

KIBO MINING PLC

Proposed Subscription, Acquisition, Placing and Listing on the JSE

Dated: 30 December 2010

The Directors of Kibo Mining plc ("Kibo" or the "Company") (AIM: KIBO) the mineral exploration and development company focused on gold and nickel projects in Tanzania is pleased to advise that the Company has entered into an agreement with Mzuri Gold Limited ("Mzuri") that comprises three parts:

1. The Subscription

Mzuri is proposing to subscribe for 16,666,667 new Ordinary Shares in the share capital of Kibo at an issue price of 3p per share (the "Subscription Shares") to raise £500,000.

2. The Acquisition

Kibo is proposing to acquire the entire issued share capital of Morogoro Gold Limited ("Morogoro"), a wholly owned subsidiary of Mzuri for £1,700,000 by the issue of 56,666,667 new Ordinary Shares in the Company at an issue price of 3p per share (the "Acquisition Shares"). Morogoro owns 100% of the issued share capital of Jubilee Resource Limited ("Jubilee") and Savannah Mining Ltd ("Savannah"). Jubilee and Savannah are to explore and develop exploration portfolios of owned prospecting licenses, offers and applications ("Mineral Assets" or "Tenements") in respect of mineral properties prospective for gold and other minerals held by Jubilee in Morogoro in Tanzania and by Savannah in the Lake Victoria areas of Tanzania.

At the initial completion Mzuri shall subscribe for the Subscription Shares and Kibo shall purchase the entire issued share capital of Morogoro in accordance with the provisions the agreement.

Following the completion of the Subscription by Mzuri for the Subscription Shares and the Acquisition of Morogoro by Kibo, Kibo proposes to list on the JSE.

3. The JSE listing

The dual listing of the enlarged issued share capital of the Company on the JSE Limited (the "JSE") in South Africa. Kibo will undertake a placing in South Africa to raise no less than ZAR12,000,000 by the issue of new Ordinary Shares in the share capital of Kibo ("the Placing Shares"), underwritten by Mzuri to the extent that Mzuri shall not, immediately subsequent to any subscription it may make pursuant to the underwriting, own more than 29.9% of the Ordinary Shares then in issue. Mzuri undertakes to subscribe at the underwriting price for any shortfall up to a maximum of ZAR12,000,000 as and when Kibo has in issue sufficient Ordinary Shares so as not to trigger a mandatory offer under the Takeover Code of the Irish Panel on Takeovers and Mergers

Proposed Non-executive Directors

Effective from the initial completion date, Mr. Tinus Maree and Mr. Andrew Lianos, directors of Mzuri and other companies in the Mzuri group, will be appointed as Non-executive Directors of Kibo.

Tinus Maree, aged 48, BLC, LLB, Non-executive Director. Tinus Maree is a lawyer by profession. He has served on the boards of a number of public companies Goldsource Mines Limited, Africo Resources Limited and Diamondworks Limited that have made significant successful investments in exploration projects in Africa and North America, and has more recently served as the CEO of private investment companies Rusaf Gold Limited and Mzuri Capital Group Limited, both of which have successfully developed and sold mineral projects in Tanzania in the last five years. He is also a principal of River Group and is responsible for the North American office in Vancouver, Canada.

Andrew Lianos, aged 44, B Comm (Hons), CA (SA), ACMA, CIA, Dip FMI, Non-executive Director. Andrew Lianos is a Chartered Accountant by profession. He is a principal of the River Group, an international corporate finance house and JSE sponsor licensed in South Africa. Andrew has many years of experience in advising and sponsoring growing companies Petmin Limited, Firestone Energy Limited and Diamondcore Limited who have invested in developing African countries like Angola, the Central African Republic, Nigeria, the Democratic Republic of Congo, Mozambique, South Africa and Tanzania. Andrew is responsible for the River Group's European office in Limassol, Cyprus. He also serves as a director of Mzuri Capital Group.

Mr Louis Coetzee, a Non-executive Director of the Company, is a Director of Mzuri and other companies in the Mzuri group and consequently the transaction will, under the AIM Rules, be considered to be a related party transaction.

A circular will be dispatched to Shareholders in the coming weeks detailing the transaction and providing information on Morogoro and its assets.

Noel O'Keeffe, C.E.O. of Kibo commented

“This transaction marks a major step forward for Kibo and places the Company at the centre of mineral exploration in Tanzania giving it large blocks of prospective ground and a strategic partner with proven operational experience and exploration success in the Country. Kibo's increased ground holding in the newly emerging gold fields of eastern and central Tanzania is particularly exciting, and together with our established projects at Morogoro and Haneti, will significantly increase the Company's chances of making new gold and base metal discoveries in these developing exploration regions..The Company's strategic relationship with Mzuri and planned listing on the JSE will also provide opportunities to source exploration and development funding both for these new areas and for our current projects as we progress.”

Additional Information

Morogoro Gold Limited

Morogoro Gold Limited is a Cyprus registered company that has beneficial interests in a large portfolio of Mineral Assets in Tanzania through its wholly owned Tanzanian subsidiaries Savannah Mining Ltd and Jubilee Mining Limited. The Mineral Assets are located in northern and south eastern Tanzania and comprise early stage exploration projects covering a total area of 11,941 km². No mineral resources have been established to date on the tenement blocks and they are all grass-roots exploration areas.

Tenement details

Savannah Tenements

The Savannah Mineral Assets are located in Tanzania's principal gold producing and exploration region, the Lake Victoria Goldfields and comprise a total area of 3,034 km². They can be conveniently divided in to 6 licence blocks spread over the Mwanza, Shinyanga and Kagera regions. Most of the blocks are close to existing mines and gold occurrences and provide Kibo with a number of strategically located early stage exploration areas in this prolific gold producing region of northern Tanzania. Savannah has to date carried out some early stage soil sampling, pitting and trenching surveys on some of the licence blocks and a number of anomalous gold results have been delineated for follow-up work.

Thirty of the Savannah tenements covering a total area of ~ 950 km² re the subject of Vend-in agreements with local licence holders who retain up to a 1.5% Net Smelter Royalty ("NSR) in the areas. Savannah will earn a 100% interest in 28 of these tenements and a 90% interest in the remaining two tenements. Apart from these 30 tenements the subject of vend-in agreements, Savannah holds an unencumbered 100% direct interest in all other tenements.

Jubilee Tenements

The Jubilee Mineral Assets are located between the regional centres of Morogoro and Dodoma in south eastern Tanzania and cover a total area of 8,906 km². In contrast to the Savannah properties, they cover younger Proterozoic age rocks which have recently been attracting much attention in Tanzania due to a number of new discoveries by artisanal miners in these non-traditional gold producing areas. The prospectivity of this region of Tanzania was further enhanced with the discovery of the Magambazi prospect by Canaco Resources Ltd (TSX-V: Can) in 2009 near the town of Handeni where thick high grade gold drill intersections were encountered.. The Jubilee tenements can be conveniently divided in to two main blocks, an area of ~ 4,000 km² southwest of the town of Handeni and east of Dodoma (the Dodoma Block) and an area of ~ 4,900 km² south and west of Morogoro (the Morogoro Block). The south western part of Dodoma Block is contiguous with an area of alluvial and hard rock artisanal gold mining activity and a preliminary stream sediment sampling survey by Jubilee over a portion of the Dodoma Block in this area has returned anomalous gold values. The Morogoro Block which includes part of the rugged Uluguru Mountains is contiguous with Kibo's Morogoro project and gives the Company a large strategic ground holding in this newly emerging goldfield in Tanzania. It is also noteworthy that within and adjacent to some of the Jubilee tenements there are frequent base metal occurrences such as copper and lead which bodes well for the prospectivity of these areas for base metals as well as gold.

Jubilee holds an unencumbered 100% direct interest in all tenements.

Review by qualified person

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information reviewed by Noel O'Keeffe, PGeo, who is a Member of the Institute of Geologists of Ireland. Noel O'Keeffe is a director of Kibo. Noel O'Keeffe has at least five years experience within the sector which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a qualified person. Noel O'Keeffe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Enquiries:

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Updates on the Company's activities are regularly posted on its website
www.kibomining.com