

**3 September 2014**

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

**KEFI MOVES TO 100% OWNERSHIP FOLLOWING ACQUISITION OF REMAINING 25% OF TULU KAPI**

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, at a general meeting held earlier today, the shareholders of Nyota Minerals Limited ("**Nyota**") approved the sale of Nyota's remaining 25% of the Tulu Kapi Gold Project ("**Tulu Kapi**") to KEFI (the "**Acquisition**"). Following completion, Kefi Minerals will own 100% of Tulu Kapi. At the general meeting, Nyota's shareholders also approved the in-specie distribution by Nyota to its shareholders of all KEFI shares held by it on completion of the Acquisition (the "**Distribution**").

As a result of these approvals, the Acquisition is expected to complete at 8.00am BST on Friday, 5 September 2014 upon admission of the new 50,000,000 ordinary shares in KEFI (the "**Consideration Shares**") commencing trading on AIM. As previously announced by Nyota, the Distribution is expected to occur on Wednesday, 17 September 2014.

Following the Distribution, KEFI will have new shareholders who, between them, will hold approximately 15% of KEFI's issued share capital. The new shareholders will include funds and institutions such as: Resource Capital Fund V L.P; International Finance Corporation; and, Centamin Holdings Limited.

Upon admission of the Consideration shares to trading on AIM, there will be 1,045,336,880 ordinary shares of 1p each in the Company ("**Ordinary Shares**") in issue. The Company does not hold any Ordinary Shares in treasury and 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.

The Acquisition and the Distribution were previously announced by KEFI and Nyota in June 2014 but completion has been awaiting the Nyota shareholder approvals referred to above. The completion of the Acquisition and the Distribution will simplify the corporate and project structure of Tulu Kapi in preparation for project financing and development which is expected to commence in 2015.

As stated previously, development planning is advancing, with the recent independent verification and JORC-compliant Mineral Resource reporting by Snowden Mining Industry Consultants Pty Ltd, facilitating the current finalisation of the mine plan and costing for the Tulu Kapi Gold project.

**Jeff Rayner, Managing Director of KEFI Minerals, commented:**

"We are pleased to have taken full control over the Tulu Kapi project and funding flexibility. This was important to us as our work since the acquisition of our controlling 75% interest indicated that the project will be bigger and last longer than had initially been assumed. We look forward to welcoming our new shareholders and updating them on our progress in due course."

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Further information on KEFI Minerals is available at [www.kefi-minerals.com](http://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 1.6 Moz (75% of Tulu Kapi's 1.9Moz and 40% of Jibal Qutman's 0.5Moz) Au Mineral Resources (JORC 2012) plus significant resource growth potential. Upon closure of the acquisition by KEFI of 100% of KME, attributable in-situ gold would be 2.1 Moz (100% of Tulu Kapi's 1.9Moz and 40% of Jibal Qutman's 0.5Moz). 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 estimates for capex, opex and closure
- Closure of acquisition of the remaining 25% of Tulu Kapi
- Nyota shareholders to receive shares in KEFI
- 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, suspended mid-2013 by Nyota
- Application for Jibal Qutman Mining Licence for G&M Joint Venture in Saudi Arabia

**KEFI in Ethiopia**

KEFI Minerals has conditionally acquired the remaining 25% to have 100% ownership of 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.

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 Licences 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.