

Kibo Mining Plc
(Incorporated in Ireland)
(Registration Number: 451931)
(External registration number: 2011/007371/10)
Share code on AIM: KIBO
Share code on the AltX: KBO
ISIN: IE00B97C0C31
("Kibo" or "the Company" or together with its subsidiaries "the Group")



Condensed Consolidated Annual Financial Results of for the year ended 31 December 2017

Dated: 14 June 2018

Kibo Mining plc ("Kibo" or the "Company") (AIM: KIBO; AltX: KBO), the mineral exploration and development company focused on gold, nickel and coal and projects in Africa, is pleased to release its condensed consolidated annual financial results for the year ended 31 December 2017. The Company's Annual Report, which contains the full financial statements accompanying this announcement, is in the process of being prepared for dispatch to shareholders. A copy of this Annual Report will also be available from the Company's website at www.kibomining.com. Details of the date and venue for this year's AGM will be announced on posting of the Annual Financial Results.

Highlights from the Chairman, Christian Schaffalitzky's statement:

2017 was a challenging year for Kibo as we pushed ahead with our efforts to complete a Power Purchase Agreement (PPA) for our flagship Mbeya Coal to Power Project (MCP) amid significant upheavals and changes in the Tanzanian mining policy and regulatory environment. As might be expected, these events have impacted on our anticipated time line to finalise a PPA with the Tanzanian Government and complete Financial Close on the project. I am delighted to reflect that despite these delays, at the end of 2017, the Tanzanian Government reconfirmed in writing its strong support for the MCP as an important component of its national energy strategy and undertook to expedite finalisation of the PPA. As you are no doubt aware, this commitment was backed up when we signed a Memorandum of Understanding (MOU) with TANESCO (the Tanzanian state electricity company) in February 2018 as a preparatory step to finalising a PPA. Management is now in advanced negotiation with TANESCO on the finalisation of the full PPA.

Kibo Mining's main achievements in 2017 were:

- The publication of the MCP Integrated Bankable Feasibility Study (IBFS) at the start of 2017. This was the culmination of 3 years' work by Kibo and the most important milestone in the development path for the project to date;
- Full environmental certification for both Mbeya Coal Mine as well as Mbeya Power Plant;
- The completion of the divestment of our resource-based gold assets, Imweru and Lubando, in northern Tanzania to AIM listed Katoro Gold PLC in which we retain a 56.7% interest; and
- The terms of the forward payment facility agreed in December 2016 with Sanderson Capital Partners were mutually revised in September 2017 allowing for an extension to the drawdown schedule and part re-payment of funds already drawn by the issue of a convertible loan note to Sanderson which it immediately converted to Kibo shares.

Condensed Consolidated Financial Results for the year ended 31 December 2017

Condensed Consolidated Statement of Comprehensive Income

	Year ended 31 December 2017	Year ended 31 December 2016
	Audited £	Audited £
Revenue	-	18,039
Administrative expenses	(1,871,697)	(1,653,152)
Capital raising fees	(908,543)	(1,648,004)
Exploration expenditure	(1,741,018)	(1,716,967)
Operating loss	(4,521,258)	(5,000,084)
Investment and other income	1,445	1,414,668
Loss from ordinary activities before tax	(4,519,813)	(3,585,416)
Taxation	-	-
Loss for the period	(4,519,813)	(3,585,416)
Other comprehensive gain:		
Exchange differences on translation of foreign operations	16,985	99,128
Adjustment arising from change in non-controlling interest	-	1,527,515
Other Comprehensive gain for the period net of tax	16,985	1,626,643
Total comprehensive loss for the period	(4,502,828)	(1,958,773)
Loss for the period	(4,519,813)	(3,585,416)
Attributable to the owners of the parent	(3,712,707)	(3,611,496)
Attributable to the non-controlling interest	(807,106)	26,080
Total comprehensive loss for the period	(4,502,828)	(1,986,288)
Attributable to the owners of the parent	(3,689,196)	(1,984,853)
Attributable to the non-controlling interest	(813,632)	26,080
Loss Per Share		
Basic loss per share	(0.010)	(0.010)
Diluted loss per share	(0.010)	(0.010)
Headline loss per share	(0.010)	(0.010)

Condensed Consolidated Statement of Financial Position

	31 December 2017	31 December 2016
	Audited	Audited
	£	£
Assets		
Non-Current Assets		
Property, plant and equipment	7,650	9,107
Intangible assets	17,596,105	17,596,105
Total non-current assets	17,603,755	17,605,212
Current Assets		
Trade and other receivables	59,046	50,633
Cash	766,586	382,339
Total current assets	825,632	432,972
Total Assets	18,429,387	18,038,184
Equity and Liabilities		
Equity		
Called up share capital	14,015,670	13,603,965
Share premium account	28,469,750	27,318,262
Control reserve	2,097,442	-
Share based payment reserve	556,086	514,279
Translation reserve	(268,506)	(285,491)
Retained deficit	(26,534,653)	(23,625,367)
Attributable to equity holders of the parent	18,335,789	17,525,648
Non-controlling interest	(1,383,388)	(1,435)
Total Equity	16,952,401	17,524,213
Liabilities		
Current Liabilities		
Trade and other payables	266,218	146,380
Borrowings	1,210,768	251,928
Provisions	-	115,663
Total Current Liabilities	1,476,986	513,971
Total Equity and Liabilities	18,429,387	18,038,184

Condensed Consolidated Statement of Changes in Equity

	Share Capital	Share premium	Treasury shares	Total share capital	Share based payment reserve	Foreign currency translation reserve	Control reserve	Total reserves	Retained deficit	Non- Controllin g Interest	Total
All figures are stated in Sterling	£	£	£	£	£	£	£	£	£		£
Balance as at 31 December 2015	13,210,288	25,782,519	(44,464)	38,948,343	514,279	(384,619)	-	129,660	(21,541,386)	-	17,536,617
Loss for the year	-	-	-	-	-	-	-	-	(3,611,496)	26,080	(3,585,416)
Adjustment arising from change in non- controlling interest	-	-	-	-	-	-	-	-	1,527,515	(27,515)	1,500,000
Other comprehensive income - exchange differences on translating foreign operations	-	-	-	-	-	99,128	-	99,128	-	-	99,128
Proceeds of share issue of share capital	393,677	1,335,876	-	1,729,553	-	-	-	-	-	-	1,729,553
Allotment of treasury shares	-	199,867	44,464	244,311	-	-	-	-	-	-	244,311
	393,677	1,535,743	44,464	1,973,884	-	99,128	-	99,128	(2,083,981)	(1,435)	(12,404)
Balance at 31 December 2016	13,603,965	27,318,262	- 40,922,227	514,279	(285,491)	-	228,788	(23,625,367)	(1,435)	17,524,213	
Loss for the year	-	-	-	-	-	-	-	-	(3,712,707)	(807,106)	(4,519,813)
Adjustment arising from acquisition of subsidiary	-	-	-	-	-	(302,117)	2,097,442	1,795,325	803,421	(568,321)	2,030,425

Other comprehensive income - exchange differences on translating foreign operations	-	-	-	-	-	319,102	-	319,102	-	(6,526)	312,576
Share options issued during the current period	-	-	-	-	41,807	-	-	41,807	-	-	41,807
Proceeds of share issue of share capital	411,705	1,151,488	-	1,563,193	-	-	-	-	-	-	1,563,193
	411,705	1,151,488	-	1,563,193	41,807	16,985	2,097,442	2,156,234	(2,909,286)	(1,381,953)	(571,812)
Balance at 31 December 2017	14,015,670	28,469,750	-	42,485,420	556,086	(268,506)	2,097,442	2,385,022	(26,534,653)	(1,383,388)	16,952,401

Condensed Consolidated Statement of Cash Flow

All figures are stated in Sterling

	31 December 2017	31 December 2016
	Audited	Audited
	£	£
Cash flows from operating activities		
Loss for the period before taxation	(4,519,813)	(3,585,416)
Adjustments for:		
Foreign exchange gain	249,437	124,884
Depreciation on property, plant and equipment	2,738	8,228
Investment income	-	(1,815)
Share based remuneration to directors	260,000	-
Deal cost settled in shares	155,539	-
Movement in provisions	(115,663)	115,663
Liabilities settled in shares	-	1,648,004
Deemed cost of listing	206,680	-
	(3,761,082)	(1,690,452)
Movement in working capital		
(Increase)/ Decrease in debtors	(8,413)	500,059
Increase/ (Decrease) in creditors	119,838	(160,417)
	111,425	339,642
Net cash outflows from operating activities	(3,649,657)	(1,350,810)
Cash flows from financing activities		
Proceeds of issue of share capital	1,818,345	-
Repayment of borrowings	-	(200,000)
Proceeds from borrowings	1,751,326	1,751,928
Investment income	-	1,815
Net cash proceeds from financing activities	3,569,671	1,553,743
Cash flows from investing activities		
Net cash flow from acquisition of subsidiaries	465,408	(1,000)
Purchase of property, plant and equipment	(1,175)	(9,029)
Net cash used in investing activities	464,233	(10,029)
Net increase in cash	384,247	192,904
Cash at beginning of period	382,339	189,435
Cash at end of the period	766,586	382,339

Notes to the condensed consolidated financial results for the year ended 31 December 2017

1. General information

Kibo Mining Plc ("the Company") is a public limited company incorporated in Ireland. The consolidated annual financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Company's shares are listed on the AIM market ("AIM") of the London Stock Exchange plc and the Alternative Exchange of the Johannesburg Stock Exchange Limited (AltX). The principal activities of the Company and its subsidiaries are related to the exploration for and development of coal and other minerals in Tanzania.

2. Statement of Compliance and basis of preparation

The condensed consolidated annual financial results for the year ended 31 December 2017 have been prepared in accordance with framework concepts and the recognition and measurement criteria of International Financial Reporting Standards (IFRS and IFRC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU (IFRS, including the SAICA financial reporting guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, IAS 34 – Interim Financial Reporting), the Listings Requirements of the JSE Limited and the provisions of the Irish Companies Acts, 1963 to 2014 ('the Companies Acts').

These condensed consolidated annual financial results do not include all the information required for full financial statements and should be read in conjunction with the consolidated annual financial statements of the Group for the period ended 31 December 2017, which is available for inspection at the Company's registered offices.

The comparative amounts included in these condensed consolidated financial results include extracts from the audited consolidated annual financial statements for the period ended 31 December 2017.

All monetary information is presented in the functional currency of the Company being pound Sterling.

The Company's financial statements are prepared on the historical cost basis, other than intangible assets which is measured at fair value. The accounting policies have been applied consistently by Group entities and are similar to those applied in the prior period. The Group financial results have been prepared on a going concern basis.

These condensed consolidated financial results have been extracted from the audited financial statements but are not itself audited.

3. Statement of Accounting Policies

The accounting policies have been applied consistently to all periods presented in these condensed consolidated financial results using the accounting policies applied by the Group in its 31 December 2017 report, updated for any new accounting standards which became effective in the current year.

4. Responsibility Statement

The directors take full responsibility for the preparation of the report and that the financial information has been correctly extracted from the underlying financial statements. These financial results were prepared under the supervision of the Financial Director, Andreas Lianos.

5. Audit opinion

The consolidated annual financial statements were audited by the Company's auditors, Saffery Champness LLP. The auditors' report together with the financial statements is available for inspection at the Company's registered office. The auditors' report contains an emphasis of matter with regard to the realisation of certain assets, as follows:

Emphasis of Matter – Realisation of Assets

In forming our opinion on the financial statements, which is not modified, we considered the adequacy of disclosures made in Notes 11, 13 and 23 to the financial statements concerning the valuation of intangible assets, and investments in Group undertakings. The realisation of intangible assets of £17,596,105 (2016: £17,596,105), amounts due from Group undertakings of £24,402,788 (2016: £26,998,867) and investments in Group undertakings of £3,468,224 (2016: £1,700,000) included in the Company Statement of Financial Position are dependent on the economic exploitation of gold and coal reserves including the ability of the Group to raise sufficient finance to develop these projects.

6. Subsequent events

Mbeya Coal to Power Project

The Group made considerable progress in the Mbeya Coal to Power Project by signing a Memorandum of Understanding ("MOU") with the Tanzania Electric Supply Company ("TANESCO"), on 14 February 2018. This MOU is the precursor to the finalisation of the Power Purchase Agreement ("PPA") for the 300MW mine – mouth power station to be constructed in south-western Tanzania. Although the PPA has not been signed at the date of issue of the Annual Financial Statements, the Tanzanian Government's recent pledge to support the private sector is favourable to the Group and evidences the National government's commitment to all projects.

Strategies to complete the funding arrangements for this flagship project are ongoing.

Botswana Power Project Acquisition

On 3 April 2018, the Group completed the acquisition of an 85% interest in the Mabesekwa Coal Independent Power Project, located in Botswana. This acquisition is in line with the Group's strategy of positioning itself as a strategic regional electricity supplier in Southern Africa and creates many synergies with the MCPP in Tanzania.

As a result of the acquisition, 153,710,030 ordinary shares in Kibo were issued to Sechaba Natural Resources Limited ("Sechaba"). Sechaba retains a 15% interest in the Mabesekwa Coal Independent Power Project and gained the right to a seat on Kibo's board of directors. Initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue, as management is finalising outstanding areas with regard to the acquisition. As part of the terms of the acquisition, Mr Mashale Phumaphi joined the company as a non-executive director, however, he has subsequently resigned.

Share placements

Subsequent to year end, the company has raised the following placements:

- £750,000 in the placement of 17,647,060 ordinary Kibo shares at 4.25p per share;
- £1,500,000 in the placement of 28,571,428 ordinary Kibo shares at 5.25p per share;
- 8,370,716 ordinary shares in the company were issued, at a price of 5p per share, to Sanderson Capital Partners Limited ("Sanderson") as a partial settlement on the balance of funds drawn down under the forward payment facility between the Company and Sanderson. The shares issued are in respect of a repayment amount of \$568,712.

7. Litigation

There are currently no arbitration proceedings against the Group, or of which the Group is aware, which may have, or have had in the 12 months preceding the date of this report, a material effect on the consolidated annual financial results.

8. Dividends

There have been no dividends declared or paid during the current financial period.

9. Going Concern

The consolidated annual financial results have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors constantly review the business models of the Group and its operating subsidiaries to ensure sustainability and the ability to operate profitably and generate positive cash flows. Funding facilities are also reviewed regularly to ensure that the Group has sufficient facilities in place to finance its operations.

10. Basic, Dilutive and Headline Loss per share

The basic and dilutive loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

Basic and dilutive loss per share

The basic loss and weighted average number of ordinary shares used for calculation purposes comprise the following:

Basic and dilutive loss per share	31 December 2017 (£)	31 December 2016 (£)
Loss for the period attributable to equity holders of the parent	(3,712,707)	(3,611,496)
Weighted average number of ordinary shares for the purposes of basic loss per share	372,255,127	351,080,645
Basic loss per ordinary share	(0.010)	(0.010)

As the exercise price of the share options and warrants in issue is higher than the current market value as at reporting date, these option and warrants do not have a dilutive impact. Thus, there are no dilutive share options or warrants in issue as at year end which decreased the basic loss per share as indicated above.

Headline loss per share

Reconciliation of headline loss per share:

	31 December 2017 (£)	31 December 2016 (£)
Loss for the period attributable to normal shareholders	(3,712,707)	(3,611,496)
Reversal of impairment of Intangible assets/ (Impairment of Intangible assets)	-	-
Loss on disposal of subsidiaries	-	-
Bargain purchase from acquisition of Subsidiaries	-	-
Adjustment arising from change in non-controlling interest	-	-
Impairment of goodwill on acquisition of Subsidiaries	-	-
Headline loss for the period attributable to normal shareholders	(3,712,707)	3,611,496
Headline loss per ordinary share	(0.010)	(0.010)

11. Called up share capital and share premium

Details of authorised and issued capital are as follows:

	2017	2016
Authorised equity		
1,000,000,000 (2016: 1,000,000,000) Ordinary shares of €0.015 each	€15,000,000	€15,000,000
3,000,000,000 deferred shares of €0.009 each	€27,000,000	€27,000,000
	€42,000,000	€42,000,000
Allotted, issued and fully paid shares		
(2017: 395,254,364 Ordinary shares of €0.015 each)	£4,758,595	-
(2016: 363,976,596 Ordinary shares of €0.015 each)	-	£4,346,890
1,291,394,535 Deferred shares of €0.009 each	£9,257,075	£9,257,075
	£14,015,670	£13,603,965

	Number of Shares	Ordinary Share Capital (£)*	Deferred Share Capital (£)	Share Premium (£)	Treasury shares (£)*
Balance at 31 December 2016	363,976,596	4,346,890	9,257,075	27,318,262	-
Shares issued during the period	31,277,768	411,705	-	1,151,488	-
Balance at 31 December 2017	392,254,364	4,758,595	9,257,075	28,469,750	-

12. Condensed Consolidated Segmental Analysis

Management currently identifies two divisions as operating segments – mining and corporate. These operating segments are monitored and strategic decisions are made based upon them together with other non-financial data collated from exploration activities. Principal activities for these operating segments are as follows.

2017 Group	Mining and Exploration Group	Corporate Group	31 December 2017 (£) Group
Revenue	-	-	-
Administrative cost	-	(1,871,697)	(1,871,697)
Capital raising fees	-	(908,543)	(908,543)
Exploration expenditure	(1,741,018)	-	(1,741,018)
Investment and other income	1,445	-	1,445
Tax	-	-	-
Loss after tax	(1,739,573)	(2,780,240)	(4,519,813)

2016 Group	Mining and Exploration Group	Corporate Group	31 December 2016 (£) Group
Revenue	18,039	-	18,039
Administrative cost	-	(1,653,152)	(1,653,152)
Capital raising fees	-	(1,648,004)	(1,648,004)
Exploration expenditure	(1,716,967)	-	(1,716,967)
Investment and other income	1,414,668	-	1,414,668
Tax	-	-	-
Profit/ (Loss) after tax	284,260	(3,301,156)	(3,585,416)

2017 Group	Mining Group	Corporate Group	31 December 2017 (£) Group
Assets	18,423,284	6,103	18,429,387
Segment assets			
Liabilities	264,562	1,297,505	1,562,066
Segment liabilities			
Other Significant items			
Depreciation	2,738	-	2,738

2016 Group	Mining Group	Corporate Group	31 December 2016 (£) Group
Assets			
Segment assets	18,015,412	22,772	18,038,184
Liabilities			
Segment liabilities	111,376	402,595	513,971
Other Significant items			
Depreciation	8,228	-	8,228

13. Changes to the board of Kibo Mining Plc

No changes were made to the board during the current financial year.

By order of the Board

14 June 2018

Directors:

Christian Schaffalitzky	Chairman (Non-Executive)
Louis Coetzee	Chief Executive Officer (Executive)
Noel O’Keeffe	Technical Director (Non-Executive)
Andrew Lianos	Finance Director (Non-Executive)
Lukas Marthinus Maree	Executive Director
Wenzel Kerremans	Non-Executive Director
Company Secretary:	Noel O’Keeffe
Auditors:	Saffery Champness LLP

For further information please visit www.kibomining.com or contact:

Louis Coetzee	louisc@kibomining.com	Kibo Mining Plc	Chief Executive Officer
Andreas Lianos	+27 (0) 83 4408365	River Group	Corporate Adviser and Designated Adviser on JSE
Ben Tadd / Tom Curran	+44 (0) 20 3700 0093	SVS Securities Limited	Joint Broker
Jon Belliss	+44 (0) 20 7399 9400	Novum Securities Ltd	Joint Broker
Andrew Thomson	+61 8 9480 2500	RFC Ambrian Limited	NOMAD on AIM
Isabel de Salis / Priit Piip	+44 (0) 20 7236 1177	St Brides Partners Ltd	Investor and Media Relations Adviser

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").

Notes to editors

Kibo is a multi-asset resource development and energy company with a long-term goal of becoming a leading power producer in Sub-Saharan Africa. The Company aims to tackle the acute power deficit which is severely hindering economic development in the region.

Kibo’s flagship asset is the Mbeya Coal to Power Project (‘MCP’P’) in Tanzania, which comprises the Mbeya Coal Mine, a 1.5Mt p/a mining operation, and the Mbeya Power Plant, a 300MW mine-mouth thermal power station. The Mbeya Coal Mine has a defined 120.8 Mt NI 43 101 thermal coal resource. A Definitive Feasibility Study has been conducted on the project which underpinned its value and confirmed an initial rate of return of 69.2%. The 300MW mouth-of-mine thermal power station has long term scalability with the potential to become a 1000MW plant. The completed full Power Feasibility Study highlighted a power output target of 1,800 GWh/a based on annual average coal

consumption of 1.5Mt. An Integrated Bankable Feasibility Study report for the entire project indicated total potential revenues of US\$ 7.5-8.5 billion over an initial 25-year mine life, post tax equity IRR between 21-22%, debt pay-back period of 11-12 years and a construction period of 36 months.

To assist in the execution of this critical power project of the MCPP, Kibo has assembled an international team of advisors and partners including Engineering Procurement and Construction ('EPC') contractors and financial teams that are assisting in the advancement and development of the MCPP. These include ABSA/Barclays as Financial Advisor, China based EPC contractor SEPCO III, General Electric, Tractebel Engineering (Power), Minxcon Consulting (Mining) and legal advisors Norton Rose Fulbright.

Kibo also has an 85% interest in the Mabesekwa Coal Independent Power Project ('MCIPP'), a nearly identical power project in Botswana. The project consists of 300Mt subset of the current in-situ 777Mt Coal Resource and has water and land use permits and environmental certification in place. A Pre-Feasibility Study on the coal mine has been completed, as has a Scoping Study, which highlight the power plant having a maximum capacity of 600MW (4x150MW) based on a coal delivery rate of 3.2Mtpa and a Life of Mine of over 30 years.

Johannesburg
14 June 2018

Corporate and Designated Adviser
River Group