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

INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Kingdom of Saudi Arabia and Democratic Republic of Ethiopia, is pleased to announce its unaudited interim results for the half-year ended 30 June 2014. The update encompasses the activities of the Company's subsidiary, KEFI Minerals (Ethiopia) Limited ("KME"), in Ethiopia and its joint venture, Gold & Minerals Limited ("G&M"), in the Kingdom of Saudi Arabia.

HIGHLIGHTS

- Tulu Kapi, Ethiopia:
    - Overhauled development and production plan to focus on selective mining, and increased the life-of-mine production
    - Undertook extensive site exploration that, post period, resulted in independently verified updated JORC compliant Mineral Resource reporting of total Indicated and Inferred Resource of 23.7 Mt at 2.51 g/t Au for 1.9Moz Au
    - Appointed independent consultants to complete the documentation required to reactivate the Mining Licence application ("MLA") and for the banking syndicate for project finance
    - Executed agreement with Nyota Minerals Limited ("Nyota") for KEFI to acquire remaining 25% of KME – to gain 100% ownership of Tulu Kapi asset – on terms that represent <$5/oz of gold resources (JORC certified) – which received shareholder approval post period end
    - Raised gross £2.125 million cash, through private placement of ordinary shares, for acquisition of remaining 25% of KME and fund all costs to reactivate the MLA by the end of 2014
- Jibal Qutman, Saudi Arabia:
    - Updated JORC compliant Mineral Resources to 495,194oz Au
    - Completed Preliminary Feasibility Study ("PFS") and draft MLA for review with G&M and the authorities

Jeff Rayner, Managing Director of KEFI Minerals, commented:

"We are on the cusp of becoming a junior gold developer. Having taken 100% control of the Tulu Kapi project, we are progressing fast towards reactivating the Mining Licence Application and finalising the documentation required for project finance. With this, coupled with the open support of the Government of Ethiopia, we are on track to commence development next year and production in 2016. For the Jibal Qutman project, the Preliminary Feasibility Study is complete, we have expanded the mineral resource estimate and we expect to trigger the MLA in due course. As a result, the Board looks forward to achieving a number of key milestones by the end of the year and to delivering shareholder value."

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Further information on KEFI Minerals is available at 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 1.6Moz (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 2.1Moz (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.

OPERATIONAL REVIEW

Democratic Republic Of Ethiopia
Tulu Kapi gold project, Western Ethiopia

Following the acquisition of 75% of KME on 30 December 2013, the Company immediately re-opened the project camp and mobilised personnel to commence community engagement and refinement of site development planning. To aid geological structural interpretation, KEFI began trenching in February and drilling in March, which resulted in the JORC compliant Mineral Resource estimate being increased. KEFI also overhauled the development and production plan for Tulu Kapi to focus on selective mining and increased the life-of-mine production as compared with what had been assumed at the time of the acquisition. In June, KEFI appointed independent consultants, Snowden Mining Consultants, to conduct an independent review of the Company's resource model for JORC compliance to enable KEFI to move to the next stage in the reactivation of the Mining Licence application ("MLA"). After Snowden completed its review, post period, in August 2014, KEFI announced an updated independently verified updated JORC compliant Mineral Resource reporting of total Indicated and Inferred Resource of 1.9Moz Au (23.7 Mt at 2.51 g/t Au). This review provides KEFI with the correct internal resource dilution to accurately plan Tulu Kapi's development and production.

Also during the period, KEFI executed an agreement with Nyota to acquire the remaining 25% of KME on terms that represent <$5/oz of gold resources (JORC certified), which would also involve an in-specie distribution of all Nyota's shareholding in KEFI. The transactions were approved by Nyota shareholders, post period end, on 3 September, which resulted in the acquisition completing on 5 September. As a result, KEFI now owns 100% of Tulu Kapi. The in-specie distribution of Nyota's shareholding in KEFI is expected to occur on 17 September. 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.

To fund the acquisition of the remaining 25% of Tulu Kapi as well as all of the costs to reactivate the MLA by the end of 2014, KEFI undertook a private placing of ordinary shares to raise £2.125 million gross. Also during the period, KEFI appointed Endeavour Financial, a private independent merchant banking company specialising in the global natural resources sector, as financial adviser with initial focus on the assembly of the Tulu Kapi project finance banking syndicate and agreement of indicative terms between the banks, the Ethiopian authorities and the Company.

KEFI continued to receive the support of the government of the Ethiopian authorities. The Ministry of Mines of the Federal Democratic Republic of Ethiopia renewed the exploration licence at Tulu Kapi for the statutory annual renewal period until May 2015. In addition, the VAT liability was confirmed with the Ethiopian Government with an agreed 3-year payment schedule.

Kingdom of Saudi Arabia
Jibal Qutman project, Western Saudi Arabia

During the period, KEFI updated the JORC compliant total Mineral Resource to 495,194oz Au (16.7Mt at 0.92g/t Au) – a re-validation and an increase over the previously reported total resource of 480,000oz Au, with a material reclassification from the "Inferred" category to the "Indicated". The Indicated Resource now stands at 14.4Mt at 0.94g/t Au for 435,000oz Au (from 383,000oz Au at 0.87g/t Au) and 2.3Mt at 0.81g/t Au in the Inferred category for 60,000oz Au. Following this, the Company completed the Preliminary Feasibility Study ("PFS") for Jibal Qutman and drafted an MLA for review with G&M and the authorities.

Drilling in ongoing at Jibal Qutman and the Company continues to intercept strong gold mineralisation at the South Zone and 4K Hill, with the best results including 17m at 3.72g/t Au, 8m at 3.22g/t Au (including 3.0m at 7.21g/t Au), 13m at 2.27g/t Au and 22m at 2.51g/t Au. Post period, drilling under shallow sand cover extended mineralisation 450m further south from the South Zone drilling, which remains open along strike to the south.

The technical studies identified the preferred option for project development, including mine access, mining method, processing method and infrastructure requirements. However, as previously reported, expenditure has now been curtailed pending the outcome of discussions with the Company's partner and the regulatory authorities, who are currently reviewing their policies for the minerals sector with a view to encouraging exploration whilst ensuring appropriate local benefits. The Directors of KEFI believe that, given the Company's approach of strong local ownership – through its joint venture company, G&M, which is 60% owned by local partner ARTAR – for its operations in Saudi Arabia, KEFI is well-positioned to avoid any potentially negative impact resulting from a change in policy. In addition, G&M is one of very few explorer/developers to have been recently granted permission to implement programs in the country, and it is committed for the long term. The Company will update the market in due course with the outcome of the policy review.

Other Licenses

In Ethiopia, there are five strategic licences adjacent to Tulu Kapi. There are some encouraging historical results and further fieldwork has commenced under KEFI. The Ministry of Mines is also in the process of renewing these licences.

In addition, in Saudi Arabia, there are two granted licences other than Jibal Qutman and 26 exploration licence applications on behalf of G&M by ARTAR.

OUTLOOK

The Company's focus is on submitting the MLA for Tulu Kapi during Q4 2014, and, at the same time, expanding project documentation for the planned project financing to enable development to commence in 2015. As such, the milestones for Tulu Kapi for the remainder of 2014 are expected to include the following:

- Independent reviews of revised Mine Plan (includes all-in costs: capex, opex and closure)
- Independent verification of ore reserves
- Expand the detail of the revised plans to the level required by the syndicate banks
- Assembly of bank syndicate and agreement of indicative terms sheet for project finance

At Jibal Qutman, whilst the focus remains to expand mineral resources, G&M is also working on refining documentation for triggering the MLA. As noted above, expenditure has been curtailed pending the outcome of discussions with the Company's partner and the regulatory authorities. However, KEFI is well-positioned to avoid any potentially negative impact resulting from a change in policy and, as a result, is confident of bringing this site to production in the longer term.

As a result, the Board remains confident of commencing development in 2015 and production in 2016, and delivering value to shareholders.

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditor

Condensed interim consolidated statements of comprehensive income

(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	**Six months ended 30 June 2014**	Six months ended 30 June 2013
Revenue		**-**	-
Exploration expenses		**(76)**	(47)
Gross loss		**(76)**	(47)
Administration expenses		**(729)**	(294)
Share-based payments		**(152)**	(110)
Share of loss from jointly controlled entity		**(593)**	(440)
Change in value of financial assets at fair value through profit and loss		**(4)**	(1)
Operating loss		**(1,554)**	(892)
Foreign exchange (loss)/gain		**(101)**	81
Interest income		**1**	-
Interest expense		**(275)**	-
Loss before tax		**(1,929)**	(811)
Tax		**-**	-
Loss for the period		**(1,929)**	(811)
Loss attributable to:			
-Owners of the parent		**(1,866)**	(811)
-Non-controlling interest		**(63)**	-
		(1,929)	(811)
Loss for the period		**(1,929)**	(811)
Other comprehensive loss:			
Exchange differences on translating foreign operations		**158**	(52)
Total comprehensive loss for the period		**(1,771)**	(863)
Attributable to:			
-Owners of the parent		**(1,708)**	(863)
-Non-controlling interest		**(63)**	-
		(1,771)	(863)
Basic and fully diluted loss per share (pence)	4	**0.22**	0.17

The notes are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of financial position
(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Notes	**30 June 2014**	31 Dec 2013
ASSETS			
Non-current assets			
Property, plant and equipment	5	**200**	252
Intangible assets	6	**8,035**	6,900
Fixed asset investments		**-**	-
		8,235	7,152
Current assets			
Financial assets at fair value through profit or loss		**73**	80
Trade and other receivables	7	**1,082**	655
Cash and cash equivalents		**1,373**	3,279
		2,528	4,014
Total assets		**10,763**	11,166
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	8	**9,951**	8,535
Share premium	8	**8,170**	7,660
Share options reserve	9	**666**	794
Foreign exchange reserve		**2**	(156)
Accumulated losses		**(11,648)**	(10,062)
		7,141	6,771
Non-controlling interest		**969**	1,032
Total equity		**8,110**	7,803
Current liabilities			
Trade and other payables	10	**1,205**	3,363
		1,205	3,363
Non-current liabilities			
Trade and other payables	10	**1,448**	-
		1,448	-
Total liabilities		**2,653**	3,363
Total equity and liabilities		**10,763**	11,166

The notes are an integral part of these condensed interim consolidated financial statements.

On 10 September 2014, the Board of Directors of KEFI Minerals Plc authorised these financial statements for issue.

Jeffrey Guy Rayner
Managing Director

Condensed interim consolidated statement of changes in equity
(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Attributable to the owners of the Company						
	Share capital	Share premium	Share options reserve	Foreign exchange reserve	Accumulated Losses	Non-controlling interest	Total
At 1 January 2013	4,712	4,439	541	(149)	(7,502)	-	2,041
Loss for the period	-	-	-	-	(811)	-	(811)
Other comprehensive loss	-	-	-	(52)	-	-	(52)
Recognition of share-based payments	-	-	110	-	-	-	110
Forfeit of options/warrants	-	-	(4)	-	4	-	-
At 30 June 2013	4,712	4,439	647	(201)	(8,309)		1,288
Loss for the period	-	-	-	-	(1,782)	-	(1,782)
Other comprehensive income	-	-	-	45	-	-	45
Recognition of share-based payments	-	-	176	-	-	-	176
Exercise of options	-	-	-	-	-	-	-
Forfeit of options/warrants	-	-	(29)	-	29	-	-
Issue of share capital	3,823	3,739	-	-	-	-	7,562
Share issue costs	-	(518)	-	-	-	-	(518)
Transactions with owners of the Company	8,535	7,660	794	(156)	(10,062)	-	6,771
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	1,032	1,032
At 31 December 2013	8,535	7,660	794	(156)	(10,062)	1,032	7,803
Loss for the period	**-**	**-**	**-**	**-**	**(1,866)**	**(63)**	**(1,929)**
Other comprehensive income	**-**	**-**		**158**	**-**	**-**	**158**
Recognition of share-based payments	**-**	**-**	**152**	**-**	**-**	**-**	**152**
Forfeit of options/warrants	**-**	**-**	**(280)**	**-**	**280**	**-**	**-**
Issue of share capital	**1,416**	**708**	**-**	**-**	-	**-**	**2,124**
Share issue costs	**-**	**(198)**	**-**	**-**	**-**	**-**	**(198)**
At 30 June 2014	**9,951**	**8,170**	**666**	**2**	**(11,648)**	**969**	**8,110**

The following describes the nature and purpose of each reserve within owner's equity:

Reserve	**Description and purpose**
Share capital	amount subscribed for share capital at nominal value
Share premium	amount subscribed for share capital in excess of nominal value, net of issue costs
Share options reserve	reserve for share options granted but not exercised or lapsed
Accumulated losses	cumulative net gains and losses recognised in the statement of comprehensive income, excluding foreign exchange gains within other comprehensive income
Foreign exchange reserve	cumulative foreign exchange net gains and losses recognised on consolidation
Non-controlling interest (NCI)	the portion of equity ownership in a subsidiary not attributable to the parent company

The notes are an integral part of these condensed interim consolidated financial statements.

Condensed interim consolidated statements of cash flows

(unaudited) (All amounts in GBP thousands unless otherwise stated)

	Six months ended to 30 June 2014	Six months ended to 30 June 2013
Cash flows from operating activities		
Loss before tax	**(1,929)**	(811)
Adjustments for:		
Share-based benefits	**152**	110
Share of loss in joint venture	**593**	440
Net loss on financial assets at fair value through profit or loss	**4**	1
Depreciation	**71**	-
Interest expense	**275**	-
Foreign exchange losses on financing activities	**(48)**	94
Foreign exchange gains on operating activities	**101**	(81)
Cash outflows from operating activities before working capital changes	**(781)**	(247)
Interest paid	**(275)**	-
Changes in working capital:		
Trade and other receivables	**(427)**	(26)
Trade and other payables	**(710)**	(194)
Net cash used in operating activities	**(2,193)**	(467)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(19)**	(1)
Purchases of intangible assets	**(1,135)**	-
Advances on behalf of joint venture	**-**	(78)
Advances to joint venture	**(485)**	(268)
Net cash used in investing activities	**(1,639)**	(347)
Cash flows from financing activities		
Proceeds from issue of share capital	**2,124**	-
Listing and issue costs	**(198)**	-
Net cash from financing activities	**1,926**	-
Net decrease in cash and cash equivalents	**(1,906)**	(814)
Cash and cash equivalents:		
At beginning of period	**3,279**	1,924
At end of period	**1,373**	1,110

The notes are an integral part of these condensed interim consolidated financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company was incorporated in United Kingdom as a public limited company on 24 October 2006. Its registered office is at 27/28 Eastcastle Street, London W1W 8DH.

Principal activities

The principal activities of the Group for the period are:

- To explore for mineral deposits of precious and base metals and other minerals that appear capable of commercial exploitation, including topographical, geological, geochemical and geophysical studies and exploratory drilling.
- To evaluate mineral deposits determining the technical feasibility and commercial viability of development, including the determination of the volume and grade of the deposit, examination of extraction methods, infrastructure requirements and market and finance studies.
- To develop, operate mineral deposits and market the metals produced.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below. These policies have been applied consistently throughout the period presented in these condensed interim consolidated financial statements unless otherwise stated.

Basis of preparation and consolidation

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards (IFRS) including International Accounting Standard 34 “Interim Financial Reporting” and using the historical cost convention.

These condensed interim consolidated financial statements (‘the statements”) are unaudited and include the financial statements of the Company and its subsidiary undertakings. They have been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements of the Company and the Group for the year ended 31 December 2013. These statements do not include all of the disclosures required for annual financial statements, and accordingly, should be read in conjunction with the financial statements and other information set out in the Company’s 31 December 2013 Annual Report. The accounting policies are unchanged from those disclosed in the annual consolidated financial statements.

Going concern

The Directors have formed a judgment at the time of approving the condensed interim consolidated financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements have been prepared on a going concern basis, the validity of which depends principally on the discovery of economically viable mineral deposits, obtaining the necessary mining licences and the availability of subsequent funding to extract the resource or alternatively the availability of funding to extend the Company’s exploration activities. The financial statements do not include any adjustment that would arise from a failure to complete any of the above. Changes in future conditions could require write downs of the carrying values of property, plant and equipment, intangible assets and/or deferred tax.

Use and revision of accounting estimates

The preparation of the condensed interim consolidated financial statements requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2. Summary of significant accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards (IFRSs)

The Group has adopted all the new and revised IFRSs and International Accounting Standards (IAS) which are relevant to its operations and are effective for accounting periods commencing on 1 January 2014. The adoption of these Standards did not have a material effect on the condensed interim consolidated financial statements.

At the date of authorisation of these condensed interim consolidated financial statements some Standards were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards in future periods will not have a material effect on the consolidated financial statements of the Group.

Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are unchanged from those disclosed in the annual consolidated financial statements.

3. Operating segments

The Group has only one distinct operating segment, being that of mineral exploration. The Group's exploration activities are located in Ethiopia, Saudi Arabia through the jointly controlled entity and its administration and management is based in Cyprus.

Six months ended 30 June 2014	**Cyprus**	**Ethiopia**	**Turkey**	**Bulgaria**	**Total**
Operating loss	**(854)**	**(75)**	**(28)**	**(3)**	**(960)**
Interest paid	**-**	**(275)**	**-**	**-**	**(275)**
Foreign exchange loss	**(74)**	**-**	**(20)**	**(7)**	**(101)**
Loss before tax	**(928)**	**(350)**	**(48)**	**(10)**	**(1,336)**
Share of loss from jointly controlled entities					**(593)**
Tax					**-**
Loss for the period					**(1,929)**
Total assets	**2,552**	**8,150**	**56**	**5**	**10,763**
Total liabilities	**(333)**	**(2,303)**	**(16)**	**(1)**	**(2,653)**
Depreciation of property, plant and equipment	**-**	**(71)**	**-**	**-**	**(71)**
Total additions of non-current assets	**2**	**16**	**1**	**-**	**19**

Six months ended 30 June 2013	Cyprus	Ethiopia	Turkey	Bulgaria	Total
Operating loss	(466)	-	(36)	(2)	(504)
Foreign exchange gain	52	-	21	8	81
(Loss)/gain before tax	(414)	-	(15)	6	(423)
Share of loss from jointly controlled entities					(440)
Tax					-
Loss for the period					(863)
Total assets	1,297	-	55	5	1,357
Total liabilities	(52)	-	(2)	(15)	(69)
Depreciation of property, plant and equipment	-	-	-	-	-
Total additions of non-current assets	-	-	1	-	1

4. Loss per share

The calculation of the basic and fully diluted loss per share attributable to the ordinary equity holders of the parent is based on the following data:

	Six months ended 30 June 2014	Six months ended 30 June 2013
Net loss attributable to equity shareholders	**(1,866)**	**(811)**
Average number of ordinary shares for the purposes of basic loss per share (000's)	**864,507**	**471,346**
Basic and fully diluted loss per share (pence)	**0.22**	**0.17**

The effect of share options and warrants on losses per share is anti-dilutive.

5. Property, plant and equipment

Cost	Motor vehicles	Property	Furniture, fixtures and office equipment	Total
At 1 January 2013	31	-	11	42
Additions	-	-	1	1
At 30 June 2013	31	-	12	43
Acquisitions	29	180	41	250
At 31 December 2013 / 1 January 2014	**60**	**180**	**53**	**293**
Additions	**-**	**14**	**5**	**19**
At 30 June 2014	**60**	**194**	**58**	**312**
Accumulated Depreciation				
At 1 January 2013	31	-	10	41
Charge for the period	-	-	-	-
At 30 June 2013	31	-	10	41
Charge for the period	-	-	-	-
At 31 December 2013 / 1 January 2014	**31**	**-**	**10**	**41**
Charge for the period	**8**	**42**	**21**	**71**
At 30 June 2014	**39**	**42**	**31**	**112**
Net Book Value at 30 June 2014	**21**	**152**	**27**	**200**
Net Book Value at 31 December 2013	29	180	43	252

6. Intangible assets

	Goodwill	Deferred exploration costs
Cost		
At 1 January 2013	364	-
Additions	-	-
At 30 June 2013	**364**	**-**
Additions on acquisition	**-**	6,900
At 31 December 2013	**364**	**6,900**
Additions	**-**	**1,135**
At 30 June 2014	**364**	**8,035**

Accumulated Impairment	Goodwill	Deferred exploration costs
At 1 January 2013	364	-
Impairment charge for the period	-	-
At 30 June 2013	**364**	**-**
Impairment charge for the period	**-**	-
At 31 December 2013	**364**	**-**
Impairment charge for the period	**-**	**-**
At 30 June 2014	**364**	**-**
Net Book Value at 31 December 2013	**-**	**6,900**
Net Book Value at 30 June 2014	-	**8,035**

The goodwill arose on the acquisition of Mediterranean Minerals (Bulgaria) EOOD in 2006 and was impaired in the year of acquisition of the Company.

The purchase of 75% of the issued share capital by the Company in KEFI Minerals Ethiopia Limited on 30 December 2013 indicated a valuation of approximately GBP6,900,479 for the Tuli Kapi project. Management considers this to be the most useful in assessing the fair value less costs to dispose ("FVLCD") of Tulu Kapi. Cost to purchase is based on management's best estimates of future selling costs at the time of calculating FVLCD.

The impairment review compared the recoverable amount of assets to the carrying value. The recoverable amount of an asset is assessed by reference to the higher of value in use ("VIU"), being the net present value ("NPV") of future cash flows expected to be generated by the assets, and fair value less costs to dispose ("FVLCD"). The FVLCD is based on an estimate of the amount that the Company may obtain in a sale transaction on an arm's length basis.

7. Trade and other receivables

	30 June 2014	31 Dec 2013
Trade receivables	**31**	6
Placing funds **(a)**	**112**	328
Loan facility Nyota Minerals Limited	**12**	174
Amount receivable from Saudi Arabia Joint Venture	**79**	73
Acquisition consideration held in Escrow account **(b)**	**750**	-
VAT	**77**	41
Deposits and prepayments	**21**	33
	1,082	655

7. Trade and other receivables (Continued)

a) The Company raised GBP2.1 million on 16 June 2014 but an amount of GBP112,000 was not received as at 30 June 2014.

b) The Cash consideration of GBP 750,000 to acquire the remaining 25% of the Tuli Kapi Gold Project is held in an escrow account with the Nyota Minerals Limited Solicitors.

8. Share Capital

	Number of shares 000's	Share capital	Share premium	Total
Issued and fully paid				
At 1 January 2014	853,670	8,535	7,660	16,195
Issued 16 June 2014 at GBP 0.015	141,667	1,416	708	2,124
Share issue costs	-	-	(198)	(198)
At 30 June 2014	**995,337**	**9,951**	**8,170**	**18,121**

Issued capital

2014

On 16 June 2014, 141,666,668 shares of GBP0.01 were issued at a price of GBP0.015 per share. On issue of the shares, an amount of GBP708,333 was credited to the Company's share premium reserve.

Warrants

2014

On 16 June 2014, the Company issued 8,499,999 warrants to subscribe for new ordinary shares of GBP0.01 each at GBP0.015 per share.

No warrants were cancelled/expired or exercised in the period from 1 January 2014 to 30 June 2014.

Details of warrants outstanding as at 30 June 2014:

Grant date	Expiry date	Exercise price	Number of warrants 000's
22 February 2011	21 February 2016	5p	780
20 February 2012	19 February 2017	3p	2,917
4 July 2013	3 July 2018	2.1p	1,310
16 October 2013	15 October 2018	2.25p	1,111
27 December 2013	26 December 2016	2p	13,500
16 June 2014	15 June 2016	1.5p	8,499
			28,117

These warrants to advisers to the Group.

	Number of warrants 000's
Outstanding warrants at 1 January 2014	19,618
- granted	8,499
- cancelled / expired	-
- exercised	-
Outstanding warrants at 30 June 2014	28,117

9. Share options reserve

	30 June 2014	31 Dec 2013
Opening amount	**794**	541
Warrants issued costs	**18**	91
Share options issued to employees	**39**	72
Share options issued to directors	**95**	123
Exercise of options	**-**	(4)
Forfeit of options or cancellations	**(280)**	(29)
Closing amount	**666**	794

	Weighted average ex. price	Number of shares 000's
Outstanding options at 1January 2014		40,685
- granted	2.29p	28,175
- exercised	-	-
- cancelled/forfeited	3.41p	(22,585)
Outstanding options at 30 June 2014		46,275

10. Trade and Other Payables

Current	30 June 2014	31 Dec 2013
Accruals and other payables	**277**	165
Payable to joint venture partner (Note 12.5)	**130**	-
VAT reverse tax liability current portion Note (a)	**588**	3,027
Convertible Advance (Note 12.5)	**210**	-
Towchester	**-**	171
	1,205	3,363

Non-current

	30 June 2014	31 Dec 2013
VAT reverse tax liability Note (a)	**1,448**	-

a) In January 2014 an agreement was made with Ethiopian Revenue and Customs Authority ("ERCA") to repay the balance of the VAT liability plus interest over a three-year payment plan. In accordance with the relevant tax proclamation, 25% of the assessed outstanding amount is payable immediately and the balance under an agreed payment schedule. The initial payment, of ETB27,111,509 (approximately GBP848,590), was made in January 2014. The total amount that will be paid over the next 30 months (principal and all interest accruing) will be ETB77,342,271 (approximately GBP2,297,065).

11. Joint Venture Agreements

In May 2009, KEFI Minerals formed the Gold & Minerals exploration joint venture, "G&M" Joint Venture, with Saudi construction and investment group Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR"). KEFI Minerals is the operating partner with a 40% shareholding of the G&M Joint Venture with ARTAR holding the other 60%.

KEFI Minerals provides the G&M Joint Venture with technical advice and assistance, including personnel to manage and supervise all exploration and technical studies. ARTAR provides administrative advice and assistance to ensure that the G&M Joint Venture remains in compliance with all governmental and other procedures.

12. Related party transactions

The following transactions were carried out with related parties:

12.1. Compensation of key management

The total remuneration of the Directors and other key management personnel was as follows:

	Six months ended 30 June 2014	Six months ended 30 June 2013
Directors' fees	**192**	98
Directors' other benefits	**26**	19
Share-based benefits to directors	**87**	62
	305	179

12.2. Compensation of key management personnel

Share-based benefits

The Company has issued share options to directors and key management. On 27 March 2014, the Board approved a new share option scheme ("the Scheme") for directors, senior managers and employees. The Scheme formalises the existing policy that options may be granted over ordinary shares representing up to a maximum of 10 per cent of the Group's issued share capital. The Scheme options vest in equal annual instalments over a period of 2 years and expire after 6 years.

12.3. Payable to shareholders

Name	Nature of transactions	Relationship	30 June 2014	31 Dec 2013
EMED Mining Public Ltd	Finance	Shareholder	**-**	-

12.4. Receivable from related parties

Name	Nature of transactions	Relationship	30 June 2014	31 Dec 2013
Gold & Minerals Co. Limited	Finance	Joint Venture	**79**	73
Nyota Minerals Limited	Finance	Shareholder	**12**	174
			91	247

12.5. Payable to related parties

Name	Nature of transactions	Relationship	30 June 2014	31 Dec 2013
Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR")	Finance	Joint Venture Partner	**130**	-
Nyota Minerals Limited	Convertible cash advance	Shareholder	**210**	-
			340	-

12. Related party transactions (Continued)

12.6. Transactions with shareholder

Name	Nature of transactions	Relationship	**30 June 2014**	30 June 2013
EMED Mining Public Ltd	Provision of management and other professional services	Shareholder	**-**	59

The Company had an on-going service agreement with EMED Mining Public Ltd for provision of management and other professional services

13. Contingent liabilities

In 2006, EMED Mining Public Ltd acquired a proprietary geological database that covers extensive parts of Turkey and Greece and EMED transferred to the Company that part of the geological database that relates to areas in Turkey.

Under the agreement, the Company has undertaken to make a payment of approximately GBP59,700 (AUD105,000) for each tenement it is subsequently awarded in Turkey and which was identified from the database. The maximum number of such payments required under the agreement is four, resulting in a contingent liability of up to GBP238,800. These payments are to be settled by issuing shares in the Company. To date, only one tranche of shares have been issued under this agreement in June 2007 for GBP43,750 (AUD105,000).

14. Capital commitments

The Group has the following capital or other commitments,

14.1. Exploration program commitments

	30 June 2014	31 Dec 2013
Exploration program commitments payable:		
Within one year	**1,960**	797
	1,960	797

14.2. 25% of the issued share capital of KEFI Minerals (Ethiopia)

	30 June 2014	31 Dec 2013
Acquisition consideration of 25% of KEFI Minerals Ethiopia from Nyota	**1,500**	-

On the 11 June 2014 KEFI Minerals 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, for a consideration of GBP1.5 million. The Acquisition consideration of GBP1.5 million will be satisfied by the payment of GBP750,000 in cash and the issue of 50 million new ordinary shares in KEFI. The Acquisition is conditional, among other things, on the passing of resolutions by Nyota's shareholders to approve the disposal of the shares in KEFI Minerals (Ethiopia) to KEFI Minerals and an in specie distribution of Nyota's KEFI shareholding.

15. Events after the reporting period

During September 2014, 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 Minerals. Following the acquisition, Kefi Minerals owns 100% of Tulu Kapi. The acquisition consideration of GBP1.5 million will be satisfied by the payment of GBP750,000 in cash and the issue of 50 million new ordinary shares in KEFI Minerals (“Ordinary Shares”). The acquisition shares commenced trading on AIM on 5 September 2014.