

11 June 2014

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

Acquisition of remaining 25% interest in Tulu Kapi

Placing of new Ordinary Shares

KEFI (AIM: KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, is pleased to announce that it has entered into a conditional agreement with Nyota Minerals Limited ("**Nyota**") to acquire from Nyota the remaining 25% of the issued share capital of KEFI Minerals (Ethiopia) Limited (the "**Target**", previously named Nyota Minerals (Ethiopia) Limited), for a consideration of £1.5m (the "**Acquisition**"). The Target is the owner of the Tulu Kapi licence and the Acquisition will bring KEFI's ownership of the Target to 100%.

Acquisition Details

The Acquisition consideration of £1.5 million will be satisfied by the payment of £750,000 in cash and the issue of 50 million new ordinary shares in KEFI ("**Ordinary Shares**"). The Acquisition is conditional, among other things, on the passing of resolutions by Nyota's shareholders to approve the disposal of the shares in the Target to KEFI and an in specie distribution of Nyota's KEFI shareholding, which at the time of the distribution is expected to be 152,481,158 Ordinary Shares (approximately 14.6% of KEFI's issued share capital on completion of the Acquisition). The Nyota general meeting is expected to be called in approximately four to six weeks' time following completion of the documentation required for the distribution of the KEFI shares. The conditions to the Acquisition are to be satisfied or waived by 31 August 2014 (the "**Longstop Date**"). As part of the Acquisition, Nyota's existing KEFI shareholding remains locked-up until the earlier of completion of the Acquisition and the Longstop Date.

Rationale for Acquisition

- Nyota is no longer free carried after KEFI's revised JORC compliant resource announced in March 2014
- Purchase price of £1.5 million mirrors the December 2013 price while total cost remains <\$5/oz (JORC certified)
- 100% ownership significantly boosts Net Present Value (NPV) accruing to KEFI
- Provides KEFI with full control of project development and funding flexibility

Following the completion of the Acquisition, KEFI will be responsible for funding 100% of Tulu Kapi. On 14 May 2014, the Company announced that the planned scale of the project has been revised upwards.

Placing Details

In addition to the Acquisition, the Company has conditionally raised £2.125 million (before expenses) through the placing of 141,666,668 new Ordinary Shares (the “**Placing Shares**”) at 1.5 pence per share (the “**Placing**”). The Placing, which is not conditional on completion of the Acquisition, is conditional amongst other things on admission of the Placing Shares to trading on AIM (“**Admission**”). Application has been made for Admission, which is expected to take place at 8.00am on Monday 16 June 2014.

The Placing means that funding is now in place to complete the Acquisition, to solely fund the revision of the Tulu Kapi Feasibility Study in accordance with KEFI’s development plan, to assemble the project finance syndicate and terms, and to reactivate the application for the Mining Licence (“**MLA**”) at Tulu Kapi towards the end of 2014. After including £2 million of existing cash resources, the use of proceeds are as follows:

	£ million
Cash consideration for the Acquisition (conditional upon completion)	£0.75
Work on Tulu Kapi to complete DFS this year, design Project Finance and re-activate MLA	£2.0
Saudi operations (£0.4M), G&A (£0.7M)	£1.1
Total	£3.8

The number of Ordinary Shares in issue on Admission will be 995,336,879. The Company does not hold any Ordinary Shares in treasury. Therefore this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority’s Disclosure and Transparency Rules.

Related Party Transaction

Nyota Minerals Limited, the parent company of the vendor under the Acquisition, has a 12% shareholding in the Company and is therefore a related party under the AIM Rules. The directors of the Company, having consulted with the Company’s nominated adviser, consider the terms of the Acquisition to be fair and reasonable insofar as the Company’s shareholders are concerned.

Jeff Rayner, Managing Director of KEFI, commented:

“We have taken the opportunity to take full control over the Tulu Kapi project and funding flexibility. This is important as our work since the acquisition of our controlling 75% interest indicates that the project will be bigger and last longer than had initially been assumed.

“The team greatly appreciates the support of our new institutional shareholders in facilitating these transactions. We also appreciate Nyota’s agreement to distribute its KEFI shareholding to its own shareholders. We will, in due course, update all our current and prospective new KEFI shareholders as we continue to make progress.”

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

KEFI 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, 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 the joint venture arrangements provide for the transfer of any granted Licences to G&M in due course.

The Kingdom of Saudi Arabia has instituted policies to encourage minerals exploration and development and KEFI 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.

KEFI in Ethiopia

KEFI has acquired a 75% interest in the Tulu Kapi licence 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 transaction.

KEFI’s Focus

The Company is now positioned as an operator of two advanced gold development projects within the highly prospective Arabian-Nubian Shield, with an attributable 1.7Moz of JORC compliant mineral resource plus significant resource growth potential. By 2017, the aggregate estimated production at these projects attributable to KEFI could exceed 80koz pa Au, generating cash flows for further exploration and expansion as warranted, recoupment of development costs and, when appropriate, dividends to shareholders.