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(‘Kibo’ or ‘the Company’)



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Kibo Mining Plc (‘Kibo’ or the ‘Company’)

Final Lot of Engineering, Procurement and Construction Contract Signed on Mbeya Coal to Power Project

Kibo Mining plc (‘Kibo’ or the ‘Company’) (AIM: KIBO; AltX: KBO), the multi-asset Africa-focused energy and resource company, is pleased to announce that the Company has awarded Sepco III, Kibo’s Chinese development partner, the second lot of the Engineering, Procurement and Construction (“EPC”) (Power) contract involving the construction of the Power Line that will evacuate power from the Mbeya Power Plant in the Songwe District to the TANESCO Mbeya sub-station.

Originating from the past 4 weeks’ intensive engagement with the Tanzania Electricity Supply Company (“TANESCO”) on the development of a Power Purchase Agreement (“PPA”) for the Mbeya Coal to Power Project (“MCP”), the Company met with SEPCO III at their Qingdao corporate headquarters to:

- Update SEPCO III on progress with PPA negotiations;
- Revalidate the existing EPC contract price for MCP;
- Integrate and align PPA technical requirements with EPC-contract provisions; and
- Discuss broader project development co-operation with the objective to expand the existing co-operation agreement to, amongst other matters, also include the Company’s Mabesekwa project in Botswana.

During the above referred meetings, the Company and SEPCO III also decided that sufficient progress has been made with the PPA discussions and that it would be prudent to sign Lot 2 of the EPC-contract with Sepco III. The power line construction contract is the second lot of the EPC contractual work as outlined in the announcement dated 29 August 2017. Kibo has a longstanding relationship with Chinese company Sepco III for the development of the Mbeya Coal to Power Plant that is of key strategic importance in reducing Tanzania’s critical power deficit.

Louis Coetzee, CEO of Kibo Mining, said: *“We are delighted to continue working with Sepco III as our designated EPC partner. The signing of this second lot of the EPC is the conclusion of discussions with Sepco III that occurred last week in China, during which several strategic decisions were taken with regard to the further development of the MCP as well as our future strategic co-operation with SEPCO III.”*

Together with all our development partners we are working all hours to complete the PPA as soon as possible. Over the past few weeks we have once again been reminded of the significant importance of the MCPP, both as a strategic energy project as well as a socio-economic development project, and how critically important it is to spend enough time to make sure that we get it right the first time. The PPA process is in a very sensitive phase of its development and this requires the utmost patience, consideration and discretion from all stakeholders.”

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

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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') 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

21 May 2018

Corporate and Designated Adviser

River Group