

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

Update on acquisition of remaining 25% interest in Tulu Kapi

Further to the announcement on 11 June 2014, KEFI (AIM: KEFI), the gold exploration and [development company](#) with projects in the Kingdom of Saudi Arabia and the Democratic Republic of Ethiopia, provides the following update on the proposed acquisition from Nyota Minerals Limited ("Nyota") of the remaining 25% of the issued share capital of KEFI Minerals (Ethiopia) Limited ("KME") (previously named Nyota Minerals (Ethiopia) Limited). KME is the owner of the Tulu Kapi licence and the acquisition will bring KEFI's ownership of KME to 100%.

Nyota has today published via the ASX website its Notice of Meeting (the "Notice") and associated Prospectus, in respect of a General Meeting to be held on Wednesday 3 September 2014 at 11.00am WST at The Celtic Club, 48 Ord Street, West Perth, Western Australia to consider and, if thought fit, pass the following resolutions:

Resolution 1

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to the passing of Resolution 2, for the purposes of Rule 15 of the AIM Rules and for all other purposes, Nyota Shareholders approve and authorise the sale by Nyota Bermuda (a wholly owned subsidiary of Nyota) of the entirety of its shareholding in KEFI Ethiopia to KEFI in accordance with the terms and conditions of the KEFI Sale Agreement and otherwise on the terms and conditions detailed in the Explanatory Memorandum."

Resolution 2

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, subject to the passing of Resolution 1, for the purposes of sections 256B and 256C of the Corporations Act [of Australia] and for all other purposes, Nyota Shareholders approve and authorise:

(a) a reduction in the issued share capital of Nyota, without the cancellation of any Nyota Shares, by an amount equal to the market value (as assessed by the Nyota Directors) of 147,024,855 KEFI Shares on the Record Date (save as adjusted for the rounding down of partial entitlements under (b)); and

(b) the above reduction being satisfied, Nyota making a pro-rata in specie distribution of the 147,024,855 KEFI Shares held by Nyota to Eligible Nyota Shareholders on the terms and conditions detailed in the Explanatory Memorandum."

As noted in Nyota's Notice of Meeting, it is anticipated that the acquisition of KME will complete on 5 September 2014 and that the distribution of Nyota's KEFI shareholding will occur on 24 September 2014.

The Notice also states that the Nyota Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 and 2, and that each one of them have undertaken to vote in favour of the Resolutions in respect of their direct and indirect shareholdings in the Company, representing a total of 7,621,905 Nyota Shares or approximately 0.86% of the Nyota Shares in issue, subject to the application of voting exclusions under the ASX Listing Rules (to which Nyota is subject).

The following table provides a pro-forma statement of financial position for KEFI following completion of the Acquisition, based on the accounts at 31 December 2013 after taking into account pro-forma adjustments:

Pro-forma statement of financial position for KEFI

	31 Dec 2013 Audited £000	Pro-Forma Adjustments £000	Pro-Forma £000
ASSETS			
Non-current assets			
Property, plant and equipment	252		252
Intangible assets	6,900		6,900
Fixed asset investments	-		
Investments in joint ventures	-		
	<u>7,152</u>		<u>7,152</u>
Current assets			
Financial assets at fair value through profit or loss	80		80
Trade and other receivables	655		655
Cash and cash equivalents (1 & 2)	3,279	(1,928)	1,351
	<u>4,014</u>		<u>2,086</u>
Total assets	<u>11,166</u>		<u>9,238</u>
LIABILITIES			
Current liabilities			
Trade and other payables	3,363		3,363
	<u>3,363</u>		<u>3,363</u>
Total liabilities	<u>3,363</u>		<u>3,363</u>
Net Assets	<u>7,803</u>		<u>5,875</u>
EQUITY			
Share capital (3)	8,535	1,917	10,452
Share premium (3)	7,660	958	8,618
Share options reserve	794		794
Foreign exchange reserve	(156)		(156)
Accumulated losses	(10,062)	(3,771)	(13,833)
	<u>6,771</u>		<u>5,875</u>
Non-controlling interest (4)	1,032	(1,032)	
Total equity	<u>7,803</u>		<u>5,875</u>

Basis of Preparation

The pro-forma statement of consolidated financial position has been prepared in accordance with the ASIC Guide to Disclosing Pro-Forma Financial Information (issued July 2005). The pro-forma statement of consolidated financial position is based on the audited statement of financial position at 31 December 2013 that has then been adjusted to reflect the Sale Transaction and Capital Distribution and other adjustments, as follows:

1. Cash: Net proceeds from KEFI Capital Raising of £1,922,000; less the Cash Consideration (being £750,000)
2. Cash: Estimated net cash outflows for the six month period from 1 January 2014 to 30 June 2014 of £3,100,000 was incurred to fund operating and other activities regarding the exploration activities in both Ethiopia and Saudi Arabia and administration and general expenses
3. Share Capital & Premium: KEFI Shares issued pursuant to the KEFI Capital Raising and in satisfaction of the KEFI Share Consideration
4. Non-Controlling interest: the Tulu Kapi Minority Interest being sold by Nyota to KEFI in return for the KEFI Share Consideration and the Cash Consideration

Note: These estimates have not been reviewed and reported on by the auditors of KEFI.

KEFI's financial results for the six months ending 30 June 2014 are required to be published by 30 September 2014.

Enquiries

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References in this announcement to exploration results and mineral resources have been approved for release by Mr. Jeffrey Rayner. Mr Rayner is a geologist and has more than 25 years' relevant experience in the field of activity concerned. He is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has consented to the inclusion of the material in the form and context in which it appears.

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

NOTES TO EDITOR

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 2.25Moz AU of JORC-compliant mineral resource plus significant resource growth potential. By 2017, the aggregate estimated production at these projects attributable to KEFI Minerals 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.

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.