

This announcement amends and replaces the announcement of the Independently Reviewed Cost Estimates made by the Company on 1 October 2014 at 7.49am BST, issued under RNS number 1169T. The revised announcement includes a correction to the numbering of the Notes. All other details remain unchanged. The full amended text is shown below.

1 October 2014

**KEFI Minerals Plc
("KEFI" or the "Company")**

INDEPENDENTLY REVIEWED COST ESTIMATES FOR TULU KAPI OPEN PIT

KEFI Minerals (AIM: KEFI), an emerging gold miner with projects in the Kingdom of Saudi Arabia and the Federal Democratic Republic of Ethiopia, is pleased to announce the independent verification of its estimated costs for the development and operation of the Company's Tulu Kapi gold project in Ethiopia.

Highlights

- Total operating costs estimated at \$626/oz
- All-in-costs are estimated at \$844/oz including royalties – well below global industry averages
- Initial capital expenditure is estimated at circa \$130 million
- Working capital required for start-up is estimated at \$20 million

Harry Anagnostaras-Adams, Chairman of KEFI, commented: "We are pleased to report the independent review of our estimated costs for the development and operation of Tulu Kapi. The estimated cash flows and values have been significantly improved. Operating costs are estimated at \$626/oz and, most importantly, we have lowered the all-in-costs as compared with those estimated by the previous owner of the asset, which, at \$844/oz including royalties, are well below global industry averages."

"This independent verification represents another key milestone towards reactivating the Mining Licence Application in October 2014 and reaffirms our expectations that construction will commence in 2015."

The Company is now focused on re-activating the Tulu Kapi Mining Licence Application in October 2014, after finalising the independent verification of ore reserves and the agreement of indicative terms sheet for project finance with the preferred banking syndicate. The Company is also currently enlarging and re-organising its team in preparation for commencing the development and start-up of Tulu Kapi as well as the next stage of expanding the initial development plan to pursue additional value.

Cost estimates

Presented below is a comparison of KEFI's independently reviewed cost estimates with the Company's previous estimate in December 2013 and with the Tulu Kapi vendor's 2012 Definitive Feasibility Study ("DFS"), along with the related key economic parameters:

Tulu Kapi Open Pit Project ⁽¹⁾	KEFI estimates Independently Reviewed ⁽⁴⁾	KEFI estimates Pre- acquisition ⁽³⁾	Vendor's estimates Independently Reviewed ⁽²⁾
	Sep-14	Dec-13	Dec-12
Total ore tonnes	13Mt	12Mt	17Mt
Grade of ore processed	2.4g/t	2.4g/t	1.8g/t
Gold produced – Life-of-Mine	925Koz	831Koz	924Koz
Ore processed annually	1.2Mtpa	1.2Mtpa	2Mtpa
Gold recovery	92.6%	93%	93.7%
Gold produced – average	86Koz	84Koz	107Koz
Initial Capital Expenditure (“Capex”):			
• Mine	\$23M		
• Processing	\$71M		
• Infrastructure	\$36M		
• Total	\$130M	\$143M	\$235M
Working Capital Required for Start-Up	\$20M	\$20M	N.A
Sustaining Capital Required during Operations	\$40M	\$24M	\$53M
Capital Intensity Factor (capex+working capital)	\$162/oz	\$191/oz	\$276/oz
Total Operating Costs ⁽⁵⁾	\$626/oz	\$520/oz	\$600/oz
All-in Costs, excluding royalty ⁽⁶⁾	\$767/oz	\$731/oz	\$912/oz
All-in-Costs, including royalty	\$844/oz ⁽⁷⁾	\$780/oz	\$999/oz
NPV Before Tax at 5%, at \$1,500/oz ⁽⁶⁾	\$345M	\$354M	\$252M
NPV After Tax at 8%, at \$1,250/oz ⁽⁸⁾	\$100M	\$124M	N.A
IRR After Tax, All-Equity Financed	21%	28%	N.A
IRR After Tax, \$120M Project&Mezz Finance ⁽⁹⁾	36%	N.A	N.A

Notes:

1. This summary relates only to 100% of the open pit project and all scenarios assume owner-mining and all-new equipment. KEFI will consider opportunities for contract-mining and procurement of refurbished plant items. KEFI has completed studies of the potential for exploitation of approximately 200,000 higher grade ounces in Indicated Resource below the depth of the open pit. The mineralisation remains open at depth and further exploration is planned.
2. The Vendor's Estimates in Dec 2012 were at DFS Standard. KEFI will now complete a revision of the 2012 DFS based on its refinement of the project planning parameters, resulting from its due diligence and supported by independent reviews.
3. The KEFI Estimates Pre-Acquisition at Dec 2013 were based on management's own due diligence prior to acquiring 75% of the Tulu Kapi project on 30 December 2013. The KEFI Dec 2013 figures have been adjusted, as regards gold price, working capital requirements and NPV discount rate, for ease of comparison to the KEFI September 2014 figures.
4. The KEFI Estimates at September 2014 have been independently reviewed by appropriate specialists but are not at DFS-standard as KEFI has, to date, focused on refining the planning parameters set out in the previous owner's December 2012 DFS to reflect updated Mineral Resources and Ore Reserves in light of its project overhaul and its development strategy. Most of the work completed to date by KEFI is of a Preliminary Feasibility Study (“PFS”) standard however there are some omissions (that do not affect the materiality of the reserve estimate) that prevent Snowden determining the current reporting as a PFS. KEFI will now proceed to complete the detailed follow-up and update the 2012 DFS accordingly.
5. Total Operating Costs have been increased to reflect more conservative assumptions for waste mining pending geotechnical review with new independent mining experts Snowden.
6. Included for good order, for ease of comparison with previous announcements.

7. The latest estimate for All-in-Costs has increased by about 8% to \$844/oz over KEFI's pre-acquisition estimate of \$780/oz including royalties. This reflects more conservative assumptions as regards mine design and underlying geotechnical conditions, pending further due diligence planned to be implemented during the process of completing more detailed engineering over the next few months to update the 2012 DFS.
8. The gold price of \$1,250/oz reflects KEFI's view of the gold price outlook policy to hedge up to 50% of base case production, and leaving unhedged 50% of base case as well as the targeted growth in production.
9. This estimated impact of an assumed financing structure is provided by KEFI for illustration only and will depend upon financial market conditions and finance negotiations in the future.

The independent experts who have conducted the project reviews include SENET Engineering for processing costs and Golders Africa Associates for environmental and social costs. Mining costs were reviewed by Snowden Mining Industry Consultants Pty Ltd ("Snowden"). KEFI and its independent experts will now proceed to complete a full update to the 2012 DFS.

The economics were assessed by Snowden for costs and pricing for the purpose of Ore Reserves estimation where overall economic viability needs to be demonstrated. KEFI constructed the financial model, the functionality and integrity of which has been reviewed by KEFI's project finance adviser, Endeavour Financial Limited.

Enquiries:

KEFI Minerals Plc

Harry Anagnostaras-Adams (Chairman) +357 99457843

SP Angel Corporate Finance LLP (Nominated Adviser)

Ewan Leggat, Katy Birkin +44 20 3463 2260

Fox-Davies Capital Ltd (Joint Broker)

Oliver Stansfield, Alex Walker +44 207 936 5200

finnCap Ltd (Joint Broker)

Elizabeth Johnson, Christopher Raggett +44 207 220 0500

Luther Pendragon (Financial PR)

Harry Chathli, Claire Norbury, Ivana Petkova +44 207 618 9100

Further information on KEFI Minerals is available at www.kefi-minerals.com

KEFI Minerals Plc

KEFI is now positioned as an 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 0.5Moz) 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 2014 include the following:

- Independent verification of ore reserves

- Assembly of bank syndicate and agreement of indicative terms sheet for project finance
- Re-activation of Tulu Kapi Mining Licence Application in October 2014 (suspended by previous owner in mid-2013)
- Application for Jibal Qutman Mining Licence for Joint Venture in Saudi Arabia

KEFI in Ethiopia

On 5 September 2014, KEFI Minerals acquired the remaining 25% and now owns 100% of the Tulu Kapi Gold Project in western Ethiopia and intends to refine the development plan for the project, aimed at reducing the previously planned capital and operating expenditure. Early research has yielded encouraging results and was summarised in recent announcements in respect of the Tulu Kapi acquisition.

At the end of 2013, the Ethiopian Government improved the fiscal regime applying to the gold sector, and Tulu Kapi in particular. This included lowering the income tax rate for mining (to 25% from 35%); settling of repayment schedule for inherited VAT liability (over three years rather than up-front); the removal of VAT on future exploration drilling expenditure; lowering royalty on gold mining (to 7% from 8%); accelerating the depreciation of historical and future capital expenditure (over four years); and clarifying the workings of the Government's 5% free-carried interest so that it does not impede conventional project financing terms.

KEFI Minerals in the Kingdom of Saudi Arabia

In 2009, KEFI formed the Gold and Minerals Joint Venture Company ("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. To date, the G&M has conducted preliminary regional reconnaissance and lodged 30 Exploration Licence Applications (ELAs), of which four have been granted. Two of the granted ELs were relinquished in May 2014.

The ELAs were initially applied for and granted to ARTAR. Incorporation of G&M has been completed and any granted ELAs will be transferred into G&M in due course.

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.