

**24 September 2014****KEFI Minerals Plc  
("KEFI" or the "Company")****COMPLETION OF IN-SPECIE DISTRIBUTION BY NYOTA MINERALS LIMITED**

KEFI Minerals (AIM: KEFI), an emerging gold miner with projects in the Kingdom of Saudi Arabia and the Federal Democratic Republic of Ethiopia, is pleased to announce that, further to the announcement on 3 September 2014, the in-specie distribution by Nyota Minerals Limited ("Nyota") to its shareholders of KEFI ordinary shares (the "Distribution") has been completed. The total number of KEFI shares distributed was 144,823,917 and, following the Distribution, Nyota currently holds the balance of 7,657,241 KEFI shares representing 0.73 per cent of the issued share capital of KEFI. This represents the entitlements of Nyota shareholders ineligible or unable to receive KEFI shares.

Following the Distribution, KEFI has new shareholders who, between them, hold approximately 13.85% of KEFI's issued share capital. The new shareholders include funds and institutions such as Resource Capital Fund V L.P, International Finance Corporation and Centamin Holdings Limited.

The 144,823,917 KEFI shares that have been distributed are freely tradable and rank pari passu with all other KEFI ordinary shares in issue.

Having completed the sale of 100% of the KEFI Minerals (Ethiopia) Limited ("KME") to KEFI, Nyota no longer has any interest in, or future funding obligation for, KME or its 100%-owned Tulu Kapi gold project in Ethiopia. Nyota has, however, provided warranties to KEFI on the financial and commercial affairs of KME normal for this type of transaction and indemnification against specific claims.

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## **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 2.1Moz (100% of Tulu Kapi's 1.9Moz and 40% of Jibal Qutman's 0.5Moz) Au Mineral Resources (JORC 2012) plus significant resource growth potential. 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 of costs for capex, opex and closure
- 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 in October 2014 (suspended by previous owner in mid-2013)
- Application for Jibal Qutman Mining Licence for Joint Venture in Saudi Arabia

## **KEFI in Ethiopia**

On 5 September 2014, KEFI Minerals acquired the remaining 25% and now owns 100% of the Tulu Kapi Gold Project 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.

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 ELAs 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.