

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to the Financial Services and Markets Act 2000 (or, if you are outside the United Kingdom, a person otherwise duly qualified in your jurisdiction) who specialises in advising on the acquisition of shares and other securities.

If you have sold or transferred all your Ordinary Shares in KEFI Minerals plc, please pass this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document.

KEFI Minerals plc

(Registered in England and Wales with company number 5976748)

Placing of 26,000,000 new Ordinary Shares at 5p per share
Authority to allot shares, disapplication of pre-emption rights
Notice of General Meeting
Proposed Placing

Notice convening a General Meeting of the Company to be held at the offices of the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 21 February 2011 at 11.00 a.m. is set out at the end of this document. Shareholders will also find enclosed with this document a Form of Proxy. To be valid, the Form of Proxy must be signed and returned in accordance with the instructions printed thereon so as to be received by the Company's registrars, Share Registrars Limited, at Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible but in any event not later than 11.00 a.m. on 19 February 2011. The completion and posting of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date hereof until 4 March 2011 from the Company's registered office. Copies will also be available from the Company's website at www.kefi-minerals.com.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular posted to Shareholders	4 February 2011
Latest time and date for receipt of Form of Proxy	11.00 a.m. on 19 February 2011
General Meeting	11.00 a.m. on 21 February 2011
Admission of Placing Shares to trading on AIM	8.00 a.m. on 22 February 2011

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Admission”	admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules for Companies
“AIM Rules for Companies”	the AIM Rules for Companies published by London Stock Exchange plc from time to time
“ARTAR”	Abdul Rahman Saad Al-Rashid & Sons Company Limited
“Board” or “Directors”	the directors of the Company whose names are set out on page 4 of this document
“Companies Act”	the Companies Act 2006 (as amended)
“Company” or “KEFI Minerals”	KEFI Minerals plc
“DMMR”	the Deputy Ministry for Mineral Resources of Saudi Arabia
“ELAs”	Exploration Licence Applications
“Form of Proxy”	the form of proxy for use at the General Meeting, which is enclosed with this document
“FoxDavies”	Fox-Davies Capital Limited
“G&M”	the Gold & Minerals Joint Venture between the Company and ARTAR
“General Meeting” or “GM”	the general meeting of the Company to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 21 February 2011 at 11.00 a.m., notice of which is set out at the end of this document
“Ordinary Shares”	the ordinary shares of 1 penny each in the share capital of the Company
“Placing”	the conditional placing of the Placing Shares at the Placing Price
“Placing Agreement”	the agreement dated 3 February 2011 between the Company and FoxDavies relating to the Placing
“Placing Price”	5 pence per Placing Share
“Placing Shares”	the 26,000,000 new Ordinary Shares to be issued in connection with the Placing
“Resolutions”	the resolutions contained in the notice of General Meeting, which is set out at the end of this document
“Shareholders”	holders of Ordinary Shares
“VWAP”	the volume-weighted average mid-market closing price of an Ordinary Share as derived from the AIM Appendix to the Daily Official List
“Warrants”	the warrants to subscribe for Ordinary Shares at the Placing Price proposed to be granted to FoxDavies and WHI Stockbrokers pursuant to the Placing
“WHI Stockbrokers”	WHI Stockbrokers Limited

LETTER FROM THE CHAIRMAN

KEFI Minerals plc

(Registered in England and Wales No. 5976748)

Directors:

Harry Anagnostaras-Adams (*Non-executive Chairman*)
Professor Ian Rutherford Plimer (*Non-executive Deputy Chairman*)
Jeffrey Guy Rayner (*Managing Director*)
John Edward Leach (*Finance Director*)

Registered Office:

27-28 Eastcastle Street
London
W1W 8DH

4 February 2011

Dear Shareholder

Introduction

I am writing to you to give you notice of a General Meeting of the Company to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 21 February 2011 at 11.00 a.m., formal notice of which is set out at the end of this document.

It was announced today that the Company had conditionally raised £1,300,000 (before expenses) through the placing of 26,000,000 new Ordinary Shares at 5 pence per share. The Placing is conditional, *inter alia*, on the passing of the Resolutions to be proposed at the General Meeting.

The purpose of this document is to explain the background to and reasons for the Placing and to convene the General Meeting.

Background to and reasons for the Placing

The purpose of this Placing is to progress the exploration programs that the Company is currently working on in Turkey and especially in the Kingdom of Saudi Arabia where it is targeting gold (and copper equivalent) discoveries in excess of one million ounces and also in preparation for the funding of new opportunities which the Company is currently assessing in Turkey and in Saudi Arabia.

In Saudi Arabia, KEFI Minerals has lodged a total of 21 Exploration Licence Applications (“ELAs”) covering an area of approximately 2,100km². The Company awaits the granting of its first licence and has made significant progress in the permitting of its remaining ELAs. The Deputy Ministry for Mineral Resources of Saudi Arabia has to date completed site visits at seven of the 21 ELAs with a further three visits scheduled in February 2011.

A recent, minor change to the requirements in the Exploration Technical Report, which accompanies the submission of each licence application, has resulted in a delay in the granting of the Company’s first licence. Further to the announcement made on Friday 28 January 2010, the Company is expecting to formally receive a notice in the next week advising them of the required modifications and intends to lodge the modified Technical Report shortly. The Board will update shareholders once the modified report has been lodged.

Once the changes to the report have been approved by the relevant department, the Company understands that there will be no need for any other further approvals and the licence will be issued by the DMMR. Though there are no guarantees on timing, the Company has been advised that this procedure may be finalised in a matter of weeks and the Board will provide a further update at the time of the GM.

The Company expects to be progressing work on the ground immediately upon granting of the first licence and funds raised pursuant to the Placing will be used to quickly progress exploration on the licence, commence geophysical surveys, identify drill targets and commence drilling programmes. The Company expects to update shareholders with respect to the initial assay results from these drill programmes in due course.

Background to Exploration in Saudi Arabia

The KEFI Minerals team has been evaluating potential joint ventures and prospects in the Kingdom of Saudi Arabia since mid-2008. The Company's geologists have compiled a large database of mineral occurrences and historic workings, geological maps, topographic maps, aeromagnetic survey data, and remote sensing data for this region. This database has allowed for rapid identification and quality assessment of mineral occurrences and ancient workings, and selective targeting for potentially major mineral deposits.

KEFI Minerals' primary target will be the discovery and development of greater than 1 million ounce gold (and copper equivalent) deposits in Saudi Arabia's under-explored Precambrian Shield. Exploration licences are granted for a period of five years and can be renewed for a further five years. Almost all of the ELA areas contain ancient workings and some have visible gold in quartz veins and other indications of potentially economic mineralisation.

Some of the ELA areas have been surveyed by geophysical techniques, drilled and trenched by the United States Geological Survey and the French equivalent, the "BRGM", during the 1970s to the 1990s. Drilling and trenching results returned encouraging gold mineralisations and, in some cases, copper intercepts on some areas and geophysical surveys have indicated the presence of massive sulphide bodies, prospective for volcanic massive sulphide bodies which potentially host copper, zinc and gold deposits.

G&M Joint Venture

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

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

About ARTAR

ARTAR is a Saudi Arabian conglomerate investing in different sectors such as construction, real-estate, agriculture and health care in the Kingdom of Saudi Arabia and abroad. ARTAR's principal business activities include commercial and residential property development, engineering, and construction of large shopping malls, hotels, hospitals and high rise apartment complexes. ARTAR employs more than 17,000 people. Investment in the fledgling minerals sector in Saudi Arabia has recently been added to ARTAR's business expansion plans. Further information is available on ARTAR's website at www.artar.com.sa.

The Placing

The Company has conditionally raised £1,300,000 (before expenses) by way of a placing by FoxDavies of 26,000,000 new Ordinary Shares at 5 pence per share pursuant to the Placing Agreement. WHI Stockbrokers Limited also assisted in the Placing and acted as agent to FoxDavies. The Placing Shares have been conditionally placed with existing Shareholders and institutional investors.

The Placing is conditional, *inter alia*, on the passing of the Resolutions to be proposed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 22 February 2011 (or such later date as FoxDavies and the Company may agree being not later than 7 March 2011).

Under the terms of the Placing Agreement, the Company has given certain customary warranties and indemnities to FoxDavies in connection with the Placing and other matters relating to the Company and its affairs.

The Placing Shares will be allotted credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date of their allotment.

The Placing Price was determined having regard to market conditions at the time the Placing Agreement was entered into. The VWAP during January 2011 was 5.633 pence and the Placing Price represents an 11 per cent. discount. The Directors believe that the Placing Price is fair and reasonable.

Application will be made to London Stock Exchange plc for the Placing Shares to be admitted to trading on AIM and it is expected that, subject to the passing of the Resolutions at the General Meeting, Admission will become effective and that dealings will commence in the Placing Shares on 22 February 2011.

Pursuant to the Placing, the Company has agreed to grant warrants to each of FoxDavies and WHI Stockbrokers to subscribe for an aggregate of up to 780,000 Ordinary Shares at an exercise price per share equal to the Placing Price. The grant of the Warrants is conditional on Admission and shall be exercisable for a period of five years following Admission.

Use of proceeds

As noted above, the Board will use the net proceeds of the Placing to progress exploration on the first Saudi Arabian licence, to commence geophysical surveys, identify drill targets and drilling programmes.

General Meeting

You will find at the end of this document a notice convening the General Meeting to be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 21 February 2011 at 11.00 a.m. to consider and if thought fit pass the following Resolutions to authorise the Directors:

1. to allot shares or grant rights to subscribe for or to convert any security into shares pursuant to section 551 of the Companies Act up to an aggregate nominal amount of £1,468,300 comprising: (a) up to an aggregate nominal value of £260,000 in connection with the Placing; (b) up to an aggregate nominal amount of £7,800 in connection with the grant of the Warrants; and (c) otherwise than in connection with the Placing or the Warrants, up to an aggregate nominal value of £1,200,500 being approximately one third of the aggregate nominal amount of the Company's issued share capital immediately following the Placing; and
2. to allot such shares or grant such rights free of the statutory pre-emption rights contained in section 561(1) of the Companies Act.

Resolution 1 will be proposed as an ordinary resolution and will therefore require the approval of a majority of Shareholders voting in person or by proxy at the General Meeting.

Resolution 2 will be proposed as a special resolution and will therefore require the approval of not less than 75 per cent. of Shareholders voting in person or by proxy at the General Meeting.

Action to be taken in respect of the General Meeting

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you propose to attend the General Meeting in person, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by Share Registrars Limited of Suite E, First Floor, 9 Lion & Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible but in any event not later than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof.

If you complete and return a Form of Proxy, you may still attend and vote at the General Meeting in person should you decide to do so.

Please read the detailed notes to the notice of General Meeting at the end of this document and the Form of Proxy. The attention of Shareholders is also drawn to the voting intentions of the Directors set out below.

Recommendation

The Directors believe that the Placing will promote the success of the Company for the benefit of the members as a whole and accordingly they unanimously recommend you to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own shareholdings.

Shareholders are reminded that the Placing is conditional, *inter alia*, on the passing of the Resolutions to be proposed at the General Meeting. Should the Resolutions not be passed the Placing will not proceed and all subscription monies will be returned to investors.

Yours sincerely

Harry Anagnostaras-Adams
Chairman

KEFI Minerals plc

(Registered in England and Wales with company number 5976748)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of KEFI Minerals plc (the "Company") will be held at the offices of Field Fisher Waterhouse LLP, 35 Vine Street, London EC3N 2PX on 21 February 2011 at 11.00 a.m. to consider and, if thought fit, pass the following resolutions, the first of which will be proposed as an ordinary resolution and the second as a special resolution:

Ordinary Resolution

1. THAT the directors of the Company (the "**Directors**") be and are hereby authorised generally and unconditionally pursuant to and for the purposes of Section 551 of the Companies Act 2006 (the "**Act**") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £1,468,300 comprising:
 - (a) up to an aggregate nominal value of £260,000 in connection with a placing of the Company's ordinary shares of 1p each ("**Ordinary Shares**") by Fox-Davies Capital Limited ("**FoxDavies**") as agent of the Company to certain institutional and other investors (the "**Placing**");
 - (b) up to an aggregate nominal amount of £7,800 in connection with the grant of warrants to subscribe for Ordinary Shares ("**Warrants**") to each of Fox-Davies and WHI Stockbrokers Limited in connection with the Placing; and
 - (c) otherwise than in connection with the Placing and the Warrants, up to an aggregate nominal value of £1,200,500 (being approximately one third of the aggregate nominal amount of the Company's issued share capital immediately following the Placing),

provided that this authority shall expire at the conclusion of the Company's annual general meeting to be held in 2011 save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights pursuant thereto as if the authority conferred hereby had not expired.

Special Resolution

2. THAT, conditional on the passing of Resolution 1 above, the Directors be and are hereby generally empowered pursuant to Section 571 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities up to an aggregate nominal amount of £260,000 in connection with the Placing;
 - (b) the allotment of equity securities up to an aggregate nominal amount of £7,800 in connection with the Warrants;
 - (c) the allotment of equity securities in connection with an issue in favour of the holders of Ordinary Shares in proportion (as nearly may be) to their respective holdings of Ordinary Shares, subject only to exclusions or other arrangements which the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange in any territory; and

- (d) the allotment (otherwise than pursuant to sub-paragraphs (a)–(c) above) of equity securities up to an aggregate nominal amount equal to £720,270 (being approximately 20 per cent. of the aggregate nominal amount of the Company’s issued share capital immediately following the Placing),

and such authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2011 save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the power conferred hereby had not expired.

BY ORDER OF THE BOARD

Cargil Management Services Limited
Secretary

Registered Office:
27-28 Eastcastle Street
London
W1W 8DH

Dated: 4 February 2011

Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of him. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not be a member of the Company. Please refer to the notes to the Form of Proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).
2. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a proxy other than the Chairman of the meeting, cross out the words “the Chairman of the meeting” on the Form of Proxy and write the full name and address of your proxy on the dotted line. The change should be initialled.
3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolution and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the resolution) which may properly come before the meeting.
4. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of the other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.
5. To be effective, the enclosed Form of Proxy must be duly completed and deposited together with any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) and lodged at the offices of the Company’s registrars no later than 48 hours before the time of the holding of the meeting. Please note that the pre-paid address printed on the reverse of the Form of Proxy is only for use if you are posting from within the United Kingdom.
6. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting in person at the meeting.
7. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of members of the Company at 6 p.m. UK time on 19 February 2011 shall be entitled to attend and vote at the meeting or, if the meeting is adjourned, 6 p.m. on the day two days prior to the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the meeting.
8. As at the date of this document the total number of ordinary shares in the capital of the Company in issue is 334,136,358, with each share carrying the right to one vote. Accordingly, the total number of voting rights in the Company is 334,136,358.

