

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident of the United Kingdom or, if not, another appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some (but not all) of your Ordinary Shares, please retain these documents and consult the stockbroker or other agent through whom the sale or transfer was effected.

Your attention is drawn to the letter from the Chairman in this document, recommending you vote in favour of the resolutions to be proposed at the General Meeting.

KEFI Minerals plc

(Registered in England and Wales with company number 05976748)

Placing and subscriptions

Proposed consolidation of ordinary shares

Authority to allot shares and dis-apply pre-emption rights

Notice of General Meeting

Notice convening a General Meeting of the Company to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom on 1 March 2017 at 11.00 a.m. is set out at the end of this document. Shareholders will also find enclosed with this document a Form of Proxy. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed on it so as to be received by the Company's registrars, Share Registrars Limited, at The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, United Kingdom as soon as possible but in any event no later than 11.00 a.m. on 27 February 2017.

Shareholders who hold their shares in uncertificated form may use the CREST electronic proxy appointment service. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message must be properly authenticated and contain the information required for such instructions as described in the CREST Manual. The message must be transmitted so as to be received by the Company's registrars, Share Registrars Limited (ID 7 RA36), by no later than 11.00 a.m. on 27 February 2017.

Copies of this document will be available free of charge from the Company's registered office during normal business hours on each day (excluding Saturday, Sunday and public holidays) from the date hereof until the date of the General Meeting. Copies will also be available from the Company's website at www.kefi-minerals.com.

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SUBSCRIPTION AND SHARE CAPITAL STATISTICS

Issue Price	5.61p
Number of Existing Ordinary Shares at the date of this document	3,882,920,433
Number of Existing Ordinary Shares in issue at the GM	3,882,920,445
Number of New Ordinary Shares in issue immediately following the Consolidation	228,407,085
Number of Placing Shares	10,695,182
Number of Company Subscription Shares	7,130,118
Number of Lanstead Subscription Shares	82,352,941
Number of Value Payment Shares	4,117,647
Enlarged Share Capital	332,702,973
Percentage of Enlarged Share Capital represented by the Placing Shares	3.2%
Percentage of Enlarged Share Capital represented by the Company Subscription Shares	2.1%
Percentage of Enlarged Share Capital represented by the Lanstead Shares	25.9%
Estimated net proceeds of the Fundraising receivable by the Company ⁽¹⁾	£5,564,000
Market capitalisation of the Company at the Subscription Price on Admission	£18.7 million
ISIN code for the New Ordinary Shares	GB00BD8GP619
SEDOL for the New Ordinary Shares	BD8GP619

(1) The proceeds of the Lanstead Subscription are subject to the terms of the Sharing Agreements; the amount of proceeds actually received may be more or less, as described further in this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2017

Circular is posted to shareholders	13 March
Latest time and date for receipt of CREST Voting Instructions	11.00 a.m. on 27 February
Latest time and date for receipt of Form of Proxy	11.00 a.m. on 27 February
General Meeting	11.00 a.m. on 1 March
Last time and date for dealings in the Existing Ordinary Shares	4.30 p.m. on 1 March
Record time and date for the Consolidation	Close of business on 1 March
Admission effective and dealings in the New Ordinary Shares expected to commence on AIM	8.00 a.m. on 2 March
Admission of Fundraising Shares	8.00 a.m. on 2 March
Crediting of CREST accounts with New Ordinary Shares	2 March
Despatch of definitive share certificates in respect of New Ordinary Shares in certificate form	By 15 March
Dispatch of fractional entitlement cheques or payments through CREST	14 days after sale in full of the aggregated fractional entitlements to New Ordinary Shares

Notes:

- (1) In this document, unless otherwise noted, all references to time are to Greenwich Mean Time, references to “£” and “p” are to British Pounds and pence sterling respectively and references to “\$” are to United States dollars.
- (2) The timing of events in the above timetable and the rest of this document are indicative only. If any of the times or dates change, the revised times and/or dates will be notified by an announcement to a RIS.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Admission”	the admission to trading on AIM of the Fundraising Shares in accordance with the AIM Rules
“AIM”	the market of that name operated by London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by London Stock Exchange from time to time
“Benchmark Price”	a benchmark share price of 7.48 pence per New Ordinary Share
“Board” or “Directors”	the directors of the Company whose names are set out on page 7 of this document
“Brandon Hill”	Brandon Hill Capital Limited, the Company’s joint broker
“Company” or “KEFI”	KEFI Minerals plc (incorporated and registered in England and Wales with registered number 05976748) whose registered office is at 27-28 Eastcastle Street, London W1W 8DH, United Kingdom
“Company Subscription”	the conditional subscription for the Company Subscription Shares at the Issue Price by certain Directors, employees and Lycopodium
“Company Subscription Shares”	the 7,130,118 New Ordinary Shares to be subscribed pursuant to the Company Subscription
“Consolidation”	the proposed consolidation of every 17 Existing Ordinary Shares into one New Ordinary Share
“Consolidation Record Date”	close of business on 1 March 2017 (or such later date as the Directors may determine and communicate to Shareholders via an appropriate announcement to a RIS), being the date by reference to which the Consolidation is calculated
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST Manual”	the document of that name issued by Euroclear
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Admission of the Fundraising Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the existing ordinary shares of 0.1 pence each in the capital of the Company
“Form of Proxy”	the form of proxy accompanying this document
“Fundraising”	the Placing, the Company Subscription and the Lanstead Subscription
“Fundraising Shares”	the Placing Shares, the Company Subscription Shares and the Lanstead Subscription Shares
“General Meeting”	the general meeting of the Company to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom on 1 March 2017 at 11.00 a.m., notice of which is set out at the end of this document

“Issue Price”	5.61 pence per Fundraising Share (being the equivalent of 0.33 pence per Existing Ordinary Share)
“Lanstead”	Lanstead Capital L.P
“Lanstead Shares”	the Lanstead Subscription Shares and the Value Payment Shares
“Lanstead Subscription”	the conditional subscription by Lanstead for 82,352,941 New Ordinary Shares at an aggregate subscription price of £4,620,000, subject to the related Sharing Agreement
“Lanstead Subscription Agreement”	the conditional agreement, dated 13 February 2017 between the Company and Lanstead relating to the Lanstead Subscription
“Lanstead Subscription Shares”	the 82,352,941 New Ordinary Shares which have been conditionally subscribed by Lanstead and are to be issued by the Company, pursuant to the Lanstead Subscription
“London Stock Exchange”	London Stock Exchange plc
“Lycopodium”	Lycopodium Minerals Pty Limited
“Measured Price”	the price calculated as the average volume weighted share price of the Ordinary Shares over an agreed period prior to the monthly settlement date
“New Ordinary Shares”	the ordinary shares of 1.7 pence each in the capital of the Company following the Consolidation
“Ordinary Shares”	the Existing Ordinary Shares and/or the New Ordinary Shares as the context requires
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 13 February 2017 between the Company and Brandon Hill relating to the Placing
“Placing Shares”	the 10,695,182 New Ordinary Shares which have been conditionally subscribed pursuant to the Placing
“Resolutions”	the resolutions to be proposed to Shareholders at the General Meeting
“RIS”	a service approved by the Financial Conduct Authority for the distribution to the public or regulatory announcements
“Shareholders”	holders of Ordinary Shares
“Sharing Agreement”	the sharing agreement, dated 13 February 2017 between the Company and Lanstead relating to the Subscription
“Subscription Shares”	the Company Subscription Shares and the Lanstead Subscription Shares
“Subscriptions”	the Company Subscription and the Lanstead Subscription
“Value Payment Shares”	the 4,117,647 New Ordinary Shares to be issued to Lanstead in connection with the Sharing Agreement relating to the Lanstead Subscription

LETTER FROM THE CHAIRMAN

KEFI Minerals plc

(Registered in England and Wales with company number 05976748)

Directors:

Harry Anagnostaras-Adams (*Executive Chairman*)
Ian Plimer (*Non-Executive Deputy Chairman*)
John Leach (*Finance Director*)
Norman Ling (*Non-executive Director*)
Mark Wellesley-Wood (*Non-executive Director*)

Registered Office:

27-28 Eastcastle Street
London
W1W 8DH

13 February 2017

Dear Shareholder,

Placing and subscriptions

Proposed consolidation of ordinary shares

Authority to allot shares and disapply pre-emption rights

Notice of General Meeting

Introduction

I am writing to you to give notice of a general meeting of the Company to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom on 1 March 2017 at 11.00 a.m., formal notice of which is set out at the end of this document.

As announced earlier today, the Company has conditionally raised £5.56 million (before expenses) pursuant to the Fundraising by way of:

- a placing of 10,695,182 Placing Shares to both existing and new shareholders at the Issue Price to raise £600,000 (before expenses) (the “**Placing**”);
- a subscription by certain Directors, employees and a supplier of the Company for 7,130,118 Company Subscription Shares at the Issue Price to raise £400,000 (before expenses) (the “**Company Subscription**”); and
- a subscription of 82,352,941 Lanstead Subscription Shares by Lanstead at the Issue Price to raise £4,620,000 (before expenses) (the “**Lanstead Subscription**”).

As these authorities of the Directors to issue Ordinary Shares for cash on a non pre-emptive basis are insufficient to permit the issue of all Ordinary Shares pursuant to the Fundraising, the Placing, the Company Subscription and the Lanstead Subscription are each conditional on, amongst other things, the passing of the Resolutions at the General Meeting.

The Placing has been carried out by Brandon Hill Capital Limited as agent of the Company pursuant to the terms of the Placing Agreement. Under the Placing, 10,695,182 New Ordinary Shares will be issued at the Issue Price. Pursuant to the Company Subscription, certain Directors, employees of the Company and Lycopodium have conditionally subscribed for 7,130,118 New Ordinary Shares at the Issue Price direct with the Company. In total 82,352,941 New Ordinary Shares have been conditionally subscribed for by Lanstead at the Issue Price pursuant to the Lanstead Subscription.

Of the gross proceeds of the Lanstead Subscription, £693,000 (being 15%) will be retained by the Company and the balance of £3,927,000 will be pledged by the Company pursuant to the Sharing Agreement. The Sharing Agreement entitles the Company to receive back those proceeds on a *pro rata* monthly basis over a period of 18 months, subject to adjustment upwards or downwards each month

depending on the Company's share price at the time, as explained in more detail below. The Sharing Agreement provides the opportunity for the Company to benefit from positive future share price performance.

The Fundraising will close following completion of the Consolidation, further details of which are set out below. The Issue Price of 5.61 pence per Fundraising Share is the equivalent to an issue price of 0.33 pence per Existing Ordinary Share.

The purpose of this letter is to explain to Shareholders the background to, and reasons for, the Fundraising and Resolutions and to request the support of Shareholders for the Resolutions. The notice convening the General Meeting is set out at the end of this document.

Operational update

The capital markets for minerals exploration and development projects remain challenging. This is especially so for projects in new and upcoming regions for mining such as the Federal Republic of Ethiopia and the Kingdom of Saudi Arabia. However, both countries have put a strategic priority on the mining sector. In addition, they are within a geological region, the Arabian Nubian Shield, which has major potential for minerals discovery and in which KEFI is well positioned, having discovered and acquired mineral interests. KEFI feels confident that for these reasons, and because of its careful establishment and appreciation of local alliances, it has successfully developed a counter-cyclical opportunity to effectively establish successful operations in the region.

The Tulu Kapi Gold Project in Ethiopia remains the primary focus of KEFI's activities and its development funding remains the Company's main objective so that development can be triggered. The declaration of a six-month State of Emergency by the Ethiopian Government on 8 October 2016 had no effect on operations and activities continued as normal. During November 2016, the Government implemented a wide-ranging overhaul of its governance structures to address public concerns. This demonstrable determination by the Government to maintain responsible development for the long term is very positive for KEFI and international investors generally in Ethiopia. With KEFI in particular, our well established collaborative approach with the Government and project contractors augers well for our development prospects at Tulu Kapi.

This calm and improving situation in Ethiopia, combined with the range of financing scenarios being considered by the Company, make the Board confident that the Tulu Kapi Gold Project can proceed to development in 2017. We have set ourselves many milestones ahead for the remainder of 2017.

We work closely with the Ethiopian Government which has re-confirmed its commitment to a project equity investment of \$20 million in exchange for an additional non-carried 20 per cent. interest at the project level above its original 5 per cent. carried interest. This implies a valuation of \$75 million to the remaining 75 per cent. of Tulu Kapi held by KEFI. Further support is provided by the Development Bank of Ethiopia through its provision of attractive additional long-term development loans. In addition, we are actively working with several private sector parties considering project-level participation in equity and/or debt alongside the Government and the Company. KEFI is also actively working on the implementation of a non-equity financing proposal alongside the project contractors and the Ethiopian Government. Whilst this proposal offers a potentially attractive development funding package, it remains on a non-exclusive basis pending the close-out of various conditions precedent. This allows KEFI to preserve its options and maintain its discussions with alternative financiers. KEFI expects to update the market further on this in the current quarter.

Whilst the Board has been tightly managing the Company's cash flows and risk-management generally, it has also moved discretely to target some opportunities to add to the upside potential. In the Kingdom of Saudi Arabia the Company has overhauled and upgraded the portfolio of applications and in Ethiopia we have initiated an effort to expand tenure over additional prospective ground. It is worth noting that in Saudi Arabia, the Government has, during the past months, announced a revision of the mining sector with a view to accelerating growth. Accordingly, some of the proceeds from the Fundraising will be directed to advancing the Company's position in Saudi Arabia.

These initiatives on both sides of the Red Sea reflect our conviction that the Arabian Nubian Shield has world-class prospectivity. We have established a solid platform with strong partners in each jurisdiction, and it is an opportune time to press our advantage and expand our exploration ground.

The Board's confidence and commitment is illustrated by the current Directors' re-investment of nearly all (98%) of their non-share-based remuneration into the Company's shares during the two reported financial years (2014 and 2015) following the acquisition of the Tulu Kapi Gold Project. This approach also prevailed during the latest quarter.

As announced on 13 July 2016, the role of Deputy Chairman and Senior Independent Director will pass from Professor Ian Plimer to Mr Mark Wellesley-Wood with effect from the closing of the General Meeting.

Further information concerning the Company's operations can be viewed on its website at www.kefi-minerals.com.

The Placing

The Company has conditionally raised approximately £600,000 (before expenses) through the issue of 10,695,182 New Ordinary Shares at a price of 5.61 pence per share through Brandon Hill pursuant to the Placing Agreement.

The Placing is conditional on, amongst other things, the passing of the Resolutions at the General Meeting and an Admission of the Placing Shares occurring on or before 8.00 a.m. on 2 March 2017 (or such later time and/or date as Brandon Hill and the Company may agree, being not later than 8.00 a.m. on 31 March 2017).

The Company has appointed Brandon Hill as its agent to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price pursuant to the Placing Agreement. The Company has agreed to pay Brandon Hill certain commissions and fees in connection with its appointment.

Under the terms of the Placing Agreement, the Company has given certain customary warranties and indemnities to Brandon Hill in connection with the Placing and other matters relating to the Company and its affairs.

The Placing Shares will be allotted and credited as fully paid and will rank *pari passu* in all respects with the New Ordinary Shares in issue immediately following the Consolidation, including the right to receive all dividends and other distributions declared, made or paid on or after the date on which they are issued.

Application will be made to London Stock Exchange for admission of the Placing Shares to trading on AIM and it is expected that Admission will become effective and dealings will commence in the Placing Shares at 8.00 a.m. on 2 March 2017. The Placing Shares will, when issued, represent approximately 3.2 per cent. of the Enlarged Share Capital.

The Subscriptions

The Company Subscription

Certain of the Directors and employees of the Company together with Lycopodium have agreed to subscribe for 7,130,118 New Ordinary Shares at the Issue Price pursuant to the Company Subscription. The Company Subscription is conditional on, amongst other things, the passing of the Resolutions at the General Meeting and Admission of the Company Subscription Shares becoming effective.

The number of Company Subscription Shares to be subscribed by each Director and their resulting shareholdings on Admission are set out below:

<i>Name</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of existing issued share capital</i>	<i>Number of Company Subscription Shares</i>	<i>Number of New Ordinary Shares on Admission</i>	<i>Percentage of Enlarged Share Capital</i>
H Anagnostaras-Adams ^(a)	90,508,334	2.3%	577,932	5,901,951	1.8%
I Plimer	10,200,001	0.3%	222,816	822,816	0.2%
J Leach	16,364,583	0.4%	753,119	1,715,741	0.5%
N Ling	2,864,583	0.1%	117,647	286,151	0.1%

Note:

(a) Semarang Enterprises Limited (a company of which Harry Anagnostaras-Adams is the sole director and sole shareholder) holds 61,908,334 Existing Ordinary Shares and the Adams Superannuation Fund (of which Harry Anagnostaras-Adams is a beneficiary) holds 28,600,000 Existing Ordinary Shares.

Application will be made to London Stock Exchange for Admission of the Company Subscription Shares to trading on AIM and it is expected that Admission will become effective and dealings will commence in the Company Subscription Shares at 8.00 a.m. on 2 March 2017. The Company Subscription Shares will, when issued represent approximately 2.1 per cent of the Enlarged Share Capital.

The Lanstead Subscription

Pursuant to the Lanstead Subscription Agreement, 82,352,941 New Ordinary Shares will be issued to Lanstead at the Issue Price for an aggregate amount of £4,620,000 (before expenses). The Lanstead Subscription is conditional, amongst other things, on the approval of the Resolutions, which grant the Directors authority to carry out the Consolidation, allot Ordinary Shares and disapply statutory pre-emption rights in relation to such allotment, and Admission.

Conditional on the passing of the Resolutions, £693,000 of the proceeds of the Lanstead Subscription (being 15 per cent of the Lanstead Subscription amount) will be retained by the Company and £3,927,000 will be pledged to Lanstead under the Sharing Agreement under which Lanstead will then make, subject to the terms and conditions of the Sharing Agreement, monthly settlements (subject to adjustments upwards or downwards) to the Company over 18 months, as detailed below.

In addition to the Resolutions, the Lanstead Subscription is conditional upon there being no breach of certain customary warranties given by the Company to Lanstead at any time prior to Admission and no *force majeure* event occurring prior to Admission.

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Lanstead Subscription will not proceed. As previously announced, the Company continues to seek additional funding to support its operations and the Lanstead Subscription comprises part of that additional funding. If the Resolutions are not approved at the General Meeting then the Company would need to seek an increased amount of additional funding from alternative sources in order to support its operations. There is no guarantee, however, that such increased amount of additional funding could be obtained in the requisite time frame. Further, the Directors believe that any such funding, if obtained, would be on less favourable terms than the Lanstead Subscription. If the Resolutions are not approved at the General Meeting, and no alternative funding can be raised, the Company's ability to operate as a going concern may be put at risk.

If the Resolutions are passed, the Lanstead Subscription Shares are expected to be admitted to trading on AIM at 8.00 a.m. on 2 March 2017.

The Lanstead Subscription Shares will, when issued represent approximately 24.75 per cent of the Enlarged Share Capital. The Issue Price represents a discount of approximately 15.38 per cent to the closing mid-market price of 0.39 pence for an Existing Ordinary Share on 10 February 2017, the trading

date prior to the announcement of the Lanstead Subscription (or 6.63 pence adjusted to take account of the Consolidation).

As part of the Lanstead Subscription, the Company has entered into a Sharing Agreement, pursuant to which the Company will pledge an amount equal to 85 per cent of the gross proceeds of the Lanstead Subscription to Lanstead. The Sharing Agreement will enable the Company to share in any share price appreciation over the Benchmark Price (being 7.48 pence per New Ordinary Share). However if the Company's share price as determined by the Measured Price remains less than the Benchmark Price then the amount received by the Company under the Sharing Agreement will be less than the 85 per cent of the gross proceeds of the Lanstead Subscription which were pledged by the Company to Lanstead at the outset.

The Sharing Agreement provides that the Company will receive 18 equal monthly settlement amounts as measured against the Benchmark Price. The monthly settlement amounts for the Sharing Agreement is structured to commence two months following Admission of the Lanstead Subscription Shares under the Sharing Agreement.

If the Measured Price, calculated as the average volume weighted share price of the Ordinary Shares over an agreed period prior to the monthly settlement date exceeds the Benchmark Price the Company will receive more than 100 per cent of that monthly settlement due on a *pro rata* basis according to the excess of the Measured Price over the Benchmark Price. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. Should the Measured Price be below the Benchmark Price, the Company will receive less than 100 per cent. of the monthly settlement calculated on a *pro rata* basis and the Company will not be entitled to receive the shortfall at any later date.

For example, if on a monthly settlement date the calculated Measured Price exceeds the Benchmark Price by 10 per cent., the settlement on that monthly settlement date will be 110 per cent. of the amount due from Lanstead on that date. If on the monthly settlement date, the Measured Price is below the Benchmark Price by 10 per cent., the settlement on the monthly settlement date will be 90 per cent. of the amount due on that date. Each settlement as so calculated will be in final settlement of Lanstead's obligation on that settlement date.

Assuming the Measured Price equals the Benchmark Price on the date of each and every monthly amount, the Company would receive aggregate proceeds of £4,620,000 (before expenses) from the Lanstead Subscription and Sharing Agreement, made up of the £693,000 of the Lanstead Subscription initially retained by the Company and 18 monthly settlements of approximately £218,167.

The Company will pay Lanstead's legal costs incurred in the Lanstead Subscription and entering into the Sharing Agreement and, in addition, agreed to issue, in aggregate, 4,117,647 New Ordinary Shares to Lanstead, being the Value Payment Shares. The Value Payment Shares will, when issued, represent approximately 1.2 per cent. of the Enlarged Share Capital.

In no event will fluctuations in the Company's share price result in any increase in the number of the Lanstead Subscription Shares issued by the Company or received by Lanstead. The Directors believe that a decline in the Company's share price would not result in any advantage accruing to Lanstead and the Sharing Agreement allows both Lanstead and the Company to benefit from future share price appreciation.

In total, Lanstead will be issued with 86,470,588 New Ordinary Shares pursuant to the Lanstead Subscription which, when issued, will equate to approximately 25.9 per cent. of the Enlarged Issued Share Capital.

Application will be made to London Stock Exchange for the Lanstead Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings for normal settlement in the Lanstead Shares will commence at 8.00 a.m. on 2 March 2017. No shares, warrants or additional fees are owed to Lanstead at any point during this agreement other than those disclosed above.

Use of Proceeds

The Company is raising approximately £5.56 million (net of expenses) pursuant to the Fundraising. The proceeds of the Fundraising together with existing working capital are budgeted to cover the Company's expenditures during 2017 finalisation of the financing of Tulu Kapi, development preparations in Ethiopia, preparation of the mining licence application for Jibal Qutman in Saudi Arabia, exploration activities and general corporate administration costs. Expenditure during 2017 will take into account all factors including progress on the future financing as the Company proceeds throughout the year. KEFI will raise separate project funding in 2017 to fund major capex activities related to the Tulu Kapi project.

As previously disclosed, the Company has fully discharged the inherited VAT liability and is now entitled to a refund of approximately £2,600,000. KEFI has received formal confirmation that this payment is now owed to the Company by the Ethiopian tax authorities and will update the market accordingly upon resolution. Funds received from this repayment will further boost the Company's financial position and be directed to the advancement of Tulu Kapi.

Background to and Reasons for the Consolidation

The Company's current issued share capital consists of 3,882,920,433 Existing Ordinary Shares. The number of Ordinary Shares is the result of a number of capital raisings since the Company's incorporation in order to fund its operations. The Board considers that the current issued share capital is much higher than similar sized companies on AIM and it believes that this negatively affects investors' perception of the Company. In addition, it is a condition of the Lanstead Subscription that the Existing Ordinary Shares are consolidated into New Ordinary Shares of a larger nominal amount. Accordingly, the Consolidation is being proposed in order to reduce the number of Ordinary Shares that are in issue to a level more in line with other comparable AIM listed companies.

The Directors believe that the Consolidation should improve the liquidity and marketability of the Ordinary Shares to a range of investors, including institutional investors. The Board is confident that the Consolidation will make the Ordinary Shares a more attractive investment proposition.

The Consolidation is based on every 17 Existing Ordinary Shares being consolidated into one New Ordinary Share.

Following the Consolidation, the Shareholders will still hold the same proportion of the Company's ordinary share capital as before the Consolidation. Other than a change in nominal value, consolidated New Ordinary Shares will carry equivalent rights under the Articles of Association to the Existing Ordinary Shares.

To effect the Consolidation, it will be necessary to issue an additional 12 Existing Ordinary Shares so that the Company's issued ordinary share capital is exactly divisible by 17. These 12 additional Existing Ordinary Shares will be issued to the Company's broker, Brandon Hill. Since these additional shares would only represent a fraction of a New Ordinary Share, this fraction will be sold pursuant to the arrangements for fractional entitlements.

Following the Consolidation and assuming completion of the Placing and the Subscriptions, the Company's issued ordinary share capital will comprise of 332,702,973 New Ordinary Shares.

The Consolidation will give rise to fractional entitlements to a New Ordinary Share where any holding is not precisely divisible by 17. No certificates regarding fractional entitlements will be issued. Instead, in accordance with the authority in the Company's articles of association, any New Ordinary Shares in respect of which there are fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable on behalf of those Shareholders entitled to the fractions. The Company will distribute the proceeds of any such sale. In the event that the net proceeds arising from the sale of any fraction in question exceed £3.00, such proceeds shall be paid to the relevant Shareholders in the appropriate proportions. Where the net proceeds of sale amount to £3.00 or less, the Board is of the view that, as a result of the disproportionate costs, it would not be in the Company's best interests to distribute such proceeds of sale, which will instead be retained for the benefit of the Company.

For the avoidance of doubt, the Company is only responsible for dealing with fractions arising on registered holdings. For Shareholders whose shares are held in the nominee accounts of stockbrokers, intermediaries, or other nominees, the effect of the Consolidation on their individual shareholdings will be administered by the stockbroker or nominee in whose account the relevant shares are held. The effect is expected to be the same as for shareholdings registered in beneficial names, however it is the stockbroker's responsibility to deal with fractions arising within their customer accounts, and not the Company's.

General Meeting

You will find at the end of this document a notice convening a general meeting to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom on 1 March 2017 at 11.00 a.m. to consider and, if thought appropriate, pass Resolutions to permit the Directors to:

1. consolidate all of the Existing Ordinary Shares into new ordinary shares of 1.7 pence each on the basis of one New Ordinary Share for every 17 Existing Ordinary Shares, such resulting shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares as set out in the Company's articles of association;
2. allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares up to an aggregate nominal amount of £3,658,348; and
3. allot Ordinary Shares or grant rights to subscribe for or convert any securities into Ordinary Shares for cash free of the statutory pre-emption rights which would otherwise apply up to an aggregate nominal amount of £1,773,031 in connection with the Fundraising, pursuant to pre-emptive offers and otherwise in respect of approximately 20% of the issued share capital of the Company as enlarged by the Fundraising.

The authorities conferred by Resolutions 2 and 3 will expire at the conclusion of the next annual general meeting of the Company.

Resolutions 1 and 2 will be proposed as ordinary resolutions. For an ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 3 will be proposed as a special resolution. For a special resolution to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Action to be taken in respect of the General Meeting

You can vote in respect of your shareholding by attending the General Meeting or by appointing one or more proxies to attend the meeting and vote on your behalf. If you appoint a proxy, you may still attend and vote at the General Meeting in person should you decide to do so.

Whether or not you propose to attend the General Meeting in person, you are requested to appoint a proxy who will be able to vote for you if you are prevented from attending.

Proxies may be appointed by either:

- completing and returning the enclosed Form of Proxy; or
- using the CREST electronic proxy appointment service (for CREST members only).

In either case, the notice of appointment of a proxy should reach the Company's registrars, Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, United Kingdom by no later than 11.00 a.m. on 27 February 2017. Please refer to the Notes to the Notice of General Meeting starting on page 17 and the enclosed Form of Proxy for detailed instructions.

The attention of shareholders is drawn to the voting intentions of the Directors set out below.

Recommendation

The Directors believe that the Resolutions to be proposed are in the best interests of the Company and its Shareholders as a whole. Accordingly, they unanimously recommend you to vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings, amounting to (in aggregate) 119,937,501 Existing Ordinary Shares, representing 3.1 per cent. of the share capital of the Company at the date of this document.

As noted above, if the Resolutions are not approved at the General Meeting then the Company would need to seek an increased amount of additional funding from alternative sources in order to support its operations. There is no guarantee, however, that such increased amount of additional funding could be obtained in the requisite time frame or at all. Further, the Directors believe that any such funding, if obtained, would be on less favourable terms than the Lanstead Subscription. If the Resolutions are not approved at the General Meeting, and no alternative funding can be raised, the Company's ability to operate as a going concern may be put at risk.

Yours sincerely

Harry Anagnostaras-Adams

Executive Chairman

KEFI Minerals plc

(Registered in England and Wales with company number 05976748)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of KEFI Minerals plc (the “**Company**”) will be held on Wednesday, 1 March 2017 at 11.00 a.m. at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom. The business of the meeting will be to consider and, if thought appropriate, to pass the following ordinary and special resolutions:

ORDINARY RESOLUTIONS

1. THAT the directors of the Company (the “**Directors**”) are authorised to consolidate every 17 ordinary shares of £0.001 each in the capital of the company as at the close of business on 1 March 2017 (or such other time and date as the Directors may determine) (the “**Existing Ordinary Shares**”) into one new ordinary share of £0.017, having the same rights as the Existing Ordinary Shares.
2. THAT the Directors are generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the “**Act**”), in substitution for all previous authorisations, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £3,658,348, provided that this authorisation shall, unless previously revoked by resolution of the Company, expire at the conclusion of the annual general meeting of the Company to be held in 2017. The Company may, at any time before such expiry, make offers or enter into agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if this authorisation had not expired.

SPECIAL RESOLUTION

3. THAT the Directors are empowered pursuant to Section 570 of the Act to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authorisation conferred by Resolution 2 above as if Section 561 of the Act did not apply to the allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities up to an aggregate nominal amount of £1,773,031 pursuant to the Fundraising, as such term is defined in the circular to shareholders of which this notice forms part;
 - (b) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities made (i) to holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on the record date for such offer and (ii) to holders of other equity securities as may be required by the rights attached to those securities or, if the Directors consider it desirable, as may be permitted by such rights, but subject in each case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (c) the allotment (otherwise than pursuant to paragraphs 3(a) and 3(b) above) of further equity securities up to an aggregate nominal amount of £1,131,190,

provided that this power shall, unless previously revoked by resolution of the Company, expire at the conclusion of the annual general meeting of the Company to be held in 2017. The Company may, at any time before the expiry of this power, make offers or enter into agreements which

would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

BY ORDER OF THE BOARD
Harry Anagnostaras-Adams
Executive Chairman

Registered Office:
27-28 Eastcastle Street, London W1W 8DH
13 February 2017

Notes to the Notice of General Meeting:***Entitlement to attend and vote***

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only shareholders entered on the register of members of the Company at 6.00 p.m. (GMT) on 27 February 2017 (or in the event that this meeting is adjourned, on the register of members at 6.00 p.m. (GMT) on the day 48 hours prior to the date fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies

2. A shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
3. The appointment of a proxy will not preclude a shareholder from attending in person at the meeting and voting if he or she wishes to do so.

Appointment of proxy using the accompanying proxy form

4. A proxy form is enclosed. To appoint more than one proxy, please photocopy the form. Please state each proxy's name and the number of shares in relation to which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy form is one of multiple forms being returned. All proxy forms must be signed and should be returned together in the same envelope. In the case of joint shareholders, the signature of any one of them will suffice, but the names of all joint holders should be stated.
5. To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered by hand or sent by post to the offices of the Company's registrars, Share Registrars Limited ("Share Registrars"), The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR, United Kingdom, so as to be received not less than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be).

Appointment of proxy through CREST

6. CREST members who wish to appoint a proxy or proxies for the meeting, including any adjournments of the meeting, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Share Registrars (ID 7 RA36) no later than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Share Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Changing proxy instructions

10. To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment

of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

Termination of proxy appointments

11. In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

Joint shareholders

12. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

Corporate representatives

13. A corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative at the meeting. Corporate representatives should bring with them to the meeting: (i) an original or certified copy of the resolution authorising them; or (ii) an original letter on the shareholder's letterhead, signed by an authorised signatory, confirming that they are so authorised.

Issued shares and total voting rights

14. As at the date of this notice of general meeting, the Company's issued share capital comprised 3,882,920,433 ordinary shares of 0.1p each fully paid. The Company does not hold any shares in treasury. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice of general meeting is 3,882,920,433.

Communication

15. Shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - (a) calling Share Registrar's shareholder helpline on 01252 821390. Lines are open from 9.00 a.m. to 5.30 p.m. on business days (i.e. Monday to Friday but excluding public holidays); or
 - (b) in writing to the Company by email to: info@kefi-minerals.com.
16. You may not use any electronic address provided in this notice of general meeting or in any related documents (including the accompanying proxy form) to communicate with the Company for any purposes other than those expressly stated.

KEFI Minerals plc

PROXY FOR GENERAL MEETING

I/We the undersigned, being (a) Member(s) of the Company, HEREBY APPOINT the Chairman of the Meeting or as my/our Proxy to vote for me/us and on my/our behalf in respect of my/our shareholding of ordinary shares at the General Meeting of the Company to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom on 1 March 2017 at 11.00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTION	FOR	AGAINST	VOTE WITHHELD
1. To authorise the Directors to consolidate every 17 ordinary shares of £0.001 each in the capital of the company as at the close of business on 1 March 2017 (or such other time and date as the Directors may determine) (the "Existing Ordinary Shares") into one new ordinary share of £0.017, having the same rights as the Existing Ordinary Shares.			
2. To authorise the Directors pursuant to Section 551 of the Companies Act 2006 to allot shares and grant rights to subscribe for shares.			
SPECIAL RESOLUTION			
3. To authorise the Directors under Section 570 of the Companies Act 2006 to allot equity securities.			

Dated this day of2017

Signature:

Full name(s) in which shares are registered

PLEASE USE BLOCK LETTERS

Notes:

- The Chairman of the meeting shall act as a proxy unless another proxy is desired, in which case strike out "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided above. A proxy need not be a member of the Company, but must attend the meeting in person. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that such person attends the meeting and is aware of your voting intentions. If you wish your proxy to speak on your behalf at the meeting you will need to appoint as your proxy someone other than the Chairman and instruct that person accordingly.
- Please indicate with a cross in the appropriate box how you wish the proxy to vote. If you mark the box "Vote Withheld", it will mean that your proxy will abstain from voting and, accordingly, your vote will not be counted either for or against the relevant resolution. If you fail to select any of the given options, the proxy can vote as he or she chooses or can decide not to vote at all. The proxy will act in his or her discretion in relation to any business other than that specified above arising at the meeting (including any resolution to amend a resolution or to adjourn the meeting).
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorised.
- In the case of joint holders of a share the vote of the first-named holder on the Register of Members (whether voting in person or by proxy) will be accepted to the exclusion of the votes of the other joint holders in respect of the joint holding. For this purpose, seniority shall be determined by the order in which the names of such holders stand in the register of members in respect of the joint holding.
- This form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, should be returned so as to reach the Company's Registrar, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR no later than 11.00 a.m. on 27 February 2017 and, in default, the instrument of proxy shall not be treated as valid.
- You may appoint more than one proxy to represent you at the meeting provided that each proxy is appointed to exercise the rights attaching to different shares held by you. Please insert the number of shares in respect of which you wish to appoint the proxy in the space provided. If you wish to do so, please contact Share Registrars' helpline on 01252 821390 or you may copy this form. If you submit more than one valid proxy appointment but the instructions in such appointments are not compatible with each other, the appointment received last before the latest time for the receipt of proxies will take precedence.
- Completion and return of this form of proxy will not preclude members from attending and voting in person at the meeting should they subsequently decide to do so. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated. Otherwise, in order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrar, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR. In the case of a corporation, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- Pursuant to regulation 41 of The Uncertificated Securities Regulations 2001 (as amended), only those members entered on the register of members at 11.00 a.m. on 27 February 2017 (or in the event that this meeting is adjourned, on the register of members at 48 hours before the date fixed for the adjourned meeting) will be entitled to attend and vote at the meeting.