

6 January 2020

KEFI Minerals plc
("KEFI" or the "Company")

**Completion of Project Equity
Subscription**

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 advise that, further to the announcement made on 17 December 2019, in relation to the Company's Tulu Kapi Gold Project (the "Project"), the subscription agreement into the Project company, Tulu Kapi Gold Mines Share Company ("TKGM") was duly executed by ANS Mining Share Company ("ANS Mining") on Sunday 5 January 2019 after it had completed its own internal processes in accordance with local procedures. The existing TKGM shareholders, KEFI and the Ethiopian Government, have also approved the issue of TKGM shares to ANS Mining.

KEFI greatly appreciates the confidence and commitment demonstrated by ANS Mining, its board of Ethiopian business leaders and its underlying shareholders, which comprise a broad syndicate of strong organisations in the local banking, insurance and investment sectors. Combined with the commitments of the community and Government at all levels, this is truly an inclusive and broad-based public-private partnership with majority Ethiopian ownership. This is already proving invaluable in traversing the political and security landscape of such a high-growth and fast-changing country.

KEFI has committed to installing into TKGM all the systems and expertise required to develop and operate this first modern mine development in Ethiopia to the highest international standards environmentally, socially and in all other respects. We will maximise local participation in all aspects of the Project and have already built a school, provided local water supply and launched a project to initiate industry-wide training in parallel with the Project start-up.

The terms of the Project equity subscription remain as previously stated and summarised in the Company's announcement on 25 November 2019. The existing TKGM shareholders have been very supportive of the Project and now TKGM will be further empowered by the transfer of the first tranche of the ANS Mining funding of US\$9.5 million (Ethiopian Birr equivalent) to TKGM during January 2020, following the completion of certain procedural matters.

Harry Anagnostaras-Adams, Executive Chairman of KEFI commented:

"I am delighted to confirm the signed subscriptions of ANS Mining into the Project company. Whilst we have been working closely with ANS Mining for some time and developed an excellent relationship, I am now pleased to be able to welcome them formally as partners.

"Following first funds flow this month we will commence phase one of the community resettlement, trigger debt implementation and detail the final procurement and contractual arrangements with the principal Project contractors.

"These are exciting times and I look forward to updating shareholders over the coming weeks and months as we move forward with the development of Tulu Kapi."

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 ("MAR") until the release of this announcement.

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Further information can be viewed at www.kefi-minerals.com

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.