

30 October 2018

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

Secured Loan Facility

KEFI Minerals (AIM:KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Federal Democratic Republic of Ethiopia, is pleased to announce that it has expanded the working capital available to the Company by entering into a Term Sheet (the "Term Sheet") for a £2 million (plus an optional second £2 million) Secured Working Capital Loan Facility ("Loan Facility") with a longstanding KEFI institutional shareholder (the "Lender") who holds under 3% and therefore does not have a disclosable interest. The Loan Facility is conditional upon finalisation of detailed documentation, which the Company expects to take place within the next 14 Days and will also need to be approved by Shareholders.

The Loan Facility will expand KEFI's flexibility for progressing the Company's Tulu Kapi Gold Project in Ethiopia ("Tulu Kapi" or the "Project") and other operations, in particular catering for decisions taken recently amongst the Tulu Kapi Gold Mines Share Company (the Company's Ethiopian project subsidiary "TKGM") consortium to start certain high-impact tasks for community resettlement, project development and reconnaissance of a now-enlarged area reserved by the Ethiopian Government for Tulu Kapi district exploration..

The Loan Facility will expand the Company's working capital and complement the existing Project financing plans, including the committed investment of US\$30-38 million (Ethiopian Birr-equivalent) at the TKGM level by Ethiopian institutional investors, of which the initial release of US\$9 million (Ethiopian Birr-equivalent) to TKGM is due in December 2018. The remainder of the funds under the TKGM funding package are expected at the start of construction at the end of Q1 2019 when the community resettlement phase 1 is fully completed in accordance with its 90-day statutory process.

Loan Facility Highlights

The Loan Facility will include the following provisions, which are set out in the Term Sheet:

- KEFI may draw down the Loan Facility in monthly increments of £450,000 (the last instalment will be for whatever is the remaining undrawn balance available under the Loan Facility) at the Company's absolute discretion;
- Any drawdowns will be at least 30 days apart and subject to no fundamental change in the business plan and KEFI shareholders having approved the Loan Facility's share conversion aspects;

- There is no early repayment penalty and it is intended that KEFI will repay any drawn amounts outstanding under the Loan Facility upon closure of the full debt and equity funding of the Project, expected end of Q1 2019;
- Security provided to the Lenders would be cancelled at repayment, to make way for financing the Project;
- The Lenders will have an option to convert half of any repayment by KEFI into new ordinary shares of par value 1.7p each in the capital of the Company (“Shares”) at a fixed price of 2p per Share, being a 14% premium to the closing mid-market price on 29 October 2018. (if no repayment made the Lender may convert any or all of any outstanding balance at a price not below 2p);
- The backstop date for final repayment is 12 months from the date of entering into definitive documentation;
- To enter into the Loan Facility and to reflect that there is no interest coupon attached to it, the Company will issue 12,000,000 Shares to the Lender;
- A fee of 5% of any amounts drawn will be payable in Shares at the higher of 2p per Share or the preceding 5-day VWAP at the time of drawdown;
- The Company will pay an Option Fee of 5% for the right to trigger a £2 million Optional Second Facility after having used the First Facility. This fee will be paid by issuing new Shares at a price of 2p per Share;
- The Optional Second Facility provides additional flexibility for a further £2 million with similar fees, but KEFI is under no obligation to exercise this option; and
- KEFI will seek shareholder approval at a to be convened General Meeting of aspects of the Loan Facility that involve Share conversion rights.

Harry Anagnostaras-Adams, Managing Director of KEFI, commented:

“The Loan Facility will expand KEFI’s working capital and will allow KEFI to trigger and accelerate selected high-impact steps in the Tulu Kapi project financing, development and exploration schedule. It is also designed to complement the timing of cash receipts under the previously announced project funding plans, including the investment at the project level by the Ethiopian Government and ANS, a syndicate of Ethiopian institutional investors. The ANS investment remains on track with the initial release of funds expected in December 2018.”

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 until the release of this announcement.

Enquiries

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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 7-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.