

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

INTERIM RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2012

KEFI Minerals, an AIM-quoted gold and copper exploration company with projects in the Kingdom of Saudi Arabia, is pleased to announce its unaudited interim results for the half-year ended 30 June 2012.

Highlights of the Half-Year Period

- The Gold and Minerals JV (“G&M”) in Saudi Arabia was granted 2 Exploration Licences (ELs) by the Kingdom of Saudi Arabia’s Deputy Ministry for Mineral Resources in January 2012 and a further 1 EL (outside the reporting period, on 4 July 2012). The G&M JV has now 4 granted ELs and 19 EL applications.
- Exploration work at the Selib North project defined new gold-bearing dykes at the Camel Hill prospect with best trench results of 17m at 3.4 g/t Au. Diamond drilling commenced in July 2012.
- Exploration at the Jibal Qutman prospect returned rock chip channel samples of up to 4m at 9.36 g/t Au and 93 g/t Ag and trench sampling carried out outside the reporting period in July returned best results of 3.2m at 27.7 g/t Au and 262 g/t Ag.
- The Company decided to allow its exclusivity period, over the tailings retreatment project and mining of remnant ore at the Tiout Mine in Morocco, to lapse. The due diligence and evaluation work that was conducted during the exclusivity period, since July 2011, demonstrated less potential than initially envisaged.
- In February 2012, raised £1,850,000 via a placing at 3p per share.
- In August 2012, raised £966,000 via a placing to 3 members of the Al Rashid family at 2.3p per share.

Jeffrey Rayner, Managing Director of KEFI Minerals, commented:

“KEFI Minerals through the G&M JV in Saudi Arabia has made excellent progress in 2012. Our exploration work has led to new gold discoveries and early drill target definition. Diamond drilling has commenced at the Selib North prospect and is due to start at the Jibal Qutman prospect in early September 2012. The Company’s strategy is very cost-effective with every one of our highly dedicated full-time personnel focused on activities in the field.”

Enquiries:

KEFI Minerals

Jeffrey Rayner
+90 533 928 19 13

www.kefi-minerals.com

Fox-Davies Capital

Simon Leathers
+44 203 463 5022

Bishopsgate Communications

Nick Rome
+44 207 562 3366

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

Managing Director's Report

The Company has been advancing its prospects in Saudi Arabia with the G&M JV. The Arabian Shield is under-explored and has excellent potential for discovery of major gold and copper mines. We will continue to progress effective exploration programmes that aim to fast-track gold discovery and eventual development of new mines.

Exploration – Saudi Arabia

The Gold & Minerals Joint Venture has been granted a further 3 ELs up to July 2012, bringing the total to 4 ELs and 19 ELAs. Exploration work in 2012 has involved surface mapping, reconnaissance sampling, trenching and initiated in July diamond drilling at the Selib North prospect.

New gold structures have been discovered at the Selib North prospect hosted in pyritic dykes and sampling of trenches revealed best results of 17m at 3.4 g/t Au. The dykes have been mapped over an extensive area and geophysics is planned to locate the mineralised dykes at depth.

Diamond drilling commenced in July and drill results are pending.

The Company released encouraging trench results from the Jibal Qutman prospect, in July 2012, outside the reporting period. Mapping and sampling has extended the quartz vein field to over 3km in strike and discovered new veins. The veins are generally 2-5m thick and highlights from initial sampling of the unmined portions of the trenches include the following:

- 3.2 m at 27.7 g/t Au and 262 g/t Ag
- 4.0 m at 14.9 g/t Au and 84 g/t Ag
- 5.0 m at 10.9 g/t Au and 56 g/t Ag
- 4.2 m at 4.6 g/t Au and 35 g/t Ag
- 2.0 m at 7.2 g/t Au and 58 g/t Ag and
- 19.0 m at 1.9 g/t Au.

Diamond drilling is scheduled to commence at Jibal Qutman in early September 2012.

At the Hikyrin South licence, samples taken from the waste dumps of the ancient Houimedan West mine have returned grades of up to 16.3 g/t Au and averaged 5.9 g/t Au from 24 samples spread over a 700m strike length. The veins are generally narrow and extend over 1km.

Permitting of the 19 ELAs is continuing and the G&M JV is expecting further licence grants in H2 2012.

Outlook

The Arabian Shield is recognised as under-explored and is very prospective for discoveries of large gold and copper deposits.

KEFI Minerals continues to develop its tenement position within the Kingdom of Saudi Arabia as a 40% equity holder and operator of the Gold and Minerals Joint Venture with ARTAR.

KEFI Minerals will continue its current exploration efforts in a very cost-effective manner while evaluating further opportunities in the region. We are fully focused on expanding G&M's presence in the Kingdom of Saudi Arabia and are encouraged by our results thus far. The Company is well funded to continue with the 12,000m drilling programme planned on the granted ELs and those expected in the second half of 2012.

KEFI MINERALS PLC
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

Contents

	Page
Condensed Interim Consolidated Statement of Comprehensive Income	4
Condensed Interim Consolidated Statement of Financial Position	5
Condensed Interim Consolidated Statement of Changes in Equity	6
Condensed Interim Consolidated Statement of Cash Flows	7
Notes to the Condensed Interim Consolidated Financial Statements	8-15
Review Report	16

KEFI MINERALS PLC
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2012
(UNAUDITED)

	Notes	Six months ended 30 June 2012 GBP'000	Six months ended 30 June 2011 GBP'000
Revenue		-	-
Exploration costs		(2)	(118)
Gross loss		(2)	(118)
Administrative expenses		(563)	(367)
Share-based payments		(121)	(82)
Share of loss from jointly controlled entity		(117)	(74)
Impairment of other receivables		-	(28)
Other loss		(19)	-
Operating loss		(822)	(669)
Foreign exchange gain		67	18
Loss before tax		(755)	(651)
Tax		-	-
Loss for the period		(755)	(651)
Other comprehensive loss:			
Exchange differences on translating foreign operations		(54)	(39)
Total comprehensive loss for the period		(809)	(690)
Basic and fully diluted loss per share (pence)	4	0.19	0.18

The notes on pages 8 to 15 form an integral part of these condensed interim consolidated financial statements.

KEFI MINERALS PLC
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012
(UNAUDITED)

	Notes	30 June 2012 GBP'000	30 June 2011 GBP'000	31 Dec 2011 GBP'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	2	15	2
Fixed asset investments		<u>181</u>	<u>181</u>	<u>181</u>
		183	196	183
Current assets				
Financial assets at fair value through profit or loss		22	-	43
Trade and other receivables	6	83	169	86
Cash and cash equivalents		<u>1,572</u>	<u>1,372</u>	<u>640</u>
		1,677	1,541	769
Total assets		<u>1,860</u>	<u>1,737</u>	<u>952</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	7	4,267	3,648	3,650
Share premium		3,843	2,712	2,719
Share options reserve	8	506	336	385
Foreign exchange reserve		(224)	(246)	(170)
Accumulated losses		<u>(6,638)</u>	<u>(4,968)</u>	<u>(5,883)</u>
		1,754	1,482	701
Non-current liabilities				
Share of loss in joint ventures		-	89	-
		<u>-</u>	<u>89</u>	<u>-</u>
Current liabilities				
Trade and other payables	10	106	166	251
		<u>106</u>	<u>166</u>	<u>251</u>
Total liabilities		<u>106</u>	<u>255</u>	<u>251</u>
Total equity and liabilities		<u>1,860</u>	<u>1,737</u>	<u>952</u>

The notes on pages 8 to 15 form an integral part of these condensed interim consolidated financial statements.

KEFI MINERALS PLC
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2012
(UNAUDITED)

	Share capital GBP'000	Share premium GBP'000	Share options reserve GBP'000	Foreign exchange reserve GBP'000	Accumulated losses GBP'000	Total GBP'000
At 1 January 2011	3,311	1,697	396	(207)	(4,459)	738
Comprehensive loss for the period	-	-	-	-	(651)	(651)
Other comprehensive loss	-	-	-	(39)	-	(39)
Issue of share capital	337	1,106	-	-	-	1,443
Share issue costs	-	(91)	-	-	-	(91)
Recognition of share-based payments	-	-	82	-	-	82
Exercise of options/warrants	-	-	(73)	-	73	-
Forfeit of options/warrants	-	-	(69)	-	69	-
At 30 June 2011	3,648	2,712	336	(246)	(4,968)	1,482
Comprehensive loss for the period	-	-	-	-	(941)	(941)
Other comprehensive income	-	-	-	76	-	76
Issue of share capital	2	7	-	-	-	9
Recognition of share-based payments	-	-	75	-	-	75
Forfeit of options/warrants	-	-	(26)	-	26	-
At 31 December 2011	3,650	2,719	385	(170)	(5,883)	701
Comprehensive loss for the period	-	-	-	-	(755)	(755)
Other comprehensive loss	-	-	-	(54)	-	(54)
Issue of share capital	617	1,233	-	-	-	1,850
Share issue costs	-	(109)	-	-	-	(109)
Recognition of share-based payments	-	-	121	-	-	121
At 30 June 2012	4,267	3,843	506	(224)	(6,638)	1,754

The following describes the nature and purpose of each reserve within Group'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 expenses
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

The notes on pages 8 to 15 form an integral part of these condensed interim consolidated financial statements.

KEFI MINERALS PLC
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2012
(UNAUDITED)

	Notes	Six months to 30 June 2012 GBP'000	Six months to 30 June 2011 GBP'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(755)	(651)
Adjustments for:			
Depreciation of property, plant and equipment	5	-	5
Share-based benefits		121	82
Profit on disposal of property, plant and equipment		117	74
Share of loss in joint venture		-	28
Impairment of receivables		21	-
Fair value losses on financial assets at fair value through profit or loss		11	(14)
Foreign exchange losses/(gains) on financing activities		(67)	6
Foreign exchange gains on operating activities		(552)	(470)
Changes in working capital:			
Trade and other receivables		2	(65)
Trade and other payables		(145)	46
Net cash used in operating activities		(695)	(489)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3	-
Advances to joint venture		(117)	(30)
Net cash from/(used in) investing activities		(114)	(30)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		1,850	1,443
Listing and issue costs		(109)	(91)
Net cash from financing activities		1,741	1,352
Net increase in cash and cash equivalents		932	833
Cash and cash equivalents:			
At beginning of period		640	539
At end of period		<u>1,572</u>	<u>1,372</u>

The notes on pages 8 to 15 form an integral part of these condensed interim consolidated financial statements.

KEFI MINERALS PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

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 2011. 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 2011 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.

KEFI MINERALS PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

2. Summary of significant accounting policies (continued)

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.

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 2012. 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 Turkey and Bulgaria and its administration and management is based in Cyprus.

2012	Cyprus GBP'000	Turkey GBP'000	Bulgaria GBP'000	Total GBP'000
Operating loss	(660)	(45)	-	(705)
Foreign exchange gain/(loss)	10	62	(5)	67
Loss before tax	(650)	17	(5)	(638)
Share of loss from jointly controlled entities				(117)
Tax				-
Loss for the period				(755)
Total assets	1,755	78	3	1,836
Total liabilities	87	2	17	106
Depreciation of property, plant and equipment	-	-	-	-

KEFI MINERALS PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

3. Operating segments (continued)

<u>2011</u>	Cyprus GBP'000	Turkey GBP'000	Bulgaria GBP'000	Total GBP'000
Operating loss	(446)	(121)		(567)
Foreign exchange (loss)/gain	(3)	7	14	18
	<u>(449)</u>	<u>(114)</u>	<u>14</u>	<u>(549)</u>
Share of loss from jointly controlled entities				(74)
Impairment of other receivables				(28)
Loss before tax				<u>(651)</u>
Tax				-
Loss for the period				<u><u>(651)</u></u>
Total assets	<u>1,526</u>	<u>205</u>	<u>6</u>	<u>1,737</u>
Total liabilities	<u>138</u>	<u>99</u>	<u>18</u>	<u>255</u>
Depreciation of property, plant and equipment	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>

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 to 30 June 2012 GBP'000	Six months to 30 June 2011 GBP'000
Net loss attributable to equity shareholders	<u>(755)</u>	<u>(651)</u>
Average number of ordinary shares for the purposes of basic loss per share ('000s)	<u>409,130</u>	<u>358,688</u>
Basic and fully diluted loss per share (pence)	<u><u>0.19</u></u>	<u><u>0.18</u></u>

The diluted loss per share is the same as the basic loss per share as the exercise of the share options would decrease the basic loss per share, thus being anti-dilutive.

KEFI MINERALS PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

5. Property, plant and equipment

Cost	Motor vehicles GBP'000	Furniture, fixtures and office equipment GBP'000	Total GBP'000
1 January 2011	72	21	93
Disposals	(24)	-	(24)
Exchange difference on translation of subsidiaries	(17)	(8)	(25)
At 31 December 2011	<u>31</u>	<u>13</u>	<u>44</u>
Disposals	-	(2)	(2)
At 30 June 2012	<u>31</u>	<u>11</u>	<u>42</u>
Accumulated Depreciation			
At 1 January 2011	56	10	66
Charge for the period	2	1	3
Disposals	(24)	-	(24)
Exchange difference on translation of subsidiaries	(3)	-	(3)
At 31 December 2011	<u>31</u>	<u>11</u>	<u>42</u>
Charge for the period	-	-	-
Disposals	-	(2)	(2)
At 30 June 2012	<u>31</u>	<u>9</u>	<u>40</u>
Net Book Value at 30 June 2012	<u>-</u>	<u>2</u>	<u>2</u>
Net Book Value at 31 December 2011	<u>-</u>	<u>2</u>	<u>2</u>

6. Trade and other receivables

	30 June 2012 GBP'000	30 June 2011 GBP'000	31 Dec 2011 GBP'000
Trade receivables	-	3	3
Amount receivable from Saudi Arabia Joint Venture	39	30	39
Other receivables	-	99	-
Deposits and prepayments	44	37	44
	<u>83</u>	<u>169</u>	<u>86</u>

7. Share capital

	Number of shares '000	Share capital GBP'000	Share premium GBP'000	Total GBP'000
Issued and fully paid				
At 1 January 2012	365,180	3,650	2,719	6,369
Issued 22 February 2012 at GBP0.03	61,666	617	1,233	1,850
Share issue costs	-	-	(109)	(109)
At 30 June 2012	<u>426,846</u>	<u>4,267</u>	<u>3,843</u>	<u>8,110</u>

KEFI MINERALS PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

7. Share capital (continued)

Issued capital

2012

On 22 February 2012, 61,667,000 shares of GBP 0.01 were issued at a price of GBP 0.03. Upon the issue an amount of GBP 1,233,000 was credited to the Company's share premium reserve.

Warrants

2012

On 22 February 2012, the Company issued 2,917,000 warrants to subscribe for new ordinary shares of GBP 0.01 each at GBP 0.03 per share.

Details of warrants outstanding as at 30 June 2012:

Grant date	Expiry date	Exercise price GBP	Number of warrants 000's
20 October 2010	19 October 2013	0.0125	830
22 February 2011	21 February 2016	0.0500	780
22 February 2012	21 February 2017	0.0300	2,917
			<u>4,527</u>

The Company has issued warrants to advisers to the Group. All warrants, except those noted below expire five years after grant date and are exercisable at the exercise price.

	Number of warrants 000's
Outstanding warrants at 1 January 2012	1,610
- granted	2,917
- exercised / expired	-
Outstanding warrants at 30 June 2012	<u>4,527</u>

8. Share options reserve

	30 June 2012 GBP'000	30 June 2011 GBP'000	31 Dec 2011 GBP'000
Opening amount	385	396	396
Recognition of share based payments – options and warrants	121	82	157
Exercise/cancellation/forfeiture of options and warrants	-	(142)	(168)
Closing amount	<u>506</u>	<u>336</u>	<u>385</u>

	Number of shares '000
Outstanding options at 1 January 2012	26,335
-granted	-
-cancelled	(500)
-exercised / expired	-
Outstanding options at 30 June 2012	<u>25,835</u>

KEFI MINERALS PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

9. Joint Venture Agreements

9.1 Joint Venture with Centerra Gold (KB) Inc.

On 22 October 2008, the company entered into a Joint Venture Agreement (“Joint Venture Agreement”) in respect of its 100%-owned Artvin Project with Centerra Gold (KB) Inc (“Centerra KB”), a wholly-owned subsidiary of Centerra Gold Inc.

In August 2011, KEFI Mineral’s subsidiary holding these licences, was sold in return for a cash payment of US\$100,000 and a 1% Net Smelter Royalty on all future mineral production from the Artvin licences.

9.2 Joint Venture with Gold and Minerals

In May 2009, KEFI Minerals announced the formation of a new minerals exploration joint venture, Gold & Minerals (“G&M”) 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% 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.

9.3 Joint Venture with Centerra Gold Inc.

KEFI Minerals previously had a joint venture with Centerra Gold Inc. (“Centerra”) in the Bakir Tepe Project in Turkey. On 15 December 2010, Centerra withdrew from the joint venture which resulted in an income of GBP 66,733 being recognised in the 2011 accounts.

10. Trade and other payables

	30 June 2012 GBP’000	30 June 2011 GBP’000	31 Dec 2011 GBP’000
Trade payables	16	97	126
Accruals	31	6	4
Payable to shareholders	59	63	121
	<u>106</u>	<u>166</u>	<u>251</u>

KEFI MINERALS PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

11. Related party transactions

The following transactions were carried out with related parties:

a) Purchases of services

The Company has an ongoing service agreement with EMED Mining Public Limited for provision of management and other professional services.

	Six months ended 30 June 2012 GBP'000	Six months ended 30 June 2011 GBP'000	Twelve months ended 31 Dec 2011 GBP'000
Transactions with EMED Mining Public Limited	<u>59</u>	<u>57</u>	<u>115</u>

b) Compensation of key management personnel

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

	Six months ended 30 June 2012 GBP'000	Six months ended 30 June 2011 GBP'000	Twelve months ended 31 Dec 2011 GBP'000
Directors' fees	113	102	196
Key management personnel fees	117	54	57
Share-based benefits to key management personnel	<u>-</u>	<u>19</u>	<u>-</u>
	<u>230</u>	<u>175</u>	<u>253</u>

Share-based benefits

No options have been issued or exercised during the period by directors from grant date to 30 June 2012.

c) Year end balances arising from purchases of services

	Six months ended 30 June 2012 GBP'000	Six months ended 30 June 2011 GBP'000	Twelve months ended 31 Dec 2011 GBP'000
Payable to related party:			
EMED Mining Public Limited	<u>59</u>	<u>63</u>	<u>121</u>

12. Contingent liabilities

In 2006, EMED Mining Public Ltd acquired a proprietary geological database that covers extensive parts of Turkey and Greece and also 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).

KEFI MINERALS PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

13. Relationship deed

A Relationship Deed between EMED and the Company dated 7 November 2006, by which EMED agrees not to operate in Bulgaria and Turkey, and the Company agrees not to operate in Albania, Armenia, Azerbaijan, Cyprus, Greece, Hungary, Iran, Oman, Romania, Saudi Arabia, Serbia or Slovakia the “EMED Area”.

The Relationship Deed provides that EMED has the right to appoint one non-executive director of the Company. It also provides EMED with a right of first refusal in respect of funding any proposed mining or exploration project of the Company. The Relationship Deed provides that the Company shall refer any opportunity to conduct mining or exploration activity in the EMED Area to EMED, and EMED shall refer any such opportunity in Bulgaria or Turkey to the Company.

EMED has since granted the Company the right to explore in Saudi Arabia in return for which it will receive, to the extent possible under legislation in Saudi Arabia, first right of refusal over participation in any projects developed (or not taken up) by the joint venture established on 28 May 2009 in that country with Abdul Rahman Saad Al-Rashid & Sons Company Limited.

14. Capital commitments

The Group has no capital or other commitments as at 30 June 2012.

15. Events after the reporting period

On 6 August 2012, the Company allotted 42,000,000 new ordinary shares at 2.3 pence per share to three individual principals of ARTAR, KEFI's 60% partner in the Company's Gold & Minerals Joint Venture in the amount of 14,000,000 shares each. The issue price was 2.3 pence each raising an aggregated amount of £966,000.

REVIEW REPORT TO KEFI MINERALS PLC

We have reviewed the accompanying statement of financial position of KEFI Minerals Plc at June 30, 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with International Accounting Standards.

Nicosia, Cyprus, 10 September 2012

**MOORE STEPHENS STYLIANOU & CO
CERTIFIED PUBLIC ACCOUNTANTS – CY**