

17 March 2015

**KEFI Minerals plc**  
**(“KEFI” or the “Company”)**

**FINANCING UPDATE**  
**PLACING AND EXTENSION OF CLOSING FOR GOLDFIELDS RESOURCES FUND**

KEFI Minerals (KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, is pleased to provide the following financing update.

**Third Placing**

Further to the announcement on 26 February 2015, the long stop date for the Third Placing of 16 March 2015 has been extended to 8 May 2015 to allow Perth Partners' Goldfields Resources Fund (“**Goldfields**”) the time it requires for settlement of its £3 million subscription on the terms previously agreed and announced. The extension is due to unforeseen circumstances that have prevented Goldfields from receiving cleared funds from investors pursuant to its fundraising in accordance with the anticipated schedule.

However, the Directors of Goldfields have re-confirmed their commitment to make KEFI their maiden investment on the same terms as initially agreed and announced, which included a minimum placing price per share of 1.3p. An update on the timing of the closing of the Third Placing will be made as soon as possible.

**Placing**

Given the delay in the settlement of the Third Placing, the Company has conditionally raised £800,000 (before expenses) through its broker Brandon Hill Capital Ltd (“**Brandon Hill**”), principally from existing institutional shareholders, by the issue of 80 million ordinary shares in the Company (the “**Placing Shares**”) at 1p per share (the “**Placing**”). The purpose of the Placing is to provide KEFI with general working capital until proceeds from the Third Placing have been received.

The Company would like to note that Perth Partners LLP (for the future benefit of the Goldfields Resources Fund) was also a subscriber in this Placing and has joined the share register ahead of the anticipated close of the Third Placing.

The aggregate funds planned to be provided by the combination of the Third Placing and the Placing (being £3,800,000 before expenses) is intended to fund the Company’s activities to the point in H2 2015 where it is planned that full development funding will be arranged for the Company's flagship Tulu Kapi project in Ethiopia (“**TK**”).

The development funding plan for TK is for KEFI to draw down, in H2 2015, on a combination of debt and equity finance. This is expected to comprise c. \$100 million of project debt with the balance of c. \$20 million being financed by one of a number of possible sources currently being assembled, including financing from contractors and equity at the project or parent company level.

Unless otherwise defined, capitalised terms in this announcement have the meaning given to them in the Company's circular dated 26 November 2014 available on the Company's website at [www.kefi-minerals.com](http://www.kefi-minerals.com).

### **Additional Information on the Placing**

The Company has conditionally raised £800,000 (before expenses) pursuant to the Placing through its broker Brandon Hill. The Placing is conditional, amongst other things, on the admission of the Placing Shares to trading on the AIM market of the London Stock Exchange ("**Admission**") by 23 March 2015 (or such later date as the Company and Brandon Hill may agree, being not later than 31 March). Application has been made to the London Stock Exchange and it is expected that Admission will become effective and that dealings will commence in the Placing Shares on 23 March 2015.

The Company has also granted to Brandon Hill warrants to subscribe for 4 million Ordinary Shares (being equal to five per cent. of the number of Placing Shares) exercisable for three years at 1p per share.

Following Admission, KEFI will have 1,315,336,800 ordinary shares of 1p each in issue and this is the figure which should be used as the denominator for the calculations by which shareholders will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure and Transparency Rules.

### **ENQUIRIES**

#### **KEFI Minerals plc**

Harry Anagnostaras-Adams (Executive Chairman) +357 99457843

#### **SP Angel Corporate Finance LLP (Nominated Adviser)**

Ewan Leggat, Katy Birkin +44 20 3470 0470

#### **Brandon Hill Capital Ltd (Broker)**

Oliver Stansfield, Alex Walker, Jonathan Evans +44 207 936 5200

#### **Luther Pendragon (Financial PR)**

Harry Chathli, Claire Norbury, Oliver Hibberd +44 207 618 9100

Further information can be viewed on KEFI's website at [www.kefi-minerals.com](http://www.kefi-minerals.com)

### **NOTES TO EDITOR**

#### **KEFI Minerals plc**

KEFI is the operator of two advanced gold development projects within the highly prospective Arabian-Nubian Shield, with an attributable 2.1Moz (100% of Tulu Kapi's 1.9Moz and 40% of Jibal Qutman's 0.6Moz) Au Mineral Resources (JORC 2012) plus significant resource growth potential. KEFI targets that production at these projects generate cash flows for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders.

Expected milestones for the remainder of 2015 at Tulu Kapi include:

- Mining Licence for Tulu Kapi, comprising all major permits for construction and operation
- Independently refined and verified mine plan
- Independently verified capex, opex & closure costs
- Independently verified Ore Reserves
- Independently updated Definitive Feasibility Study for banking purposes
- Formalisation of bank syndicate, agreement of final terms for project finance
- Full development funding and commencement of construction

In addition, during 2015 KEFI anticipates submitting a Mining Licence Application for Jibal Qutman in Saudi Arabia through its joint venture company, Gold & Minerals Ltd ("G&M").

### **KEFI Minerals in Ethiopia**

The Tulu Kapi gold project in Western Ethiopia is being rapidly progressed towards development. In October 2014, KEFI Minerals reactivated the Mining Licence Application and assembled indicative project finance terms.

A Definitive Feasibility Study is evaluating construction of a 1.2Mtpa processing plant with estimated annual gold production 86,000 oz at total operating costs of \$626/ounce. The planning parameters for the DFS have already been independently confirmed. The Company's milestones for 2015 include licencing, resettlement of affected households, arranging project finance in mid-2015 for major works to commence in the final quarter of 2015 and production commissioning at the end of 2016.

As announced on 16 March 2015, the Ethiopian Ministry of Mines has approved the MLA which is now before the Council of Ministers to execute the Mining Agreement and the consequential issue of the Mining Licence and which is expected shortly.

### **KEFI Minerals in the Kingdom of Saudi Arabia**

KEFI Minerals has a 40% interest in G&M and is the operating partner. G&M holds, other than Hawiah and Jibal Qutman, 23 ELAs that cover an area of approximately 1,484km<sup>2</sup>. ELs are renewable for up to five years and bestow the exclusive right to explore and to obtain a 30-year exploitation (mining) lease within the area.

In 2009, KEFI formed G&M, with Saudi partner ARTAR, to explore for gold and associated metals in the Arabian Shield. To date, G&M has conducted preliminary regional reconnaissance and had five ELs granted. Three have been relinquished after initial testing.

At Jibal Qutman Exploration Licence, G&M's flagship project, the total inferred category Mineral Resources, not yet JORC compliant, are now estimated at 22.0Mt at 0.90 g/t Au for 633,461 contained gold ounces compared with a JORC resource of 16.7 Mt at 0.92g/t Au for 495,194 contained gold ounces previously estimated in March 2014, both at a cut-off grade of 0.2g/t Au.

The Kingdom of Saudi Arabia has instituted 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.