

Kibo Mining Plc (Incorporated in Ireland)
(Registration Number: 451931)
(External registration number: 2011/007371/10)
Share code on the JSE Limited: KBO
Share code on the AIM: KIBO
ISIN: IE00B97C0C31
("Kibo" or "the Company")



Dated: 27 September 2017

CONVERTIBLE LOAN NOTES

Kibo Mining plc ("Kibo" or the "Company") (AIM: KIBO; AltX: KBO), the Tanzania focused mineral exploration and development company announces it has today (27 September 2017) issued £1,550,000 in convertible loan notes (the "Notes") in the Company to a new high net worth investor, Directors and management of the Company, and Sanderson Capital Partners Limited ("Sanderson"). The subscription raises £500,000 new capital, satisfies £260,000 of awards in lieu of the Company's Management Incentive Scheme, and is in settlement of new terms agreed covering £790,000 of the Discounted Debt Sale Facility (the "Facility") currently in place between Sanderson and the Company (refer RNS of the 21 December 2016). Details of the Notes are set out below.

- Maturity Date falling three months from the date of issue
- Zero percent rate of interest
- Conversion price equal to 90% of the average daily volume weighted average price ("VWAP") at which the Shares shall have traded on AIM during the 20 trading days immediately preceding the date of conversion, rounded up to the next 1/10th of a pence, but no lower than £0.05 per Share ("Conversion Price")
- Face value repayable in cash at the election of the Company at any time before the Maturity Date; – OR
- Face value convertible at the election of the Subscriber at any time before the Maturity Date to ordinary shares ("Shares") at the Conversion Price; - OR
- On the Maturity Date, the face value of the Convertible Notes that remain outstanding will be automatically converted to Shares at the Conversion Price.

The convertible loan subscriptions and details for each party are as follows:

£500,000 cash for new capital from a high net worth individual

£790,000 from Sanderson Capital Partners Limited ("Sanderson"). The Note issued to Sanderson is not in respect of new capital raised, it is to accommodate a mutually agreed change to the terms and conditions of the Facility currently in place between Sanderson and the Company. The Company is granting Sanderson the opportunity to convert some of the outstanding funds drawn down by Kibo under the Facility to Kibo shares earlier, and using a different VWAP, than stipulated under the current loan arrangements. Further details on this are as follows;

- the Facility (Sanderson) granted to Kibo was announced on the 21st December 2016 and provided for Kibo to drawdown under the terms of the Facility
- Repayment of funds drawn down are repayable to Sanderson on receipt by Kibo of the USD 3.68 million payable to it by SEPCO III when financial close has been reached on the Mbeya Coal to Power Project (the "MCP")
- As financial close has not yet been reached on the MCP, Kibo is granting Sanderson an

opportunity to undertake an early conversion of part of the outstanding draw down amount, by subscribing for a convertible loan note under this Note issue

- The Conversion Price for the shares converted under the convertible loan note will be determined on the basis of a 20 day VWAP as opposed to the 30 day VWAP prior to the repayment date of the total Facility amount as stipulated under the Facility
- Sanderson has retained the option to convert up to 50% of the total funds repayable on the repayment date (i.e. when Kibo receive the SEPCO III payment) to Kibo shares under the terms of the Facility, however any amount converted under this Note will be offset in full against, and contribute to, filling this 50% limit. This replaces the conversion provision in the Facility.

£260,000 from Directors and management of the Company who are members of its Executive Committee (the “EXCO”). The loan notes being issued to the EXCO are in lieu of bonus shares due as part of an interim award under Kibo’s Management Reward and Incentive Scheme (“Management Incentive Scheme”). An interim award to the EXCO under the Company’s Management Incentive Scheme was approved by its Remuneration Committee on the 23 November 2016 and by the Kibo board on the 24th April 2017. The awards were to be settled by way of issuance of bonus shares in the Company. The four EXCO members have now agreed to accept this interim award by way of receipt of this Note issue for an amount of £65,000 each under the same repayment and conversion terms as the other Subscribers outlined above. The EXCO members comprise: Kibo Directors Louis Coetzee, Andreas Lianos and Noel O’Keeffe together with the Company’s COO Louis Scheepers.

Louis Coetzee, CEO of Kibo Mining, said: *“We welcome the support of all parties in the development of Kibo and the advancement of our flagship Mbeya Coal to Power Project. All parties involved in the uptake of the convertible loan notes understand the potential of the Company and have agreed to subscribe, importantly at a price not less than £0.05 per Share. We are delighted to welcome a new highly supportive investor and also agree terms with Sanderson, who have been extremely supportive since we arranged the facility in December last year. Sanderson’s participation in the convertible loan note will also add a further £790,000 to Kibo’s balance sheet in cash receivable should Sanderson elect to convert under the terms of the loan note. With a strong balance sheet and limited field activity, we currently have a relatively low cash burn. Finally, we believe the decision of the Directors and management team to accept the Notes in lieu of bonus shares provide a good signal to the market that we believe there is significant value to be added going forward.”*

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Notes to editors:

Kibo Mining is listed on the AIM market in London and the AltX in Johannesburg. Kibo Mining is focused on exploration and development of mineral projects in Tanzania, and controls a large mineral rights portfolio in Tanzania.

Kibo Mining holds a thermal coal deposit at Mbeya, which has a significant NI 43-101 compliant defined resource, and is developing a 250-350 MW mouth-of-mine thermal power station, the Mbeya Coal to Power Project ("MCP"), previously called the Rukwa Coal to Power Project ("RCPP"), with an established management team that includes ABSA/Barclays as Financial Advisor. Kibo has completed a Coal Mining Definitive Feasibility Study and a Power Pre- Feasibility Study for the Mbeya project and has recently announced the completion of an Integrated Bankable Feasibility Study report for the project. On 25 August 2016, Kibo signed an Agreement with China based EPC contractor SEPCO III granting it the right to become the sole bidder for the EPC contract to build the power plant component of the MCP in exchange for SEPCO III refunding 50% of the development costs incurred by Kibo to date on the project. Kibo has already received the first tranche of this funding in the amount of US\$1.8 million on the 5th September 2016 and signed an EPC contract with SEPCO III on the 19th December 2016.

Kibo also holds the Haneti Project on which the latest technical report confirms prospectivity for nickel, PGMs, gold and strategic metals including lithium.

Kibo Mining's projects are located in central Tanzania and in the Mtwara Corridor in southern Tanzania where the Government has prioritized infrastructural development attracting significant recent investment in coal and uranium. Kibo Mining has a positive working relationship with the Tanzanian Government at local, regional and national levels and works hard to maintain positive relationships with all communities where company interests are held. Kibo Mining recognises the potential to enhance the quality of life and opportunity for Tanzanian citizens through careful development of its projects.

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

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

Johannesburg

27 September 2017

Corporate and Designated Adviser

River Group