

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



21 December 2016

Kibo Mining Agrees Term Sheet with Sanderson Capital Partners on sale of Deferred SEPCO III Payment

Kibo Mining plc ("Kibo" or the "Company") (AIM: KIBO; AltX: KBO), the Tanzania focused mineral exploration and development Company, is pleased to announce it has entered into a binding term sheet (the "Term Sheet") with Sanderson Capital Partners Limited ("Sanderson") for a new USD2,940,000 forward payment facility (the "Facility"). The Facility provides for Kibo to be advanced part of the USD 3,672,036 development cost recovery, payable to the Company by SEPCO III on achieving financial close of the Mbeya Coal to Power Project ("MCP") (the "Receivable") which was announced by the Company on 13 October 2016. The Facility has the effect of forward selling the Receivable at a 20% discount.

The principal terms of the Facility are as follows:

- Sanderson will provide Kibo with USD 2,940,000 in cash, to be paid in five tranches between the date of this announcement and June 2017;
- The Company will issue new ordinary shares in Kibo ("Kibo Shares") to Sanderson to the value of USD732,036 (being the difference between the amount of the Receivable and the funds to be provided under the Facility) at the VWAP for Kibo shares over the 30 days prior to the date of signing of the Term Sheet, i.e. 20 December 2016;
- Kibo will be under no obligation to draw the full amount available under the Facility, but will forfeit any payments not drawn against on the due date of the relevant tranche;
- Kibo will repay to Sanderson the amounts drawn down on the Facility on receipt of the Receivable from SEPCO III; and
- Sanderson has the right to convert up to £1.5m of amount drawn down on the Facility into Kibo Shares at the 30 day VWAP prior to the repayment date of the total Facility amount.

In addition, Kibo will also pay a corporate advisory fee ("Advisory Fee") to the Company's broker, Beaufort Securities Limited, of £71,442. The Advisory Fee is payable on signing of the Term Sheet in Kibo Shares at 6.97p for a total of 1,024,993 shares.

Louis Coetzee, CEO of Kibo Mining commented today: *"We are pleased with the facility that*

was agreed with Sanderson which allows us to create short to medium term funding certainty in a market that remains challenging for capital raising. It also provides Kibo with a creative way of leveraging the deferred SEPCO III payment and provides a funding solution with minimal dilution to shareholders. The funds which have been made available will satisfy the Company's cash requirements for a significant time, allowing management to focus all their time and energy on bringing the MCPP to a successful financial close as early as possible in 2017, as well as concluding the Opera transaction and complete the planned feasibility work on the Imweru gold project as scheduled."

Contacts

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Kibo Mining - Notes to editors

Kibo Mining is listed on the AIM market in London and the AltX in Johannesburg. The Company is focused on exploration and development of mineral projects in Tanzania, and controls one of Tanzania's largest mineral right portfolios. Tanzania provides a secure and stable operating environment for the mineral resource industry and Kibo Mining therein.

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 ("MCPP"), previously called Rukwa Coal to Power Project ("RCPP"), with an established management team that includes ABSA / Barclays as Financial Advisor. Kibo is undertaking a Coal Mining Definitive Feasibility Study and a Power Pre-Feasibility Study for the Mbeya project with an integrated Bankable Feasibility Study report for the MCPP to be released in the near term. 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 MCPP 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

The Company also has extensive gold focused interests including Lake Victoria Goldfields and

Morogoro projects. At Lake Victoria, the Company has 100% owned projects with a 550,000 oz. JORC compliant gold Mineral Resource at the Imweru Project and a 168,000 oz. NI 43-101 compliant gold Mineral Resource at the Lubando Project. The Company is currently undertaking a Definitive Feasibility Study on its Imweru Project.

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 further holds the Pinewood (coal & uranium) project where the company has entered into a 50/50 Exploration Joint Venture with Metal Tiger plc.

Finally, the Company also holds the Morogoro (gold) project where the company has also entered into a 50/50 Exploration Joint Venture with Metal Tiger plc.

The Company's projects are located in the established and gold prolific Lake Victoria Goldfields, the emerging goldfields of eastern Tanzania and the Mtwara Corridor in southern Tanzania where the Government has prioritized infrastructural development attracting significant recent investment in coal and uranium. The Company 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. The Company recognizes the potential to enhance the quality of life and opportunity for Tanzanian citizens through careful development of its projects.

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

Johannesburg

21 December 2016

Corporate and Designated

Adviser River Group