

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: 10 January 2018

**Kibo Mining Plc (‘Kibo’ or the ‘Company’)
Mbeya Coal to Power Project MOU and PPA Update**

Kibo Mining Plc (AIM:KIBO; AltX:KBO), the multi-asset, African focused energy and resource company, is pleased to announce an update on the Memorandum Of Understanding (‘MOU’) and Power Purchase Agreement (‘PPA’) for the Mbeya Coal to Power Project (‘MCP’) following a productive meeting with the Tanzania Ministry for Energy (‘the Ministry’) and Tanzania Electric Supply Company (‘TANESCO’) on Monday 8 January 2018 during which significant progress was made towards the expedited completion of the PPA process.

The meeting demonstrated a clear strategy on the part of the Ministry and TANESCO for the prompt conclusion of the PPA process, which will enable financial close of the MCP, which the Company believes could then be in production in 36 months. Clear deliverables were identified, and individual roles and responsibilities agreed to ensure successful completion of the PPA by the end of Q1 2018. To ensure that this expedited PPA deadline can be met, the Ministry proposed specific changes to the MOU to create a more streamlined process and procedure; and within this context the Ministry and TANESCO made firm commitments to deliver the signed MOU by no later than 31 January 2018.

Louis Coetzee, CEO of Kibo Mining, commented: *“Kibo is encouraged by the diligent approach taken by the Ministry and TANESCO in taking decisive pre-emptive steps to secure an expedited PPA process; we remain positive that the Ministry will honor its commitment to meet the deadlines and deliverables agreed upon during Monday’s meeting.*

“We should be very clear on the fact that the most important date at this stage is not the date on which the MOU is signed (the MOU is only a means to an end, i.e. the PPA), but the date on which we have a final PPA in hand. At the meeting on Monday, the commitment of all stakeholders was secured for a firm expedited PPA date, demonstrating positive progress.

Benefiting from strong regional and local support, the MCP is of key national importance, aiming to alleviate the acute power deficiency in Tanzania. As such, signing the PPA will be a pivotal moment

for Kibo and the development of the MCPP. We would like to thank our shareholders for their continued support and I look forward to updating them further in the near future.”

****ENDS****

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

Notes to editors

The Mbeya Coal to Power Project ('MCP'), comprises the development of the Mbeya Coal Mine, a 1.5Mt p/a mining operation and the Mbeya Power Plant, a 300 MW 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 underpins its value with an indicated IRR of 69.2%. The 300 MW mouth-of-mine thermal power station has long term scalability to 1000MW, with a full Power Feasibility Study that has been completed, highlighting an annual power output target of 1,8 GW based on annual average coal consumption of 1.5 Mt. 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 this critical power project of the MCP, Kibo has assembled a team of international team of advisors and partners including Engineering Procurement and Construction ('EPC') contractors and financial teams that are assisting in the development of. 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.

Johannesburg

10 January 2018

Corporate and Designated Adviser

River Group