

KIBO MINING PLC

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UNLOCKING VALUE IN TANZANIA

Kibo Mining (KIBO:AIM) is an Irish registered mineral exploration company with gold and nickel projects in Tanzania, East Africa. It listed on Aim in April 2010 and in May 2011 completed a dual listing on AltX of the Johannesburg Stock Exchange (JSE) in South Africa. This was followed by a ZAR 12 million (£1.1 million) equity placing which it will use to advance exploration and development of its Tanzanian projects during 2011.

Kibo's lead projects comprise an option on two gold properties, Itetemia and Luhala, with a combined resource of about 0.5 million ounces located close to operating mines in the Lake Victoria Goldfield region of northern Tanzania and a wholly owned nickel-platinoid project further south near the city of Dodoma. It has also recently acquired a large portfolio of favourably located exploration ground, primarily prospective for gold close to its gold resource projects in northern Tanzania and within the newly

emerging gold areas of southern and eastern Tanzania.

The £9 million cap. company believes Tanzania is one of the best locations for mineral exploration in Africa having a diverse and under explored geology, improving mine infrastructure and a ready pool of experienced technical personnel - a number of large gold mines have been developed over the last 15 years.

Politically, the country has a stable government, a transparent licensing, tax and fiscal regime and strong government support for investment in the mineral sector.

A recent transaction with the Cyprus-based Mzuri Capital Group has significantly increased Kibo's project portfolio and operational capacity in Tanzania as Mzuri has a track record of successful investment and operation in the country.

Gold projects

Kibo's two gold projects, Itetemia and Luhala, contain published resources of 0.42 million and 0.12 million ounces respectively (JORC standard). Kibo is earning a 90% interest in Itetemia and 100% interest in Luhala through an option and royalty agreement with a Canadian company,



Source: Kibo Mining

Tanzania Royalty Exploration Limited which is making the transition from gold explorer to gold producer in Tanzania. Tanzania's parastatal mining company (STAMICO) holds the remaining 10% interest in Itetemia. Kibo has already begun pre-feasibility work with a view to establishing an open-pit mine on the near surface part of Golden Horseshoe Reef, the geological structure that hosts the gold mineralisation at Itetemia. Independent consultant resource modelling and optimisation studies during 2009 and an economic assessment study during 2010 have indicated good potential for a profitable mine at a gold price above \$1,300 per ounce.

Luhala, the company's other resource based gold project, is located some 60 kilometres east of

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Itetemia and while at an earlier stage of exploration it has a number of drill ready targets where Kibo is confident it can significantly increase the existing resource of 112,000 ounces. Both Itetemia and Luhala benefit from being located close to operating and developing mines in the Lake Victoria region. Itetemia is situated just five kilometres east of African Barrick Gold's Bulyanhulu Mine while Luhala is about 40 kilometres south east of the Nyanzaga gold project on which African Barrick is currently carrying out feasibility studies. Kibo also holds a large licence portfolio of gold prospective early stage exploration ground in this highly gold endowed Lake Victoria gold field region of northern Tanzania.

Kibo's other projects are earlier-stage exploration projects but results from sampling to date have indicated strongly anomalous metal values in soil, trench and rocks at a number of locations. The Haneti project, located just north of Tanzania's official capital, Dodoma, is prospective for nickel, gold and platinum minerals and preliminary drill targets have already been established. The Morogoro project comprises a large portfolio of mineral licences in the newly emerging gold fields of south

and eastern Tanzania between the regional centres of Tanga, Morogoro and Dodoma. This area has received much attention in recent times with new gold discoveries by artisanal miners and by Canaco Resources, where high grade gold drill intersections are being encountered at the Magambazi discovery.

Work schedule

Following the recent corporate transaction with Mzuri, dual listing on the JSE and new board appointments, Kibo believes it is now well positioned to fund and advance its exploration and development plans for its Tanzanian mineral assets. At Itetemia, pre-feasibility work is continuing and the company is presently awaiting the results from metallurgical test samples for which results are expected shortly.

Optimisation and economic assessment studies carried out during 2009 and 2010 by the firm's consultants have indicated positive investment return for a preliminary open-pit mining operation at the site either as a standalone operation or through an off-take agreement with one of the existing producing mines in the region. Following a successful

drill programme at Luhala during 2010, Kibo plans to follow up with further drilling during 2011 on a number of shallow ore zones from which it believes it can substantially increase the present ore resource of 112,000 ounces of gold. The company is currently commissioning an aerial geophysical survey over Haneti and will further evaluate a number of existing targets at Haneti and Morogoro during 2011 including drilling where appropriate.

Now that all the pieces are in place Kibo is looking forward to unlocking the value in its Tanzanian mineral assets over the next 12 months and is confident of a successful exploration season during 2011.



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Sector: Mining

Sub-sector: General Mining

Share price: 2.62p

Vital stats:

Market capitalisation: £9 million

Historic PE 2010: n/a

Prospective PE 2011: n/a

Prospective PE 2012: n/a

1-month relative strength: -9.8%

1-year relative strength: +35.2%

Prospective dividend yield: n/a

Bid/offer spread: 9.1%

