

11 May 2015

**KEFI Minerals plc  
("KEFI" or the "Company")****FINANCING UPDATE**

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.

**Update on Placing with Perth Global Funds' Goldfields Resources Fund ("Goldfields")**

As announced on 17 March 2015, the long stop date for the placing with Goldfields was extended to 8 May 2015 to allow Goldfields the time it considered it required for settlement of its £3 million subscription on the terms previously agreed and announced. The directors of Goldfields have re-affirmed their desire to make KEFI their maiden investment, but will now only be in a position to do so should Goldfields successfully close its subscription, which it expects to have completed by 2 June 2015.

The Board of KEFI has decided not to extend the arrangement with Goldfields and has proceeded with alternative funding plans as set out below.

**Placing of New Ordinary Shares**

The Company, through utilisation of its existing authorities to issue shares for cash, announces that it has conditionally raised £666,106 (before expenses) through the placing (the "Placing") of 66,610,600 ordinary shares in the Company (the "Placing Shares") at a price of 1p per share (the "Placing Price"). These shares rank pari passu with the existing Ordinary shares in issue. The Placing consists of a subscription, directly with the Company, by a leading service provider to the African mining industry and of a placing of Ordinary Shares with existing shareholders by Brandon Hill Capital Ltd ("Brandon Hill") as agent for the Company.

Following this issue and due to the lapsing of the agreement with Goldfields, the Company will have fully utilised its delegated authority from shareholders to issue further ordinary shares. Hence, in order to reinstate the Company's flexibility regarding the funding of its working capital and other ongoing requirements, the Directors of KEFI will seek authority from shareholders to issue shares for cash on a non-pre-emptive basis. This matter will be dealt with at the Annual General Meeting ("AGM") next month.

The Directors have advised the Company that it is their intention to subscribe for approximately £250,000 of new Ordinary Shares at not less than the Placing Price as soon as practicable following the Company ceasing to be in a close period, and the Company having the requisite authorities to issue further ordinary shares. In addition, the Company has received indications from both existing and new shareholders to participate in the planned financings of the Company.

The wider development funding plan for the Company's Tulu Kapi gold project remains on track for approximately \$120 million of development expenditure to be required over an 18-month period

commencing in Q4 2015, to be sourced from up to \$100 million of first-secured project finance and approximately \$20 million to be sourced from a combination of financing from contractors and equity at the project or parent company level.

### **Details of the Placing**

The Company has conditionally raised £666,106 (before expenses) pursuant to the Placing. The net proceeds of the Placing will be used to fund the Company pending its receipt of the requisite authorities at the AGM as described above in order to facilitate the balance of the planned funding. 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 14 May 2015 (or such later date as the Company may agree with Brandon Hill, being not later than 28 May 2015). 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 14 May 2015.

The Company has also granted to Brandon Hill warrants to subscribe for 1,680,530 Ordinary Shares (being equal to 2.5 per cent. of the number of Placing Shares) exercisable for three years at the Placing Price.

Following Admission, KEFI will have 1,381,947,480 Ordinary Shares 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**

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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 1.93Moz (100% of Tulu Kapi's 1.72Moz and 40% of Jibal Qutman's 0.73Moz) 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:

- Independently updated Definitive Feasibility Study for banking purposes
- Formalisation of senior secured finance syndicate, agreement of final terms for project finance
- Full development funding and commencement of construction

In addition, during 2015 KEFI anticipates triggering a Preliminary Feasibility Study and commencement of the processes for 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. The Mining Licence was granted in April 2015.

An updated Definitive Feasibility Study is currently being completed for construction of a 1.2Mtpa processing plant with average estimated annual gold production of 80-90,000oz and an All-in Cost (capital, operating and closure) of US\$768/ounce excluding the initial investment, much lower than industry average. The planning parameters for the DFS have already been independently confirmed and details are now being finalised and documented. The Company's milestones include arranging full project funding in Q3 2015 and starting major works in Q4 2015, commissioning at the end of 2016 and production in 2017.

### **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 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 ("EL") granted, including Jibal Qutman and the recently granted Hawiah exploration licence that contains over 5km<sup>2</sup> of outcropping gossans developed on VMS altered and mineralised rocks.

At Jibal Qutman, G&M's flagship project, the total JORC-compliant reported Mineral Resources are now estimated at 28.4Mt at 0.80g/t Au for 733,045 contained gold ounces compared with 22.0Mt at 0.90g/t Au for 633,461 contained gold ounces previously estimated in March 2014, both at a cut-off grade of 0.2g/t Au.

ARTAR, on behalf of G&M, holds 24 exploration licence applications that cover an area of approximately 1,484km<sup>2</sup>. 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 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.