reflect the agreed construction and operating terms with project contractors, and have been independently reviewed by experts appointed for the project finance syndicate.

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.

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. To date, G&M has conducted preliminary regional reconnaissance and has had five exploration licences ("ELs") granted, including Jibal Qutman and the more recently granted Hawiah EL that contains over 6km strike length of outcropping gossans developed on altered and mineralised rocks with all the hallmarks of a copper-gold-zinc VHMS deposit.

At Jibal Qutman, G&M's flagship project, Mineral Resources are estimated to total 28.4Mt at 0.80g/t gold for 733,045 contained ounces. The shallow oxide portion of this resource is being evaluated as a low capital expenditure heap-leach mine development.

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 instituted, and is further overhauling, 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.