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28 September 2015

KEFI Minerals plc
(“KEFI” or the “Company”)

TULU KAPI FUNDING UPDATE AND INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2015

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 provide an update on development funding and announces its unaudited interim results for the half-year ended 30 June 2015. The statement below 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.

Update on Development Funding and Planned Government Participation
The Company is pleased to report that, based on the negotiations with the short-listed project contactors and financiers and with the Government of Ethiopia, the entire development funding for the Tulu Kapi gold project in Ethiopia of c. $120 million is now expected to be covered at the project level. A key component is the intended participation by the Government of Ethiopia, by funding up to $20 million of infrastructure in exchange for an increased share of project equity. The full funding package is planned through a combination of debt, gold streaming and equity funding, with working capital requirements subject to further refinement which can only be finalised upon formalisation of the multi-party agreements and the approval thereof by the Government of Ethiopia.

Management is now focused on formally appointing and assembling, with finalised and complementary terms, the project syndicate comprising the contractors, debt financiers, gold streamer and the Government of Ethiopia. This includes the contractor for building the plant on a fixed-price basis and the contractor for the mining operation on a price-per-cubic-metre-delivered basis over the life of the open pit mine. KEFI will announce the members of the syndicate as appointments occur, commencing in the first half of October. With the Government of Ethiopia, KEFI is finalising the terms for its intended funding of infrastructure (the public road and electricity connection) and the associated increase in its share of project equity.

Harry Anagnostaras-Adams, Executive Chairman of KEFI Minerals, commented: “We are pleased to have achieved this major milestone and, in particular, we welcome the Government of Ethiopia’s intention to increase its equity in the project. Along with the intended use of some gold stream finance, this materially reduces the level of debt to be introduced and makes the financial structure more conservative, which is appropriate for such volatile times in capital markets. We look forward to finalising terms with the emerging syndicate of parties and rapidly moving on to the next phase of development.”

H1 2015 Summary

Tulu Kapi gold project, Ethiopia
(Wholly-owned by KEFI; Government entitled to 5% free carried interest)

- Appointed Mr Wayne Nicoletto, in February, as Head of Operations of the Company and Managing Director of KME
- In April, Mining Agreement (“MA”) signed by the Company and Ethiopian Government, granting the 20-year Mining Licence and permitting development and operation
- Reaffirmed that Tulu Kapi project is economically sound and warrants development upon independent confirmation of Ore Reserves (JORC 2012) 15.4Mt at 2.12g/t Au, containing 1.05Moz, having wireframed each individual ore lode as part of due diligence for project finance
- Highlights of the Definitive Feasibility Study (“2015 DFS”) completed in June 2015 included:
    - Gold production remaining at 960,000oz over 13 years with an average of 75,000oz per year. Post period, the Company announced an increase in planned production to an average of c. 100,000oz

per annum over a 10-year period. This was achieved by increasing the planned rate of ore processing, without change to the Mine Plan
    - All-in Sustaining Costs remained at c. US$780/oz, which ranks the project in the lowest cost quartile globally for gold producers. This includes all operating costs, royalties, sustaining capital and closure, but excludes initial capital investment. Post period, this was adjusted to US$760/oz based on the terms of contractor bidding to that point
- In June 2015, the gold mineralisation from the first trench sampling results from three prospects in adjacent exploration licences to the Tulu Kapi site demonstrated that these prospects could potentially provide satellite feed to the central processing plant at Tulu Kapi or be developed as standalone heap leach projects. This supplementary source of ore would complement that from the underground resources already reported and which are expected to be increased in due course

Gold & Minerals Ltd Joint Venture ("G&M"), Saudi Arabia
(40%-owned by the Company with KEFI as operator)

Jibal Qutman
- The Company completed a positive Preliminary Economic Assessment, including:
    - An increase in the reported Mineral Resource (JORC 2012) to 28.4Mt at 0.80g/t Au for 733,045oz Au, at a cut-off grade of 0.2g/t Au
    - Improved metallurgical test results indicating heap leach recovery of c. 70%
    - Mining scoping study indicating potential open cut mineable resource of 6.6Mt at 0.95g/t Au, containing 201,600oz on oxide ore for heap leach processing
    - Preliminary internal assessment by KEFI suggesting an estimated cash operating cost of US$600/oz on a 1.5Mt per annum open-pit operation with gold recovery via a heap leach process

Hawiah
- Completed an initial 53-trench surface sampling programme over a 6km-long gossanous horizon and a geophysical survey over the southern half of the gossanous horizon
- Exploration highlighted a large drilling target of 2,000m lateral and 300m vertical extent thought to overlie volcanically hosted massive sulphide (copper-gold-zinc) style of mineralisation
- KEFI intends to conduct initial drilling of this target during H2 2015

Corporate
- Completed £800,000 placing of 80,000,000 ordinary shares at a price of 1p per share in March
- Completed £660,000 placing of 66,610,600 ordinary shares at a price of 1p per share in May
- Existing issued ordinary shares of 1p each in the capital of the Company were subdivided into one new Ordinary Share of 0.1p each ("New Ordinary Shares") and one deferred share of 0.9p each ("Deferred Shares")
- In June 2015, completed £2,900,000 placing at 0.8p per share of 362,500,000 New Ordinary Shares of 0.1p per share
- As referenced in Note 6 in the accounts below, based on Directors' formal review, the net present value of the Tulu Kapi asset significantly exceeded the book value at 30 June 2015

ENQUIRIES

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Further information can be viewed on KEFI's website at www.kefi-minerals.com

Condensed interim consolidated statements of comprehensive income

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

	Notes	**Six months ended 30 June 2015**	Six months ended 30 June 2014
Revenue		**-**	-
Exploration expenses		**(55)**	(76)
Gross loss		**(55)**	(76)
Administration expenses		**(876)**	(729)
Share-based payments		**(200)**	(152)
Share of loss from jointly controlled entity		**(444)**	(593)
Change in value of financial assets at fair value through profit and loss		**-**	(4)
Operating loss		**(1,575)**	(1,554)
Foreign exchange gain/(loss)		**96**	(101)
Interest income		**-**	1
Interest expense		**(149)**	(275)
Loss before tax		**(1,628)**	(1,929)
Tax		**-**	-
Loss for the period		**(1,628)**	(1,929)
Loss attributable to:			
-Owners of the parent		(1,628)	(1,866)
-Non-controlling interest		-	(63)
		(1,628)	(1,929)
Loss for the period		**(1,628)**	(1,929)
Other comprehensive loss:			
Exchange differences on translating foreign operations		**66**	158
Total comprehensive loss for the period		**(1,562)**	(1,771)
Attributable to:			
-Owners of the parent		**(1,562)**	(1,708)
-Non-controlling interest		**-**	(63)
		(1,562)	(1,771)
Basic and fully diluted loss per share (pence)	4	**(0.12)**	(0.22)

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 2015	31 Dec 2014
ASSETS			
Non-current assets			
Property, plant and equipment	5	**113**	160
Intangible assets	6	**10,582**	9,139
		10,695	9,299
Current assets			
Financial assets at fair value through profit or loss		**83**	86
Trade and other receivables	7	**422**	335
Cash and cash equivalents		**1,023**	640
		1,528	1,061
Total assets		**12,223**	10,360
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	8	**1,745**	12,352
Deferred Shares	8	**12,436**	-
Share premium	8	**10,800**	8,433
Share options reserve	9	**1,036**	848
Foreign exchange reserve		**(20)**	(86)
Accumulated losses		**(16,070)**	(14,389)
		9,927	7,158
Non-controlling interest		**-**	-
Total equity		**9,927**	7,158
Current liabilities			
Trade and other payables	10	**2,296**	3,202
		2,296	3,202
Total liabilities		**2,296**	3,202
Total equity and liabilities		**12,223**	10,360

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

On 27 September 2015, the Board of Directors of KEFI Minerals Plc authorised these financial statements for issue.

Harry Anagnostaras- Adams
Executive Chairman of Directors

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	Deferred shares	Share premium	Share options reserve	Foreign exchange reserve	Accumulated losses	Non-controlling interest	Total
At 1 January 2014	8.535	-	7,660	794	(156)	(10,062)	1,032	7,803
Loss for the period	-	-	-	-	-	(1,866)	(63)	(1,929)
Other comprehensive loss	-	-	-	-	158	-	-	158
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
Loss for the period	-	-	-	-	-	(1,982)	(52)	(2,034)
Other comprehensive loss	-	-	-	-	(88)	-	-	(88)
Share-based payments	-	-	-	183	-	-	-	183
Exercise of options	-	-	-	-	-	-	-	-
Forfeit of options/warrants	-	-	-	(1)	-	1	-	-
Issue of share capital	2,401	-	250	-	-	-	-	2,651
Share issue costs	-	-	13	-	-	(177)	-	(164)
Transactions with owners of the Company	12.352	-	8,433	848	(86)	(13,806)	917	8,658
Acquisition of non-controlling interest	-	-	-	-	-	(583)	(917)	(1,500)
At 31 December 2014	**12,352**	**-**	**8,433**	**848**	**(86)**	**(14,389)**	**-**	**7,158**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(1,628)**	**-**	**(1,628)**
Other comprehensive loss	**-**	**-**	**-**		**66**	**-**	**-**	**66**
Share-based payments	**-**	**-**	**-**	**200**	**-**	**-**	**-**	**200**
Forfeit of options/warrants	**-**	**-**	**-**	**(12)**	**-**	**12**	**-**	**-**
Restructuring of share capital	**(12,436)**	**12,436**	**-**	**-**	**-**	-	**-**	**-**
Issue of share capital	**1,829**	**-**	**2,537**	**-**	**-**	-	**-**	**4,366**
Share issue costs	**-**	**-**	**(170)**	**-**	**-**	**(65)**	**-**	**(235)**
At 30 June 2015	**1,745**	**12,436**	**10,800**	**1,036**	**(20)**	**(16,070)**	**-**	**9,927**

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
Deferred shares	On 16 June 2015, ordinary shares of 1p each in the capital of the Company were sub-divided into one new ordinary share of 0.1p and one deferred share of 0.9p
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
Foreign exchange reserve	cumulative foreign exchange net gains and losses recognised on consolidation
Accumulated losses	cumulative net gains and losses recognised in the statement of comprehensive income, excluding foreign exchange gains within other comprehensive income
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 2015	Six months ended to 30 June 2014
Cash flows from operating activities		
Loss before tax	**(1,628)**	(1,929)
Adjustments for:		
Share-based benefits	**200**	152
Share of loss in joint venture	**444**	593
Net loss on financial assets at fair value through profit or loss	**-**	4
Gain on disposal of plant and equipment	**(70)**	-
Depreciation	**52**	71
Interest expense	**149**	275
Foreign exchange losses on financing activities	**(96)**	(48)
Foreign exchange gains on operating activities	**88**	101
Cash outflows from operating activities before working capital changes	**(861)**	(781)
Interest paid	**(149)**	(275)
Changes in working capital:		
Trade and other receivables	**(87)**	(427)
Trade and other payables	**(758)**	(710)
Net cash used in operating activities	**(1,855)**	(2,193)
Cash flows from investing activities		
Purchases of plant and equipment	**(5)**	(19)
Proceeds on disposal of plant and equipment	**70**	-
Deferred exploration costs	**(545)**	(1,135)
Project evaluation costs	**(898)**	-
Advances to joint venture	**(408)**	(485)
Net cash used in investing activities	**(1,786)**	(1,639)
Cash flows from financing activities		
Proceeds from issue of share capital	**4,259**	2,124
Listing and issue costs	**(235)**	(198)
Net cash from financing activities	**4,024**	1,926
Net increase/(decrease) in cash and cash equivalents	**383**	(1,906)
Cash and cash equivalents:		
At beginning of period	**640**	3,279
At end of period	**1,023**	1,373

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 2014. 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 2014 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 2015. 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 2015	Cyprus	Ethiopia	Turkey	Bulgaria	Total
Operating loss	**(1,121)**	**13**	**(21)**	**(2)**	**(1,131)**
Interest paid	**(50)**	**(99)**	**-**	**-**	**(149)**
Foreign exchange (loss)/gain	**(191)**	**321**	**(34)**	**-**	**96**
Loss before tax	**(1,362)**	**235**	**(55)**	**(2)**	**(1,194)**
Share of loss from jointly controlled entities					**(444)**
Tax					**-**
Loss for the period					**(1,628)**
Total assets	**3,042**	**9,125**	**52**	**4**	**12,223**
Total liabilities	**(803)**	**(1,477)**	**(14)**	**(2)**	**(2,296)**
Depreciation of property, plant and equipment	**-**	**(52)**	**-**	**-**	**(52)**

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)

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 2015	Six months ended 30 June 2014
Net loss attributable to equity shareholders	**(1,628)**	(1,866)
Average number of ordinary shares for the purposes of basic loss per share (000's)	**1,327,832**	864,507
Basic and fully diluted loss per share (pence)	**(0.12)**	(0.22)

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 2014	60	180	53	293
Additions	-	14	5	19
At 30 June 2014	60	194	58	312
Acquisitions	-	4	3	7
At 31 December 2014 / 1 January 2015	**60**	**198**	**61**	**319**
Additions	**-**	**-**	**5**	**5**
At 30 June 2015	**60**	**198**	**66**	**324**
Accumulated Depreciation				
At 1 January 2014	31	-	10	41
Charge for the period	8	42	21	71
At 30 June 2014	39	42	31	112
Charge for the period	-	31	16	47
At 31 December 2014 / 1 January 2015	**39**	**73**	**47**	**159**
Charge for the period	**-**	**33**	**19**	**52**
At 30 June 2015	**39**	**106**	**66**	**211**
Net Book Value at 30 June 2015	**21**	**92**	**-**	**113**
Net Book Value at 31 December 2014	21	125	14	160

6. Intangible assets

	Project evaluation costs	Deferred exploration costs	Total
Cost			
At 1 January 2014	-	6,900	6900
Additions	-	1,135	1,135
At 30 June 2014	-	8,035	8.035
Additions	976	128	1,104
At 31 December 2014	**976**	**8,163**	**9.139**
Additions	**898**	**545**	**1,443**
At 30 June 2015	**1,874**	**8,708**	**10,582**

	Project evaluation costs	Deferred exploration costs	Total
Accumulated Impairment			
At 1 January 2014	-	-	-
Impairment charge for the period	-	-	-
At 30 June 2014	**-**	**-**	**-**
Impairment charge for the period	**-**	-	-
At 31 December 2014	**-**	**-**	**-**
Impairment charge for the period	**-**	**-**	**-**
At 30 June 2015	**-**	**-**	-
Net Book Value at 31 December 2014	**976**	**8,163**	**9,139**
Net Book Value at 30 June 2015	**1,874**	**8,708**	**10,582**

Management performed an impairment review for the above intangible assets at 30 June 2015, which relate to development work at the Tulu Kapi license area, and assessing its economic feasibility. The net present value of the Tulu Kapi asset exceeded the book value at 30 June 2015 significantly.

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 arms-length basis.

7. Trade and other receivables

	30 June 2015	31 Dec 2014
Other receivables	**62**	43
Placing funds	**237**	130
Loan to Director (Note 12.3)	**34**	20
Amount receivable from Saudi Arabia Joint Venture (Note 12.5)	**-**	32
VAT	**89**	96
Deposits and prepayments	**-**	14
	422	335

a) The Company raised GBP2.9 million on 16 June 2015 but an amount of GBP237,000 was not received as at 30 June 2015.

b) The loan to director has been repaid since the reporting date.

8. Share capital

	Number of shares 000's	Share capital	Deferred shares	Share premium	Total
Issued and fully paid					
At 1 January 2015	1,235,337	12,352	-	8,433	20,785
Issued 20 March 2015 at GBP 0.01	80,000	800	-		800
Issued 16 May 2015 at GBP 0.01	66,611	666	-		666
Shares Subdivided to GBP0.009	-	(12,436)	12,436		-
Issued 16 June 2015 at GBP 0.008	362,500	363		2,537	2,900
Share issue costs	-	-	-	(170)	(170)
At 30 June 2015	**1,744,448**	**1,745**	**12,436**	**10,800**	**24,981**

Share issue costs of GBP65,000 relating to the 146,610,600 shares issued at par value during 2015 have been charged to equity.

Issued capital

2015

On 20 March 2015, 80,000,000 shares of GBP0.01 were issued at a price of GBP0.01per share.

On 16 May 2015, 66,610,600 shares of GBP0.01 were issued at a price of GBP0.01 per share.

On 16 June 2015, 362,500,000 shares of GBP0.001 were issued at a price of GBP0.008 per share. On issue of the shares, an amount of GBP2,537,500 was credited to the Company's share premium reserve.

Restructuring of share capital into deferred shares

On 16 June 2015 the Company issued ordinary shares of GBP0.01 each in the capital of the Company were sub-divided into one new ordinary share of GBP0.001 and one deferred share of GBP0.009. The Deferred Shares have no value or voting rights. After the share capital reorganisation there were the same number of New Ordinary Shares in issue as there are existing Ordinary Shares. The New Ordinary Shares have the same rights as those currently accruing to the existing Ordinary Shares in issue under the Company's articles of association, including those relating to voting and entitlement to dividends.

Warrants

2015

On 18 March 2015, the Company issued 4,000,000 warrants to subscribe for new ordinary shares of GBP0.01 each at GBP0.01 per share.

On 14 May 2015, the Company issued 1,680,530 warrants to subscribe for new ordinary shares of GBP0.01 each at GBP0.01 per share.

On 19 June 2015, the Company issued 14,500,000 warrants to subscribe for new ordinary shares of GBP0.001 each at GBP0.008 per share.

No warrants were cancelled/expired or exercised in the period from 1 January 2015 to 30 June 2015.

8. Share capital (Continued)

Warrants (Continued)

Details of warrants outstanding as at 30 June 2015:

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	8,500
2 December 2014	1 December 2017	1p	4,000
16 December 2014	15 December 2017	1p	5,500
18 March 2015	17 March 2018	1p	4,000
14 May 2015	13 May 2018	1p	1,681
19 June 2015	18 June 2018	0.8p	14,500
			57,799

These warrants to advisers to the Group.

	Number of warrants 000's
Outstanding warrants at 1 January 2015	37,618
- granted	20,181
Outstanding warrants at 30 June 2015	57,799

9. Share options reserve

	30 June 2015	31 Dec 2014
Opening amount	**848**	794
Warrants issued costs	**86**	66
Share options issued to employees	**37**	69
Share options issued to directors	**77**	200
Exercise of options	**-**	-
Forfeit of options or cancellations	**(12)**	(281)
Closing amount	**1,036**	848

	Weighted average ex. price	Number of shares 000's
Outstanding options at 1 January 2015		48,350
- granted	1.32p	33,500
- exercised	-	-
- cancelled/forfeited	4.63p	(400)
Outstanding options at 30 June 2015		81,450

10. Trade and other payables

	30 June 2015	31 Dec 2014
Accruals and other payables	**830**	825
Other loans	**216**	229
Payable to shareholders (Note 12.4)	**-**	8
Payable to joint venture partner (Note 12.6)	**46**	186
VAT Liability	**1,204**	1,954
	2,296	3,202

In January 2014 an agreement was made with Ethiopian Revenue and Customs Authority ("ERCA") to repay the balance of the VAT liability plus interest accruing on the unpaid principal amount 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. This initial payment, of ETB27,111,509 (approximately GBP848,590), equivalent to 25% of the assessed tax amount outstanding, was made in January 2014. The balance of the liability plus interest accruing on the unpaid principal amount will be paid subject to a three-year payment plan formally agreed with ERCA. During the year an amount of ETB24,600,000 (approximately GBP799,220), was paid. The total amount to be paid over the next 18 months is ETB 40,742,271(approximately GBP 1,252,452).

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 2015	Six months ended 30 June 2014
Directors' fees	**220**	192
Directors' other benefits	**20**	26
Share-based benefits to directors	**76**	87
Key management fees	**83**	-
Share-based benefits to key management	**2**	-
	401	305

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. Receivable from director

Name	Nature of transactions	Relationship	30 June 2015	31 Dec 2014
Ian Rutherford Plimer	Loan to Director	Non-Executive Director	**-**	20
Harry Anagnostaras- Adams	Loan to Director	Executive Director	**34**	-

No interest is payable by the director and the loan has been repaid.

12.4. Payable to shareholders

Name	Nature of transactions	Relationship	30 June 2015	31 Dec 2014
EMED Mining Public Ltd	Finance	Shareholder	**-**	8

12.5. Receivable from related parties

Name	Nature of transactions	Relationship	30 June 2015	31 Dec 2014
Gold & Minerals Co. Limited	Finance	Jointly controlled entity	**-**	32
			-	32

12.6. Payable to related parties

Name	Nature of transactions	Relationship	30 June 2015	31 Dec 2014
Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR")	Finance	Jointly controlled entity	**46**	186
			46	186

12. Related party transactions (Continued)

12.7. Transactions with shareholder

Name	Nature of transactions	Relationship	30 June 2015	30 June 2014
EMED Mining Public Ltd	Provision of bookkeeping services	Shareholder	**8**	-

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 GBP51,100 (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 GBP204,400. 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 2015	31 Dec 2014
Exploration program commitments payable:		
Within one year	**1,134**	727
	1,134	727

15. Legal allegation

Allegations were made against a subsidiary of the Company in 2014 by 39 persons in the Oromiya Regional State of Ethiopia, that exploration drilling between 1998 and 2006 had caused damage to land occupied (but not owned) by them, despite rehabilitation having been completed, reported and accepted by the regulatory authorities at that time. They allege damage of BIRR249,589,430 (approximately GBP8million). The allegations were dismissed in March 2014 but they have directed the allegations to another arm of the judiciary. Having sought legal advice on this matter, the Group is of the opinion that the allegations have no merit and that it is not appropriate to recognise any contingent liability. The Group's lawyers believe that the allegations are spurious and that the chances of the judiciary holding that there exists a bona fide damages case to be heard are remote.