23 September 2019

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

KEFI Minerals (AIM: KEFI), the gold exploration and development company with projects in the Democratic Republic of Ethiopia and the Kingdom of Saudi Arabia, is pleased to announce its unaudited interim results for the six months ended 30 June 2019.

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.

Overview

Period Highlights

During the period, the Tulu Kapi Gold Project in Ethiopia (the "Project") remained the primary focus of KEFI's activities.

Project development planning remained focussed on achieving production start-up in mid-2021.

Prime Ministerial go-ahead for the Project has been received, as announced on 5 March 2019, and the final federal policy consent was received from the Ethiopian central bank, as announced on 6 June 2019.

Exploration re-activated at the Hawiah Exploration Licence in Saudi Arabia.

Post Period Highlights

During September 2019, following meetings in Perth and in Addis Ababa with the Company's partners in Tulu Kapi Gold Mines Share Company ("TKGM"), with the senior regulatory bodies and with the principal project contractors, all parties resolved to proceed with triggering the development of the Project in October 2019.

TKGM's finance plan remains for full Project funding to be provided at the TKGM level.

The Project plan remains subject to compliance with all participants compliance and governance processes.

The Project plan is for TKGM to trigger its development schedule with Project equity funding in October 2019, full finance closing in March 2020 and full production in October 2021.

The key steps for starting Project development in October 2019 are as follows:

1. Execution and closing of updated shareholder agreements and share subscription documents, which are in hand and include normal undertakings by the three shareholders of TKGM, as well as by TKGM itself as regards normal operational undertakings and insurances; and
2. Satisfactory independent assessments of security, which has been received, and of the readiness of the Government administration and of the community, which is in hand.

Tulu Kapi Gold Project, Ethiopia

KEFI will own 80% of the exploration and holding company for Ethiopia, KME, which in turn will own 56% of TKGM, thus bestowing KEFI a 45% beneficial interest in the Project.

KEFI is the operating partner of the operating joint venture company, TKGM. The other 55% beneficial interest is to be owned by the Company's long-standing partner, the Ethiopian Government and its more recently committed Ethiopian partner ANS Mining.

Total TKGM subscribed equity is planned to be c. US$130 million including the past investment of c. US$60 million up to 31 December 2018 and the committed planned investment subsequent to that. Equity-funding will cover the initial phase of Project development and KEFI's partners have committed US$58 million (Ethiopian Birr equivalent) between them.

Non-equity funding plans remain as previously reported. Debt-based finance of US$110 million for infrastructure, plus cash reserves, together with minor working capital facilities are planned. In addition, there are planned conventional construction and mine services contracts with the selected contractors.

At a gold price of US1,400/oz the following are the estimates for the Project open pit only:

3. Project export revenues are projected at c. US$200 million per annum, which would likely make it Ethiopia's largest single-enterprise export generator;
4. TKGM NPV, at a discount rate of 8%, on start of production in 2021 is estimated at £196 million (US$249 million). From KEFI's viewpoint, the Company's planned 45% beneficial interest in the Project NPV at start of production would be £88 million (US$112 million); and
5. Project free cash flow is estimated at £31 million per annum (US$40 million), of which KEFI's beneficial interest would be c. £14 million per annum (US$18 million).

Gold & Minerals Limited Joint Venture (G&M), Saudi Arabia

KEFI is the operating partner of G&M, the joint venture company in which the Company's shareholding is 40%. The other 60% is owned by the Company's long-standing partner, Saudi conglomerate ARTAR.

Following the resumption of exploration at Hawaih after approximately three years, following the resolution of local access issues, regulatory overhauls and subsequent licence renewal, as announced on 21 June 2019, drilling is expected to commence this week at the Hawiah Exploration Licence,. G&M's licence renewal at Hawiah was the first issued under new Saudi Arabian regulations.

Corporate and Financial

£1.9 million was raised during the period through the issue of 57,000,000 shares in February 2019 at a price of 1.7p per share, 14,864,533 shares issued in April 2019 at a price range of 1.7p to 2p per share and 37,200,000 shares issued in June 2019 at a price of 2p per share.

At the Company's AGM on 28 June 2019, shareholders approved that the nominal value of the Company's ordinary shares be 0.1p per ordinary share.

On 29 April 2019 the Company was very sad to report the sudden passing of its Chairman, Mr Mark Wellesley-Wood. The Company's Managing Director, Harry Anagnostaras-Adams, resumed the role of Executive Chairman, which he held prior to Mr. Wellesley-Wood's appointment.

Post Period

Since the period end, the Company has restructured its working capital convertible loan facilities with the result that security on the existing convertible loan facility has been released and a new additional unsecured facility has been arranged.

The new two-year unsecured convertible loan facility, initially of £1.5 million (arranged in August 2019) was subsequently increased to £2.25 million in September 2019, Under the terms of the facility, funds can be drawn down in multiples of £250,000, drawn not less than two weeks apart. .

Commenting, Mr Harry Anagnostaras-Adams, Executive Chairman of KEFI, said, "During the first half and subsequently, the Company has advanced to a most propitious stage. We have reached a very significant and exciting moment for all stakeholders in our Company and our projects.

"The value-enhancing milestones ahead augur well for the Company's prospects and we seem fortunate that this coincides with a rising gold price and aggressively pro-development Government initiatives in our host countries, Ethiopia and Saudi Arabia. The remainder of 2019 is expected to be a very exciting period for the Company and we look forward to providing regular updates as matters progress."

Investor Webinar

- The Company will host its live quarterly webinar at 2pm London time on 30 October 2019 which will be accessed via: www.brrmedia.co.uk
- Listeners are encouraged to submit questions by emailing:questions@brrmedia.co.uk. The webinar will subsequently be available on the Company's website at http://www.kefi-minerals.com/news/webcasts.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Enquiries

KEFI Minerals plc	
Harry Anagnostaras-Adams (Executive Chairman)	+357 99457843
John Leach (Finance Director)	+357 99208130
SP Angel Corporate Finance LLP (Nominated Adviser and Joint Broker) Jeff Keating, Soltan Tagiev	+44 20 3470 0470
Brandon Hill Capital Ltd (Joint Broker)	+44 20 7936 5200
Oliver Stansfield, Jonathan Evans	
IFC Advisory Ltd (Financial PR and IR)	+44 20 3934 6630
Tim Metcalfe, Florence Chandler	

Condensed interim consolidated statements of comprehensive income

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

	Notes	**Six months ended 30 June 2019**	Six months ended 30 June 2018
Revenue		**-**	-
Exploration expenses		**(21)**	(44)
Gross loss		**(21)**	(44)
Administration expenses		**(1,066)**	(1,561)
Share-based payments		**(73)**	(79)
Share of loss from jointly controlled entity		**(186)**	(105)
Change in value of financial assets at fair value through profit and loss		**-**	2
Operating loss		**(1,345)**	(1,787)
Foreign exchange loss		**(4)**	(14)
Finance expense		**(345)**	(592)
Loss before tax		**(1,695)**	(2,393)
Tax		**-**	-
Loss for the period		**(1,695)**	(2,393)
Loss for the period		**(1,695)**	(2,393)
Other comprehensive loss:			
Exchange differences on translating foreign operations		**(7)**	2
Total comprehensive loss for the period		**(1,702)**	(2,391)
Basic and fully diluted loss per share (pence)	4	**(0.27)**	(0.71)

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

Condensed interim consolidated statements of financial position

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

	Notes	Unaudited 30 June 2019	Audited 31 Dec 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	**37**	38
Intangible assets	6	**19,777**	18,757
		19,814	18,795
Current assets			
Financial assets at fair value through OCI		**80**	81
Trade and other receivables	7	**120**	115
Cash and cash equivalents		**160**	88
		360	284
Total assets		**20,174**	19,079
EQUITY AND LIABILITIES			
Issued capital and reserves attributable to owners of the parent			
Share capital	8	**11,574**	9,719
Deferred Shares	8	**12,436**	12,436
Share premium	8	**19,340**	19,303
Share options reserve	9	**1,063**	1,032
Foreign exchange reserve		**(222)**	(215)
Accumulated losses		**(29,650)**	(27,998)
		14,541	14,277
Non-controlling interest	10	**1,074**	1,075
Total equity		**15,615**	15,352
Current liabilities			
Trade and other payables	11	**3,679**	3,112
Loans and borrowings	12	**880**	615
		4,559	3,727
Total liabilities		**4,559**	3,727
Total equity and liabilities		**20,174**	19,079

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

On 20 September 2019, the Board of Directors of KEFI Minerals Plc authorised these unaudited condensed interim financial statements for issue.

John Leach

Finance Director

Condensed interim consolidated statement of changes in equity

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

	Attributable to the equity holders of parent								
	Share capital	Deferred shares	Share premium	Share options reserve	Foreign exchange reserve	Accumulated losses	Total	NCI	Total equity
At 1 January 2018	5,656	12,436	18,661	1,325	(228)	(23,380)	14,470	-	14,470
Loss for the period	-	-	-	-	-	(2,393)	(2,393)	-	(2,393)
Other comprehensive income	-	-	-	-	2	-	2	-	2
Total Comprehensive Income	-	-	-	-	2	(2,393)	(2,391)	-	(2,391)
Transfer realised loss of derivative financial asset (Note 7)	-	-	(938)	-	-	938	-	-	-
Recognition of share based payments	-	-	-	79	-	-	79	-	79
Cancellation & Expiry of options/warrants	-	-	-	(89)	-	89	-	-	-
Issue of share capital	1,131	-	532	-	-	-	1,663	-	1,663
Share issue costs	-	-	(152)	-	-	-	(152)	-	(152)
At 30 June 2018	6,787	12,436	18,103	1,315	(226)	(24,746)	13,669	-	13,669
Loss for the year	-	-	-	-	-	(2,562)	(2,562)	-	(2,562)
Other comprehensive income	-	-	-	-	11	-	11	-	11
Total Comprehensive Income	-	-	-	-	11	(2,562)	(2.551)	-	(2,551)
Recognition of share based payments	-	-	-	102	-	-	102	-	102
Forfeited options	-	-	-	(67)	-	67	0	-	-
Cancellation of options	-	-	-	(318)	-	318	0	-	-
Issue of share capital	2,932	-	1,285	-	-	-	4,217	-	4,217
Share issue costs	-	-	(85)	-	-	-	(85)	-	(85)
Non-controlling interest	-	-	-	-	-	(1,075)	(1,075)	1,075	-
At 31 December 2018	**9,719**	**12,436**	**19,303**	**1,032**	**(215)**	**(27,998)**	**14,277**	**1,075**	**15,352**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(1,695)**	**(1,695)**	**-**	**(1,695)**
Other comprehensive income	**-**	**-**	**-**	**-**	**(7)**	**-**	**(7)**	**-**	**(7)**
Total Comprehensive Income	**-**	**-**	**-**	**-**	**(7)**	**(1,695)**	**(1,702)**	**-**	**(1,702)**
Transfer realised loss of derivative financial asset (Note 7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Recognition of share based payments	**-**	**-**	**-**	**73**	**-**	**-**	**73**	**-**	**73**
Cancellation & Expiry of options/warrants	**-**	**-**	**-**	**(42)**	**-**	**42**	**-**	**-**	**-**
Issue of share capital	**1,855**	**-**	**129**	**-**	**-**	**-**	**1,984**	**-**	**1,984**
Share issue costs	**-**	**-**	**(92)**	**-**	**-**	**-**	**(92)**	**-**	**(92)**
Non-controlling interest	-	**-**	**-**	**-**	**-**	**1**	**1**	**(1)**	**-**
At 30 June 2019	**11,574**	**12,436**	**19,340**	**1,063**	**(222)**	**(29,650)**	**14, 541**	**1,074**	**15,615**

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, under the restructuring of share capital, 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. Includes Lanstead sharing agreement share price movements.
Share options reserve	reserve for share options granted but not exercised or lapsed
Foreign exchange reserve	cumulative foreign exchange net gains and losses recognized on consolidation
Accumulated losses	cumulative net gains and losses recognized in the statement of comprehensive income, excluding foreign exchange gains within other comprehensive income
NCI (Non-controlling interest)	the portion of equity ownership in a subsidiary not attributable to the parent company

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

Condensed interim consolidated statements of cash flows

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

	Notes	**Six months ended 30 June 2019**	Six months ended 30 June 2018
Cash flows from operating activities			
Loss before tax		**(1,695)**	(2,393)
Adjustments for:			
Share-based benefits		**73**	79
Share-based payments		**7**	-
Share of loss in joint venture		**186**	105
Depreciation		**1**	3
Interest expense		**345**	306
Realised Loss on derivative financial asset		**-**	2
Foreign exchange losses on financing activities		**35**	14
Foreign exchange gains on operating activities		**-**	15
Cash outflows from operating activities before working capital changes		**(1,048)**	(1,869)
Interest paid		**(76)**	(306)
Changes in working capital:			
Trade and other receivables		**(5)**	(164)
Trade and other payables		**566**	1,907
Net cash used in operating activities		**(563)**	(432)
Cash flows from investing activities			
Purchases of plant and equipment		**-**	(2)
Deferred exploration costs		**(493)**	(309)
Project evaluation costs		**(433)**	(939)
Advances to joint venture		**(159)**	(138)
Net cash used in investing activities		**(1,085)**	(1,388)
Cash flows from financing activities			
Proceeds from issue of share capital		**969**	1,663
Listing and issue costs		**(92)**	(152)
Consideration received – Derivative financial asset		**-**	337
Drawdown short term working capital bridging finance	12.1.2	**1,112**	-
Repayment short term working capital bridging finance	12.1.2	**(270)**	-
Net cash from financing activities		**1,719**	1,848
Net increase in cash and cash equivalents		**71**	28
Cash and cash equivalents:			
At beginning of period		**88**	466
Exchange Differences		**1**	-
At end of period		**160**	494

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

Notes to the condensed interim consolidated financial statements

For the six months to 30 June 2018 and 2019(unaudited) (All amounts in GBP thousands unless otherwise stated)

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 2018. 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 2018 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 and Group will have adequate resources to continue in operational existence for the foreseeable future. The ability of the Company to carry out its planned business objectives is dependent on its ability to continue to raise adequate financing from lenders, shareholders and other investors to meet its funding requirements. Additional financing will be required to continue the development of the Tulu Kapi Gold Project through to production.

The Group is currently evaluating and seeking a number of additional sources of financing the main focus of which is securing initial equity funding of US $58 million. The future equity funding of US $58 million will be invested by two shareholders the first being the Ethiopian Government with proposed project equity of US$20 million; and Ethiopian private sector partner ANS Mining Share Company Limited ("ANS Mining") with an equity injection of US$38 million.

In addition, the Group has mandated advisors to prepare for a US$160 million long term financing which the Group is currently finalising with the Ethiopian authorities. There is no assurance that such financing will be available on a timely basis or on acceptable terms. If the Group is unable to obtain adequate additional financing, will be required to consider alternative courses of action which could include disposing of all or part of the KEFI share of the Tulu Kapi Gold Project. The Group continually evaluates such potential outcomes and additional potential sources of finance.

These conditions indicate the existence of material uncertainties which could cast significant doubt over the Group's ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments, which could be material, and which would be necessary should the Group be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different than those reflected in the consolidated financial statements

Financial Assets

Fair value estimation

The Group has certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques to measure fair value:

Classification of financial assets and liabilities
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect fair value. All other receivables and payables are, where material, discounted to determine the fair value.

Differences arising between the carrying and fair value are considered not significant to adjust for in these accounts. The carrying and fair values of intercompany balances are the same as if they are repayable on demand.

As at each of June 30, 2019 and December 31, 2018, the levels in the fair value hierarchy into which the Group's financial assets and liabilities measured and recognized in the statement of financial position at fair value are categorized are as follows:

	Carrying Amounts		Fair Values	
	2019	2018	**2019**	2018
Financial assets	**£'000**	£'000	**£'000**	£'000
Cash and cash equivalents – Level 1	**160**	88	**160**	88
Financial assets at fair value through OCI -Level 2	**80**	81	**80**	81
Trade and other receivables (Note 7)	**120**	115	**120**	115
Financial liabilities				
Trade and other payables (Note 11)	**3,679**	3,112	**3,679**	3,112
Loans and borrowings (Note 12)	**880**	615	**880**	615

Use and revision of accounting estimates and judgements

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.

Accounting Judgement:

Going concern

The going concern presumption depends principally on securing funding to develop the Tulu Kapi mine project as an economically viable mineral deposit, and the availability of subsequent funding to extract the resource, or alternatively the availability of funding to extend the Company's and Group's exploration activities.

Contingent liabilities

A contingent liability arises where a past event has taken place for which the outcome will be confirmed only by the occurrence or non-occurrence of one or more uncertain events outside of the control of the Group, or a present obligation exists but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A provision is made when a loss to the Group is likely to crystallise. The assessment of the existence of a contingency and its likely outcome, particularly if it is considered that a provision might be necessary, involves significant judgment taking all relevant factors into account

Finance transaction Costs

The company has expensed all costs incurred in preparatory work to secure funding to develop the Tulu Kapi mine project. The moment project funding is secured the direct transaction costs will be included as part of the initial carrying amount of the financial instrument, the recognition of these costs in profit or loss is spread over the term of the instrument through the application of the effective interest method.

Estimates:

Fair value of acquisitions

The 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date. Fair value estimates are required. In calculating the fair value estimates of net identifiable net assets on acquisition significant judgements and estimates are required.

Share based payments

In calculating the fair value at the grant date, the Black Scholes model requires us to estimate the inputs to this model, in particular in respect of volatility. This assessment is based on historical share price movements assuming these will continue into the future.

Impairment review of asset carrying values

Events or changes in circumstances can give rise to significant impairment charges or reversals of impairment in a particular year. Where the recoverable amounts of Group cash generating units are assessed by analyses of discounted cash flows, the resulting valuations are particularly sensitive to changes in estimates of long-term commodity prices, exchange rates, operating costs, the grouping of assets within cash-generating units and discount rates.

Capitalisation of exploration and evaluation costs

Under the Group's accounting policy, exploration and evaluation expenditure is not capitalised until the point is reached at which there is a high degree of confidence in the project's viability and it is considered probable that future economic benefits will flow to the Group. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project.

New and amended standards adopted by the Company

All accounting policies applied by the Company in the preparation of these interim financial statements are consistent with those applied and disclosed in the financial statements for the year ended 31 December 2018. On 1 January 2019 IFRS 16 Leases became mandatory for adoption and the Group adopted it on this date. Transition to this accounting standard from the prior equivalent accounting standard, IAS 17 Leases, has not had a material impact upon these financial statements due to the relatively low level of leases which would fall within the scope of IFRS 16 which the Group was party to on 1 January 2019. Moreover, during the current period the carrying amounts of the Company's right-of-use assets and lease liabilities do not had a material impact on the Company's 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 2019	**Cyprus**	**Ethiopia**	**Saudi Arabia**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Operating loss	**(1,154)**	**(6)**		**(1,160)**
Interest paid	**(244)**	**-**		**(244)**

Other finance costs	**(101)**	**-**		**(101)**
Foreign exchange loss	**(4)**	**-**		**(4)**
Share of loss from jointly controlled entity			**(186)**	**(186)**
Loss before tax	**(1,503)**	**(6)**	**(186)**	**(1,695)**
Tax				**-**
Loss for the period				**(1,695)**
Total assets	**7,344**	**12,830**	**-**	**20,174**
Total liabilities	**(3,985)**	**(422)**	**(152)**	**(4,559)**
Depreciation of property, plant and equipment	**-**	**(1)**	**-**	**(1)**

Six months ended 30 June 2018	Cyprus	Ethiopia	Saudi Arabia	Total
	£'000	£'000	£'000	£'000
Operating loss	(1,678)	(4)	-	(1,682)
Interest paid	(306)	-	-	(306)
Other finance costs	(286)	-	-	(286)
Foreign exchange loss	(14)	-	-	(14)
Share of loss from jointly controlled entity			(105)	(105)
Loss before tax	(2,284)	(4)	(105)	(2,393)
Tax				-
Loss for the period				(2,393)
Total assets	6,644	11,784	-	18,428
Total liabilities	(4,505)	(22)	(232)	(4,759)
Depreciation of property, plant and equipment	-	(3)	-	(3)

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 2019	Six months ended 30 June 2018
Net loss attributable to equity shareholders	**(1,695)**	(2,393)
Average number of ordinary shares for the purposes of basic loss per share (000's)	**620,691**	338,245
Basic and fully diluted loss per share (pence)	**(0.27)**	(0.71)

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

5. Property, plant and equipment

Cost	**Motor vehicles**	**Plant and equipment**	**Furniture, fixtures and office equipment**	**Total**
At 1 January 2018	71	66	66	203
Additions	-	-	2	2
At 30 June 2018	71	66	68	205
Additions	-	-	4	4
At 31 December 2018	**71**	**66**	**72**	**209**
Additions	**-**	**-**	**-**	**-**
At 30 June 2019	**71**	**66**	**72**	**209**
Accumulated Depreciation				
At 1 January 2018	30	64	66	160
Charge for the period	-	2	1	3
At 30 June 2018	30	66	67	163
Charge for the period	4	-	4	8
At 31 December 2018	**34**	**66**	**71**	**171**
Charge for the period	**-**	**-**	**1**	**1**
At 30 June 2019	**34**	**66**	**72**	**172**
Net Book Value at 30 June 2019	**37**	**-**	**-**	**37**
Net Book Value at 31 December 2018	37	-	1	38

6. Intangible assets

	Project evaluation costs	Deferred exploration costs	Total
Cost			
At 1 January 2018	5,191	11,307	16,498
Additions	939	309	1,248
At 30 June 2018	6,130	11,616	17,746
Additions	596	681	1,277
At 31 December 2018	**6,726**	**12,297**	**19,023**
Additions	**527**	**493**	**1,020**
At 30 June 2019	**7,253**	**12,790**	**20,043**
Accumulated Impairment			
At 1 January 2018		-	-
Impairment charge for the period		266	266
At 30 June 2018		266	266
Impairment charge for the period		-	-
At 31 December 2018		**266**	**266**
Impairment charge for the period		**-**	**-**
At 30 June 2019		**266**	266
Net Book Value at 30 June 2019	**7,253**	**12,524**	**19,777**
Net Book Value at 31 December 2018	6,726	12,031	18,757

Management performed an impairment review for the above intangible assets at 30 June 2019, which relate to development work at the Tulu Kapi license area, and assessing its economic feasibility. The deemed net present value of the Tulu Kapi asset significantly exceeded the book value at 30 June 2019.

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 2019	31 Dec 2018
Other receivables	**2**	24
VAT	**118**	91
	120	115

8. Share capital

Issued and fully paid	Number of shares* 000's	Share capital	Deferred shares	Share premium	Total
At 1 January 2019	**571,703**	**9,719**	**12,436**	**19,303**	**41,458**
Share Equity Placement 27 Feb 2019	57,000	969	-	-	969
Share Equity Placement 17 Apr 2019	12,615	214	-	12	226
Share Equity Placement 17 Apr 2019	2,250	38	-	7	45
Share Equity Placement 11 Jun 2019	22,500	383	-	67	450
Share Equity Placement 11Jun 2019	14,700	251	-	43	294
Share issue costs	-	-	-	(92)	(92)
At 30 June 2019	**680,768**	**11,574**	**12,436**	**19,340**	**43,350**

Issued capital

During February 2019, the Company completed a £969,000 placing by issuing 57,000,000 new ordinary shares of 1.7p each in the capital of the Company at a price of 1.7p per share.

During April 2019 the Company issued 14,864,533 new Ordinary Shares of nominal value 1.7p each in the capital of the Company at a price of 1.7p to 2p per share. On issue of the shares, an amount of £19,000 was credited to the Company's share premium reserve. The shares issued were used to pay certain contracted managers and third-party service providers and the 5% Sanderson fee on drawdown.

During June 2019 the Company issued 37,200,000 new ordinary shares of nominal value 1.7p each in the capital of the Company at a price of 2p per share. On issue of the shares, an amount of £111,000 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 1p each in the capital of the Company which were sub-divided into one new ordinary share of 0.1p and one deferred share of 0.9p. 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.

On the 28 June 2019 at the AGM, Company passed a resolution approving that each of the currently issued ordinary shares of 1.7p ("Existing Ordinary Shares") in the capital of the Company be sub-divided into one new ordinary share of 0.1p ("New Ordinary Shares") and one deferred share of 1.6p ("Deferred Shares"). With effect from 8 July 2019 at 8.00am, each ordinary share in the Company have a nominal value of 0.1p per share.

9. Share Based payments

9.1. Warrants

Details of warrants outstanding as at 30 June 2019:

Grant date	Expiry date	Exercise price	Number of warrants* 000's
29 July 2016	28 July 2019	8.5p	2,241
19 Sep 2018	20 Sep 2023	2.5p	2,000
			4,241

These warrants were issued to advisers of the Group.

	Weighted average ex. price	Number of warrants* 000's
Outstanding warrants at 1 January 2019	5.74p	5,710
- granted		-
- cancelled/expired/forfeited	5.95p	1,469
Outstanding warrants at 30 June 2019	5.67p	4,241

9.1. Share options reserve

Details of share options outstanding as at 30 June 2019:

Grant date	Expiry date	Exercise price	Number of shares* 000's
16-Jan-14	15-Jan-20	33.83p	6

27-Mar-14	26-Mar-20	39.10p	1,274
12-Sep-14	11-Sep-20	29.92p	132
20-Mar-15	19-Mar-21	22.44p	1,529
16-Jun-15	15-Jun-21	22.44p	382
12-Jan-16	11-Jan-22	7.14p	4,088
23-Feb-16	22-Feb-22	12.58p	176
05-Aug-16	05-Aug-22	10.20p	1,471
21-Mar-17	20-Mar-23	7.50p	7,907
01-Feb-18	31-Jan-24	4.50p	11,400
			28,365

	30 June 2019	31 Dec 2018
Opening amount	**1,032**	1,325
Warrants issued costs	**-**	23
Share options issued to employees	**-**	26
Share options issued to directors and key management	**73**	132
Forfeited Options	**-**	(67)
Expired Options	**-**	(206)
Expired Warrants	**(42)**	(201)
Closing amount	**1,063**	1,032

	Weighted average ex. price	**Number of shares* 000's**
Outstanding options at 1 January 2018	8.95p	28,365
- granted	-	-
- cancelled/expired/forfeited	-	-
Outstanding options at 30 June 2019	8.95p	28,365

9.2. Share options reserve

On 1 February 2018, 9,600,000 options were issued to persons who discharge director and managerial responsibilities ("PDMRs") and a further 3,000,000 options have been granted to other non-board members of the senior management team. The options have an exercise price of 4.5p, expire after 6 years, and vest in two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve-month period.

9.3. Share Payments for services rendered.

During the period, the company issued 52,065,000 Ordinary Shares, at an issue price of 1.7p and 2.0p per share to key management and employees project contractors of the company and other third parties in settlement of outstanding invoices of £1,015,000.

The total shares issued during period for services rendered was as follows:

	Number of shares granted	**Fair value per share issued**	**Period ended 30 June 2019 Value of**

	‘000		services rendered £’000
Key management for advances and fees	8,754	1.70p	148
Sanderson Convertible note	24,750	2.00p	495
Sanderson for services	2,427	2.00p	49
Payments to project contractors and services	1,434	2.00p	29
Short Term Working Capital Bridging Finance	14,700	2.00p	294
	52,065		**1,015**

10. **Non-Controlling Interest**

	Period Ended 30 June 2019 £’000	Year Ended 31 Dec 2018 £’000
As at 1 January	**1,075**	-
Acquisitions of non-controlling interest (“NCI”)	**-**	962
Estimated non-controlling interest on future period claims on assets	**(3)**	113
Result for the year	**2**	-
	1,074	1,075

As at the 30 June 2019 the Government of Ethiopia had a 5% shareholding in the Tulu Kapi Gold Project. The NCI of £1,074,000 reflects value of the assets owned by the Government of Ethiopia in the Tulu Kapi Gold Project as at the 30 June 2019. The 5% figure will be reviewed on a continual basis as the project is developed.

The Mining Proclamation entitles the Government of Ethiopia (GOE) to 5% free carried interest in TKGM. The 5% Non-Controlling interest reflects the government interest in the TKGM gold project. The GOE is not required to pay for the 5% free carry interest. This is a non-dilutive shareholding. The GOE can acquire additional interest in the share capital of the project at market price. The GOE has committed US $20,000,000 to install the off-site infrastructure in exchange for earning equity in Tuli Kapi Gold Mine Share Company.

The accumulated non-controlling interest is made up of the following of two amounts.

The amount of £963,000 (£962,000) is the 5% of the net assets of the Tulu Kapi Gold Mine Share Company as at 30 June 2019. The cash balance in the of the Tulu Kapi Gold Mine Share Company as at 30 June 2019 is £16,809 (£17,186).

The Ministry of Mines is in the process of reviewing development costs incurred after the 31 December 2014. The Company estimates that an amount of £111,000(£113,000) will be recorded after this review is completed.

Most of the expenditure in TKGM has been capitalized so the result of the year is negligible.

The non-controlling interest of £1,074,000 reflects the 5% GOE portion of the anticipated value of the assets to be registered by the Ministry of Mines.

The financial information for Tulu Kapi Gold Mine Share Company as at 30 June 2019:

	Period 30 June 2019 £’000	Year Ended 31 Dec 2018 £’000
Summarized Balance Sheet:		

Non-current assets	**19,991**	19,595
Current assets	**25**	28
Cash and Cash equivalents	**17**	17
	20,033	19,640
Equity	**19,256**	19,242
Loss Current Year	**(3)**	(2)
Current liabilities	**780**	400
	20,033	19,640

11. Trade and other payables

	30 June 2019	31 Dec 2018
	£'000	£'000
Accruals and other payables	**2,244**	2,061
Other loans	**208**	203
Payable to joint venture partner (Note 14.3)	**152**	152
Payable to Key Management and Shareholder (Note 14.3)	**1,075**	696
	3,679	3,112

Other loans are unsecured, interest free and repayable on demand.

12. Loans and Borrowings

12.1.1 Short Term Working Capital Bridging Finance

	Currency	Interest	Maturity	Repayment
Unsecured working capital bridging finance	GBP	Variable. Rate see below	On Demand	In KEFI Ordinary Shares or Cash at market price

Unsecured working capital bridging finance	**Balance 1 Jan 2019 £'000**	**Principal Amount £'000**	**Transaction Costs £'000**	**Interest £'000**	**Repayment Shares £'000**	**Repayment Cash £'000**	**Period 30 June 2019 £'000**
Repayable in cash in less than a year	**130**	**100**	**-**	**40**	**-**	**(270)**	**-**
Repayable in Kefi Ordinary Shares at the option of the lender in less than a year	**-**	**62**	**-**	**15**	**(77)**	**-**	**-**
Repayable in Kefi Ordinary Shares at the option of the borrower in less than a year	**485**	**425**	**-**	**189**	**(294)**	**-**	**805**
	615	**587**	**-**	**244**	**(371)**	**(270)**	**805**

Unsecured working capital bridging finance	Balance 1 Jan 2019 £'000	Principal Amount £'000	Transaction Costs £'000	Interest £'000	Repayment Shares £'000	Repayment Cash £'000	Year Ended 31 Dec 2018 £'000
Repayable in cash in less	-	100	10	20	-	-	130

than a year	-	400	5	80	-	-	485
Repayable in Kefi Ordinary Shares at the option of the lender in less than a year							
	-	500	15	100	-	-	615

The Group has the option to access working capital from certain existing stakeholders for up to GBP £1.5 million. This unsecured working capital bridging finance is short term debt which is unsecured and ranks below other loans. In the event the Group is unable to pay this finance it will be repaid after other debt securities have been paid. Management expects that the company will meets its contractual obligation on the bridging finance on a timely basis going forward.

12.1.2 Reconciliation of liabilities arising from financing activities

	Cash Flows					
	Balance 1 Jan 2019	**Inflow**	**(Outflow)**	**Finance Costs**	**Shares**	**Balance 30 June 2019**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Unsecured working capital bridging finance	**615**	**587**	**(270)**	**244**	**(371)**	**805**
Secured convertible loan facility 12.2	**-**	**525**		**-**	**(450)**	**75**
	615	**1,112**	**(270)**	**244**	**(821)**	**880**

12.2 Secured Convertible loan facility

On the 28 November 2018, the Company had entered into an up to £4,000,000 secured convertible loan facility with Sanderson Capital Partners Limited. On 5 August 2019, the Company restructured arrangements with a new unsecured £1,500,000 facility (see note 17). As part of the restructure, security on the original facility has been released which gives the Company additional flexibility in structuring the remaining portion of Tulu Kapi's funding.

As at the 30 June 2019 the Company had issued a drawdown notice under the original facility of £900,000 of which £375,000 was receivable after the 30 June 2019.

For accounting purposes, the secured convertible loan facility should be separated into their liability and equity components by first valuing the liability component. The fair value of the equity component (conversion feature) was determined at the 30 June 2019 based on the amount outstanding of £75,000. The difference between the face value of the secured convertible loan facility and the fair value of the liability component, was immaterial hence the secured convertible loan facility has not been separated into the liability and equity components.

	Number of shares* 000's	**30 June 2019**	**Number of shares* 000's**	**31 Dec 2018**
Opening Balance		**-**		-
Transaction Fees		**45**		380
Repayment of transaction fees: Shares issued	**2,250**	**(45)**	18,000	(380)
Drawdown of convertible loan notes		**525**		-
Repayment of convertible note: Shares issued	**22,500**	**(450)**		-
Closing Balance		**75**		-

13. Joint venture agreements

KEFI Minerals provides the Saudi based Gold & Minerals Joint Venture, (KEFI 40%, Saudi construction and investment group Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR") 60%) with technical advice and assistance, including personnel to manage and supervise all exploration and technical studies in Saudi. ARTAR provides administrative advice and assistance to ensure that the G&M Joint Venture remains in compliance with all governmental and other procedures.

14. Related party transactions

The following transactions were carried out with related parties:

14.1 Compensation of key management personnel

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

	Six months ended 30 June 2019	Six months ended 30 June 2018
	£'000	£'000
Directors' fees	**253**	256
Directors' other benefits	**23**	27
Share-based benefits to directors	**35**	39
Directors bonus paid in shares	**-**	160
Key management fees	**417**	423
Key management other benefits	**21**	20
Share-based benefits to key management	**22**	23
Key management bonus paid in shares	**-**	77
	771	1,025

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 two equal annual instalments, the first upon the achievement of practical completion of the planned processing plant at the Tulu Kapi Gold Project and the second upon the achievement of nameplate capacity for a twelve-month period on the performance obligations set at the time of issuing the options and expire after 6 years.

14.2 Transactions with shareholders and related parties

Name	**Nature of transactions**	**Relationship**	**Transaction to period end 30 June 2019 £'000**	Transaction to period end 30 Dec 2018 £'000
Sanderson Capital Partners	Provision of other professional services	Shareholder	**49**	-
Lanstead Capital	Equity swap agreement: Subscription cash proceeds received	Shareholder	**-**	409
Sanderson Capital Partners	Loan facility, option, legal and due diligence fees- Refer to Note 12	Shareholder	**570**	380
Brandon Hill Capital Limited	Broker fees	Shareholder	**30**	60
Brandon Hill Capital Limited	Loan arrangement fee	Shareholder	**-**	38
Brandon Hill Capital Limited	Share placement fee	Shareholder[1]	**30**	143
Winchombe Venture Limited	Receiving of management and other professional services	Key Management and Shareholder	**268**	566
Members of International Mining Performance	Interest paid on loans advanced	Key Management and Shareholder	**15**	50
Nanancito Limited	Receiving of management and other professional services	Key Management and Shareholder	**100**	440
			1,062	2,086

14.3 Payable to related parties

The Group			30 June 2019	30 Dec 2018
Name	**Nature of transactions**	**Relationship**	**£'000**	£'000
Abdul Rahman Saad Al-Rashid & Sons Company Limited ("ARTAR")	Finance	Jointly controlled entity partner	**152**	152
Winchombe Ventures Limited	Fees for services	Key Management and Shareholder	**344**	148
Nanancito Limited	Fees for services	Key Management and Shareholder	**656**	548
Sanderson Capital Partners	Finance -Refer to Note12	Shareholder	**75**	-
			1,227	848

15. **Contingent liabilities**

15.1 Geological database

In 2011, KEFI Minerals completed the sale the Company's Artvin Project in north-eastern Turkey to a Turkish mining company. The Artvin Project comprised 15 Exploration Licences located in the Eastern Pontide Belt in north-eastern Turkey. Kackar Madencilik San. Tic. Ltd, 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.

The Company successfully divested four Licences in Turkey in July 2011 to AIM listed Ariana Resources (AIM:AAU) for a nominal cash payment of 10,000 Turkish Lira, 910,747 new ordinary shares in Ariana and a Net Smelter Royalty ("NSR") of 2%. The NSR is payable by Ariana's wholly owned Turkish subsidiary Galata Madencilik San. ve Tic. Ltd. ("Galata") to KEFI Mineral's Turkish Subsidiary, Dogu, on commercial production of any mineral from the licences

15.2 Charges issued

The Company created a fixed charge (13 August 2015) in favour of AIB Group (UK) Plc over amounts held in the Company's deposit accounts with the bank in regard to credit banking facilities provided by the bank. At 30 June 2019; the balance in the deposit accounts was £20,000.

The secured convertible loan facility (see Note 12.2) was secured by the Company's shareholding in Kefi Minerals (Ethiopia) Limited as at the balance date. However, on 5 August, this security was released.

15.3 Legal Allegations

The claim for damages of USD9,000,000 (approximately ETB240 million) had been lodged against KEFI in 2014 based on the impact of exploration field activities conducted between 1998 and 2006, a period which pre-dated KEFI's involvement in the Tulu Kapi Gold Project. These exploration activities comprised the construction of drill pads and access tracks. No objections had been made until 2014 when certain parties from outside the Tulu Kapi district raised the matter and initiated court action against KEFI. The Oromia Regional Supreme Court in 2018 rejected 95% of these claims as having no legal basis and reduced KEFI's potential liability to £435,000. KEFI's appeal to the Court with regards to the remaining £435,000 has now succeeded and the Company is no longer liable for any damages. If another appeal is raised, which remains a possibility, KEFI would defend its position on the basis that it remains firmly of the belief, on legal advice and as previously reported, that it has no contingent or actual liability

16. **Capital commitments**

	30 June 2019 [1]£'000	31 Dec 2018 £'000
Tulu Kapi Project costs	**84**	115
Saudi Arabia Exploration costs committed to field work that has been recommenced	**420**	410

Summary of estimated not contracted project capital cost:
Once the Company and its partners in Tulu Kapi Gold Mine Share Company Limited start development at the Tulu Kapi Gold Project (the "Project") the Company will have project capital commitments. The following table summarizes the 24-month development Project estimated future capital commitments shown on an undiscounted basis.

	30 June 2019 £'000	30 June 2019 USD'000
On site Infrastructure	**83,465**	106,000
Mining	**22,835**	29,000
Off-site Infrastructure	**15,748**	20,000
Owner's Costs (community, working capital, management, spares, contingency reserves)	**43,307**	55,000
Interest during grace and other finance effects	**25,984**	33,000
[1]Total of not Contracted Project Capital Costs	**191,339**	243,000

[1]The disclosed project capital costs above are based on estimates available at the date of the report. These estimated project capital costs are subject to change.

17. Events after the reporting date

Share Capital Reorganisation
At the AGM on 28 June 2019, KEFI Minerals plc passed a resolution approving that each of the currently issued ordinary shares of 1.7p ("Existing Ordinary Shares") in the capital of the Company be sub-divided into one new ordinary share of 0.1p ("New Ordinary Shares") and one deferred share of 1.6p ("Deferred Shares"). With effect from 8 July 2019 each ordinary share in the Company will therefore have a nominal value of 0.1p per share.

Convertible Loan Note Restructuring
Since the period end, the Company has restructured its working capital convertible loan facilities with the result that security on the existing convertible loan facility has been released and a new additional unsecured facility has been arranged.

The new two-year unsecured convertible loan facility, initially of £1.5 million (arranged in August) was subsequently increased to £2.25 million in September, Under the terms of the facility, funds can be drawn down in multiples of £250,000 drawn not less than 2 weeks apart. The notes can be repaid in cash unless converted by the lender beforehand at conversion price of the lower of 2p fixed or 90% of the lowest VWAP in the previous three days prior to the date of conversion.

Since the end of the period under review, the Company has issued shares to repay convertible loan notes as follows:

- 17,510,944 New Ordinary Shares on 20 August 2019 to repay £160,000;
- 16,941,604 New Ordinary Shares on 2 September 2019 to repay £125,000;
- 21,111,226 New Ordinary Shares on 11 September 2019 to repay £175,000;
- 4,825,423 New Ordinary Shares on 13 September 2019 to repay £40,000; and
- 19,020,557 New Ordinary Shares on 16 September 2019 repay £175,000.