

15 February 2017

Following recent enquiries from shareholders, Kibo Mining plc (“Kibo”) is pleased to provide the following Q&A which seeks to respond to these questions. The Q & A does not provide information which has not already been published in Kibo’s regulatory announcements.

1. Recent Kibo announcements have referred to ongoing consultation with various Tanzanian Government departments regarding the further development of the MCPP. Which Government departments are you referring to and what is the purpose of the discussions?

The Government departments with whom we are in continuous consultation include amongst others the Ministry of Energy and Minerals (“MEM”) and TANESCO, with the purpose of negotiating the Power Purchase Agreement (“PPA”) for the Mbeya Coal to Power Project (“MCP”) . The PPA is the most critical commercial agreement for the MCP which is to be entered into between Kibo and TANESCO.

2. A recent RNS has also stated that Stage 3 (i.e. certification process) of the Environmental Social Impact Assessment (“ESIA”) is expected to be completed in a shorter time frame than usual, given the fact that the preparation work for an accelerated conclusion of Stage 3 was done whilst awaiting approval of the scoping reports. What is the usual timeframe for the certification process?

There is no definitive time frame for this process due to the consultative nature thereof, but due to the fact that a significant amount of this was done while awaiting approval of the scoping reports, it stands to reason that the remaining portion of the certification process will happen much quicker than usual.

3. Is an ESIA certification a pre requisite for issuing a Special Mining License (“SML”)?

A conditional SML can be issued without an ESIA certificate, but a final SML cannot be issued without an ESIA certificate. Given the time gained as a result of the parallel process approach with the ESIA (see explanation above), we believe that the ESIA certification will be completed well in time to avoid any delays in the assessment / evaluation and subsequent issuing of the SML by the MEM. The MEM is currently busy assessing / evaluating aspects of the SML other than those related to the environmental and social impact.

4. Is it usual practice to have individual ESIA certifications for the mine and the power plant?

Yes, it is completely normal – the mine and power plant are separate operations with completely different environmental impacts and compliance requirements.

5. Does work still need to be completed for the ESIA or are we just waiting on the environmental certificate?

All ESIA work has been completed.

6. Can you clarify the timeline and interconnected nature of the Integrated Bankable Feasibility Study (“IBFS”) and the Power Purchase Agreement (“PPA”)?

It is not possible to commence negotiations on the PPA without certainty on the key economic parameters and indicators of the project – it is for example not possible to reach agreement on the final tariff if there is not absolute clarity and certainty on construction and production cost, which could in turn only be obtained by conducting a proper IBFS first. Without the IBFS there could therefore be absolutely no sensible discussion on the PPA.

7. What is your strategy for realizing shareholder value and bridging the gap between Kibo’s market cap and MCPP valuation?

Shareholder value has already been realized and this is reflected in:

- *the significant NPV values and projected equity returns for the MCPP that have been announced to the market;*
- *Successfully securing a significant private equity investment in the MCPP at a valuation that amounts to multiples of the Company’s current market cap;*
- *Securing a cash refund of 50% of all MCPP development costs to date; and*
- *Securing world class strategic partners in the likes of GE, SEPCO III, Barclays / ABSA etc.*

It is therefore not a matter of creating shareholder value – this has been done very successfully and we believe that in time the market will recognize this value as well.

8. It would appear that until the Gazetting process of the Policy Review Process is completed we cannot finalize a PPA. Is this understanding correct and what is your current feel for how advanced or when the Gazetting Process will be completed?

There have been significant Government policy changes with regard to mining and energy projects over the past four months which have been followed by comprehensive changes in the top management structures of both the MEM and TANESCO. It therefore stands to reason that processes such as our PPA discussion will be affected and invariably delayed. However, the process has been and is progressing and we are very pleased with recent progress made in this regard and also with the reassurances we have received with regard to ongoing support in favor of the MCPP.

9. Financial Close ready status was expected in December, when is Financial Close now expected?

The Government policy and management changes referred to above have caused delays to our timeline. It is important to note however that these changes have not led to any reduction in support for the successful delivery of the MCPP. As stated above, the process is progressing well and subsequent to further discussions with the MEM and TANESCO we expect that we will soon be in a position to provide a more definitive time line with regard to Financial Close and other key milestones. Ultimate delivery of the project however remains unaffected.

10. Is Sanderson responsible for selling large blocks of shares in the market in an effort to keep the share price suppressed?

No. Sanderson has made a significant equity investment in the MCPP at project level. Engaging in an activity as suggested here would mean actively working against their own interest. A lower Kibo share price will severely erode the value of their investment in the MCPP, so why work for a lower share price?

11. Are we to expect an imminent placing by Kibo?

No, we have a USD 2.9 million facility in place.