

Kibo Mining Plc
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("Kibo" or "the Company")



01 November 2016

Kibo Receives Final Commercial Bids for the Mbeya Coal to Power Project EPC and OEM Contracts and Submits Mining Right Application for Mbeya Coal Mine

Kibo Mining plc ("Kibo" or the "Company") (AIM: KIBO; AltX: KBO), the Tanzania focused mineral exploration and development Company, is pleased to announce that the final commercial bids for the Mbeya Coal to Power Project ("MCP") EPC contract and OEM contract were received on 31 October 2016. The Company has also submitted its mining right application for the Mbeya Coal Mine.

SEPCO III and General Electric ("GE") were required to submit their final commercial bids for the MCP EPC and OEM contracts by no later than 31 October 2016. Tractebel Engineering ("TE") will now subject both bids to a stringent benchmark that was previously developed by TE, to determine whether the bids comply with international best standards, practice and price as well as specific conditions that were stated in the respective bid specifications.

The benchmarking process will be completed over the next three weeks, where after the Company and its technical, financial and legal advisors will engage SEPCO III and GE in a final round of negotiations by the beginning of December 2016. The signing of the final EPC and OEM contracts is currently scheduled for the end of December 2016.

Receipt of the final EPC and OEM commercial bids also enabled the Company to advance two other critical work streams of the MCP development process:

- The integrated financial model for the MCP and the Integrated Bankable Feasibility Study can now be finalized; and
- Submission of the mining right application for the Mbeya Coal Mine - submitted on 31 October 2016

With the above work streams completed, by the end of December 2016 the MCP will be fully prepared and ready to transition into full funding mode, provided that the Government of Tanzania has by then completed the policy review process pertaining to energy projects, which will allow the MCP to proceed with the conclusion of a Power Purchase Agreement for the MCP.

Louis Coetzee, CEO of Kibo Mining, said: *"We have achieved significant progress at the MCP in 2016 and by the end of the year we will have met all of its ambitious 2016 development targets, albeit that not all were met within the original target dates, in spite of limited financial resources as well as delays caused by policy reviews and changes in Tanzania. The MCP is now*

independently recognized as a robust, well-advanced project. This is best demonstrated in the significant strategic partnerships we have concluded during the course of the year and most notably in the fact that the Company was able to fund all development work on the MCPP during 2016, without a single equity placement.

It is disappointing that we will not be as far advanced with financial close as previously anticipated, due to the fact that we cannot proceed with the finalization of the power purchase agreement, until such time as the Tanzanian Government has completed its policy review process. We are, however in constant discussion with Government on this matter and we have received continued co-operation and re-assurance that we will be able to make up for the time lost during the policy review process. Due to this delay we will have to reschedule certain activities to ensure that the MCPP development timeline is not compromised. At this time, we do however not deem it necessary to adjust the timeframe within which the Company intends to fund, construct and commission the MCPP. This rescheduling process is currently ongoing and cannot be finalized until completion of the policy review process, which is expected to be completed very soon.

Due to the significant advances made during 2016, bolstered by strategic partnerships with SEPCO III and GE amongst others, the MCPP now holds enough critical mass allowing it to absorb delays and obstacles without losing momentum or focus.”

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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 Standard Bank 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 20th

April 2015, Kibo signed a Joint Development Agreement for the completion of the Definitive Feasibility Studies and development of the MCPP with China based EPC contractor SEPCO III.

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

01 November 2016

Corporate and Designated Adviser

River Group