



AIM AND JSE ALtX Re-Admission Document and Notice of EGM

Required in relation to the proposed acquisition of a minimum of 51% of Mzuri Energy Ltd and a minimum of 51% of Mayborn Resource Investments (Pty) Ltd

August 2012

Nominated Adviser



**Corporate and JSE
Designated Adviser**



Joint Brokers



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, or the action you should take, you should seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (the “FSMA”) if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser who specialises in advising on the acquisition of shares and other securities. Your particular attention is drawn to the risk factors set out in Part 2 of this document.



Incorporated in Ireland with Registration Number 451931

**Proposed acquisition of a minimum of 51% of Mzuri Energy Ltd and a minimum of 51% of Mayborn Resource Investments (Pty) Ltd (the “Acquisitions”)
Notice of Extraordinary General Meeting
and Re-Admission to trading on AIM and JSE AltX**

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| Nominated Adviser | Corporate and JSE Designated Adviser | Joint Brokers |
| RFC Ambrian Limited | River Group | Cornhill Capital Limited & Northland Capital Partners Limited |

Expected issued share capital following the proposed Acquisitions and Admission:

1,122,093,911 issued and fully paid Ordinary Shares with a par value of €0.01 each

This document is an Admission Document drawn up in connection with the proposed Acquisitions by Kibo Mining plc (the “Company”), the required approval from Kibo shareholders for the Acquisitions and the application that is required to be made for the enlarged issued ordinary share capital of the Company to be admitted to trading (“Admission”) on the AIM and JSE AltX (“AltX”) markets operated by the London Stock Exchange plc (“London Stock Exchange”) and JSE Limited (JSE”) respectively. This document does not constitute an offer to the public for the purposes of section 85 of the FSMA and does not constitute a prospectus under the Prospectus Directive (Directive 2003/71/EC). Accordingly, this document has not been pre-approved by the Financial Services Authority pursuant to Section 85 of the FSMA.

It is expected that Admission will become effective and dealings in the enlarged issued ordinary share capital of the Company will commence on AIM and AltX on or about 7 September 2012.

AIM and AltX are markets designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM and AltX company is required pursuant to the AIM Rules for Companies and JSE Listing Requirements to have a nominated adviser and designated adviser respectively. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers and the designated adviser is required to make a declaration to the JSE on admission in the form required by the JSE Listings Requirements. The London Stock Exchange has not itself examined or approved the contents of this Admission Document.

Directors' and Other Responsible Persons Declarations

The Directors and Proposed Directors of the Company, whose names appear in the Corporate Directory of this Admission Document, accept responsibility for the information contained in this Admission Document. Having taken all reasonable care to ensure that such is the case, to the best of the knowledge and belief of the Directors, the Proposed Directors and the Company, the information contained in this Admission Document is in accordance with the facts and makes no omission likely to affect the import of such information. Venmyn Rand (Pty) Ltd (“Venmyn”), as competent person, accepts responsibility for its report contained in Part 3 of this document and Saffery Champness, as reporting accountants, accepts responsibility for their report contained in Part 4 of this document. To the best of the knowledge of Venmyn and Saffery Champness, having taken all reasonable care to ensure that such is the case, the information in their reports is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice from Nominated Adviser, Corporate Adviser, Designated Adviser and Brokers

RFC Ambrian Limited (“RFC Ambrian”) is the Company’s nominated adviser and River Capital Partners Limited and River Sponsor Services (Pty) Ltd (together “River Group”) are the Company’s corporate and designated advisers. RFC Ambrian’s and River Group’s responsibilities as the Company’s advisers, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules and the JSE Listing Requirements respectively, are owed solely to the London Stock Exchange and the JSE respectively. RFC Ambrian and River Group are not acting for and will not be responsible to any other persons for providing protections afforded to their customers nor for advising them in relation to the arrangements described in this Admission Document.

Cornhill Capital Limited (“Cornhill”) and Northland Capital Partners Limited (“Northland”) are the Company’s joint brokers and are regulated by the Financial Services Authority. Cornhill and Northland are acting for the Company and no one else in connection with the proposed arrangements described in this Admission Document. They will not regard any other person as their customer nor be responsible to any other person for providing protections afforded to the clients of Cornhill and Northland nor for providing advice to any other person in connection with the arrangements described in this Admission Document.

No representation or warranty, express or implied, is made by River Group, Cornhill, Northland or RFC Ambrian as to the contents of this Admission Document and no liability is accepted by River Group, Cornhill, Northland or RFC for the accuracy or opinions contained in, or for the omission of any material information from the Admission Document, for which the Company, the Directors and the Proposed Directors are solely responsible (without limiting the statutory rights of any person to whom this Admission Document is issued).

Distribution Restrictions

The distribution of this Admission Document in jurisdictions other than the United Kingdom and South Africa may be restricted by law, and therefore persons into whose possession this Admission Document comes should inform themselves about and observe any such restrictions.

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Letter from the Chairman of Kibo Mining Plc



15 August 2012

Dear Shareholder

Your company, Kibo Mining plc ("Kibo" or the "Company"), announced on 2 April 2012, that it had entered into conditional agreements for the proposed all share acquisition of a minimum of 51% of Mzuri Energy Limited ("Mzuri Energy") and a minimum of 51% of Mayborn Resource Investments (Pty) Ltd ("Mayborn") (the "Acquisitions"). The Acquisitions are supported by the Mzuri Capital Group Ltd, which through its subsidiaries (together the "Mzuri Group"), is the largest shareholder in the Company, with a 29% holding, and also the largest shareholder in Mzuri Energy, with a holding of around 40%.

In the event that 100% of Mzuri Energy and Mayborn are acquired, the total consideration will be £21.2 million, comprised of a total of 706,964,400 new ordinary shares in Kibo at an issue price of 3 pence per share, representing approximately 63% of the enlarged issued share capital of the Company after completion of the Acquisitions. As at the date of this document, acceptances had been received in respect of 100% of Mayborn's issued shares and 99.85% of Mzuri Energy's issued shares, with 100% acceptance expected.

These Acquisitions will constitute a reverse takeover under the AIM Rules for Companies and JSE Listings Requirements and as a result require the approval of Kibo shareholders at an extraordinary general meeting ("EGM"). An application must also be made for the ordinary shares of the enlarged Kibo to be readmitted to trading on AIM and the JSE AltX ("Admission").

In order to supplement working capital and help fund its ongoing exploration programmes, the Company has also entered into a £3 million standby share purchase facility (the "YA Equity Facility") with YA Global Master SPV Ltd, a specialist fund manager represented in the UK by its investment adviser Yorkville Advisors LLC.

The purpose of this document is to provide you with sufficient information concerning the proposed Acquisitions, the enlarged Kibo and to explain why the Board recommends that shareholders vote in favour of the resolution to be proposed at the EGM (the "Resolution"). A notice of the EGM which sets out the Resolution can be found at the end of this document.

Reasons for the Acquisitions

Mzuri Energy and Mayborn hold coal and uranium exploration projects in Tanzania that your Directors believe have significant potential and will complement Kibo's existing mineral projects in Tanzania. Following the Acquisitions, Kibo will have consolidated an extensive portfolio of Mineral Rights covering over 38,000 km² in prospective project areas within Tanzania, a holding which cannot be replicated under recent Tanzanian Government limits of 2,000 km² per company. The portfolio comprises the following existing projects:

- the Lake Victoria projects, covering approximately 2,600 km² in the well-known Lake Victoria Goldfields of northern Tanzania, which includes numerous greenfields gold exploration projects;
- the Morogoro projects, encompassing approximately 9,100 km² in the newly discovered gold region of southeastern Tanzania, in which greenfields gold exploration is being conducted; and
- the Haneti projects, covering almost 7,300 km² in central Tanzania, focussing on greenfields nickel, copper and platinum group elements exploration,

and the following new project areas being acquired pursuant to the Acquisitions:

- the Rukwa coal project, which comprises a coal exploration project in southwestern Tanzania with a total Mineral Rights area of over 1,500 km², at an advanced level of exploration and with a current total JORC Code compliant Mineral Resource of 109 million tonnes of thermal coal; and

- the Pinewood project, which has consolidated an extensive portfolio of Mineral Rights covering over 18,000km² in southwestern Tanzania that are prospective for both coal and uranium, which is in the early stages (greenfields) of exploration development.

The Rukwa and Pinewood projects will provide Kibo shareholders with exposure to an attractive portfolio of strategic energy assets in Tanzania. Importantly, they are situated within and close to the Mtwara Corridor, an area where the Tanzanian Government has committed to significant infrastructure development and which has seen recent multi-million dollar investment in coal and coal-fired power stations and uranium exploration.

The Rukwa project is substantially more advanced than Kibo's existing exploration projects, with a significant Mineral Resource of thermal coal already defined. Your Directors consider that this provides much nearer term development and commercialisation potential, complementing the earlier stage existing projects held by Kibo. This is further supported by the memorandum of understanding that has already been entered into with a major Asian conglomerate for the development of a coal mine and mine-mouth coal-fired power plant based on the Rukwa project.

In addition, the Pinewood project encompasses a significant ground holding of prospective Karoo sequence sedimentary rocks. These sediments are attracting considerable interest from international companies exploring for uranium and coal mineralisation following some notable discoveries in recent years. Mayborn also brings with it approximately £0.7 million of cash¹ to contribute to exploration funding.

The Acquisitions are consistent with the Company's objective of building long term shareholder value through active exploration of its projects and by using the Company's experience in Tanzania to acquire attractive exploration and development assets on competitive terms that can be moved swiftly up the value curve. The company's 'country' rather than 'commodity' focus makes maximum use of the extensive experience of its Directors and management team in operating in the Tanzanian resource sector, which includes solid relationships across governmental and local levels.

Directors Recommendation and Action to be Taken

Following their own detailed assessment of the competent persons report (as set out in Part 3 of this Admission Document) and a fairness opinion by Venmyn Rand (Pty) Ltd the Directors consider that there is substantial potential upside in the projects being acquired pursuant to the Acquisitions. Shareholders and prospective investors should be aware that there are substantial inherent risks involved in the Acquisitions but the Directors believe that this is more than reflected in the effective purchase price being paid for the Rukwa and Pinewood projects. Shareholders' and prospective investors' attention is specifically drawn to the risk factors set out in Part 2 of this document.

Your Directors, excluding Louis Coetzee and Tinus Maree, who are involved in the Acquisitions as related parties, are of the opinion that the Acquisitions are in the best interests of the Company and its shareholders and, accordingly, unanimously recommend that you vote in favour of the Resolutions which is to be proposed at the EGM. The Directors, save for Louis Coetzee and Tinus Maree, who are excluded from voting, intend to vote in favour of the Resolutions in respect of their own beneficial holdings of 47,586,220 ordinary shares representing approximately 11.5% of the current issued share capital of the Company.

Details of the EGM are set out in the notice of EGM at the end of this document. A proxy form is enclosed for use at the EGM. Whether or not you intend to be present at the EGM you are encouraged to complete, sign and return the proxy form to the Company's registrars, Computershare Investor Services (Ireland) Ltd, PO Box 954, Dublin 18, Ireland by no later than 11am on 4 September 2012. The completion and return of a proxy form will not preclude you from attending the meeting and voting in person should you wish to do so.

Your board thanks you for your support and looks forward to overseeing the creation of considerable value for shareholders as its expanded portfolio of Tanzanian mineral projects are advanced towards development.

Yours faithfully

Christian Schaffalitzky
Chairman

¹. Note that this is an unaudited figure, based on the pro forma accounts of the Group

Admission Statistics and Expected Timetable

Admission Statistics

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| Number of Existing Shares in issue | 415,129,511 |
| Maximum number of Consideration Shares (under the Acquisitions) | 706,964,400 |
| Maximum number of Shares in issue on Re-Admission | 1,122,093,911 |
| Number of Options and Warrants over Shares in issue immediately after Admission | 21,103,517 |
| Number of fully diluted Shares in issue immediately following Admission | 1,143,197,428 |
| Percentage of the Enlarged Share Capital represented by the Consideration Shares (assuming the maximum number of Consideration Shares are issued) | 63% |
| Market capitalisation on Admission (post Acquisitions at 3p) | £33.7 million |
| Market capitalisation on Admission (fully diluted at 3p) | £34.3 million |
| ISIN | IE00B61XQX41 |
| AIM ticker code | KIBO |
| JSE ticker code | KBO |
| Irish Company Registration Number | 451931 |

The maximum number of Consideration Shares assumes 100% acceptances are received under the Acquisitions.

Expected Timetable and Principal Events

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| Publication of this Admission Document (with Notice of EGM) | 15 August 2012 |
| Dealings in the Existing Shares expected to recommence on AIM and JSE | 15 August 2012 |
| Latest time and date for receipt of Proxy Forms | 11am on 4 September 2012 |
| Extraordinary General Meeting | 11am on 6 September 2012 |
| Cancellation of trading on AIM of Existing Shares | 6 September 2012 |
| Admission to trading on AIM and JSE effective and commencement of dealings in the Enlarged Share Capital | 7 September 2012 |

All references to time are to London time. Save in relation to the date on which the Admission Document is published, each of the times and dates in the above timetable is subject to change.

The Company will announce the final number of Acquisition Shares being issued, together with any revisions to the above time and dates prior to Admission by means of an announcement through a Regulatory Information Service in the UK and South Africa.

Corporate Directory

| | | | |
|---|--|---|---|
| Current board of Directors | Christian Schaffalitzky de Muckadell (<i>Non-Executive Chairman</i>) (known as Christian Schaffalitzky) Louis Lodewyk Coetzee (<i>Chief Executive Director</i>) Noel Flannan O’Keeffe (<i>Executive Director</i>) Desmond Joseph “Des” Burke (<i>Non-Executive Director</i>) William James Benedict Payne (<i>Non-Executive Director</i>) Lukas Marthinus Maree (<i>Non-Executive Director</i>) (known as Tinus Maree) Wenzel Johan Konstant Kerremans (<i>Non-Executive Director</i>) | | |
| Proposed board of Directors | Christian Schaffalitzky (<i>Non-Executive Chairman</i>) Louis Lodewyk Coetzee (<i>Chief Executive Director</i>) Noel Flannan O’Keeffe (<i>Executive Director</i>) Desmond Joseph “Des” Burke (<i>Non-Executive Director</i>) Tinus Maree (<i>Non-Executive Director</i>) Wenzel Johan Konstant Kerremans (<i>Non-Executive Director</i>) Cecil Robert Bond (<i>Non-Executive Director</i>) Bernard Poznanski (<i>Non-Executive Director</i>) | | |
| Company Secretary | Noel Flannan O’Keeffe | | |
| Offices | <table><tr><td><i>Registered Office</i> Suite 3 One Earlsfort Centre Lower Hatch Street Dublin 2 Ireland</td><td><i>Corporate Head Office</i> The Sirius Centre Northpoint Tuam Road Galway, Ireland Telephone: +353 91 865367 Facsimile: +353 91 755066</td></tr></table> | <i>Registered Office</i> Suite 3 One Earlsfort Centre Lower Hatch Street Dublin 2 Ireland | <i>Corporate Head Office</i> The Sirius Centre Northpoint Tuam Road Galway, Ireland Telephone: +353 91 865367 Facsimile: +353 91 755066 |
| <i>Registered Office</i> Suite 3 One Earlsfort Centre Lower Hatch Street Dublin 2 Ireland | <i>Corporate Head Office</i> The Sirius Centre Northpoint Tuam Road Galway, Ireland Telephone: +353 91 865367 Facsimile: +353 91 755066 | | |
| Website | www.kibominig.com | | |
| Nominated Adviser | RFC Ambrian Limited Level 15, QV1 Building 250 St Georges Terrace Perth Western Australia 6000 | | |
| Designated Adviser | River Sponsor Services (Pty) Ltd River Group 225 Veale Street Brooklyn Pretoria Republic of South Africa | | |
| Joint Brokers | <table><tr><td>Cornhill Capital Ltd 7th Floor, One Angel Court Cophall Avenue London EC2R 7HJ United Kingdom</td><td>Northland Capital Partners Ltd 60 Gresham St London EC2V 7BB United Kingdom</td></tr></table> | Cornhill Capital Ltd 7 th Floor, One Angel Court Cophall Avenue London EC2R 7HJ United Kingdom | Northland Capital Partners Ltd 60 Gresham St London EC2V 7BB United Kingdom |
| Cornhill Capital Ltd 7 th Floor, One Angel Court Cophall Avenue London EC2R 7HJ United Kingdom | Northland Capital Partners Ltd 60 Gresham St London EC2V 7BB United Kingdom | | |
| Competent Person | Venmyn Rand (Pty) Limited Block G, 1 st Floor Rochester Place 173 Rivonia Road Sandton 2146 Republic of South Africa | | |
| Reporting Accountant | Saffery Champness Lion House Red Lion Street London WC1R 4GB United Kingdom | | |

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| Auditor | LMH Casey McGrath 6 Northbrook Road Ranelagh Dublin 6 Ireland | |
| Corporate Advisor | River Capital Partners Limited 57 Kolonakiou Street Limassol Republic of Cyprus | |
| Solicitors to the Company | <p><i>As to Irish Law:</i> Eversheds One Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland</p> <p><i>As to Tanzanian Law:</i> Rex Attorneys Rex House, 145 Magore Street P.O. Box 7495 Dar es Salaam Tanzania</p> <p><i>As to Cyprus Law:</i> Charalambous & Christou DEPE 43a Georgiou Griva Digeni Synergatiko Tamieftirio Bulding 3106 Limassol Republic of Cyprus</p> | <p><i>As to English Law:</i> Ronaldsons LLP 55 Gower Street London WC1E 6HQ United Kingdom</p> <p><i>As to Canadian Law:</i> Koffman Kalef 19th Floor, 885 West Georgia Street Vancouver, British Columbia V6C 3H4 Canada</p> <p><i>As to South African Law:</i> Maree Theunissen Attorneys Marais St, Brooklyn Pretoria 0181 Republic of South Africa</p> |
| Solicitors to the Brokers | Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH United Kingdom | |
| Share Registrars | <p><i>In Ireland and UK:</i> Computershare Investor (Services) Ireland Limited Heron House, Corrig Road Sandyford Industrial Estate Dublin 18 Ireland</p> | <p><i>In South Africa:</i> Computershare Investor Services (Pty) Ltd 70 Marshall Street Johannesburg, 2001 Republic of South Africa</p> |

Definitions

The following definitions apply throughout this Admission Document, unless the context requires otherwise.

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| Aardvark | Aardvark Exploration Limited, a company registered in Tanzania with Company Number 57248, a wholly owned subsidiary of Sloane |
| Acquisitions | the conditional acquisition by the Company of a minimum 51% interest in Mzuri Energy Ltd and a minimum 51% interest in Mayborn Resource Investments (Pty) Ltd |
| Acquisition Agreements | the MEL acquisition agreement and the Mayborn support agreement, further details of which are set out in Section 3 of Part 1 of this document, pursuant to which the Company is making the proposed Acquisitions |
| Admission | the admission of the Enlarged Share Capital to trading on AIM and JSE AltX becoming effective in accordance with the AIM Rules and JSE Listings Requirements |
| Admission Document | this admission document issued by the Company for the purposes of Kibo's Re-Admission to AIM and JSE AltX |
| AltX or JSE AltX | the Alternative Exchange, a sector of the JSE Limited |
| AIM | the AIM market of the London Stock Exchange |
| AIM Rules | the rules governing the operation of AIM as published by the London Stock Exchange from time to time |
| Articles | the articles of association of the Company, a summary of which is set out in Section 9 of Part 6 of this document |
| Board and Board of Directors | the Directors and Proposed Directors of the Company whose names are set out in the preceding Corporate Directory section of this document |
| Brokers or Joint Brokers | the Company's joint brokers as defined in the AIM Rules, being Cornhill and Northland |
| Business Day | a day on which the trading banks are open for business in England, excluding Saturdays, Sundays and Bank Holidays |
| Certificated Shares | Kibo shares for which Kibo share certificates have been issued |
| City Code | the UK City Code on Takeovers and Mergers |
| Companies Acts | the Companies Acts, 1963-2009, of the Republic of Ireland (as amended or replaced from time to time) |
| Competent Persons Report or CPR | the independent report from Venmyn which appears in Part 3 of this document |
| Consideration Shares | the new Shares to be issued to shareholders in Mzuri Energy and Mayborn pursuant to the Acquisitions, being a maximum of 706,964,400 |
| Cornhill | Cornhill Capital Limited, a company incorporated in England and Wales and acting as Joint Broker to the Company |
| CREST | the computerised system for trading shares in uncertificated form in the UK operated by CRESTCo Limited |
| Cyprus | the Republic of Cyprus |
| Designated Adviser | designated adviser as defined in the JSE Listings Requirements (being River Group) |
| Director(s) | a director of the Company |
| Disclosure and Transparency | the Disclosure and Transparency Rules published by the FSA from time |

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| Rules | to time |
| € | Euro, the currency of the European Union |
| Eagle Gold | Eagle Gold Mining Limited, a company registered in Tanzania with company number 30477, a wholly owned subsidiary of Sloane |
| Enlarged Share Capital | the enlarged ordinary share capital of the Company following completion of the Acquisitions, comprising the Existing Shares and the Consideration Shares |
| Existing Share(s) | the existing 415,129,511 Shares in issue as at the date of this document |
| Extraordinary General Meeting or EGM | the extraordinary general meeting of the Company to be held on 6 September 2012 |
| Financial Services Authority or FSA | the Financial Services Authority of the United Kingdom |
| FSMA | Financial Services and Markets Act 2000 (as amended from time to time) |
| GBP or £ or pence or p | UK currency |
| Group | the Company and its Subsidiaries |
| Ireland | the Republic of Ireland |
| Irish Takeover Panel | the Irish Takeover Panel, established under the Irish Takeover Panel Act, 1997 |
| Irish Takeover Rules | the Irish Takeover Panel Act 1997 of Ireland, Takeover Rules 2007 and 2008 of Ireland |
| JSE Listings Requirements | the JSE listings requirements as published by the JSE Ltd from time to time |
| Jubilee | Jubilee Resources Limited, a company registered in Tanzania with company number 31207, a wholly owned subsidiary of Morogoro |
| Kibo or the Company | Kibo Mining plc (registration number: 451931), a company duly incorporated in accordance with the laws of Ireland |
| London Stock Exchange or LSE | London Stock Exchange plc |
| Makambako | Makambako Resources Limited, a company registered in Tanzania with company number 72190, a wholly owned subsidiary of Mbeya |
| Mayborn | Mayborn Resource Investments (Proprietary) Limited, a company registered in South Africa with company number 2008/002378/07, which the Company, through Morogoro, is proposing to acquire a minimum 51% shareholding in pursuant to the Acquisitions |
| Mbeya | Mbeya Uranium Limited, a company registered in Cyprus with company number HE256881, a wholly owned subsidiary of Mzuri Energy |
| Mineral Rights | the various licences, permits and other mineral rights held, or for which applications have been made, by the Group, which provide rights to undertake minerals prospecting, exploration, feasibility and/or mining activities in relation to a defined area (all being in Tanzania) |
| Mining Act | the Mining Act, 2010 of Tanzania |
| Ministry | the Ministry of Energy and Minerals of Tanzania |
| Morogoro | Morogoro Gold Limited, a company registered in Cyprus with company number HE247089, a wholly owned subsidiary of Kibo |
| Mzuri Coal | Mzuri Coal Limited, a company registered in Cyprus with company number HE217059, a wholly owned subsidiary of Mzuri Energy |

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| Mzuri Energy | Mzuri Energy Limited, a private company registered in the province of British Columbia in Canada with company number BC0816729 which the Company, through Morogoro, is proposing to acquire a minimum 51% shareholding in pursuant to the Acquisitions |
| Mzuri Group | Mzuri Capital Group Ltd, a company registered in Cyprus, and its subsidiaries, a private minerals project investment group which is a major Shareholder in Kibo and also holds an approximate 40% shareholding in Mzuri Energy |
| Mzuri Power | Mzuri Power Limited, a company registered in Cyprus with company number HE252839, a wholly owned subsidiary of Mzuri Coal |
| Nomad or Nominated Adviser | nominated adviser as defined in the AIM Rules (being RFC Ambrian) |
| Northland | Northland Capital Partners Limited, a company incorporated in England and Wales and acting as Joint Broker to the Company |
| Notice of EGM | the separate notice for the meeting of Shareholders to approve the Acquisitions and related matters, which will be accompanied by a copy of this Admission Document |
| Official List | the Official List maintained by the UK Listing Authority pursuant to the FSMA |
| Option(s) | options to subscribe for Shares |
| Pinewood | Pinewood Resources Limited, a company registered in Tanzania with company number 36528, a wholly owned subsidiary of Mbeya |
| Projects | the Group's exploration and development projects, comprising the Haneti project, the Morogoro project, the Lake Victoria project, the Rukwa project and the Pinewood project, and "Project" means any one of those projects as the context requires |
| Proposed Directors | the proposed directors of the Company following Admission, whose names are set out in the Corporate Directory |
| Resolution | the resolution set out in the Notice of EGM attached to this Admission Document |
| RFC Ambrian | RFC Ambrian Limited, a company incorporated in Australia, and Nomad to the Company |
| River Group | River Capital Partners Limited and River Sponsor Services (Pty) Limited, companies incorporated in the Republic of Cyprus and the Republic of South Africa respectively, and Corporate and Designated Adviser to the Company respectively |
| Rukwa | Rukwa Coal Limited, a company registered in Tanzania with company number 72191, a wholly owned subsidiary of Mzuri Coal |
| Savannah | Savannah Mining Limited, a company registered in Tanzania with company number 25066, a wholly owned subsidiary of Morogoro |
| Shareholder(s) | holder(s) of Shares |
| Shares or Ordinary Shares | fully paid ordinary shares of €0.01 each in the capital of the Company |
| Sloane | Sloane Developments Limited, a company registered in the UK with company number 4425405, a wholly owned subsidiary of the Company |
| South Africa | the Republic of South Africa |
| STRATE | STRATE Limited, a public company incorporated in accordance with the laws of South Africa, which is a licensed control securities depository in terms of the Securities Services Act and which is responsible for the electronic clearing and settlement system used by the JSE |

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| Subsidiary or Subsidiaries | the subsidiary companies of the Company as outlined in Section 4 of Part 6 of this document, which for the purposes of this document includes the new subsidiaries to be acquired pursuant to the Acquisitions |
| Tanzania | the Republic of Tanzania |
| UK | the United Kingdom of Great Britain and Northern Ireland |
| UK Companies Act or the Act | the Companies Act 2006 of the UK (as amended) |
| Venmyn | Venmyn Rand (Pty) Ltd |
| Warrants | warrants to subscribe for Shares |
| YA Equity Facility | the standby equity distribution agreement between Kibo and YA Global, the key terms of which are set out in Section 13.9 of Part 6 of this document |
| YA Global | YA Global Master SPV, Ltd, an exempted limited liability company incorporated in the Cayman Islands, which is the provider of the YA Equity Facility |

Glossary of Selected Technical Terms

A detailed glossary of technical terms is provided at the end of the Competent Persons Report in Part 3.

Part 1 Information on the Group

1 Introduction (and Reasons for the AIM and JSE AltX Re-Admission)

Kibo is an Irish-registered company that is focused on mineral exploration and development throughout Tanzania. It has assembled a significant portfolio of Mineral Rights on which it is undertaking exploration, primarily for precious and base metal mineralisation. Kibo is currently listed on the AIM market of the London Stock Exchange and the AltX, a separate board of the JSE Limited.

As announced in April 2012, the Company has entered into agreements for the proposed all share acquisition of a minimum 51% of Mzuri Energy and a minimum of 51% of Mayborn (the "Acquisitions"). Mzuri Energy and Mayborn hold coal and uranium exploration projects in Tanzania that the Directors and Proposed Directors believe have significant potential, including the advanced Rukwa thermal coal project, for which a total JORC code compliant Mineral Resource of 109 million tonnes of coal has been delineated.

In order to supplement working capital and help fund its ongoing exploration programmes, the Company has also entered into a £3 million standby share purchase facility with YA Global Master SPV Ltd, a specialist fund manager represented in the UK by its investment adviser Yorkville Advisors LLC.

These Acquisitions will trigger a reverse takeover under the AIM Rules for Companies and as a result must be subject to Shareholder approval. An application must also be made for the Shares of the enlarged Kibo to be readmitted to trading on AIM and JSE AltX. This Admission Document, which includes a Notice of EGM and sets out details on the Acquisitions and the enlarged Group, is required in connection with the required Shareholder approval and with Admission, and will be sent to Shareholders.

2 Corporate History

Kibo was incorporated in Ireland on 17 January 2008 as a public company limited by shares with the name Kibo Mining Public Limited Company. The Company was formed to explore for gold and nickel deposits in Tanzania, and with the purpose of acquiring Sloane Developments Limited.

Kibo acquired 75% of the issued share capital of Sloane on 21 April 2008 from the directors and major shareholders in Sloane. The offer was extended on the same terms to the remaining shareholders in Sloane. Between April 2008 and November 2009, the remaining shareholders in Sloane accepted the offer, such that Sloane is now a wholly-owned subsidiary of the Company.

The Tanzanian Mineral Rights held by Sloane at that time consisted of two gold projects, Iteemia and Luhala, located in the Lake Victoria goldfields of northern Tanzania, and the Haneti nickel project, located in central Tanzania which was prospective for nickel, copper, platinum group elements and gold mineralisation. Sloane also held an option over early stage gold exploration project in the Morogoro region of Eastern Tanzania.

Kibo Shares were admitted to trading on AIM on 27 April 2010.

On 30 December 2010, the Company signed an agreement with the Mzuri Group pursuant to which the Mzuri Group made a strategic investment in Kibo (through a £0.5 million placing at 3p per share), Kibo acquired a large portfolio of Tanzanian Mineral Rights from Mzuri Group and Kibo undertook a dual listing of its shares on the AltX market of the JSE. The Mineral Rights acquired from Mzuri Group were in respect of further areas prospective for gold and other minerals in both the Lake Victoria goldfields and Morogoro regions of Tanzania. The JSE listing date was 30 May 2011 and was followed by a £1.1 million placing to South African investors.

In February 2012, Kibo strengthened its ties with the Mzuri Group, with Mzuri Group subscribing for a further £0.75 million placing, increasing the shareholding in the Company of Mzuri Group and its related parties to approximately 29.4%.

3 The Proposed Acquisitions

In April 2012, Kibo entered into conditional agreements (the "Acquisition Agreements") to acquire controlling interests in Mzuri Energy and Mayborn, both private companies which hold portfolios of further Mineral Rights interests in Tanzania. Notably, Mzuri Energy, through its subsidiaries holds the advanced Rukwa coal project and a 50% joint venture in the Pinewood uranium and coal exploration project, while Mayborn holds the other 50% joint venture interest in the Pinewood project. The key terms of the Acquisition Agreements are as follows:

i) *The Mzuri Energy Acquisition Agreement*

An agreement dated 1 April 2012 pursuant to which the Company, through its subsidiary Morogoro, has conditionally agreed to acquire the approximate 40% of the issued share capital of Mzuri Energy which is held by Mzuri Group and to extend the offer on the same terms to the remaining 40 shareholders of Mzuri

Energy who together hold the other 60% of Mzuri Energy's shares.

The purchase price per Mzuri Energy share is calculated as £20,408,932 divided into the total number of Mzuri Energy shares issued and outstanding and will be satisfied by the issue and allotment of new Kibo Shares ("Consideration Shares") to Mzuri Energy shareholders at an issue price of 3 pence. On the basis that all Mzuri Energy shareholders accept the offer and the conditions precedent are satisfied or waived, a total of 680,297,733 Consideration Shares will be issued.

Pursuant to this agreement the Company has given warranties regarding, *inter alia*, its share capital and its capacity and Mzuri Group has given warranties usual for this type of transaction in relation to, *inter alia*, its corporate and financial affairs, its capacity, the mineral assets of Mzuri Energy and tax.

ii) The Mayborn Support Agreement

An agreement dated 2 April 2012 between the Company and Mayborn pursuant to which Mayborn has covenanted and agreed to support an offer to be made by the Company to the shareholders of Mayborn for their shares in Mayborn and the Company has covenanted and agreed, *inter alia*, to issue the relevant Consideration Shares pursuant to the offer to Mayborn shareholders.

The purchase price per Mayborn share is calculated as US\$1,200,000 (agreed as equivalent to £800,000) divided into the total number of Mayborn shares issued and outstanding and will be satisfied by the issue and allotment of Consideration Shares to Mayborn shareholders at an issue price of 3 pence. On the basis that all 26 Mayborn shareholders accept the offer and the conditions precedent are satisfied or waived, a total of a further 26,666,667 Consideration Shares will be issued.

Pursuant to this agreement Mayborn has given warranties regarding, *inter alia*, its good standing, share capital and capacity, and the validity and good standing of the Pinewood project joint venture, and the Company has given warranties regarding, *inter alia*, its capacity and good standing. This agreement (and the Mzuri Energy agreement above) shall terminate on the earlier of the completion of the Acquisitions and 30 September 2012.

Pursuant to the Acquisition Agreements, the Acquisitions are conditional, *inter alia*, on:

- a) the offers being made to the other Mzuri Energy and all Mayborn shareholders for their shares in Mzuri Energy and Mayborn;
- b) acceptances being received for a minimum of 51% of the shares in both Mzuri Energy and Mayborn;
- c) the admission to trading of the Consideration Shares on AIM and the JSE AltX;
- d) the receipt of a JORC or SAMREC compliant competent persons report and a fairness opinion on the assets of Mzuri Energy; and
- e) the receipt of the relevant Shareholder approvals for the Acquisitions.

In relation to the above conditions:

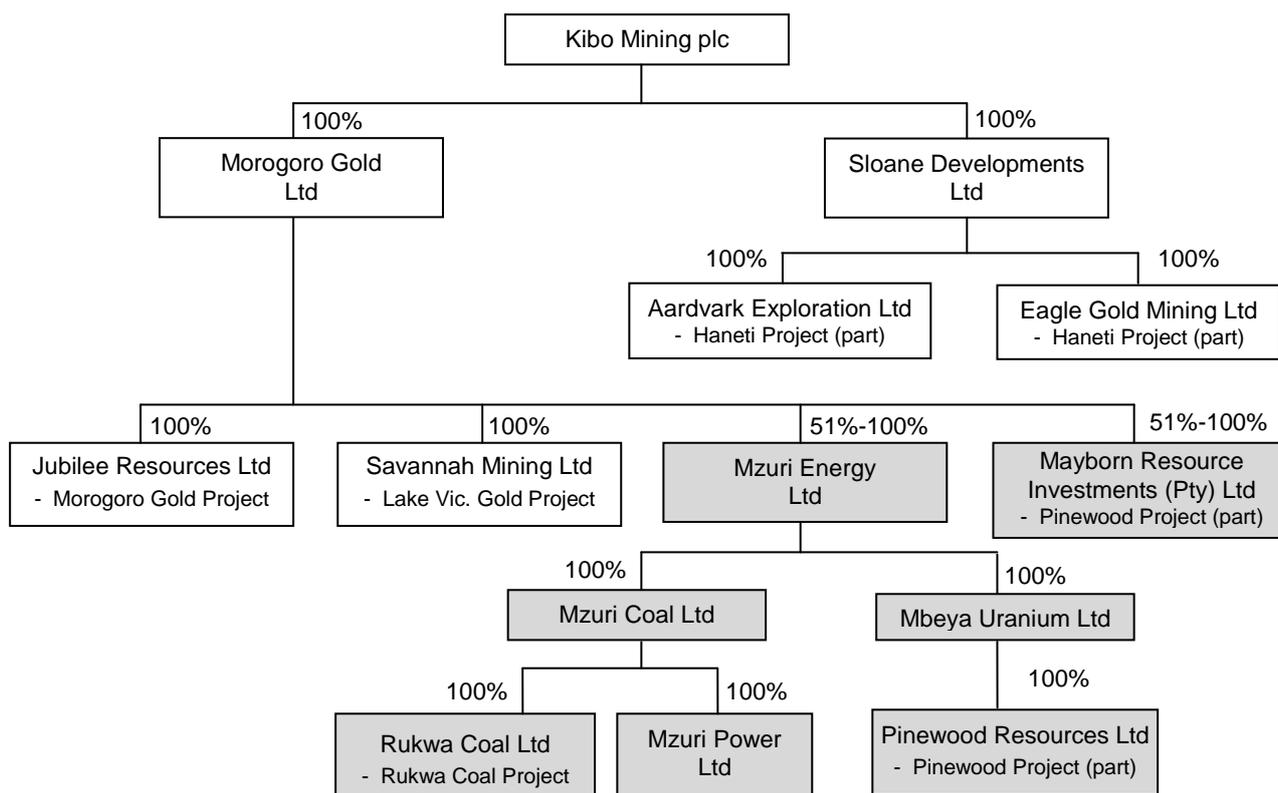
- a) the offers to the other Mzuri Energy and all Mayborn shareholders have been made by Kibo and as at the date of this Admission Document, acceptances have been received in respect of 100% of the Mayborn shares on issue and 99.85% of the Mzuri Energy shares on issue;
- b) the Company expects that acceptances for 100% of the Mzuri Energy and Mayborn shares will be received prior to the Extraordinary General Meeting of Shareholders on 6 September 2012, and the final level of such acceptances will be announced by Kibo prior to such meeting;
- c) application will be made for the admission to trading of the Consideration Shares on AIM and the JSE AltX, with such admission expected to take place as soon as practicable after the Extraordinary General Meeting, assuming that all other conditions have been met;
- d) the fairness opinion (from Venmyn, concluding the Acquisitions are fair) has been received and the competent persons report has been received (and is included in Part 3 of this Admission Document); and
- e) the relevant resolutions for Shareholder approval of the Acquisitions are set out in the Notice of EGM and will be considered by Shareholders at the Extraordinary General Meeting.

Based on the expectations of the Company, for the remainder of this Admission Document, it is assumed that Kibo is successful in acquiring 100% of both Mzuri and Mayborn. As such, it is assumed that the maximum of 680,297,733 Consideration Shares will be issued to Mzuri Energy shareholders, and 26,666,667 Consideration Shares will be issued to Mayborn shareholders, being 706,964,400 Consideration Shares in total.

In the event that Kibo does not successfully achieve a 100% interest in MEL and Mayborn, the number of shares to be issued will be lower, with a minimum of approximately 360,551 850 Consideration Shares to be issued, in the event that only the minimum 51% acceptances is received.

4 Group Structure

The corporate structure for the Group (showing significant Subsidiaries), subsequent to the completion of the Acquisitions, is as follows:



Note: Shaded boxes are the entities proposed to be acquired pursuant to the Acquisitions.

Further details on Kibo's significant subsidiaries are set out in Section 2 of Part 6 of this document.

5 Overview of the Group's Projects

Following the Acquisitions, Kibo will have consolidated an extensive portfolio of Mineral Rights covering a significant ground holding located in prospective project areas within Tanzania, comprising the following existing projects to be held by the Group:

- the Lake Victoria projects, in the well-known Lake Victoria Goldfield of northern Tanzania, which includes numerous greenfields gold exploration projects;
- the Morogoro projects, in the newly discovered gold region of southeastern Tanzania, in which greenfields gold exploration is being conducted; and
- the Haneti projects, in central Tanzania, focussing on greenfields nickel, copper and platinum group elements exploration,

and the following new project areas being acquired pursuant to the Acquisitions:

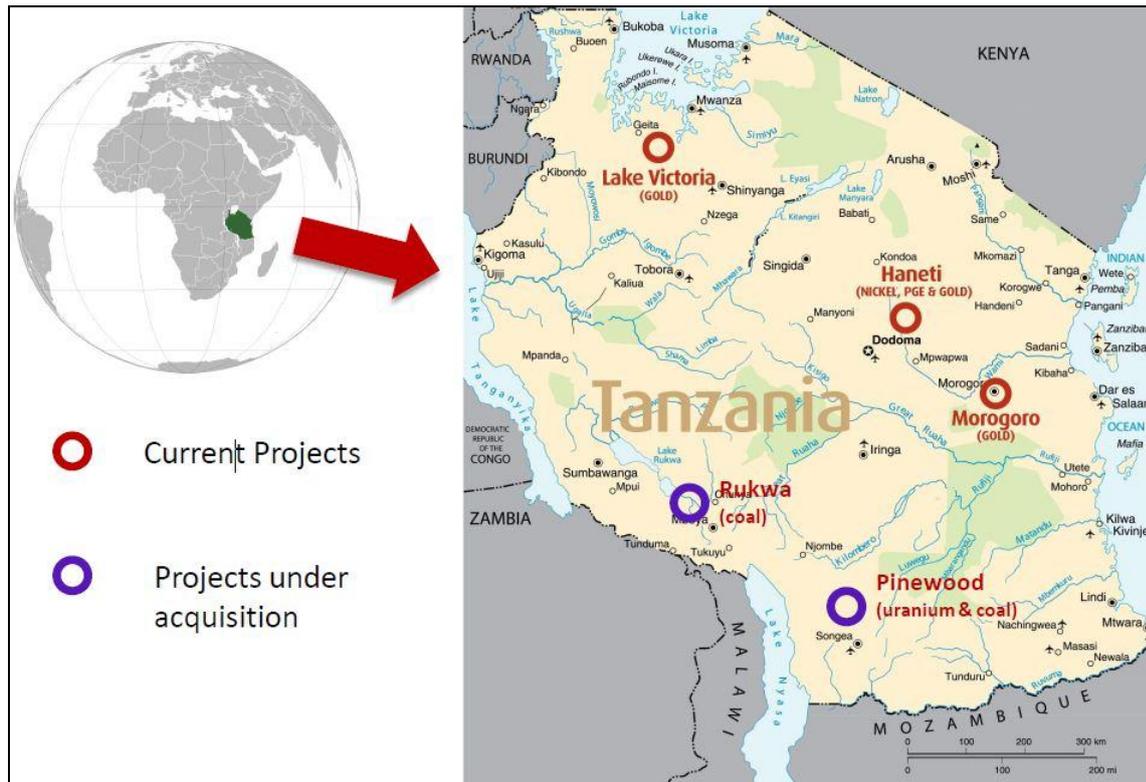
- the Rukwa coal project, which comprises a coal exploration project in southwestern Tanzania, at an advanced level of exploration development and with a current total JORC Code compliant Mineral Resource of 109 million tonnes of thermal coal; and
- the Pinewood project, which has consolidated an extensive portfolio of Mineral Rights in southwestern Tanzania that are prospective for both coal and uranium, which is in the early stages (greenfields) of exploration development.

(as extracted from the opening "Executive Summary" section of Venmyn's Competent Person's Report ("CPR") contained in Part 3 of this Admission Document):

Full details of the projects are set out in Venmyn's CPR. Summary details on the projects follow below.

5.1 Project Locations

The general location of the five key project areas is set out on the map below.



5.2 Overview of Tanzania

Tanzania is located in eastern Africa along the Indian Ocean, and bordered by Kenya, Uganda, Rwanda, Burundi, Zambia, Malawi and Mozambique. Tanzania includes the islands of Mafia, Pemba and Zanzibar. The administrative capital, Dodoma, is situated near to the centre of the country and Dar es Salaam (the financial and economic centre) is located on the coast. Tanzania measures 945,040km², with a population of approximately 43.7 million people.

Infrastructure and accessibility in Tanzania is reasonable. There is an international airport at Dar es Salaam and numerous other manned and unmanned airstrips at regional centres throughout the country. Power and water supplies are generally relatively poor and significant investment is required to improve this situation.

Tanzania has experienced a relatively stable political environment since the mid 1980's with elections and transitions progressing peacefully. The legal system is based on English common law. Despite a number of economic reforms over the years, Tanzania remains one of the poorest economies in the world, depending heavily on agriculture (~40% of GDP), which accounts for 85% of all exports and 80% of the work force, as well as international aid.

Natural resources in Tanzania include hydro-electric potential, coal, iron, gemstones, gold, uranium, natural gas, nickel, diamonds, crude oil potential, forest products, wildlife and fisheries. Agriculture produce includes coffee, cotton, tea, tobacco, cloves, sisal, cashew nuts, maize, livestock, sugar cane, paddy, wheat and pyrethrum.

The country has one of the highest levels of exploration in Africa due to its overall prospectivity, political stability and investor friendly policies. Gold presently attracts the majority of the investment and the Lake Victoria Goldfield hosts all of the country's major gold mines. There has also been considerable interest in uranium focused on Karoo sedimentary roll front deposits following the exploration success at Paladin Energy Ltd's Kayelekera uranium deposit in Malawi during the late 1990s, and more recently by Mantra Resources Ltd and Uranex NL.

Further background information on Tanzania is set out in Section 7 of Venmyn's CPR.

5.3 Lake Victoria Gold Projects

The Lake Victoria gold projects represent an extensive portfolio of early stage exploration projects (covering approximately 2,585 km²) in a traditional greenstone belt prospecting environment in Northern Tanzania. The Lake Victoria project Mineral Rights are scattered over a large area across the Lake Victoria Goldfields and occur within the Mwanza, Shinyanga and Kagera provinces. (From section 10.2.1 of Venmyn's CPR).

The greenstone belts of the Lake Victoria Goldfields are separated by granite-gneiss terrains. The Lake Victoria projects' Mineral Rights surround, straddle and occur within all the major greenstone belts in the Lake Victoria Goldfields:

- the Geita Belt in the Geita West, Geita North and Geita East blocks;
- the Buhungukira Belt in the Mhangu Block;
- the Sarama-Rwamagaza belt in the Central Block; and
- the Ushiroombo Belt in the UN Road Block.

The general prospectivity of the Lake Victoria projects Mineral Rights is improved further by the proximity of a number of the licences to known gold deposits and operating large-scale mines and artisanal workings.

The Lake Victoria Goldfields is considered the third largest gold producing area of Africa, surpassed only by the Witwatersrand in South Africa and the Tarkwa region of Ghana. Numerous gold occurrences have been identified in the Lake Victoria Goldfields and new discoveries continue to be made. Since 1998, when the first mine (Golden Pride) was commissioned, five additional large scale mines (Geita, Bulyanhulu, North Mara, Buzwagi and Tuluwaka) have begun production. Geita and Bulyanhulu are considered world-class deposits, together comprising in excess of 35Moz of gold resources.

The greenstone rocks are considered to be of Achaean age having geological and structural similarities to major gold districts in the Canadian Shield (Val d'Or, Kirkland Lake) and the Yilgarn Craton in Western Australia (Kalgoorlie, Laverton, Leonora, Kambalda & Southern Cross). *(The above 4 paragraphs are from section 10.3 of Venmyn's CPR).*

The Lake Victoria projects have to-date yielded numerous positive exploration results which warrant follow-up exploration. In addition, large prospective areas remain un-sampled, which require reconnaissance sampling in order to identify additional follow-up targets. It is clear that understanding the local geological and structural environments within the various licences is important in order to assess their mineralisation potential. Venmyn considers it prudent that all Mineral Rights are re-visited and re-assessed based on the existing results and interpretations in order to re-prioritise the Mineral Rights for these follow-up and reconnaissance work programmes.

Venmyn consider that the licences have potential for the discovery of traditional greenstone associated mineralisation within the Mineral Rights, based on the exploration results received to-date, the initial assessment of the geological and structural environments within the Mineral Rights, proximity to known gold deposits, and the extensive licence portfolio available for prospecting. *(The above 2 paragraphs are from section 10.6 of Venmyn's CPR).*

5.4 Morogoro Gold Projects

The Morogoro projects comprise an extensive portfolio of Mineral Rights (covering approximately 9,130 km²) within a non-traditional gold exploration environment, within southeastern Tanzania. Very limited sampling has been conducted within the project area, with only limited reconnaissance stream sampling in proximity to known alluvial occurrences and reconnaissance level soil sampling. Positive results to-date warrant follow-up sampling and geological and structural mapping in previously sampled areas. However, given the lack of geological knowledge in the project area, reconnaissance sampling is recommended for all un-sampled Mineral Rights.

Venmyn consider that the Mineral Rights have potential for the discovery of non-traditional gold mineralisation within the Morogoro projects area, based on the limited exploration results received to-date, the initial assessment of the geological and structural environments within the Mineral Rights, increased artisanal activity in the area, and the extensive Mineral Rights portfolio available for prospecting. The Morogoro projects offer an attractive opportunity to conduct exploration in a prospective area in which very little previous systematic exploration has been undertaken, and which may be set to become a new goldfield within Tanzania. *(The above 2 paragraphs are from the "Executive Summary" section of Venmyn's CPR).*

5.5 Haneti

The Haneti projects comprise an extensive portfolio of Mineral Rights (covering approximately 7,281 km²) within central Tanzania that are variably prospective for nickel, copper, platinum group elements and gold. The Haneti projects represent early stage exploration projects, with only limited reconnaissance soil and trench sampling having been conducted over a few of the anomalies to-date, several detailed groundborne geophysical surveys and some systematic pitting of laterite soils. While a number of anomalies require follow-up sampling, results to-date suggest that the Haneti ultramafic complex ("HUC") remains prospective, and justifies continued exploration, with Mwaka Hill representing an obvious follow-up target. *(From the "Executive Summary" section of Venmyn's CPR).*

The presence of significant artisanal workings within the northwestern part of the Haneti project area also suggests that the area has potential for gold mineralisation within the Archaean Dodoman terrain. It follows that this should become a high priority target for Kibo. This raises the possibility that the Betete area may also be underlain by a Dodoman Greenstone terrain and suggests that all areas to the west of the NW-SE boundary between the Usagaran and Dodoman lithologies should be targeted for reconnaissance gold exploration by

means of detailed aeromagnetics and bedrock geochemical sampling, in order to identify possible greenstone lithologies. (From section 12.6 of Venmyn's CPR).

Votorantim MOU

In May 2012 Kibo entered into a Memorandum of Understanding with Brazilian Votorantim Metais Participações Ltda, a member of Votorantim Group, ("Votorantim") to pursue a strategic joint venture for the further exploration of its Haneti project (the "Joint Venture").

The Joint Venture, if concluded and implemented, would see Votorantim initially contributing exploration expenditures of £0.5 million until December 2013. The earn-in phase comprises total investments up to £2.7 million during a period of three years in a mutually agreed work programme budget on Haneti for Votorantim to earn a 50% interest (the "Initial Period"), where after the parties will continue to contribute equally to the Joint Venture. During the first stage of the programme, the Joint Venture will be unincorporated and the Company will be the operator of the Joint Venture and its exploration work programme.

Votorantim will, however, have an option to take over the management of the work programme and call for the transfer of the Haneti properties to a joint venture company ("Newco") that will be owned equally by the Company and Votorantim. Votorantim shall be entitled to operate the Joint Venture from 31 December 2013 until the end of the Initial Period, where after the board of directors of Newco shall appoint the operator. It is the intention of the parties to direct the work programme towards establishing a JORC compliant Mineral Resource at Haneti during the Initial Period, where after the Joint Venture will consider the further development of the project on the merits of the exploration results achieved.

5.6 Rukwa Thermal Coal Project

Rukwa comprises a single coal exploration project on Mineral Rights (covering approximately 1,557 km²) in southwestern Tanzania, which is at an advanced level of exploration development and with JORC Code compliant coal resources. The large coal resource and coal qualities suggest that the coal could be amenable to the production of large quantities of coal that could meet power station specifications. (From the "Executive Summary" section of Venmyn's CPR).

The coal within the Rukwa project area occurs within the Karoo Supergroup of the Rukwa Rift Basin. This basin is an approximately 300km long, by 50km wide, northwest-southeast trending basin, comprising the Western Branch of the East African Rift System. The coal of the Rukwa Project is located within the so-called Songwe Basin, which is a sub-basin of the larger Rukwa Basin (from sections 8.3 and 8.4 of Venmyn's CPR).

Several exploration programmes have been undertaken at Rukwa to-date:

- a 2008 desktop study and reconnaissance visits;
- a 2009 mapping, sampling and drilling programme;
- a 2010 drilling and sampling programme; and
- a 2011 in-fill drilling and sampling programme.

The 2009 programme, started with detailed geological mapping followed by a drilling programme which comprised 1,518m of percussion (RC) drilling and 436m of diamond core ("DC") drilling. A total of 85 coal samples were collected from the drilling programme and an Inferred Resource was estimated over part of the Muasa Block. Coal was also identified in the Momba Block. The coal was found to be of a quality suitable for power generation with a low sulphur content, moderate ash and calorific value. An Inferred Resource was estimated over the Muasa Block.

The 2010 drilling programme aimed to upgrade and extend the Inferred Resource over the Muasa Block to Indicated status. Approximately 4,800m of RC drilling and 2,800m of DC drilling were completed as part of this programme. The programme extended into the Kanga Block. A resource of approximately 109Mt of coal was estimated (see below), by Gemecs in 2012, from the results of the 2010 drilling programme. A remote sensing desktop study was also completed during 2010 in order to better understand some of the regional structural geology as well as highlighting several exploration targets, notably in the Niamba and Galula blocks.

During 2011, further drilling work was conducted to upgrade the identified resource as well as to test for coal in previously unexplored parts of the licenses. Approximately 2,160m of RC and 1,315m of DC drilling was completed during 2011. Preliminary drilling in the Hasali Block proved that the Karoo geology had been subjected to faulting and structural related alteration. The only deep hole drilled in the area was not completed and the results for the area are inconclusive. One DC hole was drilled in the Galula Block, on the border with Magamba Coal. K2 bearing coal was intersected at around 250m. (The above 5 paragraphs are from section 8.6 of Venmyn's CPR).

To-date a total of 90 boreholes have been completed within the Rukwa Project area, 48 of which were followed up with DC drilling. Drilling has focussed on the Muasa and Kanga blocks. All boreholes were drilled vertically. (From section 8.6 of Venmyn's CPR).

The most recent JORC Code compliant Coal Mineral Resources estimate for the Rukwa Project is tabled below. This was prepared by Gemecs, as reported in April 2012, based on all drilling and sampling conducted on the project to the end of 2010. While additional drilling and sampling results are available from the 2011 exploration programme, these have not yet been incorporated into an updated geological model or resource estimate. (From section 8.12 of Venmyn's CPR).

| SEAM | SEAM THICKNESS (m) | CLASSIFICATION | TTIS (Mt) | | RAW QUALITIES (AIR DRIED) | | | | |
|----------------------------------|--------------------|----------------|--------------|-------------|---------------------------|------------|-------------|-------------|-------------|
| | | | | RD | ASH (%) | IM (%) | VM (%) | CV (MJ/kg) | TS (%) |
| S4 | 1.14 | Indicated | 2.17 | 1.62 | 40.6 | 5.6 | 24.4 | 15.5 | 1.80 |
| S3U | 2.04 | | 6.92 | 1.61 | 41.9 | 5.6 | 23.6 | 15.0 | 1.21 |
| S3L | 2.30 | | 12.63 | 1.63 | 39.5 | 6.1 | 24.2 | 15.6 | 1.29 |
| S2 | 3.45 | | 23.43 | 1.58 | 35.3 | 6.9 | 24.4 | 16.7 | 1.29 |
| S1U | 2.48 | | 7.34 | 1.63 | 37.2 | 6.1 | 23.2 | 16.4 | 0.74 |
| S1L | 2.92 | | 17.40 | 1.62 | 36.4 | 6.3 | 23.2 | 16.5 | 0.87 |
| SO | 1.08 | | 1.44 | 1.68 | 36.7 | 6.2 | 23.3 | 16.4 | 1.09 |
| TOTAL INDICATED RESOURCES | | | 71.33 | 1.61 | 37.3 | 6.3 | 23.8 | 16.2 | 1.13 |
| S4 | 1.31 | Inferred | 1.38 | 1.58 | 41.0 | 6.1 | 24.2 | 15.1 | 1.74 |
| S3U | 2.24 | | 2.94 | 1.66 | 43.2 | 5.2 | 23.2 | 14.7 | 1.10 |
| S3L | 2.27 | | 3.86 | 1.67 | 41.4 | 5.7 | 23.4 | 15.0 | 1.18 |
| S2 | 3.42 | | 7.94 | 1.59 | 35.1 | 6.7 | 23.8 | 16.9 | 1.21 |
| S1U | 2.05 | | 6.50 | 1.66 | 38.6 | 5.7 | 23.2 | 16.0 | 0.81 |
| S1L | 3.15 | | 12.83 | 1.61 | 35.7 | 6.0 | 23.5 | 17.0 | 0.98 |
| SO | 1.06 | | 2.60 | 1.59 | 34.6 | 7.1 | 25.5 | 16.9 | 1.45 |
| TOTAL INFERRED RESOURCES | | | 38.05 | 1.62 | 37.3 | 6.1 | 23.6 | 16.4 | 1.09 |

Preliminary washability analysis from samples suggests washing at an RD of 1.80, a so-called 'destoning' process, indicates a borehole yield of 50% to 78% (average of 67%), providing product with CV's between 19MJ/kg and 21MJ/kg and ash of between 25% and 30%. (From section 8.7 of Venmyn's CPR).

The successful development of this project would be highly dependent on its ability to supply future power stations in the area, and it follows, that Rukwa would be reliant on the construction of power stations in the region and securing off-take agreements with such power stations or other external markets. Additional in-fill drilling and extension drilling is required at the Rukwa Project to further increase the confidence within the current resource area and to increase the coal resource, respectively. (From the "Executive Summary" section of Venmyn's CPR).

MOU for Coal Mine and Mine-Mouth Power Station

In May 2012, Mzuri Energy's subsidiary, Mzuri Coal Limited ("Mzuri Coal") signed a Memorandum of Understanding with a large Asian global conglomerate (the "AC"), to pursue negotiations with a view to entering into definitive agreements providing for the development of a mine and a 250-350MW mine-mouth coal-fired power station at the Rukwa project. The development agreements, if concluded and implemented, would provide for the following salient elements:

- Mzuri Coal would provide the AC with all available technical data and expertise to enable the AC to conduct a comprehensive feasibility study on the development of a "Rukwa Power Project". If found feasible, Mzuri Coal would develop a thermal coal mine and enter into a long term off-take agreement with the AC or its nominee to supply the Rukwa Power Project with coal sufficient for its requirements;
- the AC would undertake comprehensive technical, financial and commercial feasibility studies in respect of the Rukwa Power Project. If found to be feasible, The AC would procure all required approvals and permits for the construction, commissioning and operation thereof and design, build and operate a mine mouth coal fired power plant on the Rukwa Power Project;
- the AC would procure an Independent Power Producer (IPP) license from the Electricity and Water Utility Regulatory Agency of Tanzania (EWURA) and a Power Purchase Agreement (PPA) from the Tanzanian National Electricity Supply Company (TANESCO); and
- the parties would have the opportunity to co-invest reciprocally in the equity of the mine and the power plant respectively on terms to be agreed between them.

5.7 Pinewood Project

The Pinewood project represents the consolidation of an extensive portfolio of Mineral Rights (covering approximately 18,088 km²) in southwestern Tanzania, at very early stages (greenfields) of exploration development. No modern, systematic exploration has been completed within the Mineral Rights areas. However a preliminary review of historical information suggests that the Mineral Rights are variably prospective for both coal and uranium as a result of:

- the occurrence of Karoo lithologies within a number of the Mineral Rights; and
- the proximity of a number of Mineral Rights to various second order radiometric anomalies.

The portfolio of Mineral Rights comprising the Pinewood project, provides exposure to exploration focussing on both traditional energy in the form of coal and new energy in the form of uranium. The Pinewood project is an early stage exploration project and is at the very start of a systematic regional prospecting programme in areas prospective for both coal and uranium.

The Pinewood and Rukwa projects are both positioned to take advantage of future infrastructural development within southwestern Tanzania and the African continent as a whole, at a time when investors (specifically from Indian and China) are investing heavily in both infrastructure and minerals projects within Africa, in order to secure supply for their growing demands. (From the "Executive Summary" section of Venmyn's CPR).

6 Proposed Work Programme and Budget

Kibo is pursuing a three year exploration work programme and budget on its projects to be implemented in two stages. Stage 1 has been mostly completed with approximately £0.8 million spent on preliminary surface exploration activities. Stage 2, which has been refined to include the Rukwa and Pinewood projects, is now underway.

The planned exploration budget for Kibo over the next 24-36 months is set out below. Planned expenditure is subject to change and to the receipt of further ongoing capital from future capital raisings or other funding sources.

| Stage 2 Exploration Work Programme | Budget expense £ million |
|---|-----------------------------|
| Consolidation of Lake Victoria exploration blocks and completion of deferred Stage 1 exploration spend for this project | 0.5 |
| Drilling of targets generated during Stage 1 at Haneti and follow up exploration | 1.0 |
| Follow up on areas of anomalous soil and stream geochemistry at Morogoro and drilling where targets are sufficiently resolved | 1.7 |
| Infill resource drilling, scoping study and regional exploration drilling at the Rukwa Project to upgrade to a Measured Resource and test strike extension of existing Resource | 3.3 |
| Initial geological assessment of Mayborn uranium coal licenses, including aerial geophysical survey. | 0.9 |
| Total | 7.4 |

7 Sources and Use of Funds

A summary of the current sources of funds for the Group and the proposed uses of these funds over the 12 months period following Admission is set out in the table below. This reflects a relatively minimum expenditure scenario. Subject to the Company raising further funds, it is intended that a significantly higher amount would be allocated to the exploration and scoping work on the Group's Projects.

| Proposed Sources and Applications of Funds | £ million |
|---|------------|
| Estimated net working capital of the enlarged Group (before Admission costs) <i>(unaudited figure based on Group cash balances as at 30 June 2012)</i> | 1.1 |
| Minimum Net Proceeds from the YA Equity Facility ¹ | 0.3 |
| Total available funds | 1.4 |
| Stage 2 exploration work programme (as above) ² | 0.7 |
| Working capital (including corporate overheads) | 0.3 |
| Transaction & re-admission costs | 0.4 |
| Total use of funds | 1.4 |

¹ Pursuant to the YA Equity Facility, YA Global will subscribe for Shares with minimum gross subscription proceeds of £0.5 million (during the first 20 months) and maximum gross subscription proceeds of £3 million (over 36 months). Further details on the YA Equity Facility are set out in Section 13.9 of Part 6 of this document.

² The allocation of exploration work programme funds between the various Projects will depend on the ongoing results and timing of the various elements of their respective work programmes.

8 Prospects, Future Strategy and Objectives

Kibo has established itself as a company with a 'country' rather than 'commodity' focus. It has established a portfolio of Mineral Rights covering over 38,000 km² of prospective areas in Tanzania, a holding which cannot be replicated under recent Tanzanian Government limits of 2,000 km² per company. The Company's decision to focus on Tanzania is primarily based upon the Board's recognition and appreciation of Tanzania's stable geopolitical environment, established legal system, established mining industry and mining legislation.

Kibo's objective is to increase Shareholder value by the systematic exploration and development of the Group's existing resource assets as well as the acquisition of suitable exploration and development mineral projects and producing assets. The Group will allocate capital to the exploration of its mineral assets and will prioritise these, identifying the potential of each mineral asset to create value for shareholders. The Group may use a number of strategies to enhance shareholder value such as developing a mineral asset using its own team, development in partnership with other groups or a disposal of a mineral asset where appropriate.

Specifically, the Company's current objectives are to:

- i) Complete the Acquisition Agreements and Admission process;
- ii) Continue its Stage 2 exploration programme on the Lake Victoria, Haneti, Morogoro & Pinewood projects;
- iii) Proceed to advance the Rukwa project towards development (initially through a scoping study);
- iv) Continue with the evaluation and acquisition of mineral exploration and development projects in Tanzania where compatible with the Company's growth strategy through joint venture or corporate acquisition; and
- v) Complete identified farm-in joint venture opportunities on current projects to mitigate risk and promote efficient exploration and evaluation of projects at low cost to the Company.

9 Summary Capital Structure

On Admission, Kibo's capital structure is expected to be as follows:

| Type of security | Exercise Price | Expiry Date | Number in Issue |
|---|---|-------------------------|----------------------|
| Fully Paid Ordinary Shares | | | |
| <i>Authorised share capital is €30,000,000, being 3,000,000,000 Ordinary Shares of €0.01 each</i> | | | |
| Existing Shares on issue | | | 415,129,511 |
| Consideration Shares to be issued to Mzuri Energy shareholders ⁽¹⁾ | | | 680,297,733 |
| Consideration Shares to be issued to Mayborn shareholders ⁽¹⁾ | | | 26,666,667 |
| Total Shares in issue at Admission | | | 1,122,093,911 |
| Options & Warrants | | | |
| Unlisted Options | £0.015 | 27 April 2015 | 2,539,258 |
| Unlisted Options | £0.0388 | 31 March 2016 | 12,900,000 |
| Unlisted Options - granted to RFC Ambrian on Admission | 25% premium to share price on Admission | 3 years after Admission | 4,000,000 |
| Unlisted Warrants | £0.015 | 27 April 2015 | 1,539,259 |
| Unlisted Warrants | £0.02 | 21 October 2015 | 125,000 |
| Total Options & Warrants in issue at Admission | | | 21,103,517 |
| Fully diluted share capital | | | 1,143,197,428 |

¹ The Consideration Shares noted as issued to Mzuri Energy and Mayborn shareholders assumes 100% acceptance of the proposed offers by both Mzuri Energy and Mayborn shareholders.

Each Option and Warrant entitles the holder to subscribe for one Share. If all of the Options and Warrants that

will be in issue immediately following Admission were exercised this would result in the issue of an additional 21,103,517 Shares with total exercise proceeds received of approximately £0.7 million. The Options and Warrants terms are subject to normal adjustment provisions and the terms of the Options are further described in sections 8 of Part 6 of this document.

In addition to the Shares, Options and Warrants tabled above, the Company has (i) entered into agreements under which it may elect, or (ii) is otherwise considering plans, to issue the following further securities subject to certain conditions:

- a) The Company is considering undertaking a placing of Shares to UK investors following Admission with the intention of providing additional working capital for acceleration of the exploration and development of the Group's Projects, subject to market conditions; and
- b) Pursuant to the YA Equity Facility, the Company may issue Shares and Warrants for both the raising of funds (i.e. subscriptions made by YA Global under the facility) and the payment of fees in accordance with the terms of the facility, which are summarised in Section 13.9 of Part 6 of this document; and
- c) Pursuant to its nominated adviser agreement with RFC Ambrian, in certain circumstances and at its election, Kibo may pay the approximate £67,000 fee payable to RFC Ambrian on Admission in Shares three months following Admission at an issue price based on the market price of the Shares at such time.

Future Share Issue Restrictions

Further information about the rights and liabilities attaching to the Shares, Options and Warrants is provided in Part 6 of this Admission Document.

9.1 Significant Shareholders of Kibo

Other than as listed in the table below, the Directors are not aware of any person, who as at the date of this document directly or indirectly, is interested in 3% or more of the voting rights of the Company or who, directly or indirectly, jointly or severally exercises or could exercise control over the Company, or whose interest is notifiable under the Disclosure and Transparency Rules or otherwise in the UK.

| Beneficial Shareholder | As at the date of this Admission Document | | | As at Admission | | |
|-----------------------------------|---|---------------------------------|--------------------------|--------------------------------|------------------------|-----------------------------|
| | Number of Existing Shares Held | Number of Existing Options Held | % of all Existing Shares | Number of Ordinary Shares Held | Number of Options Held | % of Enlarged Share Capital |
| Mzuri Group (& related parties) | 109,178,333 | 4,500,000 | 26.3% | 285,579,846 ⁽¹⁾ | 4,500,000 | 25.5% |
| Huntress (CI) Nominees Ltd | 19,090,910 | - | 4.6% | 132,663,655 ⁽²⁾ | - | 11.8% |
| Alhusein Dhanani / Sun Mining Ltd | 17,588,334 | - | 4.2% | 88,852,431 ⁽³⁾ | - | 7.9% |
| Louis Coetzee (& related parties) | 5,178,333 | 1,500,000 | 1.2% | 41,439,936 ⁽³⁾ | 1,500,000 | 3.7% |
| Jemonco Investment Holdings Ltd | 0 | - | - | 40,779,747 ⁽⁴⁾ | - | 3.6% |
| Sunvest Corporation Ltd | 30,765,867 | - | 7.4% | 30,765,867 | - | 2.7% |
| Christian Schaffalitzky | 25,336,976 | 1,500,000 | 6.1% | 25,336,976 | 1,500,000 | 2.3% |
| Richard Speir | 17,057,893 | - | 4.1% | 17,057,893 | - | 1.5% |

The post Admission shareholdings tabled above assume that the maximum number of Consideration Shares are issued.

1. In relation to the 272,744,002 Consideration Shares to be received by Mzuri Group for its approximate 40% shareholding in Mzuri Energy, Mzuri Group has agreed for 57,744,002 of these to be allotted directly to shareholders in Mzuri Capital Group Ltd. Coupled with a proposed in specie distribution prior to Admission of a further 104 million existing Kibo Shares held by Mzuri Group and allowances made for Consideration Shares to be received by related parties of Mzuri Group, this will result in Mzuri Group's and its related

parties' combined holding in the Enlarged Share Capital of the Company being as tabled above.

2. This is a broker nominee holding account and reflects various different beneficial holdings. The total reflects Consideration Shares to be received under both the Mzuri Energy and Mayborn Acquisitions.
3. This reflects Consideration Shares to be received under both the Mzuri Energy and Mayborn Acquisitions.
4. This reflects Consideration Shares to be received under the Mzuri Energy Acquisition.

None of the Company's significant Shareholders have voting rights that are different from the other Shareholders.

To the best of the knowledge of the Company, there are no persons who currently, or are expected to post Admission, directly or indirectly control the Company, where control means owning 30% or more of the voting rights attaching to the share capital of the Company. The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.

10 Directors and Senior Management

10.1 Board of Directors

The Board of Kibo currently comprises two Executive Directors and five non-executive Directors. The two executive Directors comprise the senior management team of the Company. The Company is also proposing to appoint two additional non-executive Directors to the Board subject to Admission. Brief biographies for the Directors are set out below:

Christian Schaffalitzky (aged 58) **BA (Mod), FIMMM, PGeo, CEng**
Non-Executive Chairman
Appointed 21 April 2008

Christian Schaffalitzky is managing director of Eurasia Mining plc a company admitted to trading on AIM. From 1984 to 1992, he founded and managed the international minerals consultancy, CSA Group, now CSA Global Pty Ltd. With over 30 years' experience in minerals exploration, Christian Schaffalitzky was a founder of Ivernia West plc, where he led the exploration and was instrumental in the discovery and development of the Lisheen zinc deposit in Ireland. More recently, he was managing director of Ennex International plc an Irish quoted mineral exploration company, focused on zinc development projects. He has also been engaged in precious and base metal mineral exploration and development in the former Soviet Union and is an independent director on the board of Russian company, Rospadskaya Coal Company as well as a number of other listed companies.

Louis Coetzee (aged 48) **BA (Law), MBA**
Executive Director and CEO
Appointed 19 July 2010

Louis Coetzee has 25 years experience in business development, promotion and financing in both the public and private sector. In recent years he has concentrated on the exploration and mining area where he has founded, promoted and developed a number of junior mineral exploration companies based mainly on Tanzanian assets. Louis has tertiary qualifications in law and languages, project management, supply chain management and a MBA from Bond University (Australia) specializing in entrepreneurship and business planning and strategy. He has worked in various project management and business development roles mostly in the mining industry throughout his career. Louis is currently a director and chief operating officer of the Mzuri Group which has coal projects in Tanzania and coal, oil and gas projects in Russia. He is also chairman and acting CEO of Australian listed East African Resources limited (ASX: AAF) which holds copper and uranium exploration projects in the Democratic Republic of the Congo and Tanzania respectively. Between 2007 and 2009, he held the position of Vice-President, Business Development with Canadian listed Great Basin Gold (TSX: CBG). Mr Coetzee is responsible for the Group's operations in Tanzania and executing the exploration programme of the Group.

Noel O'Keeffe (aged 48) **BSc (Hons), Geology, MBA**
Technical Director
Appointed 17 January 2008

Noel O'Keeffe has over 20 years experience in mineral exploration and has worked on a variety of base metal and gold projects in Ireland, Canada, Australia and Africa. Prior to joining Sloane in 2007 he worked as a quality co-ordinator with Boston Scientific (Ireland) Ltd, a multinational medical device company. He also worked part-time for Irish geological services group, Aurum Exploration Ltd during 2003 and early 2004. During the mid nineties he was exploration manager with Ormonde Mining plc in Tanzania, a company currently listed on the Irish Stock Exchange and on AIM. Previously Noel was a senior geological consultant with BDA Consultants Limited and worked on both government and private sector contracts. Earlier in his career, Noel worked as a geologist for Burmin Exploration and Development plc and for its Canadian and Australian subsidiaries.

Desmond Burke (aged 65) **B.Sc., Geology, M.Sc. DIC**
Non-Executive Director
Appointed 19 July 2010

Des Burke is a geologist with forty years' experience in resource exploration, promotion and financing with a record of private and public company financings and exploration successes spanning base metals, gold and oil & gas. Most recently he was a founding director of Petroneft Resources plc (AIM: PTR) and an executive director with responsibility for investor relations until his retirement in 2009. Petroneft is currently developing oil production from its discoveries in the West Siberian Oil Basin in Russia. Prior to this, Des established Ormonde Mining plc (AIM: ORM) in 1995 and was CEO of the company until 2000 during which period he raised funding for gold and base metal projects in Ireland, Mexico and Tanzania. During the mid nineties, Des was a director of Sipa Resources International NL (ASX: SRI) and he played a central role in the discovery, exploration and financing of a significant new copper-zinc mineral field called the Panorama project in the Pilbara region of Western Australia. During the mid eighties, Des was founder and CEO. of Burmin Exploration and Development Ltd, a mineral exploration company listed on the Irish Stock Exchange with gold and base metal projects in Ireland, Canada and Australia.

William Payne (aged 47) **BA (Hons) ACA**
Non-Executive Director
Appointed 26 May 2008

William Payne is a partner of the chartered accountancy firm Wilkins Kennedy LLP and acts for a diverse range of clients across various industry sectors. He provides audit and assurance advice to clients as well as assistance in planning, reporting and compliance. He is a member of the firm's property and construction sector and is also responsible for a number of outsourced accounts and administrative functions. Having obtained an accounting degree from Exeter University, William went on to train and qualify as a Chartered Accountant at KPMG in London. He was made partner in WH Payne & Co in 1991, prior to its merger with Wilkins Kennedy LLP in 2003. In addition to being the partner in the firm responsible for the firm's ethics, William is also a director of a number of companies, including Sprue Aegis PLC, a company listed on the London PLUS Markets. He is also the financial director for Ariana Resources PLC, a mining exploration company listed on AIM.

Tinus Maree (aged 50) **BLC, LLB**
Non-Executive Director
Appointed 8 March 2011

Tinus Maree is a lawyer by profession. He has served on the boards of a number of public companies including Goldsource Mines Limited, Africo Resources Limited and Diamondworks Limited that have made significant successful investments in exploration projects in Africa and North America, and has more recently served as the CEO of private investment companies Rusaf Gold Limited and Mzuri Capital Group Limited (the ultimate holding company of Mzuri), both of which have successfully developed and sold mineral projects in Tanzania in the last five years. He is also a principal of River Group, who will be Designated Advisors to the Listing of Kibo on the JSE, and is responsible for the North American office of River Group in Vancouver, Canada. Mr Maree was appointed as a Director of Kibo as a result of the strategic investment (and related Mineral Rights transaction) by Mzuri Group in Kibo in December 2010.

Wenzel Kerremans (aged 54) **B.Proc, LLB, LLM, Adv. Dip.**
Non-Executive Director
Appointed 7 July 2011

Wenzel Kerremans is a lawyer by profession with over 25 years international legal experience in mining, banking, project finance and international tax, advising clients who have invested in exploration and mining projects in Africa. He has also originated and successfully sold Veremo Holdings Limited a billion ton titaniferous magnetite exploration project for the production of iron and titanium slag. Wenzel is also the principal and director of a gold, graphite and coal exploration project in Africa.

10.2 Proposed Directors

On completion of the Acquisitions, it is intended that William Payne will resign as a Director and the following Directors are proposed to be appointed as new non-executive Directors of the Company.

Cecil Bond (aged 55) **CA**
Proposed Non-Executive Director

Cecil is a Chartered Accountant with over 25 years of experience in public and private companies. Over the last 15 years he has held various positions in a number of public exploration companies with activities in Canada, South America, Africa, Europe and Australia. He is currently chief financial officer of TSX and NYSE MKT listed Exeter Resources Corporation. He has successfully managed capital raisings and the recent spin out of Exeter's high grade gold/silver Cerro Moro project in Argentina to Exorre Gold Mines Limited, of which he is

Vice President of Finance. Cecil is currently a director of TSX-V listed Rugby Mining Ltd and previously a director of ASX listed Argosy Minerals Ltd. Cecil is CFO of Mzuri Energy.

Bernard Poznanski (aged 58) BSc (Hons), LLB, LLM
Proposed Non-Executive Director

Bernie Poznanski has a broad legal background in corporate finance, mergers & acquisitions and securities law. Mr. Poznanski is one of the founding partners of Koffman Kalef and currently heads the firm's securities group. He has acted for a wide variety of companies listed on the Toronto Stock Exchange, the TSX Venture Exchange, the American Stock Exchange and NASDAQ, with particular expertise in dealing with mining and technology companies and handling companies with international projects. Bernie is currently a director of Mzuri Energy and has previously been a director of Peregrine Metals Ltd and Peregrine Diamonds Ltd.

10.3 Senior Management

The senior management of the Company currently comprises its executive Directors, Louis Coetzee and Noel O'Keeffe. The Company is aware of the need to have sufficient management to properly supervise the exploration and (if successful) for the development of the projects in which the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's projects require an increased level of involvement the Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's projects.

11 Related Party Disclosures in Relation to the Acquisitions

For the purposes of the AIM Rule 13, and the JSE Listings Requirements, Louis Coetzee and Tinus Maree, Directors of the Company, are considered to be involved in the Acquisitions as a related party by virtue of both Louis and Tinus being directors and beneficial shareholders of Mzuri Energy (and Mzuri Capital Group Ltd), Tinus being an indirect beneficial shareholder of Mayborn and Louis being an indirect beneficial shareholder in Mayborn.

| Name | Relationship and Extent of Interest in the Acquisitions |
|--|---|
| Tinus Maree (& family and controlled entities) | <p>Mr Maree is a Director of the Company and is also a director and beneficial shareholder of Mzuri Capital Group Ltd (vendor), Mzuri Energy and Mayborn. Entities in which he or his family are a beneficial shareholder in, or director of, will receive Consideration Shares, as follows:</p> <ul style="list-style-type: none"> - Mzuri Group will be entitled to receive 272,744,002 Consideration Shares for the shares it holds in Mzuri Energy. Coupled with the proposed in specie distribution of the existing 104,000,000 Shares it holds to its shareholders as well as the direct allocation of 57,744,002 of the Consideration Shares to its shareholders, Mzuri Group's shareholding in Kibo will increase from 104,000,000 Existing Shares to 215,000,000 Shares as at Admission; - Altyd Limited, of which Mr Maree's spouse has a beneficial interest, is a shareholder in Mzuri Capital Group Ltd and will receive 14,882,439 Shares as part of the in specie distribution by Mzuri Group; and - River Group, of which Mr Maree is a director, will be (or would have been) entitled to receive a total of 41,920,055 Consideration Shares for the shares it holds (or held) in Mayborn and Mzuri Energy. This includes Consideration Shares attributable to shares in Mzuri Energy that River Group will receive as full payment of a £1.17m corporate advisory transaction fee payable by Mzuri Energy to River Group on successful completion of the Acquisitions. After allowing for an in specie distribution of its Mzuri Energy shares to its shareholders (prior to completion of the Acquisitions), River Group's shareholding in Kibo will increase from 0 Existing Shares to 4,170,104 Shares as at Admission. |
| Louis Coetzee (& family & controlled entities) | <p>Mr Coetzee is a Director of the Company and is also a director and beneficial shareholder of Mzuri Capital Group Ltd (vendor) and Mzuri Energy, and an indirect beneficial shareholder of Mayborn. Entities in which he or his family are a beneficial shareholder in, or director of, will receive Consideration Shares as follows:</p> <ul style="list-style-type: none"> - Zandeleigh Limited, of which Mr Coetzee's spouse has a beneficial interest, will receive 22,770,232 Consideration Shares for the shares it holds in Mzuri Energy; and - Tsitato Trading Limited, of which Mr Coetzee's spouse has a beneficial interest, will receive 911,214 Consideration Shares for the shares it holds in Mayborn and will also receive 12,580,157 Shares pursuant to the proposed in specie distribution by Mzuri Group (of which it is a shareholder). |

| Name | Relationship and Extent of Interest in the Acquisitions |
|-------------|---|
| Mzuri Group | The Mzuri Group is a substantial shareholder in the Company, a party to the Mzuri Energy Acquisition Agreement and it will be entitled to receive 272,744,002 Consideration Shares for the shares it holds in Mzuri Energy. Coupled with the proposed in specie distribution of the existing 104,000,000 Shares it holds to its shareholders as well as the direct allocation of 57,744,002 of the Consideration Shares to its shareholders, Mzuri Group's shareholding in Kibo will increase from 104,000,000 Existing Shares to 215,000,000 Shares as at Admission; |

With the exception of Louis and Tinus, the Directors consider, having consulted with RFC Ambrian Ltd, its nominated adviser, that the terms of the Acquisitions are fair and reasonable insofar as the Shareholders are concerned.

12 Lock-in Arrangements

Pursuant to the AIM Rules, the following parties have agreed not to dispose of any Shares and Options in the Company that they or their related parties own for a period of 12 months from Admission:

- all of the Directors whose interests in Shares and Options are detailed in Section 12 of Part 6,
- Mzuri Capital Group Ltd (and its subsidiaries), by virtue of them being a substantial Shareholder in the Company, which is expected to have a direct interest in 215,000,000 Shares as at Admission; and
- Alhussein Dhanani, which includes Sun Mining Limited, who is a director of various Tanzanian subsidiaries of the Company, and whose interest in Shares and Options are set out in Section 9.1 of this Part 1.

The Company has no other related parties or "applicable employees", as defined in the AIM Rules, who would be required to be subject to any lock in arrangements pursuant to the AIM Rules.

The total number of Shares that are expected to be subject to lock-in is 422,018,496 Shares, representing approximately 37.6% of the Company's Enlarged Share Capital.

13 Corporate Governance

The Corporate Governance Statement of Kibo is detailed in Section 11 of Part 6 of this Admission Document. Kibo complies with the corporate governance codes of the UK and European Union to the extent appropriate to a company of Kibo's size and, in the opinion and best knowledge of the Board, there are no practices that are contrary to or in conflict with the Code of and Report on Governance Principles for South Africa (King III) and its principles.

14 Financial Information

Key financial information of Kibo is provided in Part 4 of this Admission Document. It should be noted that as the Group does not currently conduct any production activities, it does not currently generate any operating revenue.

15 Dividend Policy

The Directors anticipate that in the two year period following Admission the Group's activities and expenditure will be focussed on the evaluation, exploration and possible development of its mineral projects. Accordingly, the Company does not expect to declare any dividends during that period. Thereafter it is the Directors' intention to pay dividends when profit, available cash flow and capital requirements allow.

16 Admission, Settlement (CREST) and Dealings

The Company will cancel trading of its Existing Ordinary Shares on AIM immediately preceding the EGM and make an application for the Admission of the Enlarged Share Capital to trading on AIM and JSE AltX for the day following the EGM (assuming all of the conditions for the Acquisitions have been met). Trading in the Enlarged Share Capital on AIM and JSE AltX is expected to re-commence on or around 7 September 2012.

To be traded on AIM and JSE AltX, securities must be able to be transferred and settled through the "CREST" and "STRATE" systems respectively, UK and South African computerised paperless share transfer and settlement system, which allows securities to be held and transferred in electronic form rather than in paper form.

The Directors have arranged for the Shares or the enlarged Group to be admitted to CREST and STRATE with effect from Admission. Accordingly settlement of transactions in the Shares following Admission may, if a

shareholder wishes, take place within the CREST system. CREST is a voluntary system and Shareholders who wish to hold their shares in certified form will be able to do so.

It is emphasised that, although the Shares will trade on AIM and JSE AltX, the Company will not be subject to takeover regulation in the UK or South Africa. Being an Irish incorporated company, Kibo is subject to the provisions of the Companies Acts, further details of which are provided in Section 3 of Part 6 of this Admission Document.

Part 2 Risk Factors

There are a number of risks which may have a material and adverse impact on the future operating and financial performance of Kibo and the value of Kibo's securities, and if any such risks materialise an investor could lose all or part of its investment. These include risks that are general risks associated with any form of business and specific risks associated with Kibo's business and its involvement in minerals exploration and development in Tanzania. Whilst many of these risk factors are largely beyond the control of Kibo and its Directors, the Company will seek to mitigate these risks to the extent that the Directors consider appropriate for a company of the size and nature of the Company, where possible.

The Directors believe the following risks to be the most relevant and material to the Company. However, the list below is not an exhaustive list, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority (save that those risks that the Directors believe to be specific to the Company are set out ahead of those risks they consider to be general). Further risks which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have a material adverse effect on the business, financial condition, prospects and share price of the Company.

Neither the Company nor the Directors provide any assurances or guarantees of future profitability, distributions, payment of dividends, return of capital or performance of the Company or its Shares.

1 Risks specific to Kibo

1.1 The Acquisitions – valuation, control, consideration and dilution

The Acquisitions will result in substantial dilution of existing Shareholders interests in the Company. Whilst the independent directors of the Company received a fairness opinion from Venmyn confirming that in their opinion the Consideration for the Acquisitions was fair relative to the potential value of the assets for existing Kibo shareholders, this was necessarily based on many assumptions which may or may not turn out to be reasonable. As a result, if these key valuation assumptions prove optimistic, then the value of existing Shareholders in the Company could also be diluted.

Whilst the Board believe that pursuant to the Acquisitions it will successfully gain acceptances from 100% of Mayborn and Mzuri Energy shareholders, there is a risk that it will not get 100% acceptances. In such circumstances, the board will still be able to direct the activities in relation to the Projects of Mzuri Energy and Mayborn, but any flow of funds between the Company and Mzuri Energy and Mayborn will need to be undertaken strictly at arms length and this could restrict the flexibility of the Company's activities.

1.2 All assets are located within Tanzania

All of the Groups assets are located in Tanzania. Whilst the Board believes that this provides it with a strong focus and enables it to maximise its use of its expertise and relationships within Tanzania, it exposes the Group to high specific risk relating to any adverse developments in Tanzania, whether due to geopolitical, economic, security, natural disaster, relationship or other reason.

The political situations in Africa in particular may introduce a degree of risk with respect to the Group's activities. Risks include, among others, labour disputes, delays or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil disturbances and terrorist actions, arbitrary changes in laws or policies, foreign taxation and exchange controls, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, infrastructure limitations and increased financing costs. Although the Directors believe the current political climate in Tanzania to be stable, this may change.

In Tanzania the government exercises control over exploration and mining licensing, permitting, exporting and taxation. The Group is currently conducting its exploration operations entirely in Tanzania. The Board believes that the Government of Tanzania supports the development of natural resources. However, there is no assurance that future political and economic conditions in Tanzania will not result in the Government of Tanzania changing its political attitude towards mining and adopting different policies respecting the exploration, development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, land tenure and mineral licences, taxation royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect the Group's ability to undertake exploration and future mining operations in the properties in respect of which it has obtained mineral rights to date and may adversely impact the Group's ability to carry out its activities

1.3 Tanzanian Mineral Rights risks

The acquisition and retention of title to Mineral Rights is a detailed and time-consuming process in Tanzania (and elsewhere). Title to, and the area of, Mineral Rights may be disputed or challenged. Although the Directors believe the Group has taken reasonable measures to ensure title to, and rights and interests in, the Mineral Rights held by

it, and to the best of its knowledge title to such Mineral Rights is in good standing, there is no guarantee that title to its Mineral Rights will not be challenged or impaired. Any successful challenges to the title of the Group's Mineral Rights may cause the Group to lose all or part of its interest in its Mineral Rights and materially delay or restrict the Group's ability to proceed with its exploration operations.

There is no guarantee that the Group will be able to secure all prospecting, exploration, mining licences, permissions, clearances or other titles or exemptions required for its projects. There is no guarantee, even where the necessary approvals are obtained, that any subsequently required approvals will also be granted or maintained throughout the life of the Group's projects.

The Group has a significant number of Mineral Rights applications that have been lodged and are still being processed. There can be no guarantee that these will be granted in a timely manner or at all. Furthermore, the Group may not be able to retain its licence interests when they come up for renewal.

In addition, pursuant to the Mining Act, on renewal of a prospecting licence or at the end of a reconnaissance period, the licence holder has to relinquish a significant part of the area covered by the original licence. Although it is the intention of the Group to re-apply for the areas described in this Admission Document and which prove to be of mineral potential and interest to the Group, there can be no guarantee that the Group or the companies that the Group chooses to invest in from time to time will secure title to the areas relinquished under the Mining Act.

In relation to both the granting of new prospecting licences applied for and the renewal of existing prospecting licences, it is also noted that the Group holds greater than 20 prospecting licences with cumulative area which substantially exceeds 2,000km². As described in Part 5 of this Admission Document, pursuant to s8(6) of the Mining Act, this may therefore restrict the granting of any further prospecting licences to the Group that were applied for after the Mining Act came into force in November 2010, including applications for renewal, unless approval from the Minister of Energy and Minerals is received. The Mining Act does not prevent such applications being made, and whilst there is no provision in the Mining Act granting the Minister for Energy and Minerals discretion, the Directors believe that where there are no competing applications for that ground or where there are other relevant considerations, then the Minister for Energy and Minerals may be able to exercise discretion to grant the prospecting licences.

At present the Group's Mineral Rights include approximately 13 prospecting licences applied for after the Mining Act came into force, with a total area of approximately 1,440km². The Group also needs to make ongoing prospecting licence renewal applications. This could adversely affect the Group's Mineral Rights holdings and exploration projects in Tanzania, and restrict the Group's pursuit of further project areas in the country.

Some of the Group's Mineral Rights are also held pursuant to option or farm-in agreements with third parties. The default by the Mineral Rights holders of their licence obligations, or the default by the Group of its obligations under these agreements, could jeopardise the maintenance of good title and interest in these Mineral Rights.

1.4 Lack of track record of profitability, capital needs and funding risks

The Group does not have an established track record. The Group's operations are at an early stage of development and success will depend upon the Directors' ability to manage the current projects and to identify and take advantage of further opportunities which may arise. The Group has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from active mining operations in the future and its ability to access equity markets for its development requirements. The Group has not earned profits to date and there is no assurance that it will do so in the future. All of the Group's activities will be directed to exploration and feasibility investigations and, if warranted, development of its existing properties, the granting of mining licences and to the search for and the development of new mineral deposits. Significant capital investment will be required to achieve commercial production.

There can be no assurance that such required funding will be available on satisfactory terms or at all. Any inability to obtain finance may adversely affect the business and financial condition of Kibo and, consequently, its performance. The raising of future ongoing capital (under the YA Equity Facility or otherwise) to fund the Group's exploration and development activities may also significantly dilute the interests of existing Shareholders.

1.5 Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its small team of executive directors and key consultants. The loss of any one or more of these personnel could have an adverse impact on the performance and prospects of the Company.

1.6 Retention of key business relationships

Kibo relies on strategic relationships with other entities such as its proposed joint venture farm-in parties on the Haneti and Rukwa Projects and also on good relationships with regulatory and governmental departments. It will also rely upon third parties to provide essential contracting services. The Memoranda of Understanding ("MOUs") in relation to the Haneti and Rukwa Projects are non-binding and there can be no guarantee that binding agreements will be entered into as contemplated by the MOUs.

While the Directors have no reason to believe otherwise, there can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance, which causes the early termination or non-renewal of one or more of these key business alliances or contracts, could adversely impact Kibo, its business, operating results and prospects.

1.7 Holding company structure

The Company's operating results and its financial condition are dependent on the trading performance of its various subsidiaries. The Company's ability to pay future dividends will depend on the level of distributions, if any, received from the Company's subsidiaries. The Company's subsidiaries may from time to time be subject to restrictions on their ability to make distributions to the Company, as a result of regulatory, fiscal or other restrictions. Currently there are no such distribution restrictions, and while none are expected, there can be no assurance that such restrictions will not be introduced in the future, and this could have a material adverse effect on the Company's performance, financial condition and ability to pay future dividends.

1.8 Insurance

The Group will maintain insurance where it is considered appropriate for its needs. However it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

2 General Risks in Relation to Resource Exploration Companies

2.1 Exploration risks

Exploration for minerals is speculative and involves significant degrees of risk. Exploration and feasibility activities may be delayed or disrupted by the availability of drilling rigs or other technical contractors, adverse weather conditions, difficulties in gaining access to the desired exploration sites, delays in approvals from authorities or technology providers or technical issues such as unexpected geological formations or process testwork results.

No assurances can be given that the Group's will delineate any commercially viable mineral deposits at its Projects through its exploration and feasibility work. Until Kibo is able to realise value from its projects, it is likely to incur ongoing operating losses.

The proposed exploration expenditure set out in Section 6 of Part 1 of this Admission Document is based on certain assumptions with respect to the method and timing of exploration work. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

2.2 Resource estimates

Other than the Rukwa coal project, the Company does not presently have any JORC Code compliant resources on its Projects. The Rukwa Project resource estimate is, and in the event a resource is delineated on any other Projects this would be, an estimate only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may affect the commercial viability of those resources. No ore reserves (as defined in the JORC Code), which are resources for which sufficient feasibility work has been undertaken to demonstrate likely economic viability, have been defined at any of the Group's Projects.

2.3 Project development and operating risks

If Kibo achieves exploration success that leads to a decision to develop production operations, the development and ongoing production from such operation may be adversely affected by various factors, including failure to achieve predicted production rates, mechanical failure or plant breakdown, unanticipated problems, adverse weather conditions, industrial and environmental accidents, industrial disputes, delays to government actions, infrastructure availability and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment. The future development of the Rukwa Project resources still carries significant risks, including whether sufficient quality coal products can be economically produced from washing.

2.4 Environmental risks

As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay future exploration, production or increase costs. Events, such as unpredictable rainfall or bushfires may impact on the Group's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

2.5 Economic and commodity price risks

Changes in the general economic climate in which the Group operates may adversely affect the financial performance (ie future costs and revenues) of the Group and the value of its exploration assets. In particular, changes in the current and expected future price of resource commodities can change rapidly and significantly and this can have a substantial effect on the value of the Group's exploration assets and the potential future revenue and profits that might be earned from any successful development of those assets.

Resource commodity prices are influenced by many factors affecting their demand and supply including global industrial production levels and economic sentiment, inflation and interest rates, industrial disputes, wars and other military activity, technological advancements, forward selling activities, government environmental policies, resource infrastructure investment, weather conditions and general exploration success.

2.6 Potential acquisitions and project competition

As part of its current business strategy, the Group may make acquisitions of or significant investments in additional mineral projects or companies in Tanzania. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies or resource projects.

Kibo competes with other companies, including major resource exploration and production companies for mineral project opportunities in Tanzania. Some of these companies have greater financial and other resources than Kibo. As a result, such companies may be in a better position to compete for future project opportunities and there can be no assurance that Kibo can compete effectively with these companies.

2.7 Internal controls risks

There can be no assurance that the Group will be able to effectively manage its proposed growth plans, or that the Group's current personnel, systems, procedures and internal controls will be adequate to support the Group's future developments. Any failure of the Board to manage effectively the Group's growth and development could have a material adverse effect on its business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Board's strategy will develop as anticipated.

3 Further general risks relating to Tanzania

3.1 The Group faces foreign exchange risks that could adversely affect its operating results

The Company reports its financial results and maintains its accounts in GBP. However, a majority of the Company's expenses will be incurred in US\$ and Tanzanian Shillings. The appreciation of the US Dollar and Tanzanian Shilling against Sterling would increase the Company's exploration costs, which, among other effects, would materially and adversely affect the Company's financial condition, and may limit the Company's ability to carry on its exploration activities. In addition, the market for gold and certain other minerals is principally dominated in US\$ and the Group's future mining operations in Tanzania may make it subject to further currency fluctuations and such fluctuations may materially affect the Group's future profitability and results.

3.2 Taxation

Any change to the Group's tax status or tax legislation could affect its ability to provide returns to Shareholders or alter post tax returns to Shareholders. The taxation of an investment in the Group depends on the individual circumstances of investors.

3.3 HIV/AIDS

HIV/AIDS is prevalent in eastern and southern Africa. Employees of the Group may have or could contract this potentially deadly virus. The prevalence of HIV/AIDS could cause lost employee man hours and loss of trained and experienced employees and may make finding skilled labour more difficult. These risks may limit or disrupt the Group's exploration activities.

4 General Securities Risks

4.1 Securities investments and share market conditions

The prices at which the Shares trade may rise or fall in response to a number of factors affecting the market for equities in general which are unpredictable and unrelated or disproportionate to the operating performance of the Company. Such factors include changes in the general economic outlook, interest and inflation rates, currency

exchange rates, investor sentiment and the demand and supply for capital.

Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

4.2 Liquidity of the Company's Shares

Although the Shares are already listed on the AIM and AltX, there is no guarantee that there will be a liquid market in the Shares of the enlarged Group on either AIM or the AltX when they are readmitted to trading. It may therefore be difficult, in certain circumstances, to achieve the prevailing market price for sales of Shares or to sell Shares at all, and to realise a return on investment in the Shares.

Although the Shares are to be admitted to trading on AIM and AltX, they will not be listed on the Official List of the London Stock Exchange (the "Official List") or on the main board of the JSE. An investment in securities traded on AIM and AltX may carry a higher degree of risk than securities quoted on the Official List or the JSE main board.

4.3 Options and dilution

The Company has issued Options, and the Board has approved and may in the future issue new Options to certain parties, including advisers, employees, directors, senior management and consultants of the Company. Whilst the exercise of such Options would result in the inflow of cash into the Company, such exercise into Shares would also result in the dilution of the shareholdings of other investors.

Part 3 Competent Persons Report

Competent Person's Report on the Group's mineral assets by Venmyn.

**COMPETENT PERSONS REPORT
(CPR)
ON THE MINERAL ASSETS OF
KIBO MINING PLC
(KIBO)
BY
VENMYN RAND (PTY) LIMITED
(VENMYN)**

COMPILED BY:-

A.N. CLAY (COMPETENT PERSON FOR GOLD, URANIUM AND BASE METALS)

M.Sc. (Geol), M.Sc. (Min. Eng.), Dip. Bus. M., Pr.Sci.Nat
FGSSA, MSAIMM, FAusIMM, AAPG, MIASSA, M. Inst. D.
MANAGING DIRECTOR

N. MC KENNA (COMPETENT PERSON FOR COAL)

M.Sc. (Geol), B.Sc. Hons. (Geol), Pr.Sci.Nat.
MAUSIMM, MSAIMM, MGSSA, MIASSA, M.Inst.D.
DIRECTOR

R.M. TAYELOR

B.Sc. Hons (Geol)
MGSSA, MGASA, GASA
MINERAL PROJECT ADVISOR (VENMYN)

T. ORFORD

B.Sc. Hons (Geol)
MGSSA, MGASA
MINERAL PROJECT ANALYST (VENMYN)

D. SPICER

M.A., M.Phil
STRATEGY, PUBLIC REPORTING AND RESEARCH OFFICER

OUR REFERENCE:- D1217R

FINAL DRAFT:-29 May 2012

FINAL REPORT:- 31 May 2012

EFFECTIVE DATE : - 23 May 2012

**COMPETENT PERSONS REPORT
(CPR)
ON THE MINERAL ASSETS OF
KIBO MINING PLC
(KIBO)
BY
VENMYN RAND (PTY) LIMITED
(VENMYN)**

The Directors
Kibo Mining plc
The Sirius Centre
Northpoint
Tuam Road
Galway, Ireland

RFC Ambrian Ltd
Level 15, QV1 Building
250 St George's Tce
Perth
WA 6000
Australia

Northland Capital Partners Limited
60 Gresham Street,
London,
EC2V 7BB
England

Cornhill Capital Limited
7th Floor
One Angel Court
Cophthall Avenue
London
EC2R 7HJ
England

Dear Sirs

EXECUTIVE SUMMARY

The directors of Kibo Mining plc (Kibo) requested that Venmyn prepare an independent JORC Code compliant Technical Report in the form of a Competent Persons Report (CPR) on the mineral assets of Kibo, including those of Rukwa Coal Limited (Rukwa) and Pinewood Resources Limited (Pinewood), which are currently being acquired by Kibo (the Projects).

This report describes each mineral asset in terms of its historical and recent exploration data, which would have a bearing on the techno-economic value of the contributing mineral assets.

Kibo has consolidated an extensive portfolio of mineral rights within Tanzania, namely:-

- the Lake Victoria Projects, in the well known Lake Victoria Goldfield (LVG) of northern Tanzania, which includes numerous greenfields exploration projects;
- the Morogoro Projects, in the newly discovered gold region of southeastern Tanzania, in which greenfields gold exploration is being conducted; and
- the Haneti Projects, in central Tanzania, focussing on greenfields nickel (Ni), copper (Cu) and platinum group elements (PGE) exploration.

In addition, Venmyn understand that the following exploration companies are in the process of being acquired by Kibo:-

- Rukwa, which comprises a single coal exploration project in southwestern Tanzania, at an advanced level of exploration development and with JORC Code compliant coal resources; and
- Pinewood, which has consolidated an extensive portfolio of mineral rights in southwestern Tanzania (the Pinewood Project), at very early stages (greenfields) of exploration development.

This CPR encompasses all the above projects (the Projects or contributing mineral assets), and we understand that it will be included in Kibo's Admission Document that is required for Kibo's application for readmission to trading on the AIM market of the London Stock Exchange ("AIM") following the Rukwa and Pinewood acquisitions.

The CPR has been prepared in accordance with the disclosure requirements as set out in “AIM Rules for Companies” and the AIM “Note for Mining and Oil and Gas Companies”.

This CPR has been prepared in compliance with, and to the extent required, by the JORC Code for the reporting of exploration results, mineral resources and ore reserves. The effective date of this CPR is the 23rd May 2012.

Kibo currently has access to an extensive portfolio of greenfields prospecting licences within a number of prospective project areas within Tanzania. The acquisition of Rukwa would give Kibo access to an advanced stage coal exploration project, with JORC compliant resources, while the acquisition of Pinewood would further balance Kibo’s portfolio of mineral projects by adding significant coal and uranium exploration projects, creating a highly diversified mineral exploration company with a significant ground holding within Tanzania.

Rukwa comprises a single coal exploration project in southwestern Tanzania, at an advanced level of exploration development and with JORC Code compliant coal resources. The large coal resource and coal qualities suggest that the coal could be amenable to the production of large quantities of coal that could meet power station specifications.

However the successful development of this project would be highly dependent on its ability to supply future power stations in the area, and it follows, that Rukwa would be reliant on the construction of power stations in the region and securing off-take agreements with such power stations or other external markets. Additional in-fill drilling and extension drilling is required at the Rukwa Project to further increase the confidence within the current resource area and to increase the coal resource, respectively.

Pinewood has consolidated an extensive portfolio of mineral rights in southwestern Tanzania, at very early stages (greenfields) of exploration development. No modern, systematic exploration has been completed within the licence areas. However a preliminary review of historical information suggests that the licences are variably prospective for both coal and uranium as a result of:-

- the occurrence of Karoo lithologies within a number of the licences; and
- proximity of a number of licences to various second order radiometric anomalies.

Pinewood, through its portfolio of mineral rights, establishes itself as a new energy exploration company focussing on both traditional energy in the form of coal and new energy in the form of uranium. Pinewood is an early stage exploration company and is at the very start of a systematic regional prospecting programme in areas prospective for both coal and uranium.

Pinewood and Rukwa are both positioned to take advantage of future infrastructural development within southwestern Tanzania and the African continent as a whole, at a time when investors (specifically from Indian and China) are investing heavily in both infrastructure and minerals projects within Africa, in order to secure supply for their growing demands.

The Lake Victoria Projects represent an extensive portfolio of early stage exploration projects, in a traditional greenstone belt prospecting environment in Northern Tanzania. Exploration on these properties is still in its infancy, with limited reconnaissance exploration having been conducted to-date over parts of the licences and several instances of in-fill sampling. Positive results to-date warrant further follow-up sampling and geological and structural mapping in previously sampled areas.

The Morogoro Projects comprise an extensive portfolio of licences within a non-traditional gold exploration environment, within southeastern Tanzania. Very limited sampling has been conducted within the project area, with only limited reconnaissance stream sampling in proximity to known alluvial occurrences and reconnaissance level soil sampling. Positive results to-date warrant follow-up sampling and geological and structural mapping in previously sampled areas. However, given the lack of geological knowledge in the project area, reconnaissance sampling is recommended for all un-sampled licences. Venmyn consider that the licences have potential for the discovery of non-traditional gold mineralisation within the Morogoro Projects area, based on the limited exploration results received to-date, the initial assessment of the geological and structural environments within the licences, increased artisanal activity in the area, and the extensive licence portfolio available for prospecting. The Morogoro Projects offer an attractive opportunity to conduct exploration in a prospective area in which very little previous systematic exploration has been undertaken, and which may be set to become a new goldfield within Tanzania.

The Haneti Projects comprise an extensive portfolio of licences within central Tanzania, that are variably prospective for Ni-Cu-PGE and Au. The Haneti Projects represent early stage exploration projects, with only limited reconnaissance soil and trench sampling having been conducted over a few of the anomalies to-date, several detailed groundborne geophysical surveys and some systematic pitting of laterite soils. While a number of anomalies require follow-up sampling, results to-date suggest that the HUC remains prospective, and justifies continued exploration, with Mwaka Hill representing an obvious follow-up target.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments. Future exploration programmes should be aligned with this objective, taking into account the nature of potential mineralisation.

DISCLAIMER AND RISKS

Venmyn has prepared this CPR and, in so doing, has utilised information provided by Kibo. Where possible, this information has been verified from independent sources with due enquiry in terms of all material issues that are a prerequisite to comply with the JORC Code and the AIM listing requirements. Venmyn and its directors accept no liability for any losses arising from reliance upon the information presented in this report.

The authors of this CPR are not qualified to provide extensive commentary on legal issues associated with Kibo or its subsidiaries' right to the mineral properties. Kibo as well as their advisors, have provided certain information, reports and data to Venmyn in preparing this CPR which, to the best of Kibo's knowledge and understanding is complete, accurate and true. Kibo acknowledge that Venmyn has relied on such information, reports and data in preparing this CPR. No warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects of this document.

OPERATIONAL RISKS

The businesses of mining and mineral exploration, development and production by their natures contain significant operational risks. The business depends upon, amongst other things, successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

POLITICAL AND ECONOMIC RISKS

Factors such as political and industrial disruption, currency fluctuation, increased competition from other prospecting and mining rights holders and interest rates could have an impact on Kibo and its subsidiaries' future operations, and potential revenue streams can also be affected by these factors. The majority of these factors are, and will be, beyond the control of Kibo or any other operating entity.

FORWARD LOOKING STATEMENTS

The following report contains forward-looking statements. These forward looking statements are based on opinions and estimates of Kibo management and Venmyn at the date the statements are made. They are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward-looking statements. Factors that could cause such differences include changes in world commodity markets, equity markets, costs and supply of materials relevant to the projects, and changes to regulations affecting them. Although we believe the expectations reflected in our forward-looking statements to be reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

**COMPETENT PERSONS REPORT
(CPR)
ON THE MINERAL ASSETS OF
KIBO MINING PLC
(KIBO)
BY
VENMYN RAND (PTY) LIMITED
(VENMYN)**

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1. INTRODUCTION

The directors of Kibo Mining plc (Kibo) requested that Venmyn prepare an independent JORC Code compliant Technical Report in the form of a Competent Persons Report (CPR) on the mineral assets of Kibo, including those of Rukwa Coal Limited (Rukwa) and Pinewood Resources Limited (Pinewood), which are currently being acquired by Kibo (the Projects).

This report describes each mineral asset in terms of its historical and recent exploration data, which would have a bearing on the techno-economic value of the contributing mineral assets.

Kibo has consolidated an extensive portfolio of mineral rights within Tanzania, namely:-

- the Lake Victoria Projects, in the well known Lake Victoria Goldfield (LVG) of northern Tanzania, which includes numerous greenfields exploration projects;
- the Morogoro Projects, in the newly discovered gold region of southeastern Tanzania, in which greenfields gold exploration is being conducted; and
- the Haneti Projects, in central Tanzania, focussing on greenfields nickel (Ni), copper (Cu) and platinum group elements (PGE) exploration.

In addition, Venmyn understand that the following exploration companies are in the process of being acquired by Kibo:-

- Rukwa, which comprises a single coal exploration project in southwestern Tanzania, at an advanced level of exploration development and with JORC Code compliant coal resources; and
- Pinewood, which has consolidated an extensive portfolio of mineral rights in southwestern Tanzania (the Pinewood Project), at very early stages (greenfields) of coal and uranium exploration development.

This CPR encompasses all the above projects (the Projects or contributing mineral assets), and we understand that it will be included in Kibo's Admission Document that is required for Kibo's application for readmission to trading on the AIM market of the London Stock Exchange ("AIM") following the Rukwa and Pinewood acquisitions. The CPR has been prepared in accordance with the disclosure requirements as set out in "AIM Rules for Companies" and the AIM "Note for Mining and Oil and Gas Companies".

This CPR has been prepared in compliance with, and to the extent required, by the JORC Code for the reporting of exploration results, mineral resources and ore reserves. The effective date of this CPR is the 23rd May 2012.

Venmyn consent to Kibo using this CPR as part of their disclosure requirements and to reference this CPR in any applicable disclosure document, provided that no portion be used out of context or in such a manner as to convey a meaning which differs from that set out in the whole.

2. COMPETENT PERSONS DECLARATION

Venmyn is an independent advisory company. Its consultants have extensive experience in preparing Qualified Persons, Technical Advisors and Valuation reports for mining and exploration companies. Venmyn's advisors have collectively, more than 100 years of experience in the assessment and evaluation of mining and exploration projects worldwide and are members in good standing of appropriate professional institutions.

Neither Venmyn nor its staff have or have had any interest in Kibo, Pinewood or Rukwa, or their subsidiaries, capable of affecting their ability to give an unbiased opinion, and, have not and will not, receive any pecuniary or other benefits in connection with this assignment, other than normal consulting fees from Kibo. Neither Venmyn, nor any of the authors of the CPR, hold any share capital in Kibo, Pinewood or Rukwa, or their subsidiaries.

This report was prepared by Mr. Andrew Clay, Mr Neil McKenna, Mr Richard Tayelor and Ms Tarryn Orford, all of whom have relevant and appropriate experience and independence to appraise the Projects. To this end, Qualified Persons Certificates are presented in Appendix 1. Mr. Andrew Clay (Competent Person for Gold, Uranium and Base Metals) and Mr Neil McKenna (Competent Person for Coal) are considered Competent Persons (as indicated), and have more than 5 years relevant experience in the assessment and evaluation of the types of mineral exploration properties discussed in this report.

A site visit to the Rukwa's coal project was undertaken by the authors of this report in March 2012. During this site visit, all site infrastructure, workings and operations were inspected. This site visit has substantiated the existence of Rukwa's coal resources which are supported by the exploration results detailed in the relevant sections to follow.

A site visit to Pinewood's material properties was conducted by authors of this report in February 2012. During this site visit, all site infrastructure, workings and operations were inspected. No significant exploration activities have occurred over these properties since the site visit, and consequently an additional site visit was considered necessary by Venmyn.

A site visit to Kibo's other material properties was conducted by the authors of this report in November 2010 and February 2011. During this site visit, all site infrastructure, workings and operations were inspected. No significant exploration activities have occurred over these properties since the site visit, and consequently an additional site visit was not considered necessary by Venmyn.

This document has been compiled in order to incorporate all currently available and material information that will enable potential investors to make a reasoned and balanced judgement regarding the economic merits of the projects.

This work has been based upon commercial, mining, environmental and financial information, which has been independently due diligence by the Competent Persons.

3. SCOPE OF THE OPINION

In the execution of the mandate, Venmyn undertook a technical review, in order to identify all the factors of a technical nature that would impact the prospectivity and future viability of the Projects. Venmyn considered the strategic merits of each asset on an open and transparent basis. This CPR has been compiled in order to incorporate all currently available and material information that will enable potential investors to make a reasoned and balanced judgement regarding the economic merits of the mineral assets of the Projects.

Venmyn's primary obligation in preparing mineral asset reports in the public domain is to describe the mineral projects in compliance with appropriate reporting codes. In this case, the JORC Code, prepared by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, Australian Institute of geoscientists and Minerals Council of Australia (JORC) is considered appropriate. These guidelines are considered by Venmyn to be a concise recognition of the best-practice due-diligence methods for this type of mineral project and accord with the principles of open and transparent disclosure that are embodied in internationally accepted Codes for Corporate Governance.

Venmyn's professional advisors and directors are Competent Persons as defined by the JORC Code. Venmyn's advisors are, therefore, internationally accredited. They are also fellows and members of the Australasian Institute of Mining and Metallurgy (AusIMM) which embodies the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports 2005 (The Valmin Code). The competent persons involved in this report are members in good standing with their respective professional institutions.

In the execution of the mandate, Venmyn undertook a full technical assessment of the contributing mineral assets of the Projects and also considered the strategic merits of each of the mineral assets. This work has been based upon technical information which has been supplied by Kibo and its subsidiary companies, and which has been independently due diligenced by Venmyn, where possible. Kibo have warranted in writing that they have openly provided all material information to Venmyn which, to the best of their knowledge and understanding, is complete, accurate and true, having made all reasonable enquiries and has not omitted anything likely to affect its import.

Venmyn confirms that, to the best of its knowledge and having taken all reasonable care to ensure that such is the case, the information contained in the CPR is in accordance with the facts, contains no omission likely to affect its import, and no material change has occurred from 11th May 2012 to the date hereof that would require any amendment to the CPR. Venmyn reserves the right to, but will not be obliged to, revise this report or sections therein, and conclusions thereto, if additional information becomes known to Venmyn subsequent to the date of this report.

4. SOURCES OF INFORMATION

The CPR has been based upon the following information supplied by Kibo and its subsidiaries to Venmyn:-

- in-house desk top studies undertaken on the respective project areas;
- in-house exploration results from exploration undertaken on the Projects;
- technical reviews undertaken by Rukwa and Pinewood and/or its subsidiaries;
- technical reviews on the Projects by independent experts;
- an independent mineral resource assessment and estimate for the Rukwa Project;
- exploration databases;
- geological models;
- block models;
- exploration reports from previous workers;
- copies of material agreements; and
- Venmyn has inspected the licences for the Projects but has not independently verified the legal status of the licences nor is qualified to do so.

All additional information sources are referenced in Appendix 3.

5. RELIANCE ON OTHER EXPERTS

A list of public and internal documents related to the Projects have been referenced in the compilation of this document, as detailed in Appendix 3.

Venmyn has relied upon the independent opinion of Gemecs (Pty) Limited (Gemecs) for their assessment and estimation of the Mineral Resources of the Rukwa Coal Project. These have been reported in Section 8.7. Gemecs has provided a letter acknowledging Venmyn's reliance on their Mineral Resource estimates in this report and have consented to the inclusion of the estimates and discussion thereof as they appear in this report. Venmyn, with the assistance of associate Ms Liz de Klerk, have reviewed the Mineral Resource estimates of Gemecs and have satisfied ourselves that the estimates are reasonable.

6. NATURE OF THE TRANSACTION AND CORPORATE STRUCTURE

Kibo is currently listed on the AIM Market of the London Stock Exchange PLC (AIM), with a secondary listing on the JSE Limited (JSE). The current corporate structure of Kibo is illustrated in Figure 1. Figure 1 also shows the proposed corporate structure on finalisation of the acquisition of Rukwa and Pinewood.

Kibo, through its various subsidiaries has consolidated an extensive portfolio of mineral assets by:-

- entering into an option agreement with Comuta Advertising Tanzania Limited over PL5625/2009 in the Morogoro Projects area;
- entering into various third party agreements;
- applying for its own mineral licences; and
- acquisition:-
 - in July 2008, Kibo acquired 100% of the share capital of Eagle Gold Mining Limited (Eagle Gold Mining), thereby acquiring access to an extensive portfolio of greenfields Ni-Cu-PGE exploration licences in the Haneti Projects area;
 - in March 2011, Kibo acquired 100% of the share capital of Morogoro Gold Limited (Morogoro Gold) from Mzuri Gold Limited (Mzuri Gold), thereby acquiring access to an extensive portfolio of greenfields gold exploration licences, via Morogoro Gold's wholly owned subsidiaries, Savannah Mining Limited (Savannah) and Jubilee Resources Limited (Jubilee), in the Lake Victoria and Morogoro projects areas; and
 - currently Kibo, through its subsidiary Morogoro Gold are in the process of concluding a transaction in which Kibo proposes to acquire a controlling interest of a minimum of 51% and up to the entire issued share capital of Mzuri Energy Limited (MEL) and a controlling interest of a minimum of 51% and up to the entire issued share capital of Mayborn Resources Investments (Pty) Limited (Mayborn). As a consequence of this proposed transaction, Kibo, through Morogoro Gold, would gain controlling interests in the Rukwa and Pinewood mineral assets. In terms of the public reporting requirements of Kibo, this transaction therefore necessitates the CPR on the mineral assets presented herein.

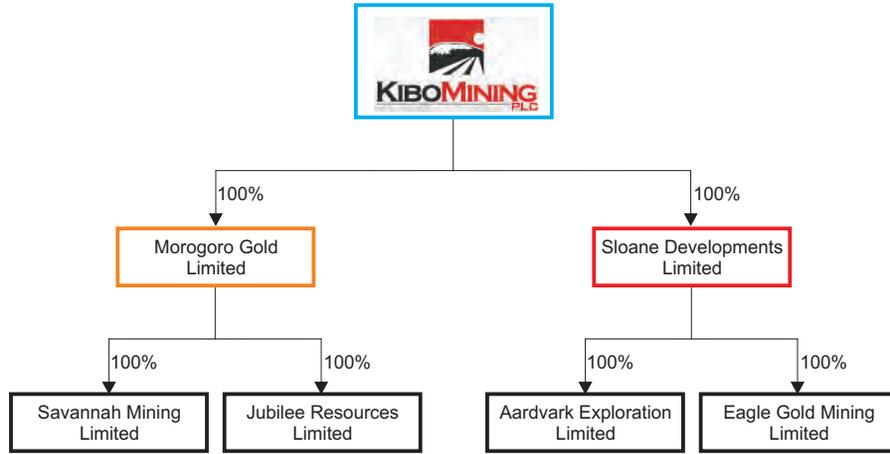
Rukwa is a Tanzanian registered exploration company and is currently a wholly owned subsidiary of the Mzuri Group of Companies (Figure 1).

Pinewood is a Tanzanian registered exploration company and is currently a wholly owned subsidiary of the Mzuri Group of Companies (Figure 1). Mayborn Resource Investments (Pty) Limited (Mayborn) has acquired a 50% participation interest in the Pinewood mineral assets, through an unincorporated joint venture between Mayborn and Mbeya Uranium Limited (Mbeya).

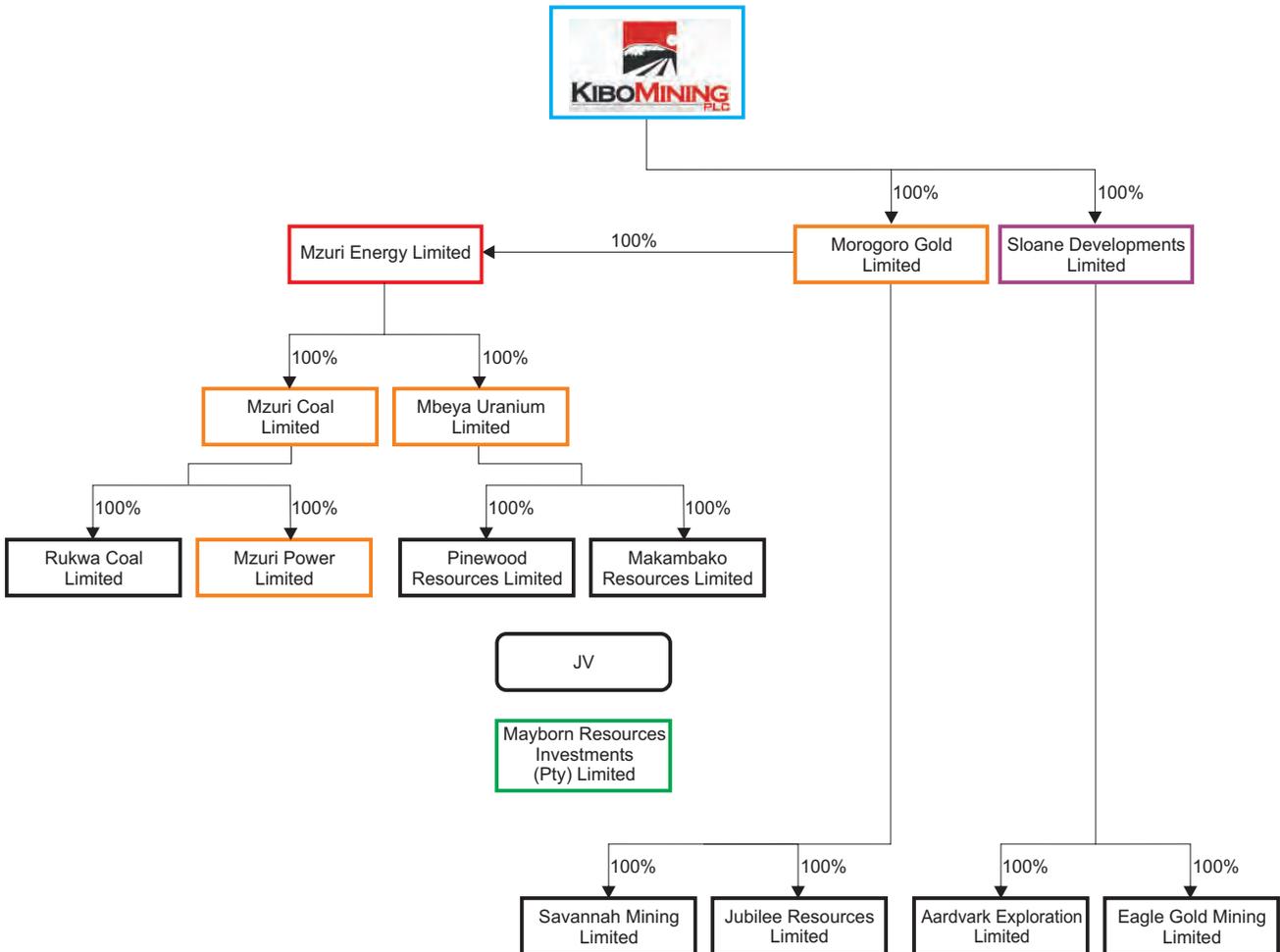
This CPR has been completed in anticipation of the successful conclusion of the above transaction and admission by the London Stock Exchange (LSE) and the JSE Limited (JSE) of the consideration shares to trading on AIM and the JSE, respectively.

CURRENT AND PROPOSED OWNERSHIP AND CORPORATE STRUCTURE

KIBO GROUP STRUCTURE BEFORE MEL TRANSACTIONS



KIBO GROUP STRUCTURE AFTER MEL TRANSACTIONS



7. COUNTRY PROFILE

7.1. Locality, General Infrastructure and Accessibility of Tanzania

Tanzania is located in eastern Africa along the Indian Ocean, and bordered by Kenya, Uganda, Rwanda, Burundi, Zambia, Malawi and Mozambique (Figure 2). Tanzania includes the islands of Mafia, Pemba and Zanzibar. The administrative capital, Dodoma, is situated near to the centre of the country and Dar es Salaam (the financial and economic centre) is located on the coast. Tanzania measures 945,040km², with a population of approximately 43.7 million people.

The country is divided into 26 administrative regions, of which 21 are in the mainland and five in Zanzibar. Tanzania is mountainous in the northeast, in the vicinity of Mt Kilimanjaro. To the north and west are Lake Victoria and Lake Tanganyika. Central Tanzania comprises a large plateau, with plains and arable land. The eastern shore is hot and humid, with the island of Zanzibar located within 30km of the shore.

Infrastructure and accessibility in Tanzania is reasonable. There is an international airport at Dar es Salaam and numerous other manned and unmanned airstrips at regional centres throughout the country.

National roads are generally in good repair, facilitated by a Road Fund and Road Agency structure and fuel levy. Secondary and dirt roads are in various states of repair, but Venmyn found that the access routes to the Projects were reasonable in most cases. Many of the dirt tracks to specific project areas were generally only passable by 4X4 vehicles, however.

Domestic air transport is reasonable, and connects all the major regional centres within the country.

The port of Dar es Salaam is a significant regional port in East Africa, but serious bottlenecks for both imports and exports are well known. Privatisation of certain sectors of the port in recent years has assisted in improving the efficiency of the port; however, significant growth in shipping traffic continues to exceed the capacity of this port.

Power supply in Tanzania is characterised by low capacity, low coverage and poor reliability, with frequent outages, even in major centres. Significant investment in the power generation capacity of Tanzania is required to improve this situation.

Water supply is poor and access to clean and safe water is difficult for much of the population.

The telecommunications network is based on microwave radio relay stations and is available in all major towns. This is supplemented by a mobile cellular system, operated by a number of different private service providers and is available throughout most of the country.

7.2. Topography, Vegetation and Climate of Tanzania

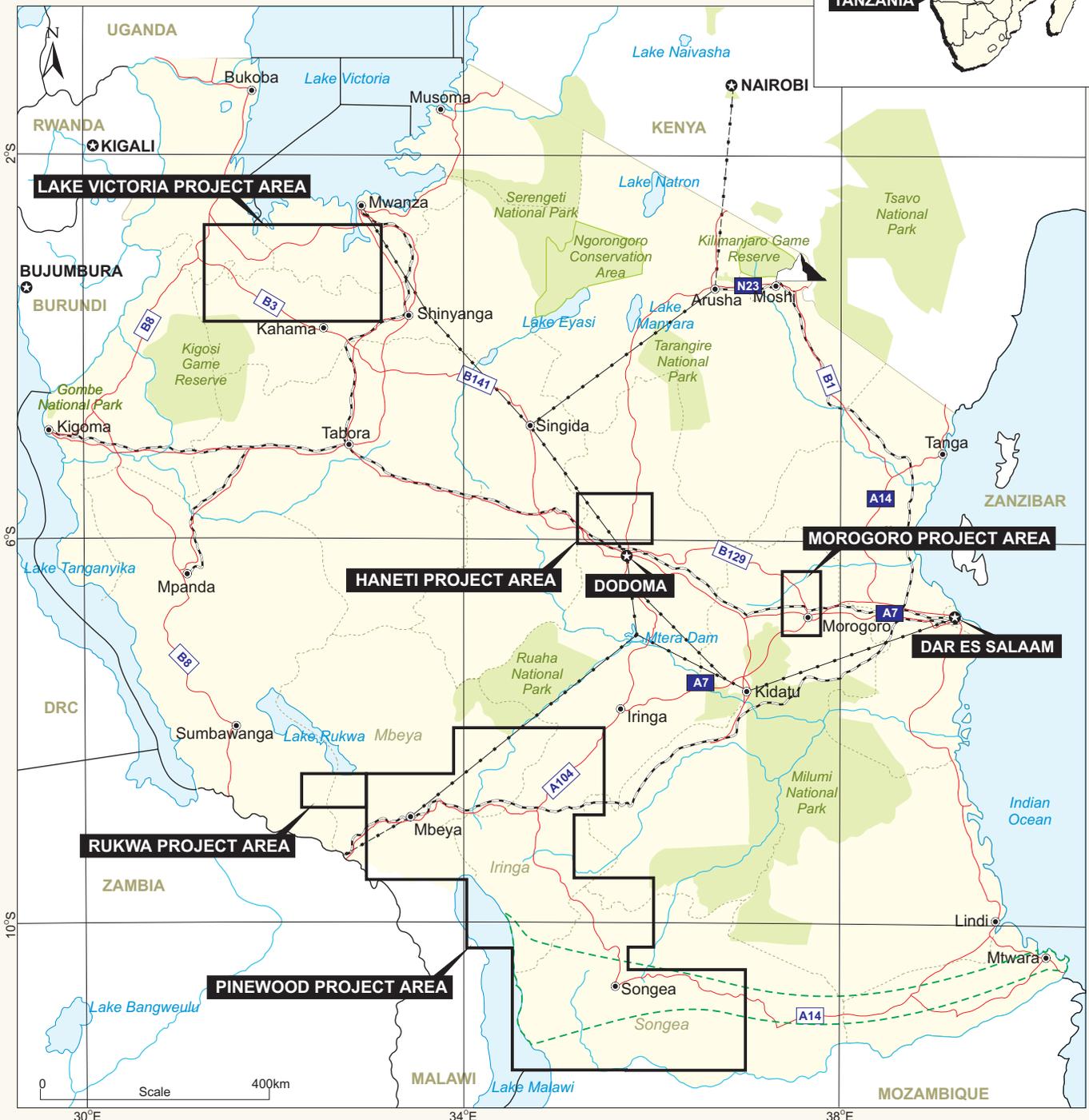
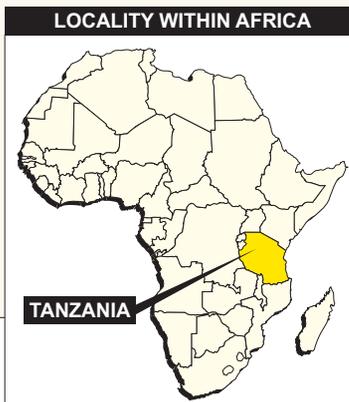
The Tanzanian climate is primarily controlled by altitude. The narrow coastal plain in the east is tropical (i.e. very hot and humid). The high lying inland plateau is generally temperate, whilst the mountainous areas at high altitudes exhibit alpine climates. The Rukwa and Pinewood project areas are located over a large geographic area and their specific topographic, vegetation and climatic characteristics are detailed in Section 8.2 and Section 9.2, respectively.

7.3. Socio-Political Climate of Tanzania

Following World War I, the League of Nations passed the German colony of Tanganyika over to British administration. It gained independence from Britain in 1961, and initially followed a British parliamentary form of government. In 1962, a presidential form of government replaced it. Julius Nyerere was elected as president in 1964, and took steps to form a unified state and his efforts led to the adoption of the Interim Constitution of the United Republic of Tanzania and a union between the former Tanganyika colony and the islands of Zanzibar. The union was cemented in 1977 with the merger of Tanzania's ruling party, the Tanzanian African National Union and the main representatives of Zanzibar's Afro Shirazi Party to form a new party called the Chama Cha Mapinduzi (CCM). The adoption of a permanent constitution with the provision that allowed Zanzibar to elect representatives to the National Assembly further strengthened these ties.

Ndugu Ali Hassan Mwinyi became president in 1985 and started a process of political and economic reform moving away from the socialist economic policies of President Nyerere. One of the political reform objectives was realised in 1992 when the constitution was amended and a multi-party system was introduced. Benjamin William Mkapa was elected president in 1995 and continued with these reforms and presided over a relatively stable political environment. He promoted a culture of human rights, non-racial policies and freedom of speech, and is recognised as the driving force behind Tanzania's economic liberalisation. Mkapa was re-elected in 2000. In 2005, Jakaya Kikwete of the ruling party won the presidential elections by a landslide (over 80%) margin, and undertook to continue the economic reforms set in motion by Mkapa. In 2010 he was re-elected as president for his second term, by another overwhelming vote. Elections and transitions have continued to progress peacefully.

POLITICAL AND INFRASTRUCTURE MAP OF TANZANIA



| LEGEND | | |
|---------------|------------------------------------|--------------------------|
| Capital City | Mountain Ranges | International Boundaries |
| Towns | Project Area | Provincial Boundaries |
| Roads | Mtwara Development Corridor (MtDC) | Rivers |
| Railway Lines | Lakes and Dams | Conservation Areas |
| Powerlines | | |

The population of the mainland of Tanzania is approximately 42 million and Zanzibar is 1 million; 99% of the total population are African and 1% consists of Europeans, Asians and Arabs. The Africans are divided into more than 120 ethnic groups. Approximately 80% of the population in the mainland live in rural areas. Each ethnic group has its own language but are unified by the official languages Kiswahili and English.

Approximately 62% of women and 77% of men are literate. Life expectancy is low, standing at 51 years for men and 54 years for women.

7.4. Economic Climate and Fiscal Regime of Tanzania

Despite a number of economic reforms over the years, Tanzania remains one of the poorest economies in the world, depending heavily on agriculture (~40% of GDP), which accounts for 85% of all exports and 80% of the work force.

Tanzania is still dependent on multilateral and bilateral aid, in order to support infrastructural development and to alleviate poverty. It is a member of the East African Community and this assists in regional trade ties.

The real growth rate of the economy has been in excess of 5% for the past 5 years, and stood at an estimated 6.1% in 2011. Inflation during 2011 averaged approximately 11.1%. The country's GDP in PPP (purchasing power parity) terms is estimated as USD63.44bn for 2011.

The local currency is the Tanzanian Shilling (TSH).

Natural resources in Tanzania include hydro-electric potential, coal, iron, gemstones, gold, uranium, natural gas, nickel, diamonds, crude oil potential, forest products, wildlife and fisheries. Agriculture produce includes coffee, cotton, tea, tobacco, cloves, sisal, cashew nuts, maize livestock, sugar cane, paddy, wheat and pyrethrum.

7.5. Exploration and Mining in Tanzania

The country has one of the highest levels of exploration in Africa due to its overall prospectivity, political stability and investor friendly policies. Gold, presently attracts the majority of the investment and the Lake Victoria Goldfield (LVG) hosts all of the country's major gold mines (Figure 3).

7.5.1. Gold

Tanzania has a long history of gold production, with the precious metal being mined long before the arrival of the Europeans. The early 1990s saw the rapid increase in exploration by international companies, searching for gold deposits within the granite-greenstone belts of the LVG (Figure 3).

The success of this exploration has led to the opening of numerous large gold mines and had resulted in the country producing an average of in excess of 40,000kg of gold a year between 2005 and 2009 (Yager, 2011). Increases in gold production are said to be limited by energy and infrastructure constraints and uncertainty over government mining policy (Reuters, 2011). While official USGS statistics on production are not available for 2010 and 2011, it is believed that, while growth in production between 2009 and 2010 and 2010 and 2011, may have been unpronounced, gold sales have risen markedly, increasing from USD500m to USD1.5bn in the past five years largely as a result of the increase in the gold price (High Grade Review, 2011).

Tanzania, and the LVG in particular is host to a number of world-class gold mines, including *inter alia* Barrick Gold Corporation's (Barrick) Bulyanhulu Mine, AngloGold Ashanti's Geita Mine, Resolute Mining's Golden Pride Mine and Barrick's Tulawaka Mine. In addition a number of other gold occurrences and gold exploration properties at various stages of exploration, feasibility and development occur within the LVG.

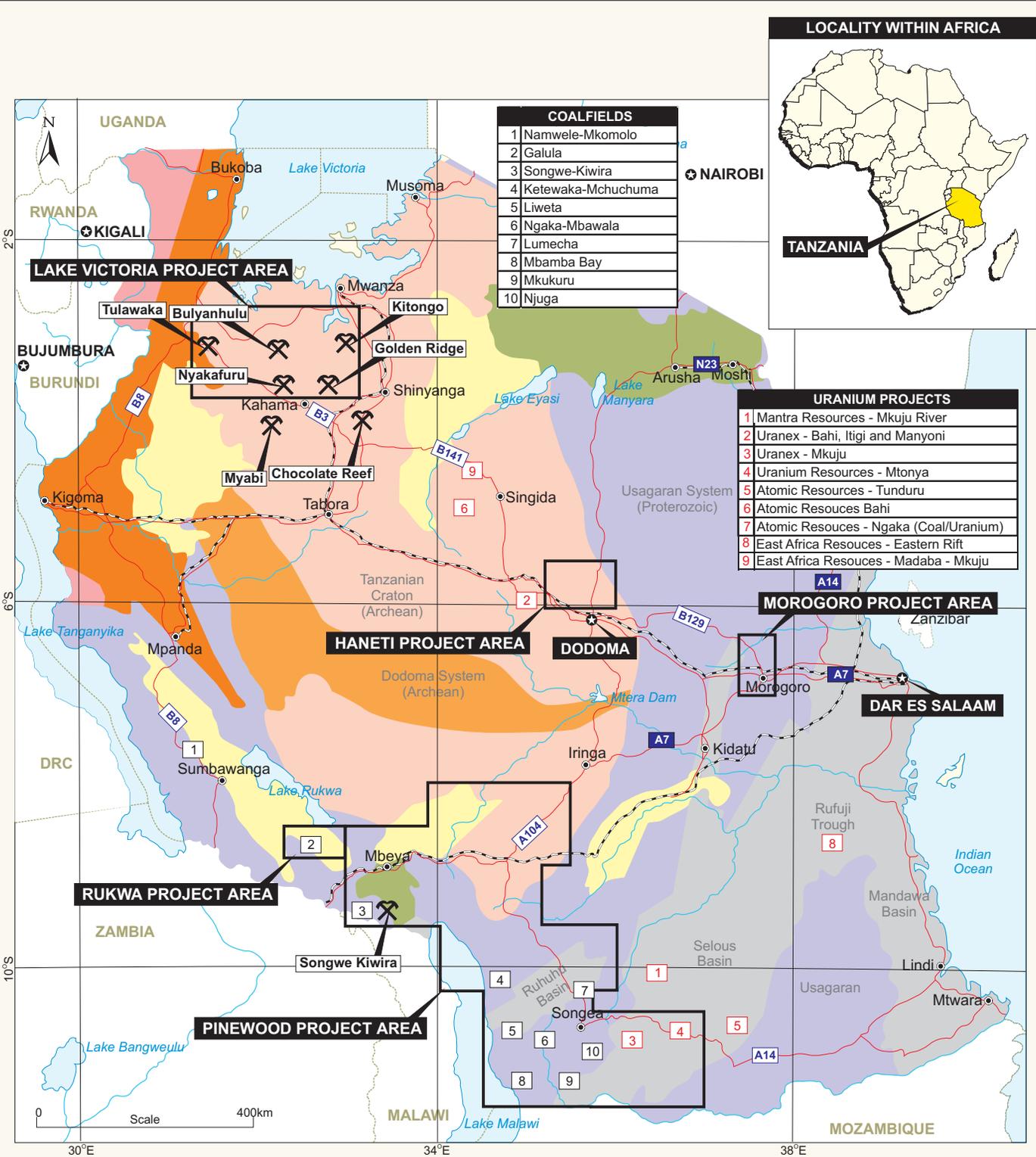
To the south, in the Morogoro region of the country, a new gold exploration area is emerging. While no large scale gold mines occur within this region, increased artisanal activities, and a number of new mineral rights applications and exploration activities in the area points to the significance of the area in terms of establishing itself as a new Tanzanian goldfield.

7.5.2. Coal

Approximately one third of Tanzania is covered by sedimentary basins, with the Rukwa Trough, Ruvuma Basin and Ruhuhu Basin in south-western Tanzania (Figure 3) specifically hosting coal deposits with economic potential. These coal deposits are located in basins that were primarily formed by rift faulting during pre- and post-Karoo times.

The first regional coal investigation within Tanzania was undertaken during the 1950s by the Colonial Development Corporation (CDC). This investigation comprised extensive, detailed mapping of the coalfields as well as limited exploratory borehole drilling.

GEOLOGY OF TANZANIA SHOWING LOCATION OF COALFIELDS AND URANIUM OCCURRENCES



LEGEND:

- ⊙ Capital City
- Towns
- Roads
- Railway Lines
- International Boundaries
- ~ Rivers
- ▭ Lakes and Dams
- ▭ Project Area
- ⌘ Gold Mine/Significant Prospect

GEOLOGY:

- Cenozoic
 - ▭ Sedimentary Rocks
 - ▭ Volcanic Rocks
- Mesozoic
 - ▭ Sedimentary Rocks
 - ▭ Karoo Supergroup
- Proterozoic
 - ▭ Bukoban Supergroup
 - ▭ Karagwe-Ankolean Supergroup
 - ▭ Usangara Supergroup
- Archean
 - ▭ Granite and gneiss of the Tanzanian Craton
 - ▭ Dodoman Supergroup

The Tanganyika Geological Survey Department (TGS) compiled this information into a 1965 Bulletin quoting significant tonnages and quality information for nine coalfields in Tanzania, although, these would not be compliant under today's reporting codes. Figure 3, derived from work completed by the TGS, illustrates the Karoo extent and location of the Tanzanian Coalfields and greater basins, as well as Karoo and non-Karoo radiometric anomalies, which will be discussed in Section 7.5.3.

The quality of Tanzanian coal compares well with other coalfields in Southern Africa that are currently mined, utilised in power stations and exported. However, the remoteness of the deposits and lack of infrastructure suitable to support modern commercial scale mining operations are the largest barriers to establishing a substantial coal producing industry in Tanzania

The Tanzanian Government is conscious of this aspect and the state-owned, National Development Corporation of Tanzania (NDC) is assisting with creating the required infrastructure. To date, the NDC has researched and assessed the feasibility of the Mtwara Development Corridor Program (MDC) including an upgraded harbour at Mtwara in the east (Indian Ocean port) to Mbamba Bay or Manda in the west on the shore of Lake Malawi/Nyasa (approximately 850km). The location of the MDC is shown in Figure 3.

The anchor project for the MDC includes the development of an opencast 1.5Mtpa coal mine, extensions to the national power transmission grid and the construction of a 400MW power station in the Mchuchuma area. Intra Energy Corporation (previously Atomic Resources), through its 100% owned subsidiary Pacific Corporation East Africa (PCEA) have entered into a 70:30 Joint venture with the NDC to conduct a Feasibility Study into the development of a thermal coal mining operation at their Ngaka Coal Project, as well as the development of a 400MW power station at the mine site.

Currently, there are only two commercial coal operations in Tanzania, namely, the Kiwira Coal Mine (KCM) and Iliwa Colliery (IC) in the Songwe-Kiwira Coalfield north of Lake Malawi/Nyasa. The mechanised underground KCM was developed in 1988 by the State Mining Corporation (STAMICO) with Chinese assistance to supplement production from the IC which was a privately owned operation. KCM is rated at 150,000tpa ROM with a 93,000tpa washed coal component. KCM is currently not operational, however IC currently produces approximately 103,000tpa ROM and unknown washed content.

Small artisanal coal workings are located near Mbeya and have produced limited quantities of coal to a nearby cement plant. These operations have recently been shut down by the Government, however it is understood that local communities have applied for a Mining Permit over the area.

All current coal production is consumed locally. A coal fired generator at the KCM site produces 6MW with plans to upgrade to 18MW. Currently 1MW is consumed by mine operations with the surplus directed to the national grid.

There is a coal-fired power station near Kiwira, but it is not operational and is a very small power station.

There are several new coal exploration projects within southwestern Tanzania, Intra Energy Corporation Ltd's, Edenville Energy plc, Rukwa and Pinewood.

7.5.3. Uranium

The high uranium prices and exploration success at Palamin's Kayelekera uranium deposit in Malawi during the late 1990s, caused a renewed interest in uranium exploration in Tanzania and resulted in a 'boom' period which was subsequently dampened by the downturn in global economies in 2008. A number of companies are still reported to be active in Tanzanian uranium exploration, including East Africa Resources Limited, Uranium One (previously Mantra Resources), Uranex, Uranium Resources, Intra Energy Corporation Ltd and Pinewood.

The bulk of the uranium interest is focused on the Karoo sedimentary Roll Front Type deposits highlighted by the historical radiometric surveys but not systematically followed up at that stage. As illustrated in Figure 3, these are most prospective in Karoo deposits of the Ruhuhu and Selous basins, located in the southwest of Tanzania.

Current exploration activities consist of following up of the original regional anomalies with more detailed airborne surveys or ground radiometrics, as well as trenching and drilling. Unfortunately, a limiting factor is the lack of detailed regional mapping of the Karoo sequences in the region. Coupled with this, conflicting licences from Karoo coal exploration companies have sterilised some of the most prospective areas for uranium exploration.

7.5.4. Base Metals

Base metals are being actively explored for in a belt running from Kagera, through Kigoma, to the Mbeya, Ruvuma and Mtwara regions and in northwest Tanzania. A number of exploration companies are active in the region, however there are no large, commercial base metal mines currently within Tanzania.

7.5.5. Gemstones

Gemstones occur within eastern and western belts running from the Kenyan border in the north to Mozambique in the south. Tanzania is particularly well known for its diamonds (specifically from the Mwadui Mine) and Tanzanite (blue zoisite).

7.6. Mineral Policy in Tanzania

Tanzania's first attempt at regulating the mineral industry was recorded in the Mineral Policy of Tanzania, October 1997. This led to the development of the Mining Act of Tanzania, 1998. In April 2010, a revised Mining Act was passed by Parliament. This legislation imposes higher royalties (from 3% to 4% for precious and base metals, 5% to 6% for diamonds and gemstones, and 7% for uranium), requires mining companies to list on the Dar es Salaam Stock Exchange and gives the State a stake in future projects. According to the government, the State ownership of future mining projects in Tanzania will be based on the level of investment in each individual joint venture.

The new Act prescribes that Primary Mining Licences (PMLs) will be reserved exclusively to Tanzanian citizens and corporate bodies under the exclusive control of Tanzanian citizens. None of the other categories of mineral rights (see below) are subjected to this restriction. Licences to mine for gemstones are, however, only to be granted to Tanzanians, regardless of the size of the operation. It is understood that agreements/licences currently in force with non-Tanzanian-controlled mining companies remain unchanged. Salient features of the Mining Act are as follows:-

- the right to trade in mineral rights;
- simplification and consolidation of past statutes on mining and mineral trading;
- improved security of tenure through removal of most past ministerial discretionary powers and introducing a mining advisory committee responsible of advising the Minister on decisions to ensure:-
- enhanced clarity and transparency;
- fair, streamlined and non-discriminatory licensing procedures; and
- environmental management.

The Mining Act, is aimed to deter information hoarding on new discoveries, freezing of exploration acreage for speculative purposes, transfer pricing and tax evasion. The fiscal incentives provided to exploration and mining activities include the following among other incentives:-

- exemption of import duty and Value Added Tax (VAT) on equipment and essential materials up to the anniversary of start of production, thereafter 5% seal applies;
- depreciation allowances of 100%; and
- repatriation of capital of capital and profit directly related to mining.

Under the new Mining Act, Tanzania issues three basic categories of licences:-

- Prospecting Licence, granted for an initial period of three years and for two successive periods of renewal, neither of which can exceed two years and both of which require a 50% reduction in land area. The portion returned to the State can be reapplied for as a new application under a different company name. Currently, a subsidiary company under the same parent umbrella may apply for the new application;
- Retention Licence, granted to the holder of a Prospecting Licence on which mineral deposits of commercial significance have been discovered but which cannot be exploited or developed immediately. These licences are granted for a maximum of five years; and
- Mining Licence, granted to the holder of a Prospecting Licence over the area and gives the holder the exclusive right to prospect and mine minerals. These are valid for 25 years (or the life of mine), with an option to renew for a further 25 years.

The turn-around time for renewals and applications is generally between six and 24 months. Before a renewal or application is formally granted, however, a so called "Letter of Offer" is received which all but guarantees the applicant's licence once the licence fee has been paid. It then takes a minimum of three months before the licence is formally issued. In the case of a renewal, the applicant may commence ground work as soon as the Letter of Offer has been received. However, in the case of new licence applications, exploration can only commence once the new licence has been formally issued.

The State reserves its rights to revoke any Reconnaissance, Prospecting, Retention and/or Mining rights in terms of the Tanzanian Mining Act.

In terms of security of tenure, there are recorded cases of explorers 'losing' ground during a renewal process, mainly as a result of the granting of Prospecting Mining Licences (PMLs) or claims over a pre-existing Prospecting Licences. However, Rukwa and Pinewood's Dar es Salaam offices have personnel that are dedicated to the management of their licences, applications and renewals and have a track record of efficient management thereof. As a result of these dedicated resources, Rukwa and Pinewood have not, to-date, had any significant issues concerning the security of their licences or the granting of applications.

If licences fall within a Forest Reserve and Game Controlled Area, additional authorization must be sought from the Ministry of Natural Resources and Tourism (MNRT).

7.6.1. Royalties, Fees and Taxes

With respect to the Prospecting Licences, no royalties or taxes are payable to the State, and normal exploration expenditures will be subjected to tax regulations as set out by the Tanzania Revenue Authority (TRA). Table 1 summarises the fees associated with Prospecting Licences, and which are payable to the Ministry of Energy and Minerals:-

Table 1: Schedule of Licence Fees

| PERIOD | FEES PAYABLE (USD/km ²) |
|------------------------------|-------------------------------------|
| Initial Option Period (3yrs) | 40 |
| First Renewal Period (2yrs) | 50 |
| Second Renewal Period (2yrs) | 60 |

As noted previously, mining royalties of 4% are applicable to precious and base metals, 6% for diamonds and gemstones, and 7% for uranium. Some gold mining companies have yet to start paying the 4% royalty and continue to pay a 3% royalty, however.

In mid 2011, frustrations over the fact that the country was not receiving a sizeable share of profits earned from gold mining led Tanzanian President Jakaya Kikwete to suggest the possibility of a mining super tax (High Grade Review 2011). No further details that have been given in the press as to the magnitude of the tax or when it is likely to be implemented.

7.6.2. Impact of the Projects on the Environment

Tanzania has a large number of protected areas devoted to wildlife conservation including National Parks (National Ordinance Cap 412), Game Reserves, Game Controlled Areas (Wildlife Conservation Act No.12 of 1974) and Forest Reserves (Forest Reserves Cap 389). These are gazetted areas and cover approximately 30% of the country's landmass.

Exploration is not permitted within National Parks and Game Reserves. However, exploration is permitted in Forest Reserves and Game Controlled Areas subject to authorization and payments of annual fees. It is pertinent to note that the Tulawaka Gold Mine is located within the Biharamulu Forest Reserve and is currently carrying out authorised mining operations.

No exploration is currently being conducted by either Rukwa or Pinewood within Forest Reserves. However, should exploration be conducted within such reserves, the effect on the environment would be very limited in the early phases of exploration (pitting and drilling).

8. THE RUKWA MINERAL ASSETS

8.1. Legal Tenure and Agreements

8.1.1. Prospecting Licences

Rukwa is a private coal and exploration company, incorporated in Tanzania and is a wholly owned subsidiary of the Mzuri Group of Companies.

Rukwa, holds two Prospecting Licences (PL's) and two Applications within southwestern Tanzania, approximately 70km northwest of the regional capital of Mbeya.

Canyon Mining Ltd, a sister company of Rukwa Coal Ltd, obtained the original mineral rights to PLR5352/2008 and PLR5503/2008 in 2008. These mineral rights holdings were transferred to Rukwa in 200 . The PL's and Applications, summarised in Table and detailed in Appendix 2, represent the current PL's and Applications converted from these original mineral rights.

Table 2: Summary of the Rukwa Project Licence Status

| PROJECT AREA | LICENCE STATUS | NUMBER OF LICENCES | CURRENT AREA (km ²) |
|-----------------------------|----------------|--------------------|---------------------------------|
| Rukwa Coal | Active | 2 | 495.62 |
| | Applications | 2 | 1,061.17 |
| GRAND TOTAL LICENCES | | 4 | 1,556.79 |

While the resource areas fall within the active (renewed) PL's, ground previously held by Rukwa and relinquished as per the PL renewal process, has been re-applied for by subsidiary companies. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays.

Rukwa licences and applications are however being managed by a competent team of personnel at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences.

8.1.2. Mining Rights

No Mining Rights have been issued with respect to the Rukwa Project.

8.1.3. Material Agreements

Mzuri Coal Limited (MCL) has signed a Memorandum of Understanding with a large Asian global conglomerate (the AC), to pursue negotiations with a view to entering into definitive agreements providing for the development of a mine and a 250-350MW mine mouth coal fired power station at the Rukwa Project. The Development Agreements, if concluded and implemented, would provide for the following salient elements:-

- MCL would provide the AC with all available technical data and expertise to enable the AC to conduct a comprehensive feasibility study on the development of a Rukwa Power Project. If found feasible, MCL would develop a thermal coal mine and enter into a long term off-take agreement with the AC or its nominee to supply the Rukwa Power Project with coal sufficient for its requirements.
- the AC would undertake comprehensive technical, financial and commercial feasibility studies in respect of the Rukwa Power Project. If found to be feasible, The AC would procure all required approvals and permits for the construction, commissioning and operation thereof and design, build and operate a mine mouth coal fired power plant on the Rukwa Power Project.
- the AC would procure an Independent Power Producer (IPP) license from the Electricity and Water Utility Regulatory Agency of Tanzania (EWURA) and a Power Purchase Agreement (PPA) from the Tanzanian National Electricity Supply Company (TANESCO).
- the parties would have the opportunity to co-invest reciprocally in the equity of the mine and the power plant respectively on terms to be agreed between them.

Venmyn are advised that there are no other material agreements with respect to Rukwa other than the proposed acquisition agreement between Kibo and MEL discussed in Section 6.

8.1.4. Environmental Impact Assessment (EIA) and Other Environmental Considerations

No EIAs have been conducted on the licences at this stage nor are any required at present.

Tanzania has established a National Environment Management Council and is drafting a general environmental legislation.

At the moment, the only environmental consideration is establishing the proximity or overlap of any of the licences to Forest Reserves or Game Controlled Areas. Venmyn understand that Rukwa have investigated this and found that none of their licences or applications overlap Forest Reserves or Game Controlled Areas.

Chapter 4.5 of the Environmental Handbook for Business for Tanzania as published by the Lawyers' Environmental Action Team (LEAT), highlights the current key environmental issues associated with exploration and mining. Requirements are currently addressed in each Mining Licence awarded but there are none for Prospecting and Reconnaissance Licences.

8.1.5. Environmental Provision

No environmental provisions have been made for the licences at this stage nor are any required at present. Should application for a Mining Licence be made however, the applicant must submit a feasibility report including environmental and health safeguards, plans for local sourcing of goods, services, employment and training of Tanzanians. The license holder must submit regular reports according to regulations.

8.1.6. Other Legal Issues

Venmyn are advised that there are no legal disputes or other legal issues concerning the licences and/or applications of the Rukwa Project.

8.2. Rukwa Project Area

8.2.1. Location and Access

The Rukwa Coal Project comprises two PL's and two Applications in southwestern Tanzania (Figure 4). These licences occur approximately 70km northwest of the town of Mbeya, south of Lake Rukwa in the Mbeya Province. The licences represent an advanced stage coal exploration project with JORC compliant coal resources.

The main access road to the project area is reached by turning north off the bitumen road at Mbalizi (just south west of Mbeya) and continuing northwest on the gravel road to Galula. At Galula the road turns west and continues along the northern part of the licenses. Various small tracks branch off to the south, providing access to the Karoo outcrops which are located along the southern escarpment of the Rukwa Trough.

Alternative access from the southeast portion of the license is via the main A104 bitumen road, 60km west from Mbeya, turning north at the village of Mlowo onto a gravel road B366 and then travelling for a further 80km to the town of Magamba Juu. From Magamba Juu, a further 14km of dirt track leads to the Galula coal occurrence. This section of road has been built and is maintained by Magamba Coal Limited who manages the PL covering the Galula coal occurrence.

The PLs are also accessible from the northwest via the B366 dirt track. Regular grading is required to keep these roads serviceable. Dirt tracks within the licence area are only passable with four wheel drive vehicles (Figure 5).

An active railway line passes 70km south of the project area.

There is a regional airport located at Mbeya, with flights to Dar es Salaam daily.

8.2.2. Topography and Vegetation

The Rukwa Project area is located within a topographical low area, within the East Africa Rift Zone (Figure 6). The average elevation of the project area is 950mamsl. This is contrasted by the peaks of the rift valley escarpment to the south and west of the project area.

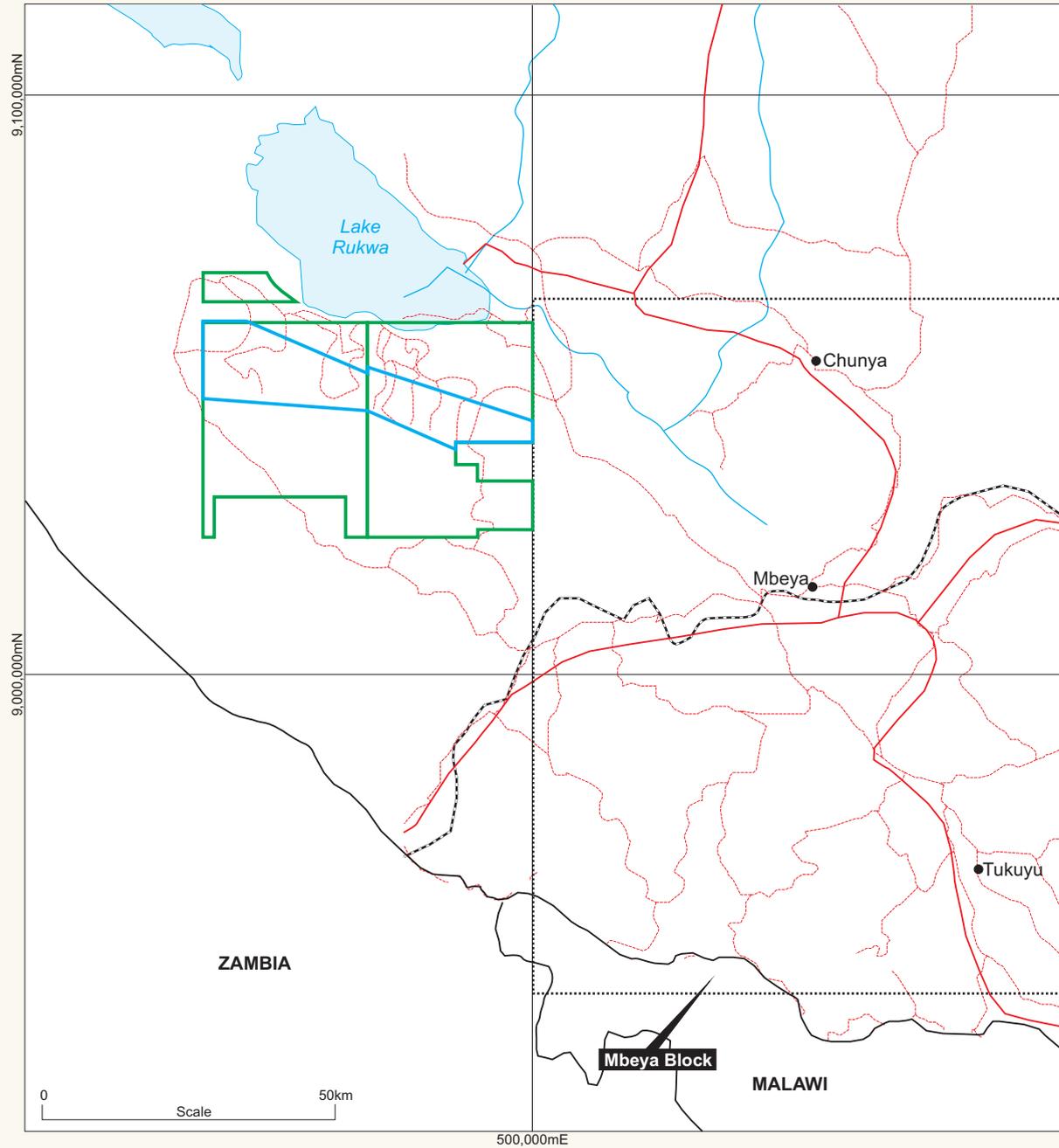
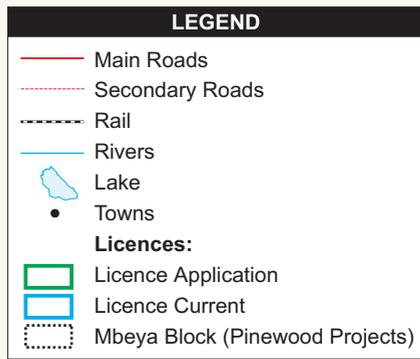
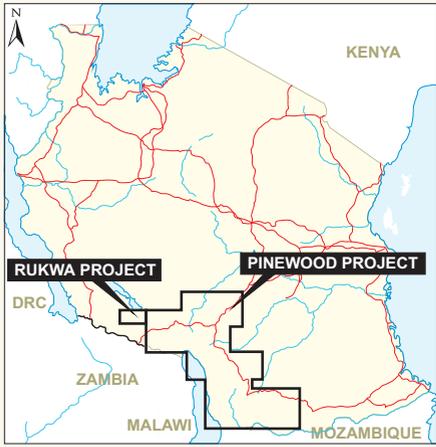
The lowland areas are extensively cultivated and grazed, however the natural vegetation comprises wooded grasslands and thorny bush (Figure 6). The valleys are also extensively cultivated and grazed, however the natural vegetation is tropical/savannah wooded grassland. The highlands are characterised by mountainous vegetation and cool temperature wooded grasslands and forest.

The Rukwa Rift is host to a number of perennial and non-perennial rivers and streams that drain into Lake Rukwa.

8.2.3. Climate

The climate of the Rukwa Project area is semi-dry-tropical. The average temperature ranges between 17°C and 34°C, with mean annual rainfall of approximately 555mm.

LOCALITY, INFRASTRUCTURE AND LEGAL TENURE OF THE RUKWA LICENCES



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INFRASTRUCTURE OF THE RUKWA PROJECT AREA

GRAVEL ROAD TO RUKWA PROJECT AREA



RUKWA CAMP



RUKWA CAMP



DIRT TRACK TO RUKWA PROJECT AREA



GRAVEL ROAD TO RUKWA PROJECT AREA



DIRT TRACK TO RUKWA PROJECT AREA



POOR ROAD CONDITIONS - RUKWA PROJECT AREA



GALULA COAL MINE WORKINGS



GALULA COAL MINE WORKINGS



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TOPOGRAPHY AND VEGETATION OF THE RUKWA PROJECT AREA

GENERAL RUKWA TOPOGRAPHY



RUKWA TOPOGRAPHY WITH LAKE RUKWA IN BACKGROUND



GENERAL TOPOGRAPHY



GENERAL TOPOGRAPHY



GENERAL VEGETATION



GENERAL VEGETATION



THE RUKWA TROUGH SEEN FROM THE MBOZI ESCARPMENT



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The majority of the rain falls between December and February. Exploration activities can be carried out year round, however, access to certain areas cannot be achieved after heavy downpours, particularly during the rainy season. Certain river crossings may also be temporarily inaccessible during the rainy season.

8.2.4. Seismicity

Due to the projects position within the East African Rift System, generally insignificant earthquakes occur on a regular basis.

8.3. Regional Geology in the Rukwa Project Area

The coal within the Rukwa Project area occurs within the Karoo Supergroup of the Rukwa Rift Basin. This basin is an approximately 300km long, by 50km wide, northwest-southeast trending basin, comprising the Western Branch of the East African Rift System.

The Rukwa Rift is a typical, fault bounded, half-graben rift system, flanked by uplifted Precambrian, Pan-African metamorphic rocks. The rift is bound by the Ufipa faults and plateau to the southeast, the Lupa fault to the northeast, the Ubendian plateau to the north and the Mbozi block and Rungwe volcanic to the south.

The Rukwa Rift is aligned with the trend of the regional Precambrian basement foliation. The rift is characterised by:-

- a least three distinct phases of tectonism; and
- three major stratigraphic sequences, each correlated with separate tectonic events between the Permian and Holocene periods.

The precise timing and structural regime associated with these rifting events remains unclear.

The geological and structural characteristics of the project area are perhaps best highlighted by regional magnetics (Figure 7). In the late 1980s the government of Tanzania undertook a magnetic survey over the project area. The magnetic images highlight the highly magnetic Precambrian basement rocks (in magenta), trending northwest-southeast. The Permian sedimentary rocks, which contain the coal, show low magnetic signatures (in blue), and occur to the northeast of these basement rocks. The red coloured anomaly is interpreted to represent shallower Precambrian rocks with overlying shallower Permian rocks, which may contain coal. Additional geophysics is required to confirm this.

8.4. Local Geology and Mineralisation in the Rukwa Project Area

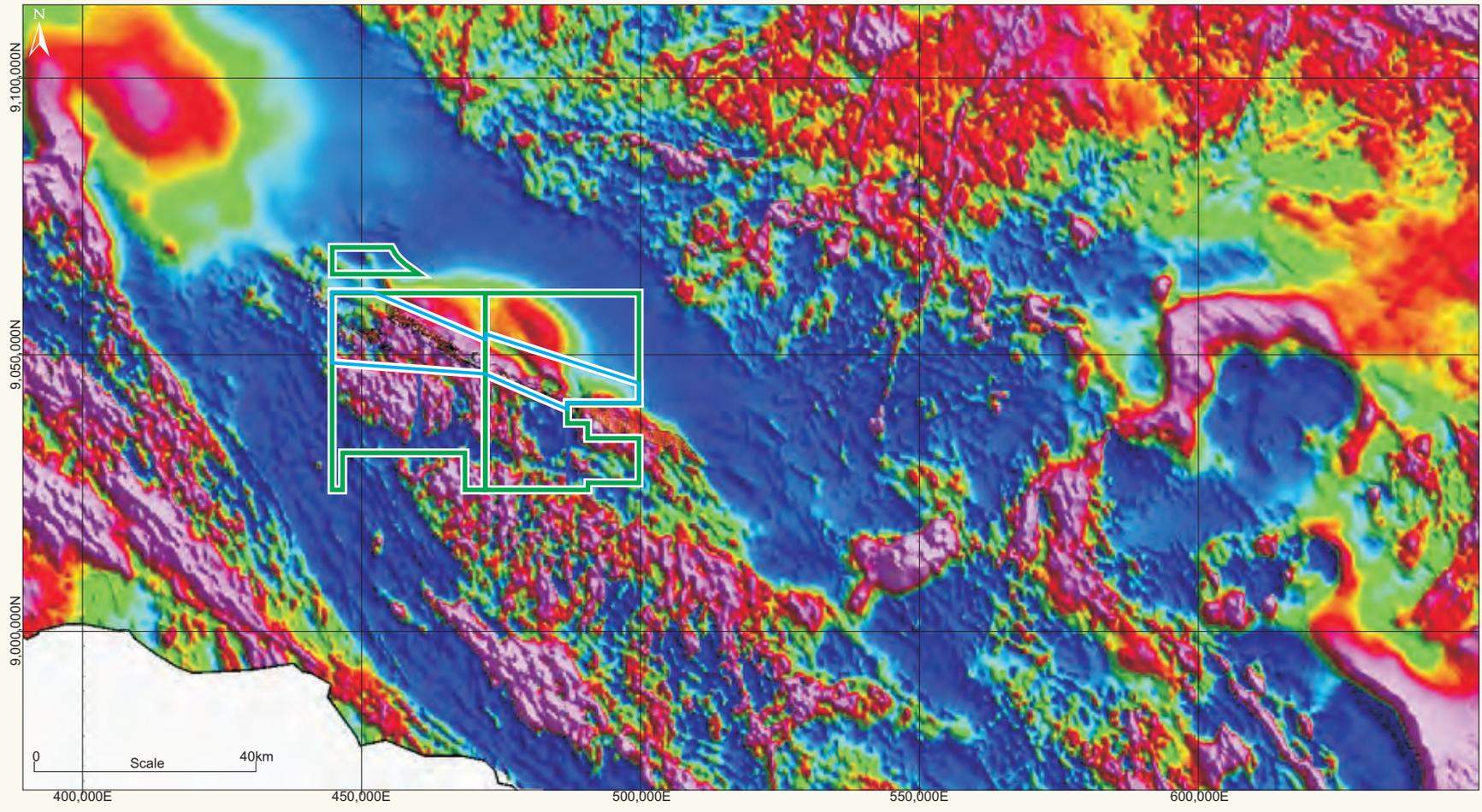
The coal of the Rukwa Project is located within the so-called Songwe Basin, which is a sub-basin of the larger Rukwa Basin. The local geology of the Rukwa Project is illustrated in Figure 8.

The Songwe Basin overlies an Ubendian sequence of Precambrian metamorphic rocks, comprising predominantly gneisses and metadolerites. The coal bearing Karoo rocks comprise upper Paleozoic and lower Mesozoic sequences, which have been divided into three main units (K1 to K3) from oldest to youngest, respectively:-

- the K1 unit (lower most Karoo) is made up of a basal conglomerate and varved siltstone, deposited directly onto the basement gneisses. The K1 is not present in all locations and is often restricted to a several meter thick layer of non carbonaceous siltstone or conglomerate. In other areas it extends for tens of meters and can include thin carbonaceous or even coaly bands. In some areas it is tillitic in composition;
- the K2 unit, is the coal-bearing horizon (Figure 9), and consists of a basal conglomerate, lower sandy mudstone, shale-coal bed unit and an upper sandy mudstone. The basal conglomerate is deposited unconformably over the K1 varved sandstone. The K2 Karoo unit, deposited on top of the K1, is the main coal bearing unit. The unit is usually between 15m-40m thick. The contact with the K1 is often gradational in nature although erosion (unconformable) contacts have been observed. In places the K2 rests directly on top of the basement; and
- the K3 (and possibly K4) sandstone unit (Figure 9) is locally the thickest unit. The unit is split into two subdivisions:-
 - a lower sandstone unit of poorly sorted, medium- to coarse-grained feldspathic, cream-coloured sandstone; and
 - an upper sandstone unit which is fine- to medium-grained with no pebbles and occasional limestone nodules.

The Cretaceous sedimentary rocks of the Red Sandstone Group (Figure 9) unconformably overlay the Karoo strata. This unit consists of extremely poorly sorted beds of pale grey, yellow and pink sandstone, siltstone and conglomerate. These rocks are characterised by their friable nature and invariably contain calcrete and limestone nodules.

REGIONAL MAGNETICS CONDUCTED BY THE TANZANIAN GOVERNMENT



LEGEND

Licences:

- Licence Application
- Licence Current

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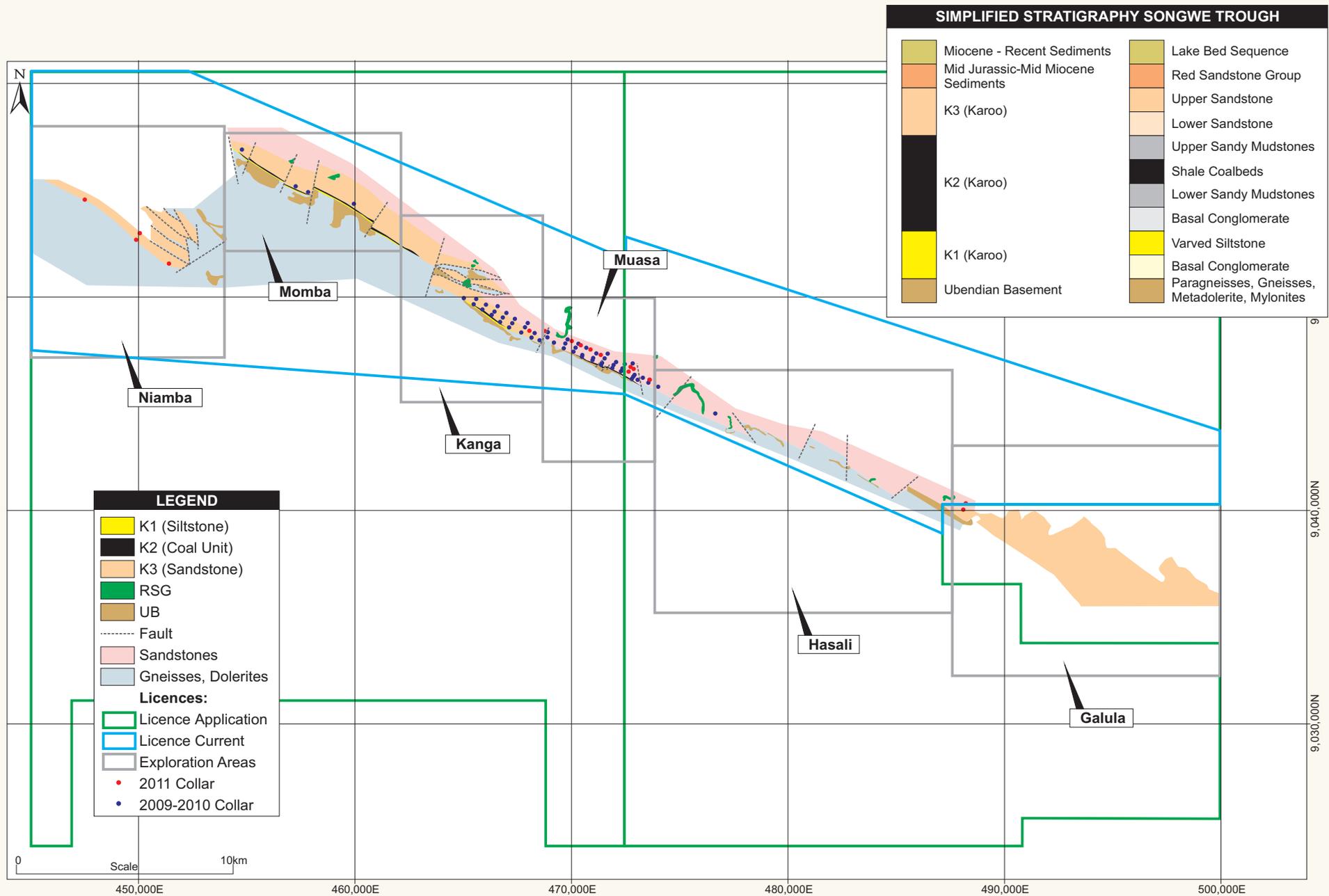
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Source: Rukwa

LOCAL GEOLOGY AND SIMPLIFIED STRATIGRAPHIC COLUMN OF THE RUKWA PROJECT

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Source: Rukwa

PHOTOGRAPHS OF THE GEOLOGY OF THE RUKWA PROJECT AREA

LAKE SEDIMENTS



GALULA COAL MINE WORKINGS AND EXPOSURE



COAL EXPOSURE AT GALULA COAL MINE



MUASA COAL OUTCROP AND WORKINGS



MUASA COAL OUTCROP AND WORKINGS



MUASA OUTCROP AT RIVER



BASEMENT OUTCROP AT MUASA



CRETACEOUS SEDIMENTS OUTCROP



LAKE SEDIMENTS AND CRETACEOUS OUTCROP



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Recent lake sediments (Figure 9) of Lake Rukwa overlay these Cretaceous beds and complete the basinal sequence in the Rukwa project area. These sediments comprise unconsolidated fine grained silts, sands and gravels as well as fine volcanic ash and pumice.

Figure 8 illustrates a simplified stratigraphic column of the Rukwa Project area. However, the entire stratigraphic succession is not present in all locations within the project area, due to depositional variations, palaeo-topographical variations, faulting and the presence of unconformities.

For practical reasons, the area making up the two prospecting licenses has been divided into six blocks (Figure 8) based on geology and geography, and in order to make the exploration of this extensive area more manageable:-

- the Muasa Block, containing the majority of the current coal resources of the Rukwa Project, is located between the Nguzi and Chamua rivers;
- the Kanga Block, containing the balance of the current coal resources of the Rukwa Project, is located between the Chuamba and Momba Rivers;
- the Momba Block, is located west of the Momba River and to the limit of the Karoo outcrop;
- the Galula Block, is located southeast of the Mtuka River;
- the Hasali Block, located between the Mtuka and Nguzi rivers; and
- the Niamba Block, located west and south of the Momba Block, cut by the Niamba River.

The Muasa and Kanga Blocks have been extensively explored by Rukwa, and it follows that the local geology is reasonably well understood as follows:-

- the overlying Cretaceous sedimentary rocks of the Red Sandstone Group consist of extremely poorly sorted beds of pale grey, yellow and pink sandstone, siltstone and conglomerate. These rocks are characterised by their friable nature and invariably contain calcrite and limestone nodules. Recent lake sediments overly these Cretaceous beds and complete the basinal sequence in the Rukwa project area. These sediments comprise unconsolidated, fine-grained silt, sand and gravel;
- the K3 Formation is between 0m and 296m in thickness. The sandstones are interpreted as having been formed by subaqueous mass flow under water. The K3 Formation has eroded the K2 Formation with the coal zones being removed towards the northeast. In places the K3 has also eroded the K1 and rests unconformably on the Pre-Karoo basement Ubendian rocks;
- the K2 Formation, within which three coal zones are present, varies in thickness between 0m and 77m, with an average thickness of ~20m. The coal zones can be divided into 7 coal plies numbered from the bottom to the top (Figure 10):-
 - Seam Zero (S0);
 - Seam 1 Lower (S1L);
 - Seam 1 Upper (S1U);
 - Seam 2 (S2);
 - Seam 3 Lower (S3L);
 - Seam 3 Upper (S3U); and
 - Seam 4 (S4).
- these coal seams and plies have been identified and correlated using wireline downhole geophysical logs, lithological descriptions and raw sample analysis; and
- the K1 Formation varies in thickness between 0m and 12m and is typical of the K1 of the Songwe Basin;

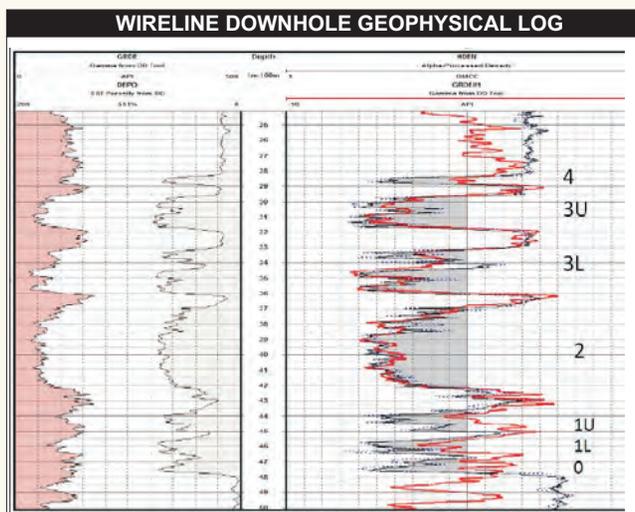
The Karoo strata follow the regional strike of the Rukwa Basin (~310°) and dipping at ~30° to the northeast. The rocks of the Red Sandstone Group dip to the north at approximately 10° - 15°.

The Momba Block is characterised by predictable Karoo stratigraphy, with K1, K2 and K3 outcrops. Reconnaissance drilling by Rukwa in 2009 confirmed the areas coal potential with the drilling of four RC boreholes. This block represents an obvious follow up target for Rukwa.

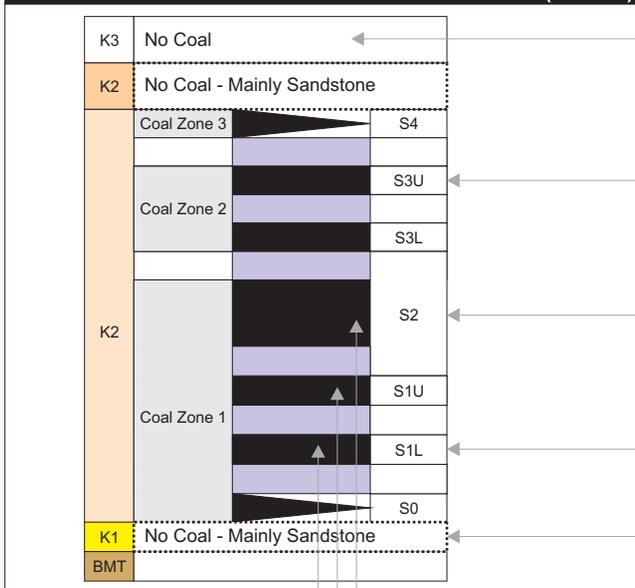
The Galula Block does not contain any Karoo outcrop, however it has confirmed coal, as evidenced by the adjacent Galula Coal Mine and workings, operated intermittently on a small scale by Magamba Coal Limited (Figure 9).

The Hasali Block is characterised by an absence of outcropping Karoo with Cretaceous Red Sandstone Group outcropping directly on the Ubendian basement lithologies. The area occurs between the Muasa and Galula occurrences (Figure 9), and could therefore have significant coal resource potential.

SCHEMATIC REPRESENTATION OF THE SEVEN COAL PLIES PRESENT IN THE K2 COAL ZONES IN THE MUASA AND KANGA AREAS AND PHOTOGRAPHS FROM BOREHOLE RRC012D



SCHEMATIC PRESENTATION OF THE 7 COAL PLIES (SEAMS)



The Niamba Block is structurally complex, with the Karoo rocks, noticeably displaced to the south. Mapping has confirmed K3 outcrop. There is limited geological knowledge of this area.

8.5. Historical Exploration

Only limited historical exploration has been undertaken within the Rukwa Project area.

Coal was first discovered in the area by German colonial settlers near the Mission of St. Moritz (Galula). East African Goldfields was the first company to perform physical exploration activity and between 1933 and 1935 several pits and adits were dug, mapped and sampled. Mapping was also conducted by the Geological Survey of Tanzania during the same period. A detailed mapping report was produced by K. Spence in 1951. Several samples of the coal were collected and tested; all tests indicated the coal to be of good quality.

Troll Mining Limited, now Magamba Coal Limited, obtained the mineral rights to a portion of the Galula Coalfield in 2000 and have constructed a road from Magamba Juu in the south to the coal outcrop. Magamba Coal has intermittently carried out small-scale mining of the coal for use at the local cement factory in Mbeya.

A regional magnetic survey was carried out by the Tanzanian Government in the late 1980s (Figure 7).

8.6. Recent Exploration

All recent exploration within the Rukwa Project area has been conducted by Rukwa. Figure 11 illustrates the extent of the recent exploration within the Rukwa Project area.

Several exploration programmes have been undertaken by Rukwa to-date:-

- the 2008 desktop study and reconnaissance visits;
- the 2009 mapping, sampling and drilling programme;
- the 2010 drilling and sampling programme; and
- the 2011 in-fill drilling and sampling programme.

During 2008, several reconnaissance field visits were made to the Rukwa Project area and a data and literature search was initiated. Full time exploration activities commenced during July 2009.

The 2009 program, started with detailed geological mapping followed by a drilling program which comprised 1,518m of percussion (RC) drilling and 436m of diamond core (DC) drilling. A total of 85 coal samples were collected from the drilling program and an Inferred Resource was estimated over part of the Muasa Block. Coal was also identified in the Momba Block. The coal was found to be of a quality suitable for power generation with a low sulphur content, moderate ash and calorific value. An Inferred Resource was estimated over the Muasa Block.

The 2010 drilling program aimed to upgrade and extend the Inferred Resource over the Muasa Block to Indicated status. Approximately 4,800m of RC drilling and 2,800m of DC drilling were completed as part of this program. The program extended into the Kanga Block. A resource of approximately 109Mt of coal was estimated, by Gemecs in 2012, from the results of the 2010 drilling program (Section 8.12).

A remote sensing desktop study was completed during 2010 in order to better understand some of the regional structural geology as well as highlighting several exploration targets, notably in the Niamba and Galula blocks.

During 2011, further drilling work was conducted to upgrade the identified resource as well as to test for coal in previously unexplored parts of the licenses. Approximately 2,160m of RC and 1,315m of DC drilling was completed during 2011. Preliminary drilling in the Hasali Block proved that the Karoo geology had been subjected to faulting and structural related alteration. The only deep hole drilled in the area was not completed and the results for the area are inconclusive. One DC hole was drilled in the Galula Block, on the border with Magamba Coal. K2 bearing coal was intersected at around 250m.

Venmyn has not independently witnessed the drilling and sampling protocols as no exploration drilling is currently taking place. However, Venmyn is confident that the drilling was carried out to the required standard as the drilling programmes have been independently supervised or verified by other reputable consulting companies (most notably Gemecs).

Gemecs, in their 2012 Independent Technical Report (ITR), reported that all drilling and sampling protocols and QA/QC procedures, as implemented by Mr Eric Fier (Qualified Person for the project) were adhered to. Further, Gemecs considered that the sampling methods and approaches employed were appropriate for the reporting of coal resources.

8.6.1. Surface Mapping and Sampling

During the 2009 exploration programme, detailed geological mapping was undertaken by Rukwa. Initially, the known Galula Mine outcrop was mapped in detail in order to understand the geology of the area, as it was the best described occurrence of coal in the region, at the time. The strike of the Karoo outcrop and all rivers within the project area were followed in order to locate additional coal outcrops. All outcrops were mapped in detail. Due to the very limited outcrop, only limited sub-crop sampling was possible. Processed Landsat ETM and SRTM data was used to aid with the mapping.

Some trenching was completed during the early exploration, however the program was limited due to the lack of outcrop.

8.6.2. Exploration Drilling

Following the surface mapping, three drilling programmes were conducted. The first program included RC drilling near the known Muamba outcrop. The follow up RC and DC programmes took place on an approximately 500m grid with 2 to 3 boreholes per drilling line and extended into the Kanga block. Holes were collared with RC and completed in DC. The third campaign involved a short follow up and infill drilling program and included some holes in the Niamba block.

To-date 90 boreholes have been completed within the Rukwa Project area, 48 of which were followed up with DC drilling. Drilling has focussed on the Muasa and Kanga blocks. All boreholes were drilled vertically.

Figure 11 shows the position and extent of the drilling conducted at the Rukwa Project to-date.

Gemecs were provided with actual core recovery record sheets for all cored boreholes and Gemecs reported that they were satisfied that the protocols for core recoveries (>95%) have been followed.

8.6.2.1. Percussion or Open Hole Drilling

Following the initial mapping campaign, an RC drilling comprising 14 boreholes was completed in 2009. Another 3 holes were collared with RC drilling and completed with DC drilling. Drilling was concentrated in the Muasa area.

Extensive follow up drilling in 2010 included 21 RC holes and an additional 32 holes that were started with RC and completed with DC drilling. The program extended the exploration area into the Kanga Block on a 500m grid with 2 to 3 boreholes per drilling line.

The 2011 program included infill drilling of 5 RC holes and 13 holes which were completed with DC drilling. Some of these holes were completed in the Niamba Block.

8.6.2.2. Diamond Drilling

Diamond drilling began in 2009 with 3 DC holes being completed with an RC collar. The 2010 drilling program included 32 boreholes completed with DC drilling in order to upgrade and extend the 2009 Mineral Resource. The 2011 infill drilling program included 13 boreholes completed with DC drilling. A total of 4,551m of DC drilling has been completed to date.

8.6.3. Surveying Methods

The Rukwa boreholes were sited in the field using a hand-held Garmin™ GPS device. Accurate surveying of the completed borehole collar positions was not undertaken at this time. This is expected to be remedied during April 2012.

All boreholes were drilled vertically. No down-hole directional surveys were undertaken. Given the relatively shallow depths involved, this is not considered a deficiency.

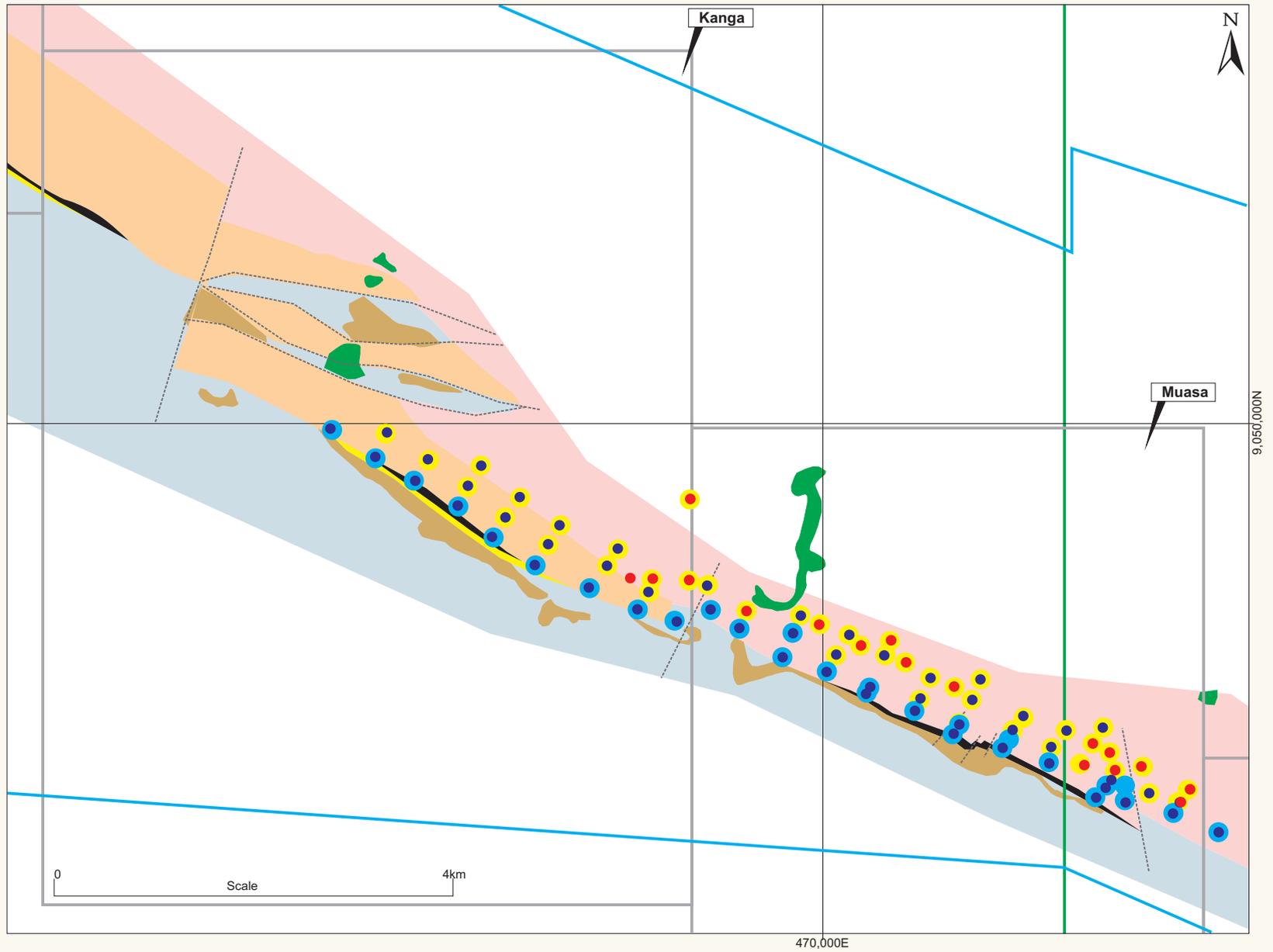
8.6.4. Logging

The drillers placed all recovered core into metal core trays. For each drill 'run', the start and end points were marked with plastic blocks that were placed between the runs and drill runs were completed at the drill rigs. All DC drilling was completed with HQ3 rods which have 61.1mm core diameter. The holes were typically collared with RC drilling. DC drilling commenced towards the tail of the holes to intersect the coal horizons and enable accurate logging in these horizons. The core was then transported to the Rukwa field camp in metal core trays for geological logging by a suitably qualified and experienced geologist.

SUMMARY OF EXPLORATION AND GEOLOGY AT THE RUKWA PROJECT

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D1217 Kibo CPR Update 2012



LEGEND

- K1 (Siltstone)
- K2 (Coal Unit)
- K3 (Sandstone)
- RSG
- UB
- Fault
- Sandstones
- Gneisses, Dolerites
- Licences:**
- Licence Application
- Licence Current
- Exploration Areas
- 2011 Collar
- 2009-2010 Collar
- Diamond Boreholes
- RC Boreholes

Core was not split prior to geological logging in order to minimise the effects of oxidation. Field logs were generated using printed logging forms and are archived at the Rukwa offices in Mbeya. Data from handwritten logs was transferred into MS Excel™ format and subsequently captured into a Micromine Geographic Borehole Information System (GBIS) borehole database.

Borehole core photography using a hand-held digital camera was undertaken on all boreholes, stored on the Project Geologists personal computer and backed up at Rukwa's offices in Dar es Salaam.

8.6.5. Sampling Method

Sampling was conducted at the core logging shed at the Rukwa field camp by a suitably qualified and experienced geologist. All coal was 'whole-core' sampled.

The field geologists were responsible for the selection of seam intervals under the supervision of the responsible geologist, Mr G. Norton.

Sampling was conducted prior to wireline logging, therefore downhole geophysical logs were not available to assist with the sampling and the sampling was based on lithological descriptions alone.

Gemecs, in their 2012 Independent Technical Report (ITR) stated that they were satisfied that these methods were appropriate for obtaining good quality samples. The nomenclature used during coal lithology logging is summarised in Table 3.

Table 3: Sampling and Lithological Nomenclature

| SEAM/LITHOLOGICAL UNIT | SAMPLING AND LOGGING NOMENCLATURE |
|------------------------|---|
| C | Coal seam. |
| M1-M5 | Mudstone-Coal mix where 1 is pure mudstone and M5 has a high coal content. |
| S1-S5 | Siltstone-Coal mix where S1 is pure siltstone and S5 has a high coal content. |
| SS1-SS5 | Sandstone-Coal mix where SS1 is pure sandstone and SS5 has a high coal content. |

Samples were a minimum of 0.5m in length and sample intervals confined to within lithological units.

Core was logged, marked and sampled then bagged and weighed. Samples were tagged with each bag containing a sample label inside the bag, sealed with cable ties and labelled on the outside. Sample bags were transported in crates to Dar es Salaam and all samples were tracked until delivery to the laboratory.

8.6.6. Downhole Geophysical Surveys

Downhole geophysical surveys were only commissioned towards the end of the 2009 drilling programme. This was also conducted during the 2010 drilling programme on all holes unless hole collapse took place. However this did not take place during the 2011 drilling programme.

Holes were flushed open in order to complete wireline logging. Some of this logging had to be completed inside the rods due to instability in the holes. The results and interpretation have taken this into consideration as far as possible.

The surveys were conducted by Weatherford's, an international wireline geophysical logging company. The surveys were conducted with the use of a dedicated Weatherford geophysical logging unit. The absence of these surveys during the early part of the 2009 programme and the 2011 programme, was as a consequence of Rukwa being unable to secure a contract for this work.

The drillholes logged by Weatherford were calibrated and validated using various software packages followed by the creation of a standard set of gamma, density, and calliper logs. The first probe was sent down inside the rod, then a dummy probe was sent down the open hole and finally the open hole was logged if possible.

In cases where a dipmeter tool was used on a borehole, the dipmeter data was also validated, and rose diagrams were produced giving a good indication of the strata dip (30° to the northeast).

Due to the fact that limited downhole geophysics was conducted, and that both RC and DC boreholes were drilled, two boreholes, drilled as 'twins', were compared by Gemecs to show the variability in coal intercepts between the RC and DC drilling methods. Gemecs reported that the results showed good correlation between the two data sets.

8.6.7. Bulk Sampling

No bulk sampling has been carried out on the Rukwa Project.

8.6.8. Laboratory Analyses

All samples were sent to Inspectorate's SANAS accredited laboratory in Middleburg, South Africa (No T0313).

8.6.8.1. Sample Preparation and Analysis

The laboratory followed the ISO and SANAS standard set of tests and methods that are used for coal analyses by South African laboratories.

The ISO and South African National Standard (SANS) has a standard set of tests and methods that are used for coal analyses by South African laboratories. The standard method of coal sample preparation is summarised as follows:-

- receipt of the sample into the laboratory's electronic information management and sample tracking system;
- drying of sample. All drying oven temperatures do not exceed 40°C;
- measuring mass of sample;
- determining the relative density of the sample;
- crushing the sample to -25mm;
- screening out of the -0.5mm fraction for proximate, CV and total sulphur analysis;
- pulverising the -25mm+0.5mm sample;
- pulverised material split using a rotary splitter;
- carrying out the raw proximate, CV and total sulphur analysis;
- washing the -25mm+0.5mm fraction at client specified relative densities, usually at relative density intervals of 0.05 between 1.35 and 1.75, plus the sink fraction;
- drying and weighing each fraction;
- crushing and pulverising each fraction;
- conditioning each sample for one hour;
- carrying out the raw proximate, CV and total sulphur analysis for each fraction;
- automatically generating an electronic laboratory report which is emailed to the client;
- an official signed laboratory certificate reporting on the fractional and cumulative results is delivered to the client; and
- storing all excess sample material as per the client's requests.

The standards and tests carried out on Rukwa's exploration samples are summarised in Table 4.

Table 4: Tests and Standards Performed by Inspectorate (M&L) Laboratories on Rukwa Coal Samples

| TEST / REQUIREMENT | STANDARDS / TEST METHOD |
|-------------------------------------|-----------------------------|
| Sample Preparation | ISO 13909-4 / ISO 18283 |
| Ash Content | CO30-401-W (ISO 1171:1997) |
| Volatile Matter | CO30-404-W (ISO 562:1998) |
| Fixed Carbon | CO30-404-W (ISO562:1998) |
| Total Moisture | CO30-403-W (SABS 925) |
| Calorific Value (Sulphur Corrected) | CO30-405-W (ISO 1928:1995) |
| Ash Fusion Temperature (AFT) | ISO 540-2008 E |
| Total Sulphur | CO30-402-W (ASTM D4239-04a) |
| Abrasive Index | Eskom Method / BS 1016-111 |
| P% in Coal | ISO 622-1981 E |
| Particle Size Distribution (Sizing) | ISO 1928-2009 |

No standard or duplicate samples were submitted by Rukwa for analysis and no repeat or laboratory cross checks were requested. This is not an uncommon practice in which reliance is often placed on the internal quality controls of the laboratories.

The laboratory performed proximate and CV analyses on the raw samples. Full washability testwork was also conducted at RDs of 1.35, 1.40, 1.45, 1.50, 1.60 and 1.80 and sinks at an RD. The fine fraction (-0.05mm size fractions) were screened out before the samples were washed at the different densities.

The closely spaced intervals were utilised to obtain maximum information on the yields (and associated qualities) within the expected RD range for future processing.

In addition, FSI (free swelling index) analyses were conducted on a large number of samples at RD1.35 and RD1.45. However these analyses did not indicate any swelling potential suitable for the production of coking coal.

8.6.9. Petrography

Three samples of coal from the Rukwa Project have been submitted to the Inspectorate Laboratory in Middleburg, South Africa for petrographic analysis. The results from this analysis show that that Rukwa Coal represents a medium rank bituminous D coal.

The samples generally contained low levels of vitrinite and liptinite, as well as generally low reactive maceral composition. Their reflectance ranges from 0.40- 0.60% R_oV_{mr} (mean random reflectance).

The three samples were from pre-selected coal plies in two different boreholes (RDD001 and RRC011D). The results therefore do not necessarily reflect all coal within the Rukwa Project area, but do demonstrate good economic potential.

8.6.10. Security

All samples were stored in the core yard before despatch to the laboratories. Once at the laboratories, the samples were subject to the standard security measures of the respective laboratories.

8.6.11. QA/QC

Laboratories are required to calibrate their coal analytical equipment daily and are also required to partake in local and international round robin proficiency tests to ensure a high standard of results. All result reports are verified by the laboratory manager and any inconsistencies or variations about the laboratory's specifications are reanalysed.

8.6.12. Data Management

8.6.12.1. Data Acquisition and Validation

The complete set of borehole results, i.e. run, lithology, collar and laboratory results, is currently stored in a Micromine GBIS database and identified separately based upon the standardised borehole nomenclature.

The original borehole paper logs were captured into MS Excel™ and verified by the responsible geologist. All boreholes are presented graphically as well as plotted on plans for verification by the responsible geologist. Cross sections are plotted to confirm correlations. The logs are validated and then transferred into the drilling and sampling database.

All laboratory results were received in MS Excel™ format and included into the sampling Micromine GBIS database. The laboratory results were imported directly into the sampling database to eliminate the possibility of typing errors.

Validation of the borehole, sampling and analytical databases were performed using GBIS, with checks for the following:-

- lithology depth overlaps;
- non-contiguous lithology entries;
- non-contiguous lithology detail entries;
- lithology detail/sample links;
- zone/sample inconsistencies;

- correspondence between sample thickness and lithological thickness;
- the presence of zero values in fields which do not allow zero values;
- proximate analyses add to 100%;
- sum of yields add to 100%;
- CV trends with increasing wash density;
- ash trends with increasing wash density;
- volatile matter trends with increasing wash density;
- correlation between CV and raw ash; and
- correlation between raw density and raw ash.

Once data was imported into Minex from GBIS, by Gemecs, the data, especially the quality data, was once again validated to ensure that no incorrect data was used for modelling.

Venmyn has randomly selected 10% of the completed boreholes from the database and independently cross checked the data with the original paper logs. These included checking the “from” and “to”, collar co-ordinates, lithology and run information files. Venmyn identified that no significant errors in the database. A small number of minor typing errors and some missing hardcopy logs were identified.

Venmyn also calculated average core runs for the verified holes and no significant errors or major losses/gains were identified. Venmyn therefore have confidence in the database used for the resource modelling.

Venmyn associate, Ms Liz de Klerk conducted extensive checks on the data and on the Gemecs modelling using both Micromine and Geosoft Target software. The validations performed included, *inter alia*, the following:-

- borehole positions were de-surveyed and checked to ensure that they plotted in the correct positions;
- all digital geology logs from the database were checked against Gemecs’ modelling files and the coal plies used by Gemecs. The following was noted:-
- a few, slight discrepancies were noted between the geology logs and the modelling files, however the modelling files matched the sampling logs.
- a few stratigraphic correlations had been revised, most likely as a consequence of subsequent wireline logging (e.g: RRC029D).
- visual checks of the modelling were conducted by correlation with various cross-sections;
- the proximate analyses were checked. Venmyn noted that:-
- one borehole (RRC040D) had proximate analyses that added to 105%. This was most likely due to an error with the sulphur analyses as this was recorded as 5%.
- volume and tonnage calculation checks. Volumes and tonnages calculated by Gemecs were within 10% of those calculated by Ms Liz de Klerk, and therefore considered acceptable.

The conclusion reached, from these validations, was that Venmyn were satisfied that the general logging, sampling, database management and geological modelling has been conducted to an acceptable level, and can be relied on for resource estimation purposes.

8.6.12.2. Database Management

The database for the Rukwa Project currently contains data from all the drillholes completed since 2009 at the commencement of exploration. No prior information is available on the project for inclusion into the database. The database is managed and maintained by the chief consulting geologist, Mr G. Norton. Backups are stored at Rukwa’s office in Dar es Salaam.

8.7. Orebody Modelling and Results

The current orebody model on the Rukwa Project has been prepared by Mr C van Niekerk (Pr.Sci.Nat.) of Gemecs. The model was prepared in Gemcom Minex Horizon Version 6.03 Software. The model takes into account all available historical and recent drilling and other geological information as of end November 2010. It does not include the boreholes and sampling data from the 2011 exploration programme. No considerations were given to alternative interpretations or models

Venmyn, with the assistance of associate Ms L. de Klerk (Pr.Sci.Nat) has reviewed the model and interviewed Mr C van Niekerk (Pr.Sci.Nat.) concerning his methods of modelling. Venmyn has also independently plotted the graphical distribution of the boreholes and morphology of the seams in Geosoft Target and Micromine and found the results to be satisfactory. Venmyn is generally satisfied with the integrity and results of the model, and consequently have a reasonable level of confidence with respect to the current model and the associated resource estimates of Gemecs.

The upper surface of the model was constructed from borehole collar positions and is presented in Figure 12. At this stage the borehole collars have only been surveyed by handheld GPS. Venmyn consider that it is imperative that an accurate survey of the resource area and borehole collar positions is completed before any future geological modelling or resource updates are conducted. Venmyn understand that a professional survey of the resource area has been commissioned by Rukwa and should commence in May 2012.

The coal seams were identified and correlated, by Gemecs, using wireline logs, lithological descriptions and raw sample analyses.

No DTM is currently available to model the surface at the Rukwa Project, and borehole collar elevations taken by hand held GPS were used by Gemecs to generate an approximate topography for modelling purposes. Erroneous collars were reported by Gemecs to the field geologist and checked again on site.

A weathering DTM surface was created, by Gemecs, using the level of weathering recorded in the geological logs (LOW). In addition, a DTM of the K3 zone floor was created and this was cut against the LOW to create one upper limit surface to the coal zone. Coal plies were modelled continuing through the LOW/K3 floor DTM surface to allow for continuity in the model. Only once solid wireframe models for each ply had been created were they each cut against the LOW/K3 surface. Gemecs noted that a proper topographic survey would need to be completed in the future.

It is expected that additional drilling along strike will identify additional coal resources in both a westerly and easterly direction.

Both the physical and quality parameters of the various seams were modelled by Gemecs. Grids with a 25m mesh within a polygon limit were estimated using the Minex general algorithm, known as the Growth Technique. Mapped structures were not evident from the borehole data, and consequently, the model of the physical and quality parameters of the seams were not cut along any structures, and were modelled across them. All physical and quality parameters were plotted and visually inspected to ensure they were acceptable for geological interpretation.

The following surfaces were modelled by Gemecs for each of the economic coal seams:-

- topography from borehole collar elevations;
- limit of weathering;
- basement (pre-Karoo rocks) topographic elevation;
- stratigraphic units (K1, K2 and K3) floor elevations;
- seam floor and roof elevations;
- seam thickness; and
- raw air-dried coal qualities.

Gemecs modelled all seven coal seams, with resource boundaries based on the occurrence of these seams. Total seam thickness was used in the modelling process, rather than selected horizons.

The limit of weathering was modelled in order to define the sub-crop limits and the lateral extent of the seams. No coal resources were estimated between the surface grid and the limit of weathering grids.

8.7.1. Physical Results

The physical parameters of the elevation, in metres above sea level, and the depth from surface of the various seam floors and roofs were modelled by Gemecs. The seam thicknesses were modelled for each seam and this was used as the basis for the calculation of the resource volumes. Although all these parameters were modelled, only the respective seam floor elevations, depths from surface and the seam thicknesses results are presented below.

Physical models have been generated, by Venmyn, for depth, seam thickness, and seam qualities for each of the coal seams modelled by Gemecs in order to more fully explain and demonstrate the variations across the resource area. The models have been cut to the inferred JORC boundary, and the area depicted does not necessarily indicate the areas included in the resource estimate as aspects such as ash and seam thickness cut-offs have precluded certain areas from being included in the resource estimates. Descriptions and plots of these parameters are detailed in the sections to follow.

8.7.1.1. Seam Floor Elevation

The S1L floor elevation has been modelled by Venmyn in order to identify any abrupt elevation changes which would indicate the presence of faulting and also to identify the dip across the project area. The variations in seam floor elevations are presented in Figure 12. The S0 seam was not modelled as only 9 boreholes have intersected the lowest seam and it would therefore not make for a good representation.

This figure clearly illustrates that the coal seams dip to the northeast, at approximately 30°. No faults within the modelled areas are evident as changes in elevation are continuous and steady. The presence of minor faults is known however from geophysical surveys and other geological observations made. These faults are more clearly illustrated in Figure 8.

8.7.1.2. Depth from Surface

The depth of the seams from surface will have an impact on the mining method (opencast versus underground) and the extraction safety factors and pillar sizes for an underground operation. Figure 13 presents the seam floor depth from surface for each of the seams.

Consistent with the general 30° dip of the seams to the northeast, the coal seams vary in depth from surface from a minimum of less than 20m in the southwest to in excess of 200m in the northeast.

The figure shows the potential for the coal to be mined using opencast methods from the suboutcrop in the southwest. The dip of the coal towards the northeast would necessitate underground mining methods on selected seams (if possible) toward the northeastern limit of the project area as the depth from surface increases.

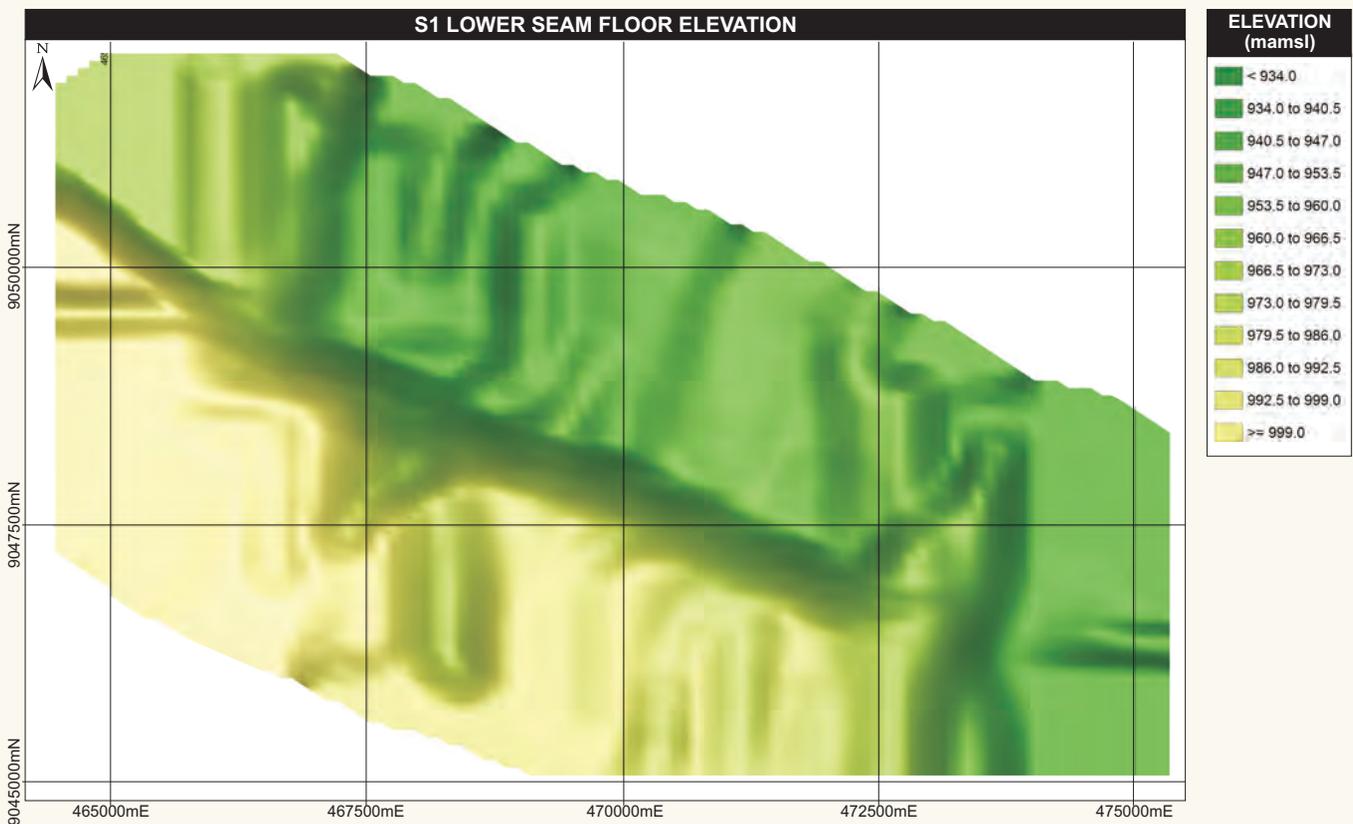
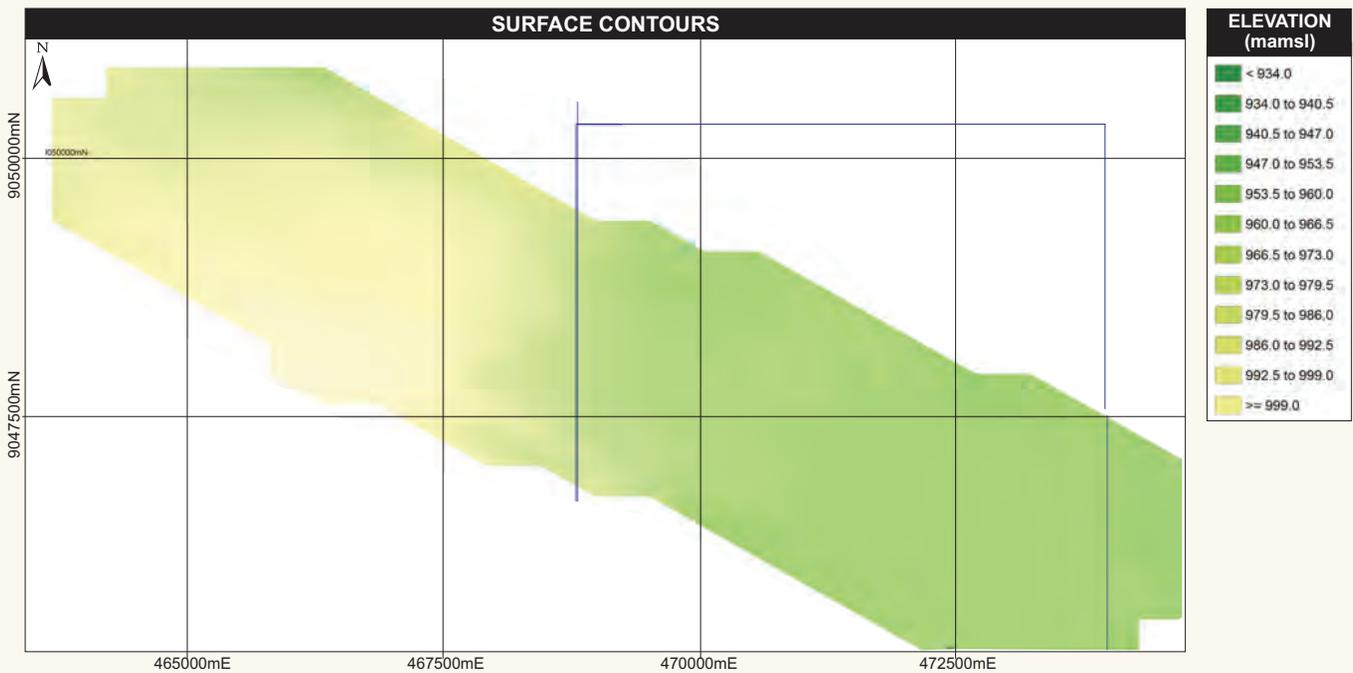
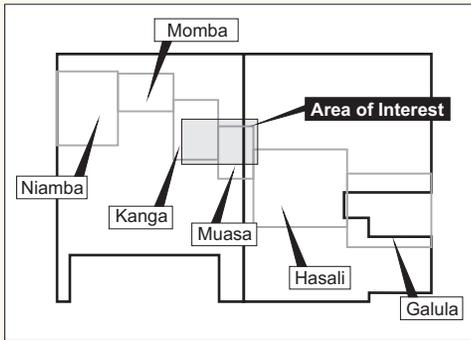
To further illustrate this, Figure 14 presents the calculated strip ratios including all economic seams. The areas with stripping ratios less than 6bcm:t coal have the potential to be mined using opencast methods. Proper economic studies would need to be conducted to confirm the opencastable potential (on a cost/t basis) and to establish the possibility of selectively mining underground. Such studies have not yet been conducted for the Rukwa Project.

8.7.1.3. Seam Thickness

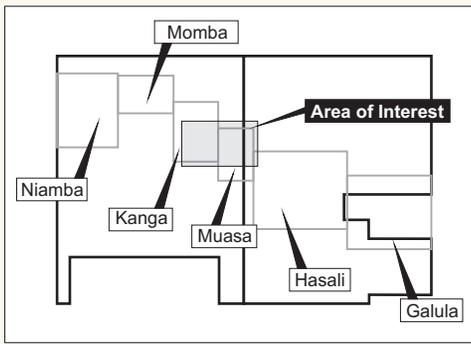
The seam thickness contours or isopachs are presented in Figure 15. In general the isopachs show that the seam thicknesses are highly variable between and within the various seams (with pronounced 'pinch and swell' effects). This should therefore be taken into account during resource classification.

The seams vary in thickness from 0.5m to over 5.0m in the case of the S1L and S2 seams. The S0, S1U, S3L, S3U and S4 seams are generally thinner (between 0.5m and 4m) than the S1L and S2 seams (between 2m and 5m).

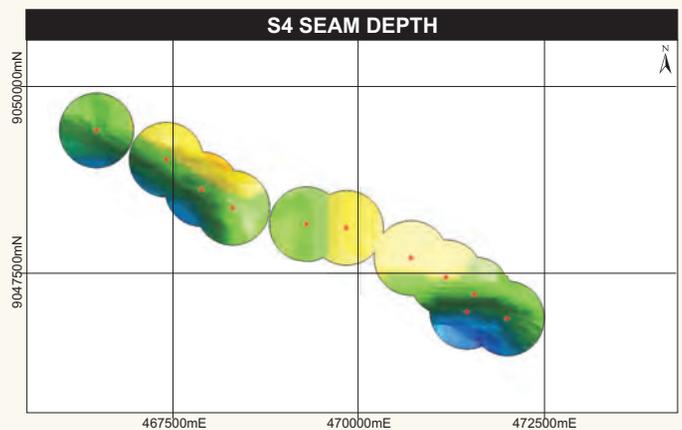
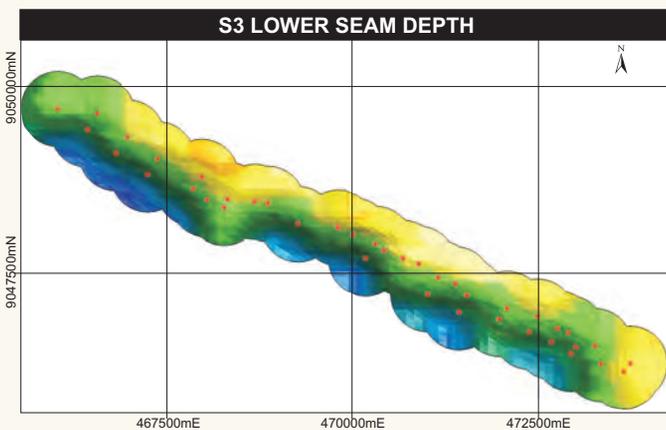
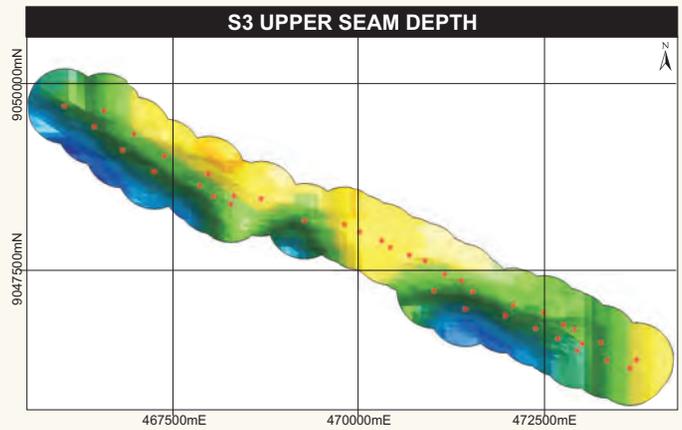
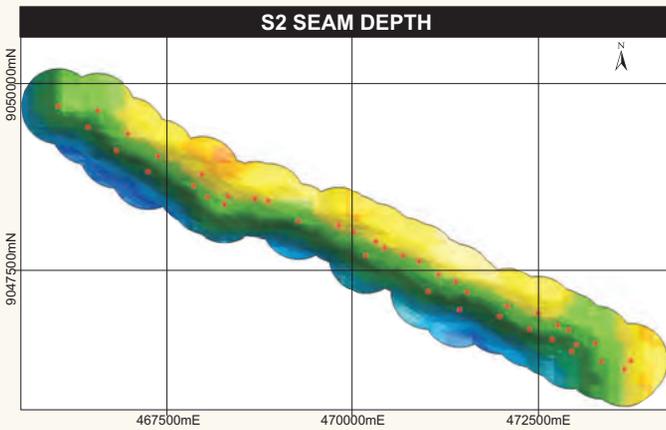
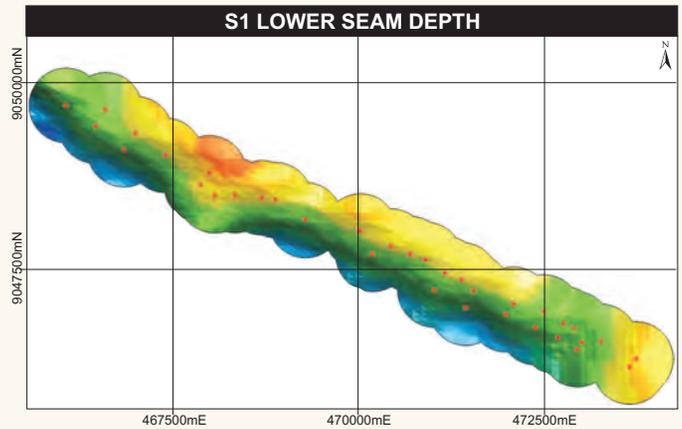
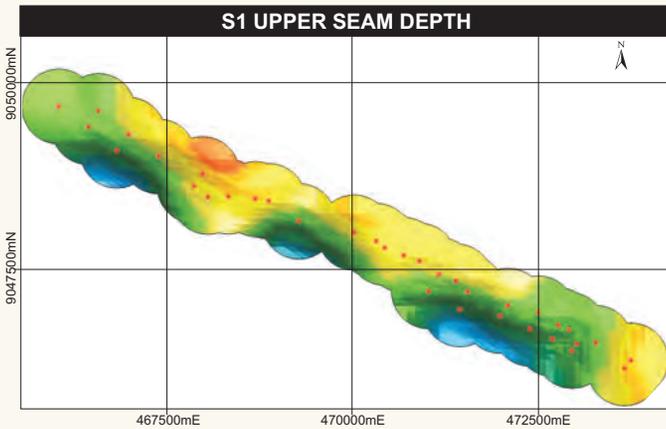
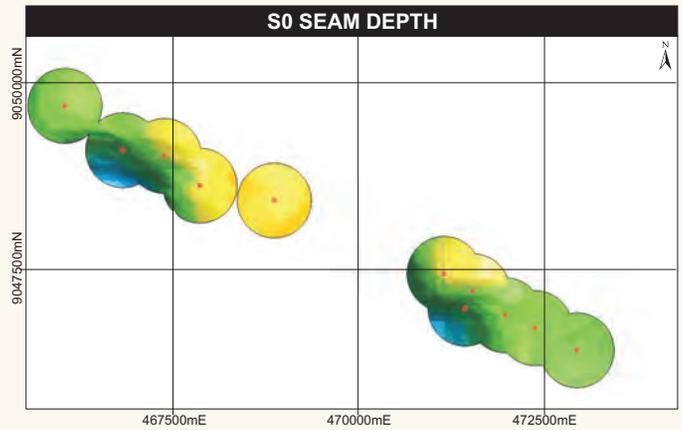
RUKWA PROJECT - SURFACE CONTOURS AND S1L FLOOR ELEVATION



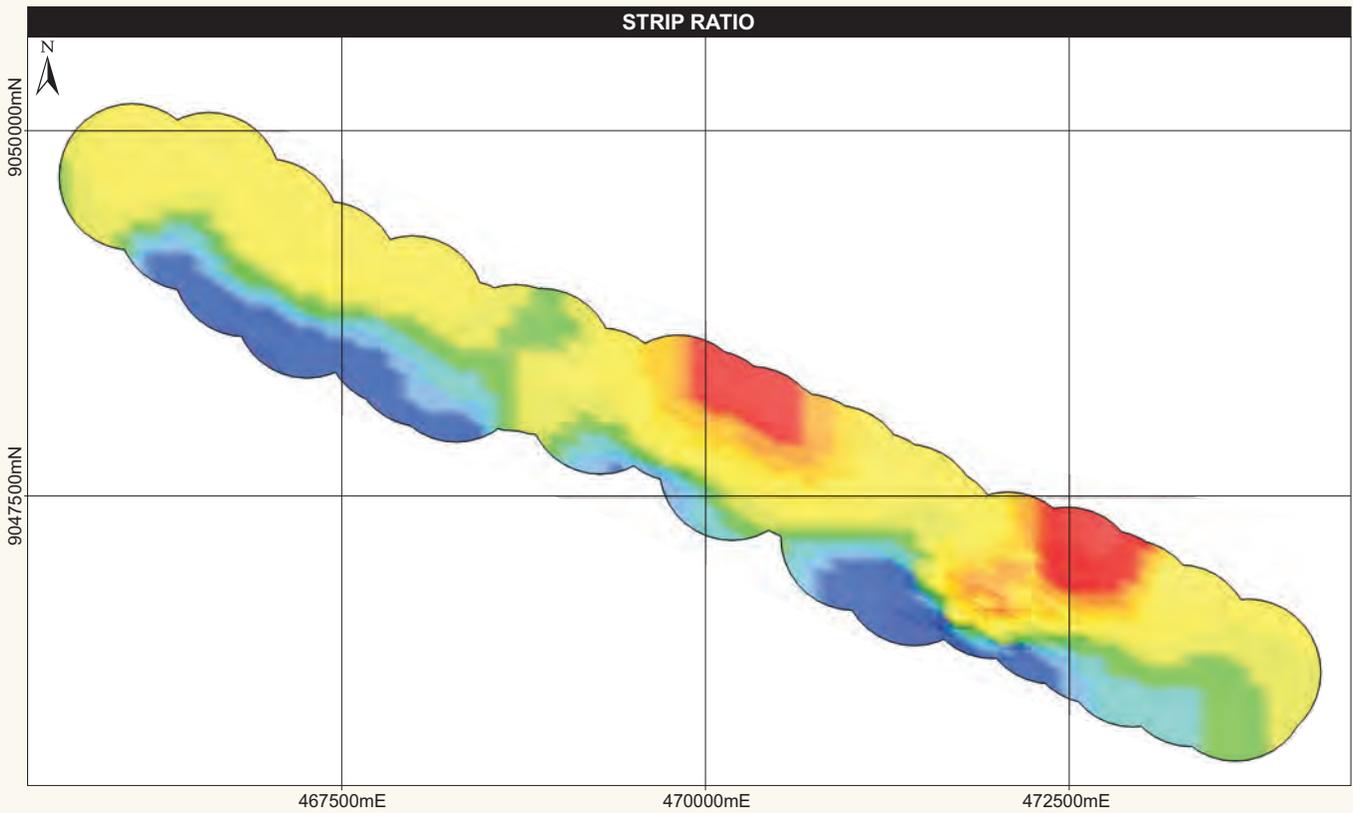
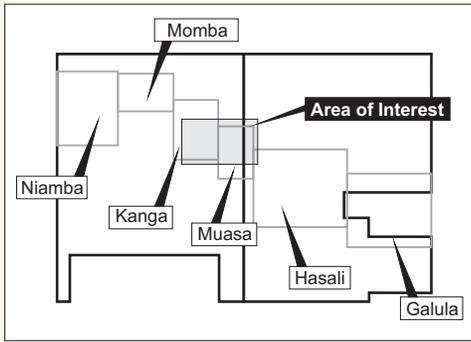
RUKWA PROJECT - SEAM DEPTHS FROM SURFACE



| DEPTH (m) | |
|---------------------------------------|----------------|
| ■ | < 9.9 |
| ■ | 9.9 to 20.0 |
| ■ | 20.0 to 40.0 |
| ■ | 40.0 to 60.0 |
| ■ | 60.0 to 80.0 |
| ■ | 80.0 to 100.0 |
| ■ | 100.0 to 120.0 |
| ■ | 120.0 to 140.0 |
| ■ | 140.0 to 160.0 |
| ■ | 160.0 to 180.0 |
| ■ | 180.0 to 200.0 |
| ■ | 200.0 to 220.0 |
| ■ | 220.0 to 240.0 |
| ■ | 240.0 to 260.0 |
| ■ | 260.0 to 280.0 |
| ■ | >= 280.0 |

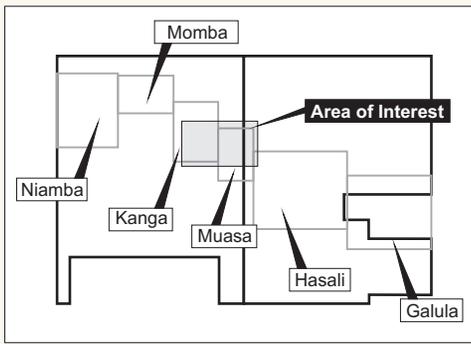


RUKWA PROJECT - STRIP RATIOS INCLUDING ALL POTENTIALLY ECONOMIC SEAMS



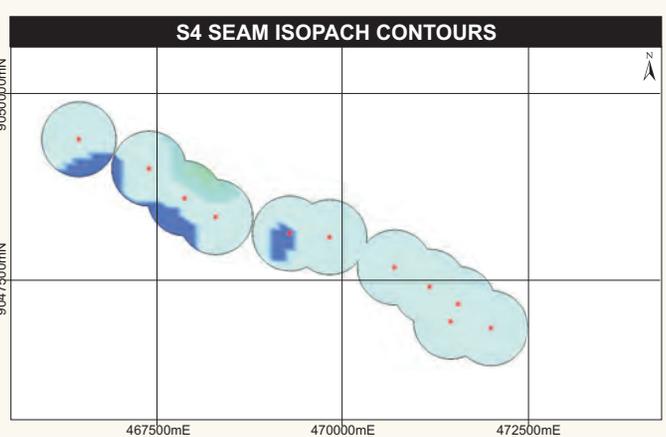
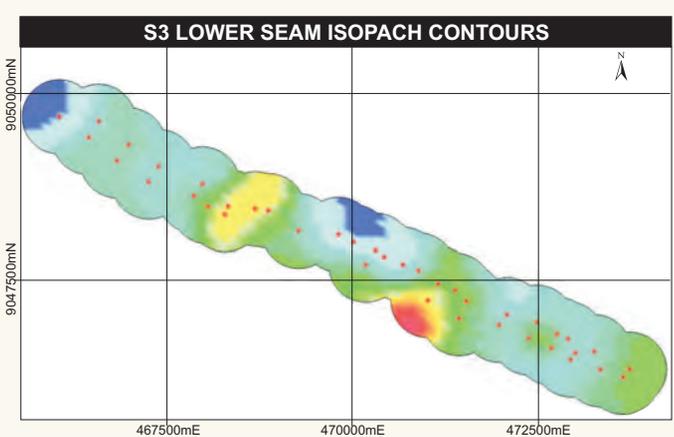
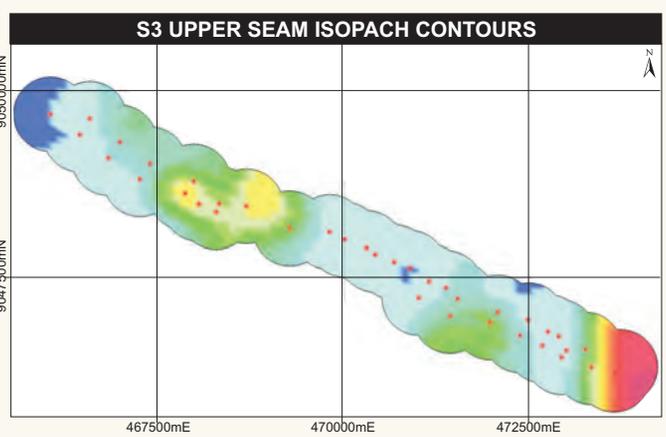
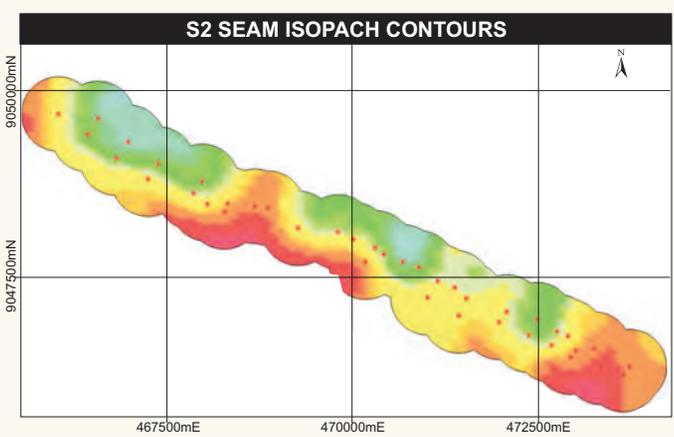
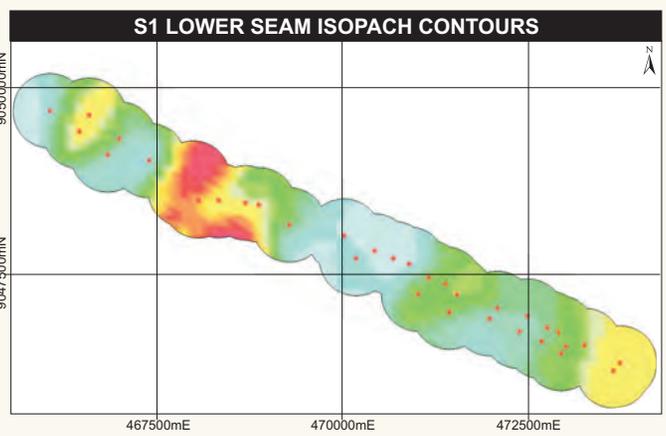
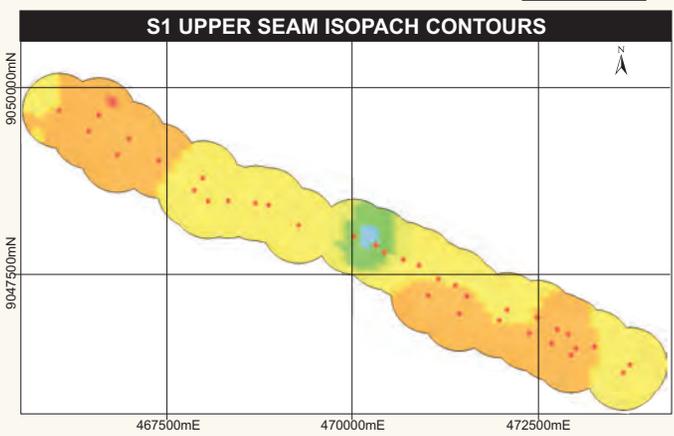
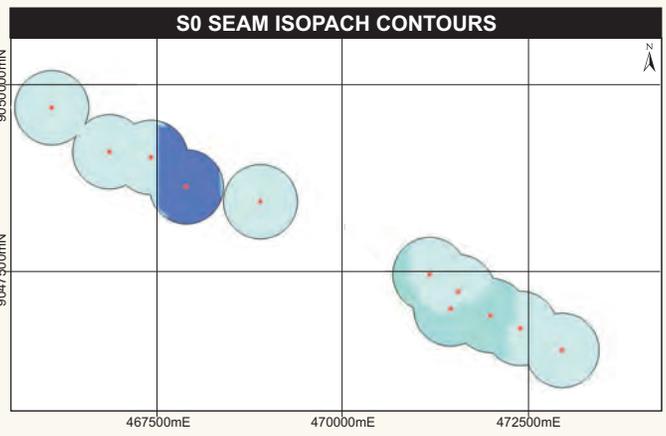
| STRIP RATIO | |
|----------------|--------------|
| < 1.67 | Blue |
| 1.67 to 3.88 | Dark Blue |
| 3.88 to 4.86 | Light Blue |
| 4.86 to 5.97 | Teal |
| 5.97 to 7.13 | Green |
| 7.13 to 8.43 | Light Green |
| 8.43 to 10.73 | Yellow |
| 10.73 to 14.39 | Orange |
| 14.39 to 17.39 | Light Orange |
| 17.39 to 19.36 | Red-Orange |
| 19.36 to 35.22 | Red |
| >= 35.22 | Dark Red |

RUKWA PROJECT - ISOPACH CONTOURS



THICKNESS (m)

| |
|------------|
| 0.2 |
| 0.2 to 0.3 |
| 0.3 to 0.5 |
| 0.5 to 0.8 |
| 0.8 to 1.0 |
| 1.0 to 1.3 |
| 1.3 to 1.5 |
| 1.5 to 1.8 |
| 1.8 to 2.0 |
| 2.0 to 2.3 |
| 2.3 to 2.5 |
| 2.5 to 2.8 |
| 2.8 to 3.0 |
| 3.0 to 3.3 |
| 3.3 to 3.5 |
| 3.5 to 3.8 |
| 3.8 to 4.0 |
| 4.0 to 4.3 |
| 4.3 to 4.5 |
| 4.5 to 5.0 |
| 5.0 to 5.5 |
| 5.5 to 6.0 |
| 6.0 to 7.0 |
| 7.0 to 8.0 |
| >= 8.0 |



8.7.2. Quality Results

Both raw and washed quality results were available for the Rukwa boreholes and included the raw proximate (ash, volatile, fixed carbon, moisture and sulphur) and the raw CV. The distribution and variation of raw CV, ash and volatiles are discussed in the sections below.

8.7.2.1. Raw Calorific Value

The model of the raw CV indicates that the majority of the seams have a raw CV of in excess of 15MJ/kg (Figure 16). Large areas within certain seams reach an average CV of between 18-21MJ/kg. It is notable that the S4 seam has a large area of coal, within its central regions, that have an average CV of <6MJ/kg.

Areas of low CV are interpreted to represent areas in which there is a higher proportion of interlaminated shales/mudstones.

8.7.2.2. Raw Ash

The modelled raw ash content of the Rukwa Project is graphically presented in Figure 17. The ash content has an inverse relationship with the CV and this is clearly evident in the respective contour plots on Figure 17. Seam S2 has the lowest average ash, while seams S3U and S4 have the highest. In general, the ash content appears to increase towards the central portions of the resource area within each respective seam.

8.7.2.3. Raw Volatiles

The modelled raw volatile content of the Rukwa Project is graphically presented in Figure 18. In general the various coal seams are characterised by raw volatile contents of between 20% and 26%, consistent with their classification as bituminous coals.

However there are notable areas, particularly within seams S1L, S1U, S3U and S4, towards their central regions, where the coal has a significantly lower volatile content (<18%). Venmyn consider that the low volatile content is not associated with devolatilisation and upgrading of the coal (as would be the case for lean bituminous or anthracitic coals) as these areas correspond with lower CVs and higher ash contents. These low volatile, low CV and high ash areas therefore represent poorer quality areas. It is noted however, that due to the high ash contents of these areas, most of this coal has not been included in the current resource (Section 8.12). It may therefore be necessary to consider coal blending with higher quality coals (as well as washing) for these areas to be economically extractable.

8.7.2.4. Washability Results

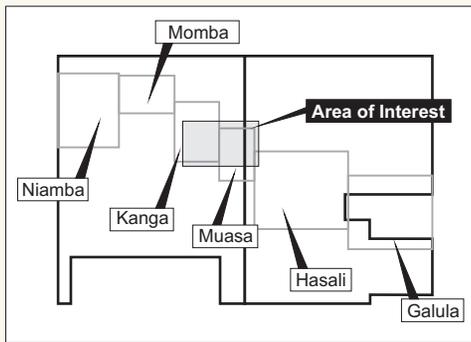
Gemecs, reported that initial washability results indicate that a float fraction of RD1.45 to RD1.50 has a yield of 40.8% to 51.1% with an ash content of 16.2% to 18.9% and a CV of 23.5MJ/kg and 22.5MJ/kg.

Table 5 summarises the weighted average washability results for the different seams at Rukwa, as estimated by Venmyn, at an RD of 1.80, from the sampling data. Washing at an RD of 1.80, a so-called 'destoning' process, indicates a borehole yield of 50% to 78% (average of 67%), providing product with CV's between 19MJ/kg and 21MJ/kg and ash of between 25% and 30%.

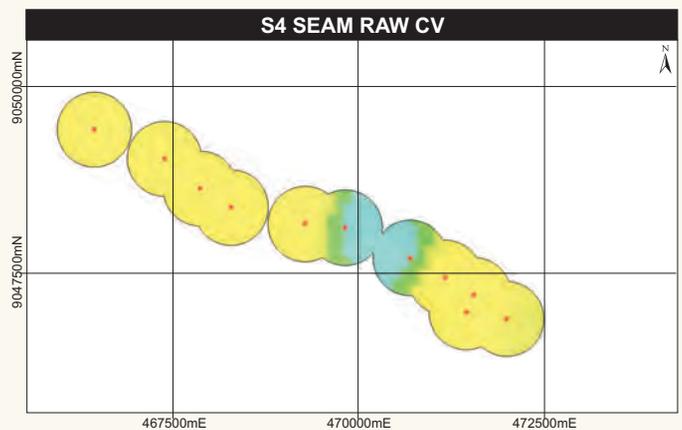
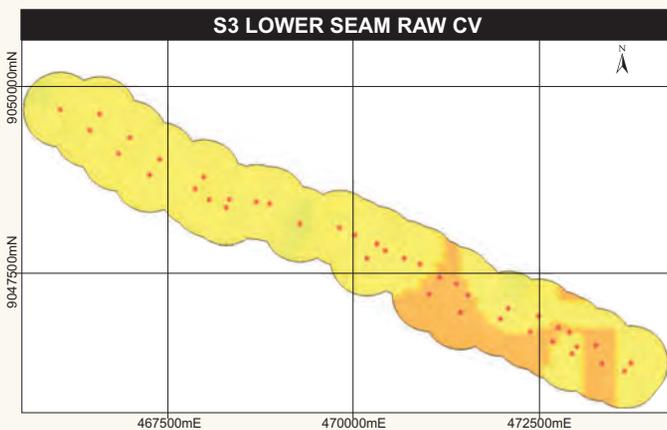
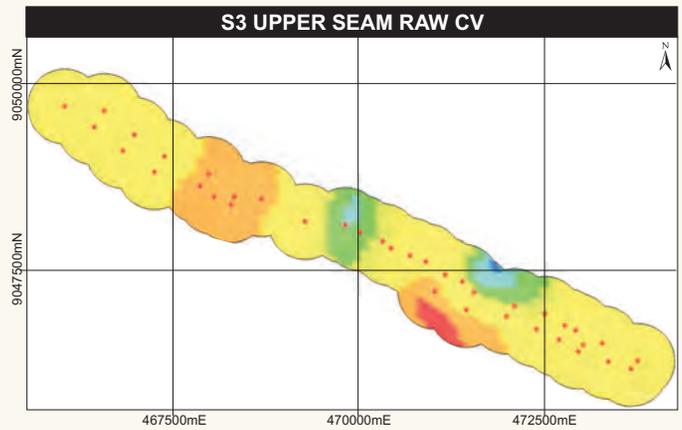
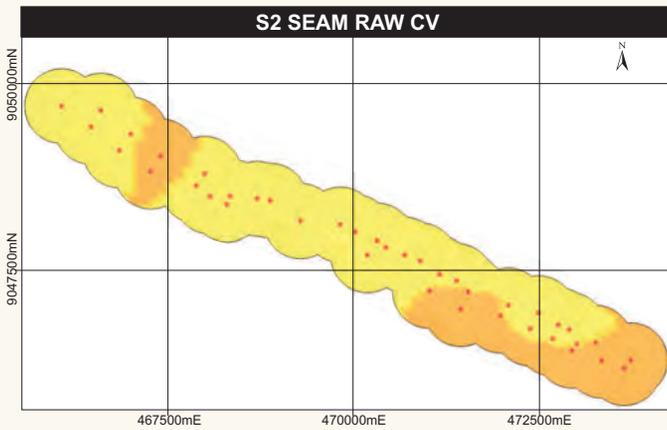
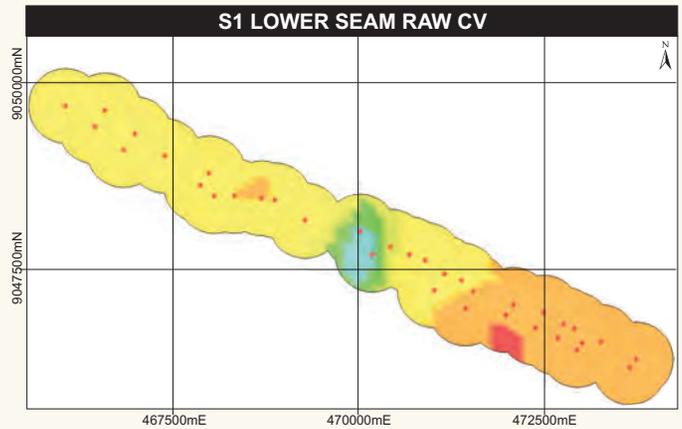
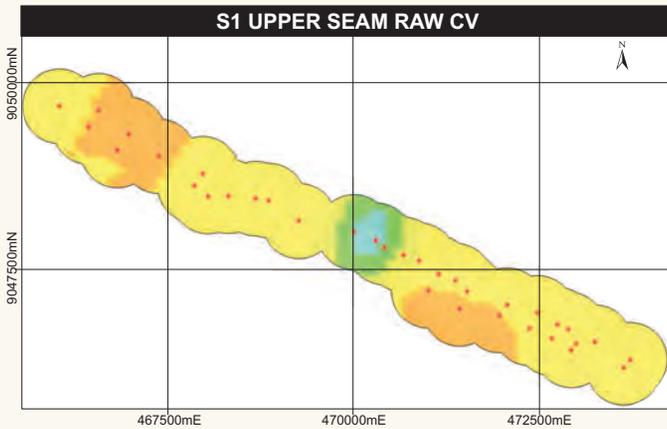
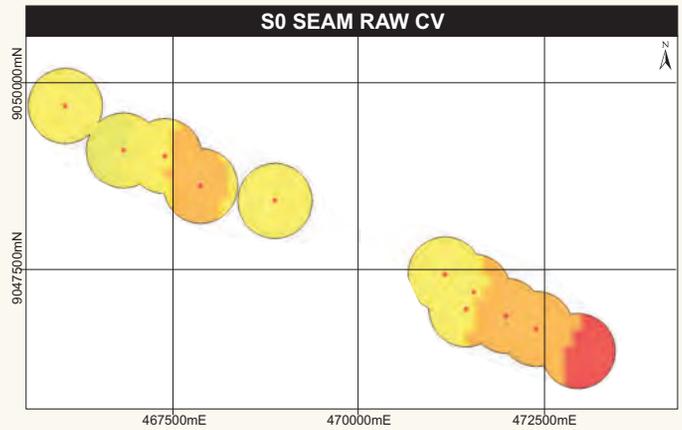
Table 5: Weighted Average Washability Results for the Different Coal Seams at Rukwa (@ RD=1.80)

| SEAM | YIELD | CV (MJ/kg) | IM (%) | ASH (%) | VM (%) | FC (%) | TS (%) |
|------|-------|------------|--------|---------|--------|--------|--------|
| S4 | 50.21 | 20.89 | 7.02 | 25.45 | 30.15 | 36.89 | 1.03 |
| S3U | 62.01 | 20.25 | 6.98 | 30.25 | 28.87 | 32.70 | 1.48 |
| S3L | 71.30 | 21.23 | 7.42 | 25.32 | 29.65 | 37.18 | 0.98 |
| S2 | 74.65 | 20.59 | 8.21 | 23.27 | 28.02 | 40.03 | 0.86 |
| S1U | 68.25 | 19.58 | 6.76 | 25.70 | 26.93 | 40.68 | 0.62 |
| S1L | 67.91 | 20.88 | 7.02 | 24.45 | 26.69 | 41.84 | 0.49 |
| S0 | 77.70 | 19.74 | 7.52 | 27.01 | 25.97 | 39.49 | 0.62 |

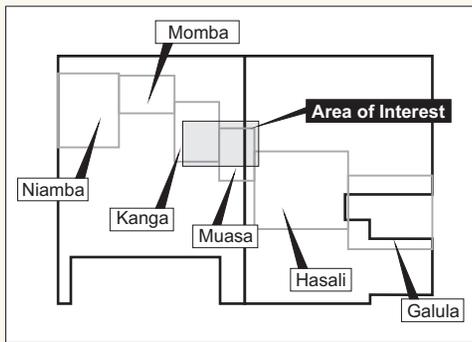
RUKWA PROJECT - RAW CV CONTOURS



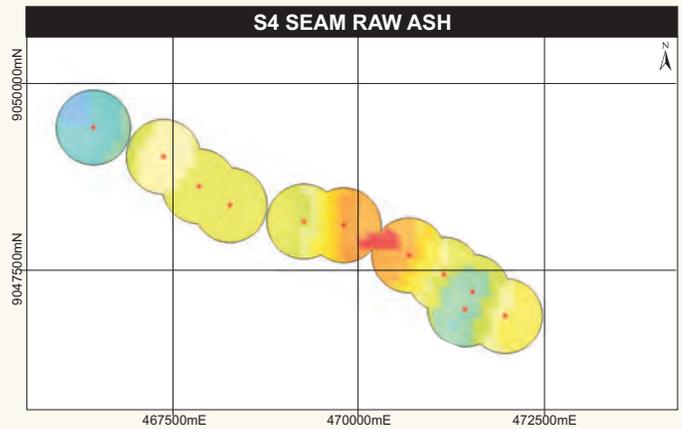
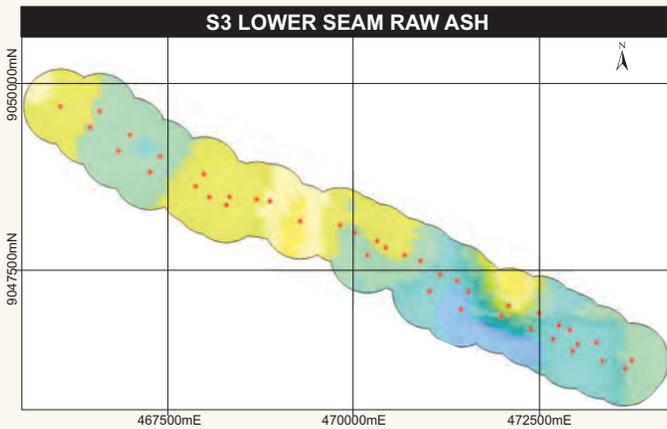
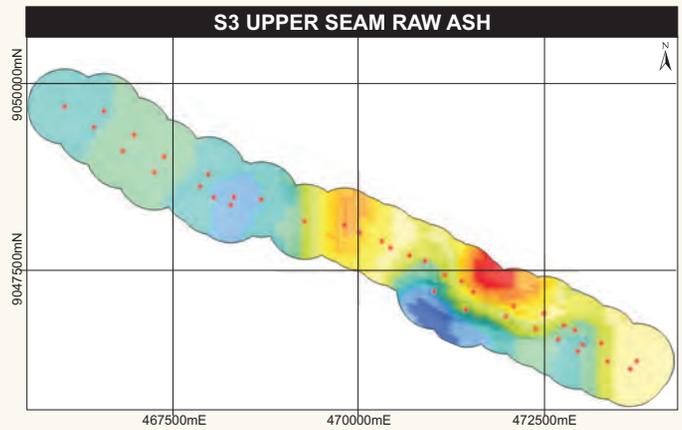
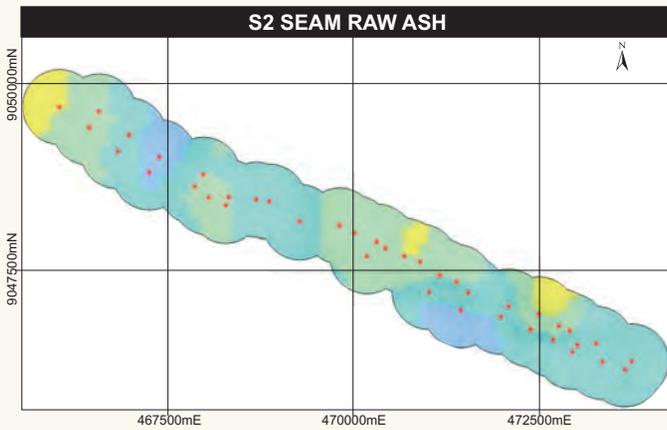
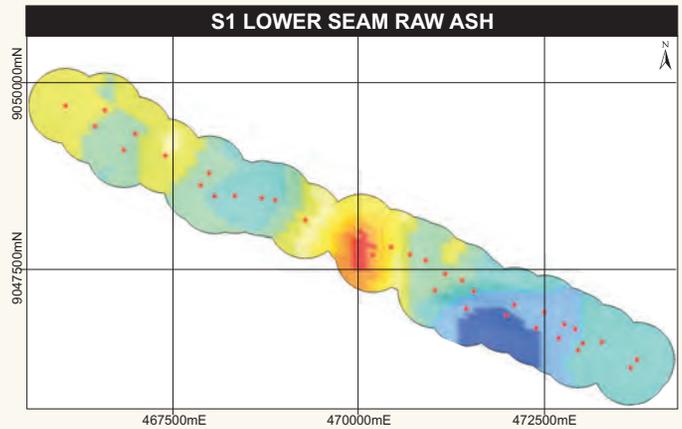
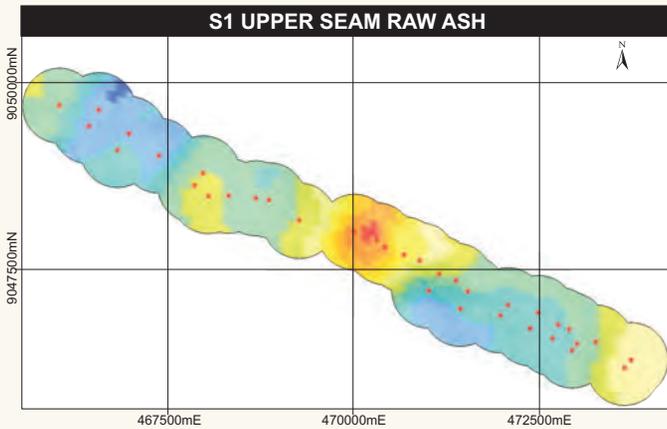
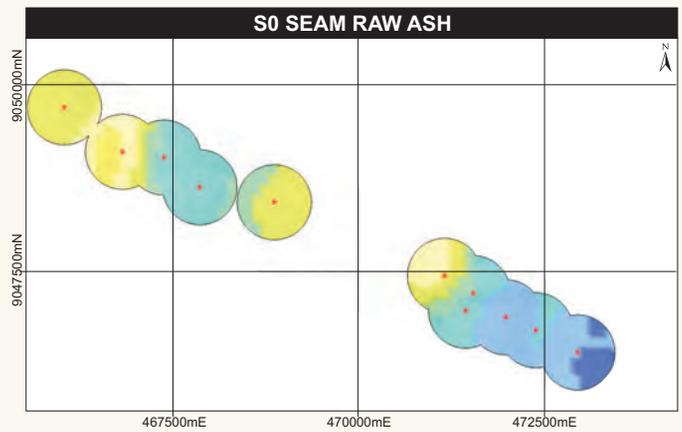
| RAW CV (MJ/Kg) | |
|----------------|----------|
| Blue | < 1 |
| Light Blue | 1 to 3 |
| Green | 3 to 6 |
| Light Green | 6 to 9 |
| Yellow | 9 to 12 |
| Orange | 12 to 16 |
| Light Orange | 16 to 18 |
| Red-Orange | 18 to 21 |
| Red | 21 to 24 |
| Dark Red | >= 24 |



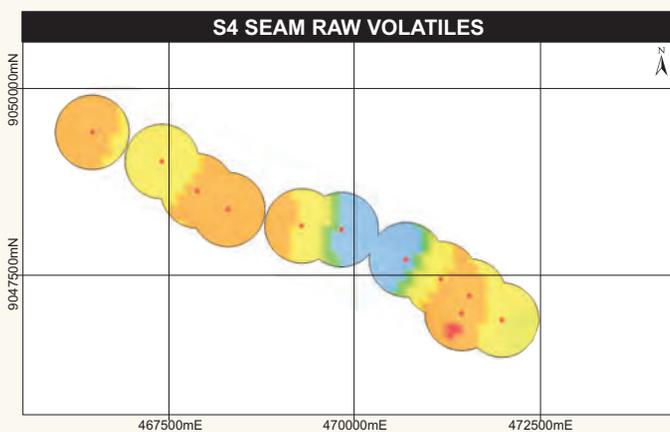
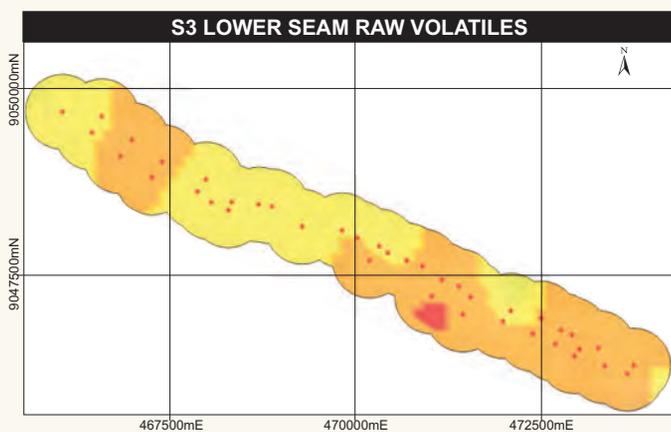
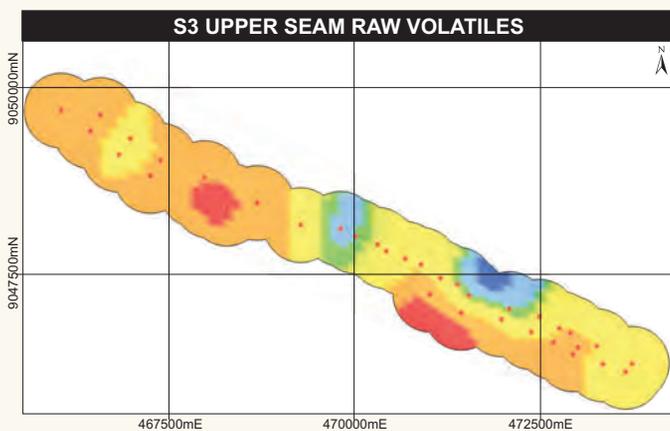
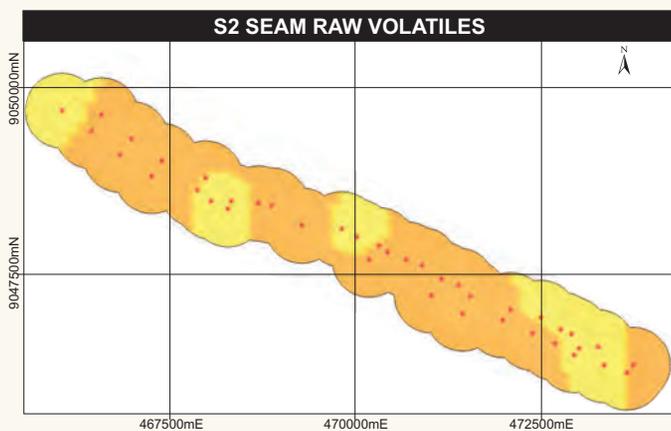
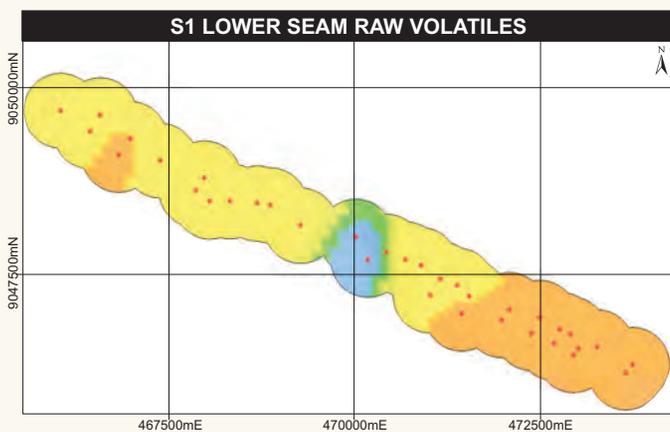
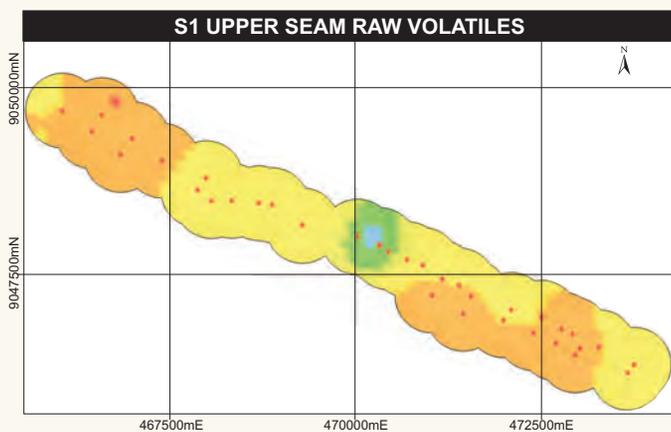
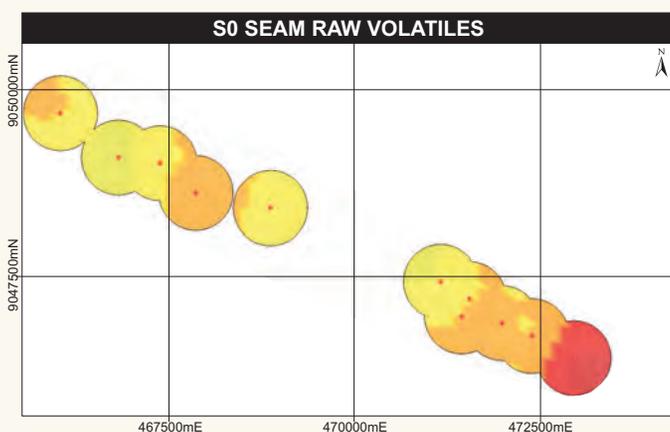
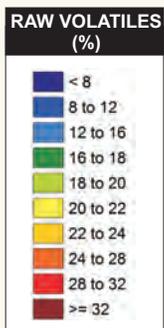
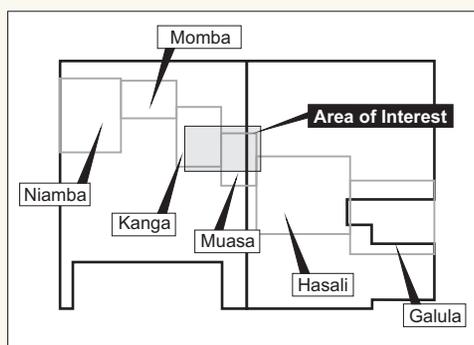
RUKWA PROJECT - RAW ASH CONTOURS



| RAW ASH (%) | |
|----------------|----------|
| [Dark Blue] | < 16 |
| [Blue] | 16 to 20 |
| [Light Blue] | 20 to 25 |
| [Teal] | 25 to 30 |
| [Green-Teal] | 30 to 35 |
| [Green] | 35 to 40 |
| [Light Green] | 40 to 45 |
| [Yellow-Green] | 45 to 50 |
| [Yellow] | 50 to 55 |
| [Light Yellow] | 55 to 60 |
| [Orange] | 60 to 65 |
| [Red-Orange] | 65 to 70 |
| [Red] | 70 to 80 |
| [Dark Red] | >= 80 |



RUKWA PROJECT - RAW VOLATILES CONTOURS



8.8. Coal Mining

Due to the stage of development of the Rukwa Project, no investigations have been carried out on the mining of the deposit. However, upon considering the depth from surface of the coal zones, both opencast and underground coal resources exist. The stripping ratios are graphically portrayed in Figure 14. The current resource model does not distinguish between opencastable and underground resources and no depth cut-offs have been applied. No Mineable Tonnes In-Situ (MTIS) have been estimated at this stage.

Details of economic mining depth, mining methods and recoveries will need to be investigated during a Pre-Feasibility Study on the project.

8.9. Coal Processing

The Rukwa coal is most likely to yield a steam coal product. This product is briefly discussed in Section 8.7.2. No details are currently available on the envisaged processing plant, however it is evident from the raw coal and washability data that the coal would require washing to de-stone the coal and remove the sulphur in order to meet power generating requirements. This study will be undertaken as part of a Pre-Feasibility Study.

8.10. Coal Market

The indications are that the Rukwa product will be a steam coal product suitable for power generation, based on current geological data and plant assumptions. Given the absence of any operating coal-fired power stations or other major industry in the region, it follows that the future viability of this deposit is highly dependent on the construction of a coal-fired power station or other off-take in order to secure a market for this coal. A detailed market study is recommended in order to better define a possible product and market.

8.11. Previous Resource Statement

No previous Coal Resource Statements for the Rukwa Project have been published in the public domain, nor have these been made available to Venmyn. Consequently no previous Coal Resource Statements are presented in this CPR.

8.12. Current Resource Statement

The most recent Coal Resources estimate for the Rukwa Project was prepared by Gemecs, as reported in April 2012, based on all drilling and sampling conducted on the project to the end of 2010. While additional drilling and sampling results are available from the 2011 exploration programme, these have not yet been incorporated into an updated geological model or resource estimate. Consequently, Gemecs' 2012 Coal Resource estimate is the current Coal Resource estimate.

The current Coal Resource estimate has been independently classified and signed off by Gemecs' Competent Person, Mr C van Niekerk (Pr.Sci.Nat), in accordance with the Canadian National Instrument 43-101 (NI43-101). Venmyn, having conducted their review of Gemecs' geological modelling and resource estimation, consider that these resources are also reported in accordance with the JORC Code and the Australian Guidelines. The resources are therefore considered as both NI43-101 and JORC compliant. For the purposes of this CPR, the current resource statement is reported as JORC compliant.

The classification into the various resource categories is primarily based upon the relative spacing of points of observation with both quantitative and qualitative results. Gemecs made the following assertions as part of their Coal Resource estimation and reporting in their 2012 ITR:-

- Gemecs were of the opinion that the core logging and data capture procedures used have been to an appropriate standard to report coal resources;
- Gemecs concluded that the density, distribution, and quality of the geological data was sufficient to allow for confident Coal Resource estimates to be made based thereupon.
- Gemecs were satisfied that the coal quality data supplied was accurate and reliable, and that the appropriate sample preparation techniques and control checks were implemented; and
- Gemecs considered that the accuracy of the GPS surveys of the borehole positions was sufficient. Gemecs did note however that professional, accurate surveys would have to be undertaken in the future.

Venmyn, after having reviewed the data and the geological modelling conducted by Gemecs, are satisfied that the logging, sampling, data density and distribution are suitable for the Coal Resource estimation. The absence of accurate survey data is problematic going forward and Venmyn consider that it is imperative that an accurate survey of the resource area and borehole collar positions is completed before any future geological modelling or resource updates are conducted. Venmyn understand that a professional survey of the resource area has been commissioned by Rukwa and should commence in May 2012.

The Coal Resource Statement, as calculated by Gemecs, for the Rukwa Project, as at 19th April 2012, is presented in Table 7 and the location of the Coal Resources is illustrated in Figure 19. Resources have been categorised by Gemecs as Indicated or Inferred. The resources have not been sub-divided into the proposed underground and opencast sectors.

This Coal Resource does not consider any of the drilling or sampling results from the 2011 exploration programme. From Venmyn's preliminary review of these 20 boreholes, and their sampling data, their future inclusion is unlikely to materially affect the resource quantity, but could result in an increase in the confidence with which the estimates are made, given that the 2011 drilling was in-fill drilling. An updated Coal Resource estimate is expected to be conducted, incorporating the 2011 drilling and sampling results, upon completion of a detailed survey of all boreholes drilled at Rukwa.

8.12.1. Resource Classification

Gemecs classified the resources in consideration of borehole density, physical seam and coal continuity, geological structures and complexity of geology. Table 6 summarises the relative spacing of points of observation with both quantitative and qualitative results for resource classification as defined in accordance with the JORC Code. Table 6 refers to all types of coal located in any coal basin. Thin discrete seam deposits are treated in the same manner as large interlaminated coal packages.

Table 6: The Australian Guideline Distances for JORC Resource Classification

| JORC RESOURCE CATEGORY | MAX DISTANCE BETWEEN POINTS OF OBSERVATION (m) | MAX. HALO RADIUS (m) |
|------------------------|--|----------------------|
| Measured | 500 | 250 |
| Indicated | 1,000 | 500 |
| Inferred | 4,000 | 2,000 |

In order to classify the Coal Resources, a halo diagram is prepared using only the boreholes with quality and quantity results, as presented in Figure 20.

Gemecs employed distance gridding in Minex to determine the borehole density for each seam based on seam intersections. Instead of spheres of influence, a grid of influence was created around each borehole that had a Raw ash quality. The grid size was based on a calculated area that covered the radius of a sphere as per the NI43-101 standards (same as JORC). Due to the complexity of the coalfield and project area, Gemecs used conservative zones of influence (Inferred Resources = 282m and Indicated Resources = 564m), which is more in line with Measured and Indicated resources of 250m and 500m, respectively. Only boreholes in clusters of three or more were included in resource estimations. It is Gemecs' opinion that the density, distribution and quality of the data was sufficient to allow tonnage and grade estimates to be made.

Venmyn approves of this conservative approach and has used 250m and 500m sphere radii for the resource validation checks (Section 10.5.12.1). Venmyn have noted that there is considerable variability in parameters such as seam thickness, depth and quality (Sections 8.7.1 and 8.7.2), and consider that this conservative classification has taken appropriate cognisance of such variations rather than simply relying on classification based on Table 6.

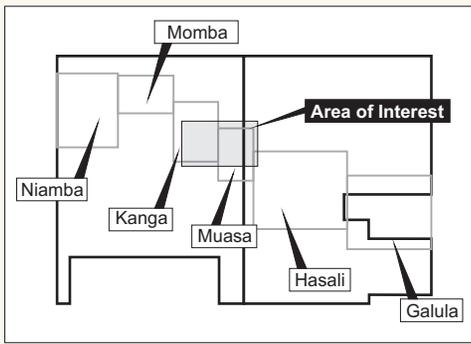
8.12.2. Input Parameters and Limits

The Gemecs Coal Resource Statement for the Rukwa Project is presented in Table 7:-

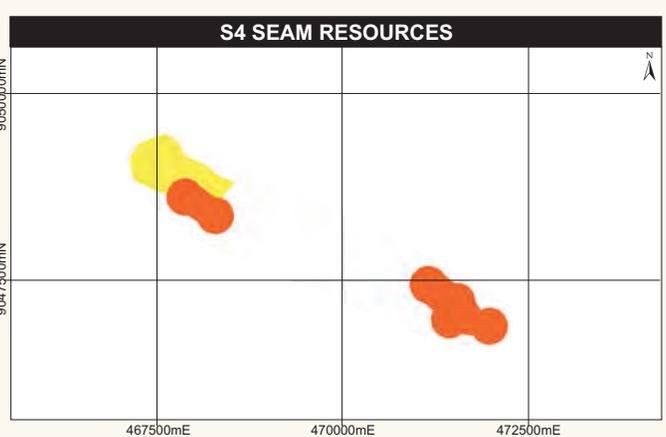
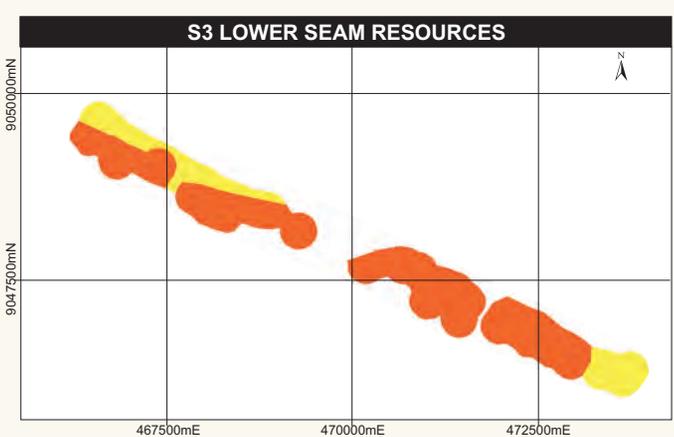
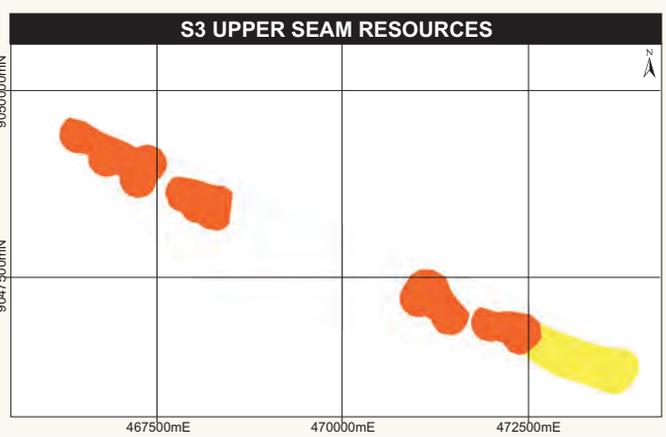
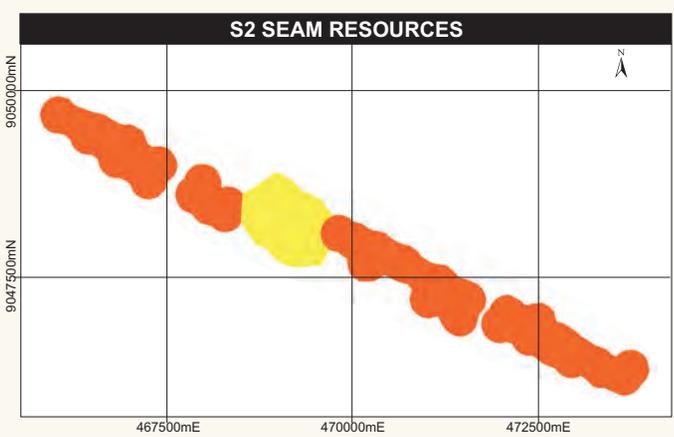
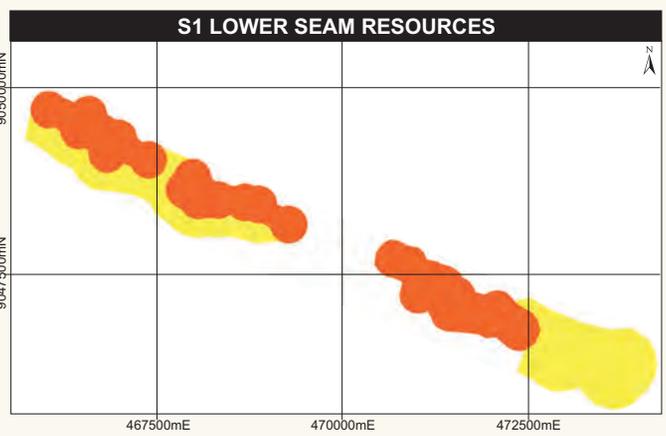
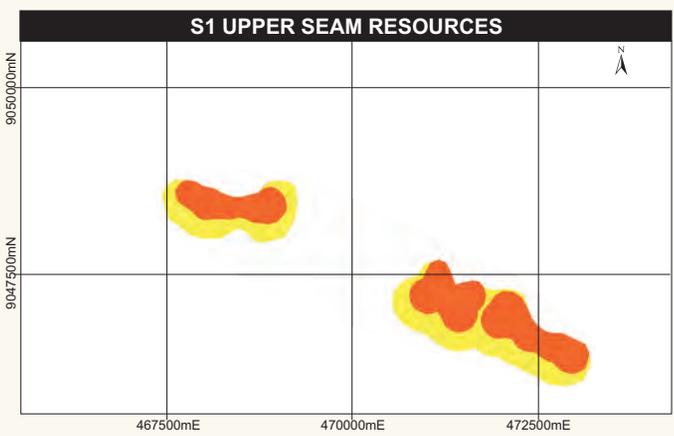
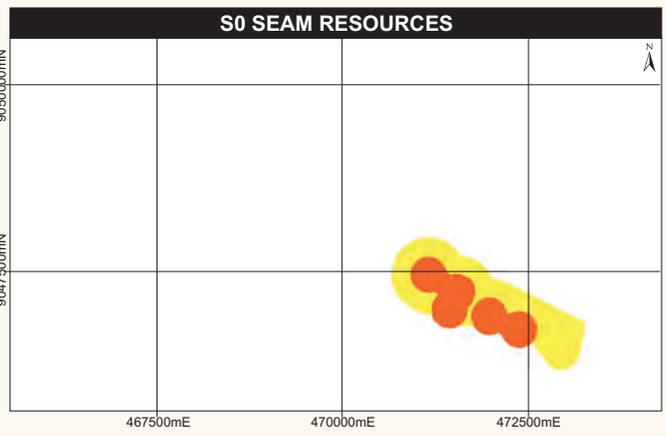
Table 7: Rukwa Project – Summary Resource Statement (Gemecs – 19th April 2012)

| SEAM | SEAM THICKNESS (m) | CLASSIFICATION | TTIS (Mt) | RAW QUALITIES (AIR DRIED) | | | | | |
|----------------------------------|--------------------|----------------|--------------|---------------------------|-------------|------------|-------------|-------------|-------------|
| | | | | RD | ASH (%) | IM (%) | VM (%) | CV (MJ/kg) | TS (%) |
| S4 | 1.14 | Indicated | 2.17 | 1.62 | 40.6 | 5.6 | 24.4 | 15.5 | 1.80 |
| S3U | 2.04 | | 6.92 | 1.61 | 41.9 | 5.6 | 23.6 | 15.0 | 1.21 |
| S3L | 2.30 | | 12.63 | 1.63 | 39.5 | 6.1 | 24.2 | 15.6 | 1.29 |
| S2 | 3.45 | | 23.43 | 1.58 | 35.3 | 6.9 | 24.4 | 16.7 | 1.29 |
| S1U | 2.48 | | 7.34 | 1.63 | 37.2 | 6.1 | 23.2 | 16.4 | 0.74 |
| S1L | 2.92 | | 17.40 | 1.62 | 36.4 | 6.3 | 23.2 | 16.5 | 0.87 |
| SO | 1.08 | | 1.44 | 1.68 | 36.7 | 6.2 | 23.3 | 16.4 | 1.09 |
| TOTAL INDICATED RESOURCES | | | 71.33 | 1.61 | 37.3 | 6.3 | 23.8 | 16.2 | 1.13 |
| S4 | 1.31 | Inferred | 1.38 | 1.58 | 41.0 | 6.1 | 24.2 | 15.1 | 1.74 |
| S3U | 2.24 | | 2.94 | 1.66 | 43.2 | 5.2 | 23.2 | 14.7 | 1.10 |
| S3L | 2.27 | | 3.86 | 1.67 | 41.4 | 5.7 | 23.4 | 15.0 | 1.18 |
| S2 | 3.42 | | 7.94 | 1.59 | 35.1 | 6.7 | 23.8 | 16.9 | 1.21 |
| S1U | 2.05 | | 6.50 | 1.66 | 38.6 | 5.7 | 23.2 | 16.0 | 0.81 |
| S1L | 3.15 | | 12.83 | 1.61 | 35.7 | 6.0 | 23.5 | 17.0 | 0.98 |
| SO | 1.06 | | 2.60 | 1.59 | 34.6 | 7.1 | 25.5 | 16.9 | 1.45 |
| TOTAL INFERRED RESOURCES | | | 38.05 | 1.62 | 37.3 | 6.1 | 23.6 | 16.4 | 1.09 |

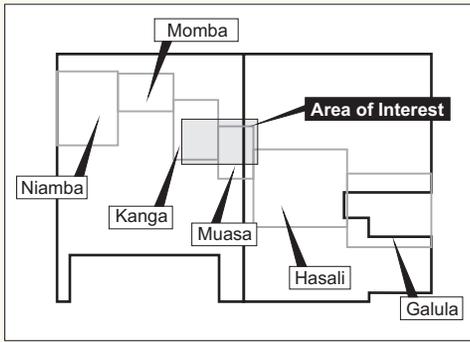
RUKWA PROJECT - LOCATION OF RESOURCES



RESOURCES
 Inferred
 Indicated

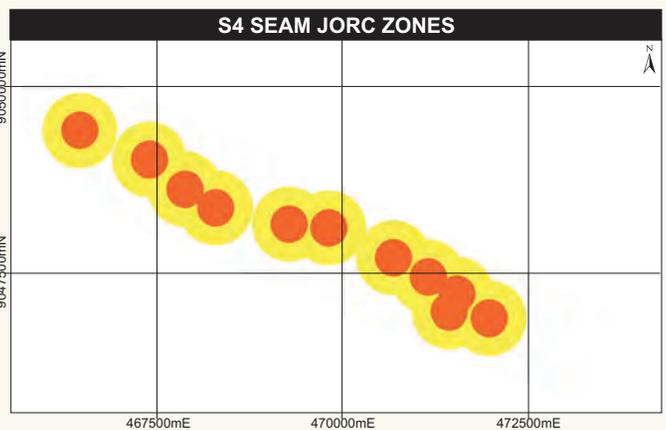
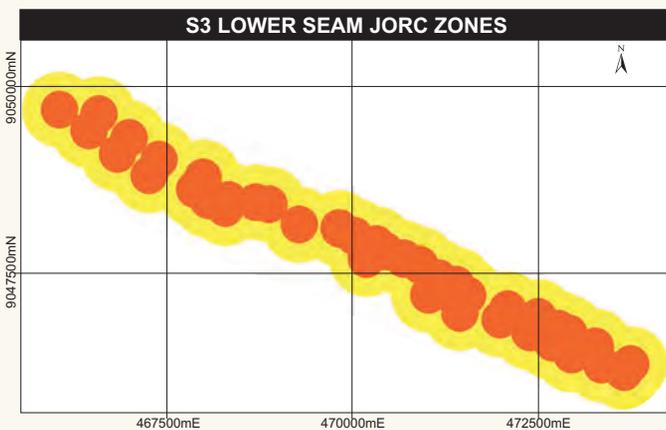
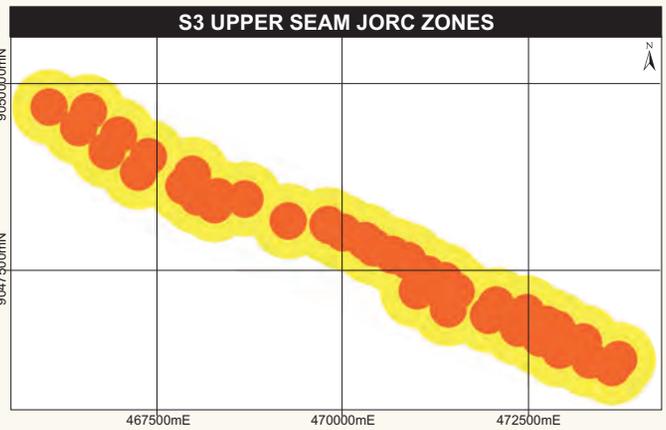
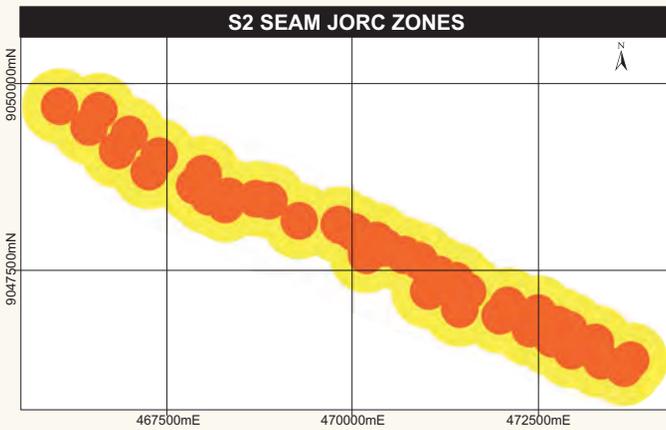
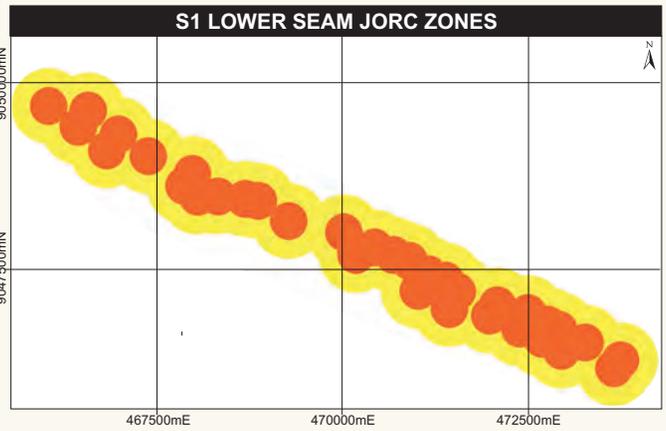
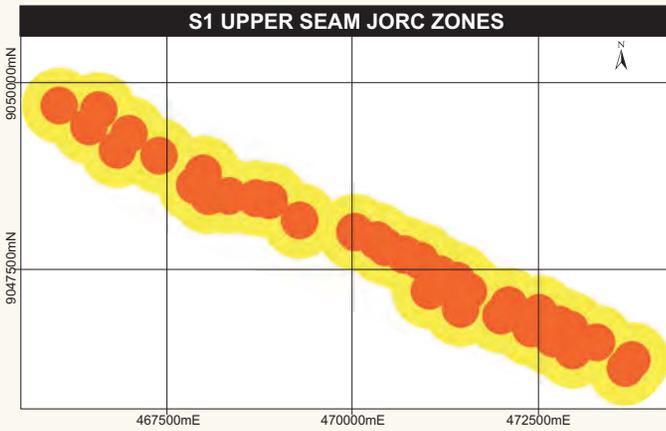
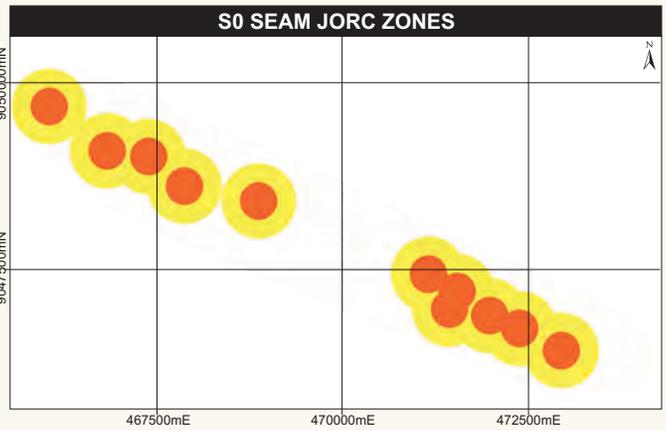


RUKWA PROJECT - JORC HALO DIAGRAMS



RESOURCES

- Inferred
- Indicated



8.12.2.1. Volume

The volumes of the seams were estimated using the Minex™ model of the seam thickness.

8.12.2.2. Density

Gemecs modelled the raw RD data on a seam by seam basis.

8.12.2.3. Tonnage

Gemecs calculated the tonnage on a block by block basis from the volume multiplied by the average raw density.

8.12.2.4. Quality

Each of the raw quality parameters were modelled in Minex™ and the average quality per seam is reported in the Coal Resource Statement.

8.12.2.5. Losses and Limits

The following cut-offs or limits were applied, by Gemecs, to the Coal Resources:-

- the limit of the PL boundaries;
- the limit of weathering;
- the limit of the K3 boundary;
- zones of influence for Inferred Resources of 282m and for Indicated Resources of 564m;
- only boreholes in clusters of three or more were included in resource estimations.
- a minimum seam thickness limit of 1m was applied to the 4, 3U, 1L and 0 seams prior to the reporting of GTIS;
- a minimum seam thickness limit of 0.5m was applied to the 3L, 2 and 1U seams (minor seams) prior to the reporting of GTIS;
- geological losses of 10% in the case of Indicated Resources and 15% in the case of Inferred Resources were applied prior to the reporting of TTIS. These losses take into account small scale faulting and high raw ash contents, which have not been identified in the drilling and which may have a negative impact on the Coal Resources; and
- all coal with an ash content of >50% was excluded.

Venmyn are satisfied that the above cut-offs are reasonable, however Venmyn consider the seam thickness and ash cut-offs used by Gemecs somewhat conservative. JORC allows for a seam thickness cut-off of 0.5m, while Venmyn may consider an ash cut-off of 60% more appropriate. These cut-offs should therefore be more fully tested during the next resource estimation exercise in order to establish the potential to further increase the coal resources at Rukwa.

8.13. Ore Reserve Statement

As a result of the current stage of development of the Rukwa Project, no Coal Reserves have yet been declared. Coal Reserves can only be declared once a mining plan has been prepared. This will only be undertaken during the Pre-feasibility Stage of the project.

8.14. General Opinion on the Rukwa Project and Recommendations for Further Work

Rukwa is a new exploration company with active coal licences and licence applications in a highly prospective region of southwestern Tanzania. Significant, recent exploration and drilling has been conducted, and the project is at an advanced stage of exploration project development, with JORC compliant coal resources.

The large coal resource and coal qualities suggest that the coal could be amenable to the production of large quantities of coal that could meet power station specifications. However the successful development of this project would be highly dependent on its ability to supply future power stations in the area, and it follows, that Rukwa would be reliant on the construction of power stations in the region and securing off-take agreements with such power stations or other external markets. Discussions with the Tanzanian Government and independent power producers (IPP's) should also be initiated in order to establish both the regional and external demand for the Rukwa coal.

Additional in-fill drilling and extension drilling is required at the Rukwa Project to further increase the confidence within the current resource area and to increase the coal resource, respectively. An exploration programme and budget has been prepared to meet these objectives.

The results from the 2011 exploration programme have yet to be incorporated into an updated geological model and resource estimate. This should be done before the 2012 exploration programme is initiated, as the 2011 results may have an effect on the planning for the 2012 programme.

8.15. Risks

Rukwa's portfolio of coal assets constitute an advanced-stage exploration project, and are therefore, inherently exposed to normal operational risks associated with exploration projects. The success of the project depends largely on successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

While Rukwa's project is located in an emerging coal exploration hub, there are significant infrastructural challenges to overcome. Lack of adequate infrastructure is identified as a major challenge to the future development of the region. Rukwa is not immune to this, and should its development continue to be successful, significant attention will have to be paid to the projects infrastructure requirements.

Some of the licences within the Rukwa portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Rukwa licences and applications are however being managed by a competent team of personnel at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences. The current coal resources however all fall within active licence areas.

The Rukwa Project area and the exploration boreholes are yet to be accurately surveyed. A professional survey has been commissioned by Rukwa and the results of this survey will have to be incorporated into any future geological models and resource estimates. The inclusion of the accurate survey data may result in changes to the resource estimates.

Rukwa will require a Mining Right before the coal can be mined.

The Rukwa coal qualities suggest that the coal could be amenable to the production of large quantities of coal that could meet power station specifications. However any successful coal operation in the southwest Tanzania would be highly dependent on its ability to supply future power stations in the area, and it follows, that Rukwa would be reliant on the construction of power stations in the region and securing off-take agreements with such power stations or other external markets.

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on Rukwa's future operations, and potential revenue streams can also be affected by these factors.

The Rukwa Rift is seismically active. The risks associated with this will have to be assessed as part of any feasibility study that will need to be conducted before a decision to develop the project is made.

8.16. Exploration Programme and Budget

While sufficient exploration has been conducted over the Muasa and southeastern Kanga blocks to estimate coal resources, very little work has been completed on the other exploration blocks. As a consequence, the 12 month exploration programme discussed below serves the following two main purposes:-

- to target untested areas in order to evaluate the coal potential and/or quality; and
- to drill an Inferred resource over the area showing the best potential.

The 12 month exploration programme includes the following:-

- a single hole within the Niamba Block to supplement the three RC holes and one diamond hole that were drilled during the 2011 program. The 2011 results were inconclusive. The additional borehole could provide a better understanding on the coal potential in this block.
- several diamond boreholes within the Momba Block in order to properly assess the quality and quantity of coal identified in the 2009 program. The 2012 program makes provision for several exploratory RC holes as well as numerous RC pre-collar diamond tail holes. The decision about where to drill the Inferred program will only be made once the initial exploration drilling has been completed over all other exploration blocks. Momba is considered to have the best potential for additional coal resources;
- three shallow RC holes in middle to north west portion of the Kanga Block designed to test additional resource potential within this block. Further drilling may prove justifiable should these holes return positive results;

- between two and four RC holes are planned in the mid to south west portion of the Niamba Block to test for opencastable coal potential. The south west corner of the Niamba Block is directly adjacent to the Galula Mine owned by Magamba Coal Limited. There is thus good potential for the coal bearing K2 continues along strike into the Niamba Block.

The total cost of the above proposed program is estimated at USD2.4m.

A separate 5 month exploration programme, has been designed to upgrade the existing resources over the Muasa and southeastern Kanga blocks to Measured status. This programme includes the following:-

- a further 37 drill holes are proposed over the Muasa and southeastern Kanga blocks. These will total approximately 3,430m of RC drilling and 2,260m of DC drilling; and
- downhole geophysical logging of all boreholes.
- It should take no more than six weeks to prepare for the drilling camp and access roads and pads and the budget thus includes staffing for five months in total.

The total cost of the above 5 month programme is estimated at USD2m.

9. THE PINWOOD MINERAL ASSETS

9.1. Legal Tenure and Agreements

9.1.1. Prospecting Licences

Pinewood is a private coal and exploration company, incorporated in Tanzania and is a wholly owned subsidiary of the Mzuri Group of Companies.

Pinewood's portfolio of licences within southwestern Tanzania, have been divided into five 'Blocks' based primarily on location, geology and historical activity conducted on the licences. These subdivisions each contain various licences at different stages of application, offer and activation (successfully granted). The full list of licences and status can be viewed in Appendix 2, including the third party licences. A summary of the licences is shown below in Table 8:-

Table 8: Summary of the Pinewood Project Licence Status

| PROJECT AREA | LICENCE STATUS | NUMBER OF LICENCES | CURRENT AREA (km ²) |
|-----------------------------|----------------|--------------------|---------------------------------|
| Pinewood Resources | Active * | 13 | 1,566.08 |
| | Under Offer | 12 | 2,431.44 |
| | Applications | 34 | 14,090.81 |
| GRAND TOTAL LICENCES | | 59 | 18,088.33 |

The majority of the licences within the Pinewood portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Pinewood licences and applications are however being managed by a competent team of personal at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences.

The Pinewood Project Blocks (Figure 21) comprise the following:-

- the Mbeya Block;
- the Makambako Block;
- the Njombe Block;
- the Songea Block; and
- the Songea East Block.

9.1.2. Mining Rights

No Mining Rights have been issued with respect to Pinewood's Assets.

9.1.3. Material Agreements

In order to consolidate an extensive coal and uranium exploration portfolio in Tanzania, Pinewood have entered into a number of Vend-In Agreements with third parties (Table 9) over certain prospective licences in the Pinewood Project area, in addition to making its own applications for licences. In general, the terms of the various Vend-In Agreements are similar, providing for, inter alia:-

- 100% of rights to be vended into Pinewood;
- various cash payments from Pinewood up front, on the first, second and third anniversary of the agreement, and a 1% royalty calculated from the sale of all future minerals mined from the licences listed under the agreement from any future mine production that could result from the respective properties; and
- Pinewood assumes all operational control and expense commitments.

Venmyn understands that all payments, to the respective active vendors and the State have been made and that Pinewood has maintained the licences in good order. Venmyn have not validated the licences or payments, nor are we qualified to do so.

Pursuant to two joint venture agreements dated 26th February 2011, between Mayborn Resource Investments (Pty) Limited (Mayborn) and Mbeya Uranium Limited (Mbeya), Mayborn holds a 50% participation interest in the Pinewood mineral assets (Figure 1). In terms of this unincorporated joint venture, Mayborn is required to expend a minimum of USD1.2m on the Pinewood properties, until such time as an inferred resource of coal or uranium, as the case may be, has been estimated on any of the properties.

MEL are in the process of acquiring all the issued and outstanding shares in Mbeya. It is anticipated that this transaction (the 'Mbeya Acquisition') will occur concurrently with the proposed purchase by Kibo of the Mayborn shares (Section 6).

Table 9: Summary of Active Vend-In Agreements

| VENDOR | ORIGINAL LICENCE INFORMATION | | | BLOCK |
|----------------------|------------------------------|--------------|--------------|-----------------|
| | PL / APP NO | GRANTED DATE | EXPIRED DATE | |
| Devota Steven Kioko | PL 5649/2009 | 19-Mar-09 | 18-Mar-12 | Makambako Block |
| | PL 5650/2009 | 19-Mar-09 | 18-Mar-12 | Makambako Block |
| | PL 5531/2008 | 31-Dec-08 | 30-Dec-11 | Makambako Block |
| Kilosa Mining Co Ltd | PL 5535/2008 | 18-Dec-08 | 17-Dec-11 | Makambako Block |
| | PL 5533/2008 | 05-Dec-08 | 04-Dec-11 | Makambako Block |
| | PL 5534/2008 | 31-Dec-08 | 30-Dec-11 | Makambako Block |
| Hasanet Ltd | PL 4928/2008 | 04-Apr-11 | 03-Apr-13 | Songea Block |
| | PL 4929/2008 | 04-Apr-11 | 03-Apr-13 | Songea Block |
| | PL 4930/2008 | 04-Apr-11 | 03-Apr-13 | Songea Block |
| Manyama Makweba | HQ-P16194 | NA | NA | Mbeya Block |
| | HQ-P16198 | NA | NA | Njombe Block |

Venmyn are advised that there are no other material agreements with respect to Pinewood other than the proposed acquisition agreement discussed in Section 6.

9.1.4. Environmental Impact Assessment (EIA) and Other Environmental Considerations

No EIAs have been conducted on the licences at this stage nor are any required at present. Tanzania has established a National Environment Management Council and is drafting a general environmental legislation. At the moment, the only environmental consideration is establishing the proximity or overlap of any of the licences to Forest Reserves or Game Controlled Areas. At the time of writing this could not be established, and Pinewood would have to establish their requirements for any additional authorisations should there be an overlap with such areas.

It is important to note that the Forests Ordinance Code permits mining in both reserved forest areas and on unreserved forest lands. Chapter 4.5 of the Environmental Handbook for Business for Tanzania as published by the Lawyers' Environmental Action Team (LEAT), highlights the current key environmental issues associated with exploration and mining. Requirements are currently addressed in each Mining Licence awarded but there are none for Prospecting and Reconnaissance Licences.

9.1.5. Environmental Provision

No environmental provisions have been made for the licences at this stage nor are any required at present. Should application for a Mining Licence be made however, the applicant must submit a feasibility report including environmental and health safeguards, plans for local sourcing of goods, services, employment and training of Tanzanians. The license holder must submit regular reports according to regulations.

9.1.6. Other Legal Issues

Venmyn are advised that there are no legal disputes or other legal issues concerning the licences and/or applications of the Pinewood Project.

9.2. Pinewood Project Area

9.2.1. Location and Access

The Pinewood Project comprises an extensive portfolio of licences within southwestern Tanzania (Figure 21). These licences are scattered over a large area between the regional capitals of Iringa, Mbeya and Songea within the Iringa, Mbeya and Ruvuma provinces. The licences represent very early stage exploration projects, with no modern, systematic exploration having been conducted to-date.

The principle project areas are all bisected by a network of tarred and gravel roads, in varying states of repair. However, Venmyn found that the regional infrastructure appears well maintained. Local access to specific licence areas varies considerably, with some licences being bisected by tarred or gravel roads, while other more remote licences can only be accessed by dirt track or by foot (Figure 22).

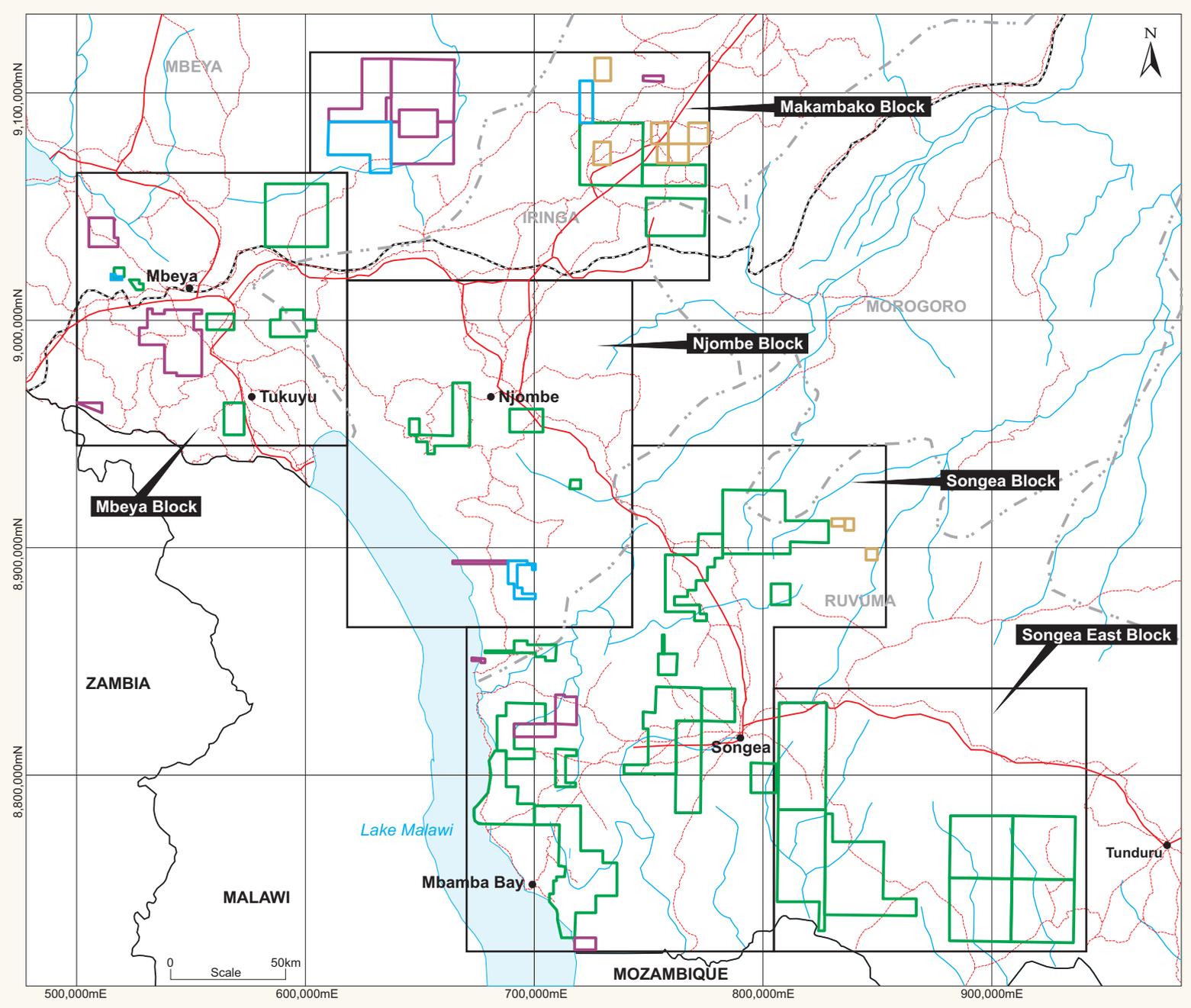
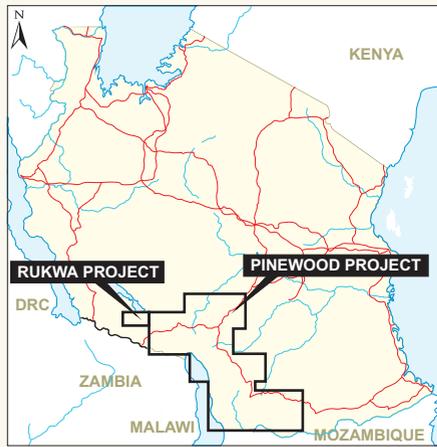
Low lying areas are often covered with thick deposits of black cotton soils (mbuga), which require four wheel drive to pass over in wet conditions, or which may be temporarily impassable. Some river crossings also become impassable during the wet season (either by vehicle or ferry).

There is a regional airport located at Mbeya, with flights to Dar es Salaam daily. Smaller airstrips are also located across the area.

LOCALITY, INFRASTRUCTURE AND LEGAL TENURE OF THE PINWOOD LICENCES

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| LEGEND | |
|------------------|-----------------------|
| | Main Roads |
| | Secondary Roads |
| | Provincial Boundaries |
| | Rail |
| | Rivers |
| | Towns |
| Licences: | |
| | Licence Application |
| | Licence Offer |
| | Licence Current |
| | Licence Third Party |
| | Exploration Block |

INFRASTRUCTURE OF THE PINEWOOD PROJECT AREA

ACCESS TO KETEWAKA-MCHUCHUMA (RAINY SEASON)



END OF ROAD JUST OUTSIDE HP-P 'BACKLOG'



TARRED ROAD - SONGEA BLOCK



ACCESS ROADS TO SONGEA EAST LICENCE AREA



RIVER CROSSING - SONGEA BLOCK



DIRT ROAD IN SONGEA BLOCK TOWARDS LAKE MALAWI



RIVER CROSSING - SONGEA BLOCK



FERRY OVER RUHUHU RIVER - SONGEA BLOCK



DIRT TRACK - MBEYA BLOCK



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TOPOGRAPHY AND VEGETATION OF THE PINEWOOD PROJECT AREA

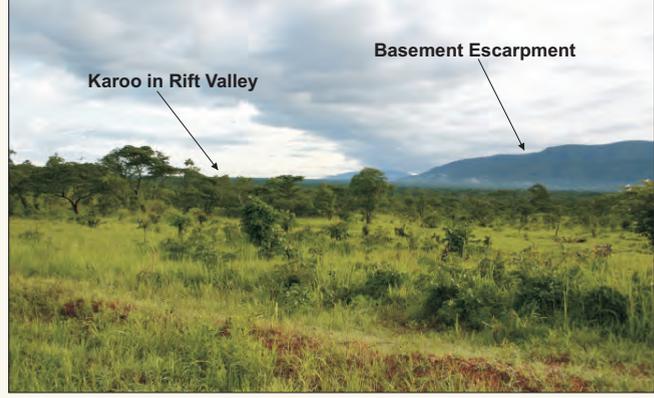
TOPOGRAPHY NEAR SONGEA



TOPOGRAPHY - SONGEA BLOCK



TOPOGRAPHY - SONGEA BLOCK



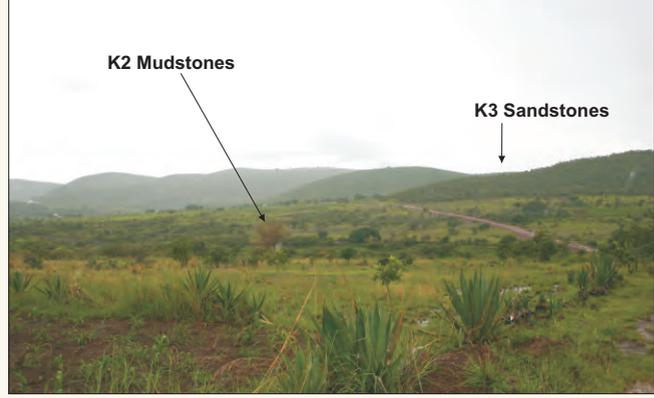
TOPOGRAPHY - SONGEA BLOCK



RUHUHU RIVER - SONGEA BLOCK



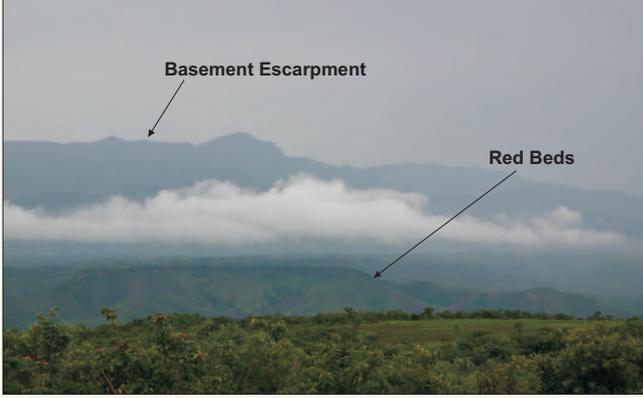
TOPOGRAPHY - MBEYA BLOCK



TEA PLANTATION NEAR MAFINGA



TOPOGRAPHY - MBEYA BLOCK



TOBACCO PLANTATION



9.2.2. Topography and Vegetation

The topography of the Pinewood Project area varies considerably, ranging from 1,000mamsl to 2,400mamsl, and is contrasted by the peaks of the rift valley escarpment and the rift valleys themselves.

The lowland areas are extensively cultivated and grazed, however the natural vegetation comprises wooded grasslands and thorny bush. The valleys are also extensively cultivated and grazed, however the natural vegetation is tropical wooded grassland. The highlands are characterised by mountainous vegetation and cool temperature grasslands. Large parts of the highlands have been forested by plantations.

The region forms the major catchment area of the two main rivers, the Ruaha River and Songwe River which flow into the Indian Ocean and Lake Rukwa respectively. A number of smaller drainages run into Lake Malawi in the west.

9.2.3. Climate

The climate of the Pinewood Project area is significantly controlled by the topography, and it follows that this varies significantly between the highlands, the valleys and the lowlands. The average temperature ranges between 12°C and 30°C, with mean annual rainfall varying between 650mm. and 2,700mm.

The lowlands experience a Savannah Type climate, with average temperatures ranging between 25°C and 30°C and annual rainfall of between 650mm and 800mm. The valleys experience a more tropical climate, with average temperatures ranging between 23°C and 25°C and annual rainfall of between 800mm and 2,200mm. The highlands experience an alpine climate, with average temperatures ranging between 12°C and 21°C and annual rainfall of between 1,500mm and 2,700mm.

The majority of the rain falls between February and May. Exploration activities can be carried out year round, however, access to the wetland or marshy areas (and areas covered by mbuga) cannot be achieved during the rainy season. Certain river crossings may also be inaccessible during the rainy season.

9.3. Regional Geology and Mineralisation in the Pinewood Project Area

The regional geology of the Pinewood Project area is dominated by the Ubendian Orogenic Belt which lies to the west of the Tanzanian Craton (Figure 3). The Ubendian sequences are in turn unconformably overlain by younger sedimentary packages including those of the Karakwe-Ankolea, Bukoban, Red Beds and Karoo systems. The Cretaceous aged Red Beds and Karoo sequences have been deposited in the rift valley settings or were preserved as remnants of down-faulted basins. The northernmost areas of the Pinewood Project area are dominated by the geology of the so-called Western Rift, while the southernmost licences are associated with smaller subsidiary rift systems.

The Ubendian System is a Paleoproterozoic metamorphic belt which extends for approximately 1,000km in a northwest-southeast direction with an average width of 200km in the project area. The rocks are high grade metamorphic rocks comprising predominantly of amphibolite and granulite grade gneisses. The system is characterised by widespread shear zones and migmatization which is developed parallel to the margins of the orogenic belt. The Ubendian rocks are dominated by prominent, regional northwest trending faults, which are parallel to the general trend of the Ubendian Orogenic Belt and physical rift formation. The Ubendian forms the basement rocks of the majority of the Pinewood Project area, and in general host the younger sediments and volcanics within the various rift systems in the area (Section 9.5).

The Ubendian System has been intruded by post-orogenic granites and basic bodies.

The Neoproterozoic Bukoban System is comprised of a basal series of coarse sandstones and shales overlain by amygdoidal lavas, dolomitic limestones and red beds. These rocks are generally flat lying or gently folded and are relatively un-metamorphosed. The distribution of uranium anomalies suggests that the unconformity between the Archaean granites and the Bukoban are a prime target for uranium exploration. The Mbeya, Makambako and Njombe blocks (Section 9.5), would be considered prospective for this type of mineralisation.

The rocks of the Palaeozoic Karoo System generally formed within rift valley settings that were formed during the breakup of Gondwanaland in late Palaeozoic times. The orientation of these rifts generally followed the trends of the Ubendian/Usagaran belts around the Tanzanian Craton. These rifts were filled with thick Karoo sediments which consist predominantly of sandstones, shales and siltstones which transgress and unconformably overlie the deeply eroded and uneven palaeo-landscape of the Proterozoic basement units.

The Karoo rocks range in age from the late Carboniferous to the Jurassic. Outcropping Karoo sequences are present within the Mbeya, Njombe, Songea and Songea East blocks (Section 9.5) to varying extents and would be considered prospective for coal as well as Roll Front Type uranium deposits. While these outcrops are generally limited in their lateral extent, it is postulated that extensive Karoo deposits remain preserved beneath younger Mesozoic and Cenozoic sediments and volcanic ash successions.

The large Rukwa Rift Valley as well as the other smaller rift valleys and basin settings (e.g: Ruhuhu Basin and Selous Basin) are associated with graben faulting which was active during pre- and post Karoo times.

Coal is reportedly associated with the so-called K1-K4 sedimentary units of the Karoo successions that are recognised within the rift and basin settings in Tanzania. These Karoo successions can be loosely correlated with the well known Ecca Group of the Karoo Supergroup in South Africa (Table 10).

Table 10: Correlation Between the South African and Tanzanian Karoo Sequences

| GEOLOGICAL PERIOD | SOUTH AFRICA GROUPS | TANZANIA FORMATIONS |
|--------------------------------|---------------------|--|
| Late Triassic to Late Jurassic | Stormberg Group | K8 Manda Beds with Upper Bone Beds |
| Early Triassic | Beaufort Group | K7 Kingori Sandstone |
| Late Permian | | K6 Lower Bone Beds |
| | | K5 Ruhuhu Beds |
| Early Permian | Ecca Group | K4 Upper Coal Measures |
| | | K3 Intermediate Mudstones and Sandstones |
| | | K2 Lower Coal Measures |
| Late Carboniferous | Dwyka Group | K1 Basal Sandstones and Conglomerates |
| | | Precambrian Crystalline Rocks |

The K1 rocks are generally comprised of basal conglomerates, sandstones and siltstones deposited on Precambrian crystalline rocks. The K1 units are non-carbonaceous in general. The rocks of the K2 and K4 units consist of carbonaceous mudstones (with possible coal) separated by intermediate mudstones and sandstones of the K3. The upper K5 to K8 units consist of sandstones, siltstones and mudstones and do not generally contain coal measures.

Figure 25 illustrates some of the geological formations and features encountered by either Venmyn during their site visit to the Pinewood Project area, or by Pinewood during their various site visits. The identification of a number of Karoo sediments within the project confirms the high potential geology of the area for the discovery of coal resources.

9.4. Historical Exploration

During the 50's, a regional coal investigation was undertaken by the Colonial Development Corporation (CDC). This investigation included detailed mapping of the coalfields and exploratory borehole drilling. The Tanganyika Geological Survey Department (TGS) compiled this information into a 1965 Bulletin quoting significant tonnages and quality information for nine coalfields in Tanzania, although, these would not be compliant under today's reporting codes. Figure 3, illustrates the extent of the outcropping Karoo and location of the Tanzanian Coalfields and greater basins.

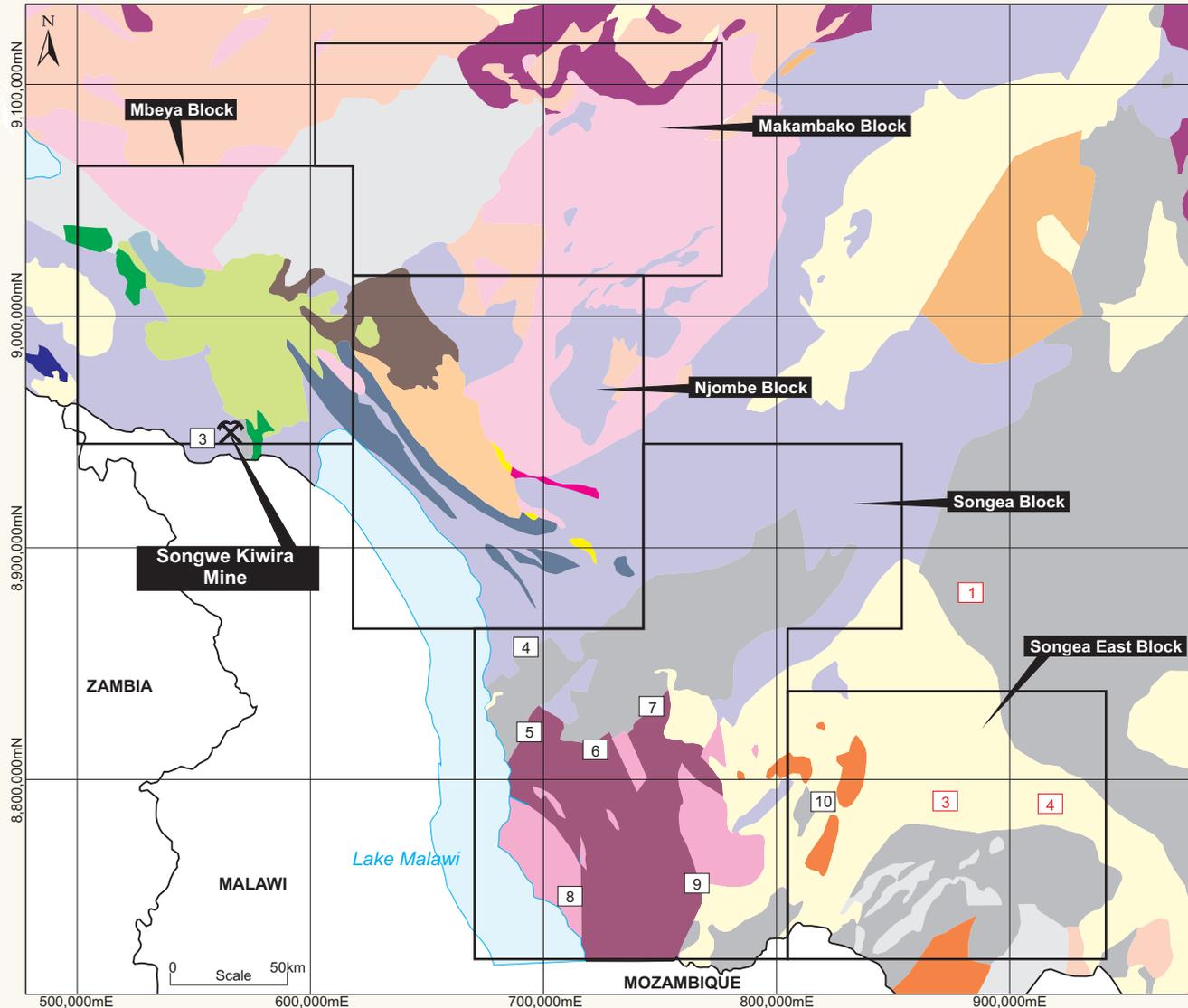
Table 11 illustrates the coal quality information compiled from historical drilling and sampling activities completed by the CDC and later reported by the TGS in the 1965 bulletin.

During the 50's and 60's, the coal in the area was considered more for its academic interest than its potential commercial value, as a result of the remoteness of the coalfields, specifically with respect to infrastructural development.

As a consequence, the majority of the historical work was restricted to areas of known coal or coal bearing strata outcrops. It follows therefore, that while the historical work provides a good geological foundation, that it is considered likely that significant coal deposits remain undiscovered in the area, particularly in areas covered by younger, Mesozoic and Cenozoic sedimentary and volcanic cover. This, together with the MDC (Section 7.5.2), has resulted in renewed interest and exploration activity within the region.

REGIONAL GEOLOGY AND STRATIGRAPHY OF THE PINEWOOD PROJECT AREA

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| LEGEND | |
|---|---|
| Genozoic Domains | |
| [Yellow] | Undifferentiated continental sediments |
| [Light Grey] | Continental and lacustrine sediments |
| [Light Green] | Neogene-Quaternary volcanics |
| Palaeozoic and Mesozoic Basins | |
| [Green] | Cretaceous sediments |
| [Grey] | Karoo sediments, including coal deposits |
| Other Neoproterozoic Domains | |
| [Brown] | Neoproterozoic to Cambrian detrital sediments |
| [Blue] | Mbozi syenite |
| [Yellow] | Meso to Neoproterozoic sediments |
| Neoproterozoic Mozambique Belt | |
| [Pink] | High-grade granulite, gneiss and migmatite |
| Mesoproterozoic Belts | |
| [Orange] | Orthogneiss suites |
| [Light Orange] | Meta-sediments |
| Palaeoproterozoic Ubendian-Usagaran Belt | |
| [Light Pink] | Late orogenic granite and granodiorite |
| [Dark Pink] | Granulite and gneiss |
| [Purple] | Felsic igneous suites |
| [Light Blue] | Meta-igneous/sedimentary rocks |
| [Light Purple] | Meta-igneous/sedimentary rocks with basement relics |
| [Dark Blue] | Gneiss, metagabbro, anorthosite, gabbro |
| Archaean Basement | |
| [Light Pink] | Granitoid post-orogenic granite and granodiorite |
| [Light Orange] | Neoarchaean granitoid |

| COALFIELDS | |
|------------|--------------------|
| 3 | Songwe-Kiwira |
| 4 | Ketewaka-Mchuchuma |
| 5 | Liweta |
| 6 | Ngaka-Mbawala |
| 7 | Lumecha |
| 8 | Mbamba Bay |
| 9 | Mkukuru |
| 10 | Njuga |

| URANIUM PROJECTS | |
|------------------|--------------------------------|
| 1 | Mantra Resources - Mkuju River |
| 3 | Uranex - Mkuju |
| 4 | Uranium Resources - Mtonya |

Source: Rukwa

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PHOTOGRAPHS OF THE GEOLOGY OF THE PINEWOOD PROJECT AREA

GNEISS OUTCROP - SONGEA BLOCK



K5/K6 SHALE - SONGEA BLOCK



K7 SANDSTONE - SONGEA BLOCK



ASH OVERLYING SANDSTONE - MBEYA BLOCK



MUDSTONE - MBEYA BLOCK



SANDSTONE OUTCROP - NJOMBE BLOCK



AMPHIBOLITE SCHIST IN SMALL ROAD QUARRY



DOME SHAPE BIOTITE GRANITE OUTCROP - MAKAMBAKO BLOCK



BLACKENED QUARTZ - MAKAMBAKO BLOCK



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PHOTOGRAPHS OF THE GEOLOGY OF THE PINEWOOD PROJECT AREA



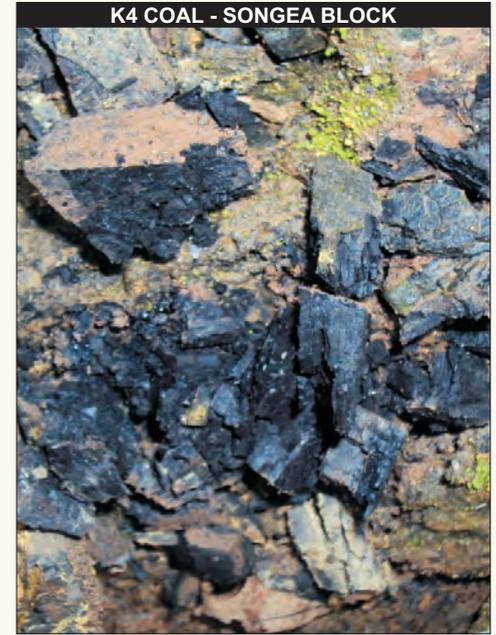
K7 OUTCROP - SONGEA BLOCK



K3 SANDSTONE - SONGEA BLOCK



K5/K6 OUTCROP - SONGEA BLOCK



K4 COAL - SONGEA BLOCK



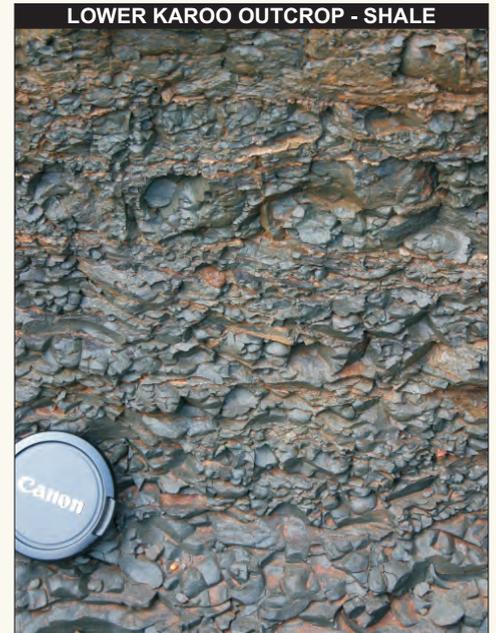
BASEMENT FERRUGINOUS QUARTZITE - SONGEA BLOCK



WEATHERED LAVA ROCK AT HYDROTHERMAL URANIUM ANOMALY - MAKAMBAKO BLOCK



CONTORTED QUARTZ STRINGERS NJOMBE BLOCK



LOWER KAROO OUTCROP - SHALE

Table 11: Summary of Coal Qualities for the Various Tanzanian Coal Basins (TGS, 1965)

| BASIN | COALFIELD | TONNAGE (Mt)** | C.V. (Mj/kg) | SULPHUR (%) | ASH (%) | RANK AND COMMENT | |
|---------------|-----------------|----------------|--------------|-------------|---------|--------------------|----------------|
| Rukwa | Muze | 10.0 | 23.1 | 3.6 | 24.7 | Sub-bituminous "C" | |
| | Namwele-Mkomolo | 7.5 | 22.3 | 6.4 | 23.3 | Sub-bituminous "B" | |
| | Galula | 140.0 | 25.7 | 0.3 | 18.5 | Bituminous "C" | |
| Songwe-Kiwira | Songwe-Kiwira | 140.0 | 27.2 | 1.5 | 16.8 | Bituminous "C" | |
| | | | | | | High Volatile | |
| | | | | | | Some Coking | |
| Ruhuhu | Mchchuma | 199.0 | 29.8 | 0.9 | 14.2 | Bituminous "C" | |
| | | | | | | High Volatile | |
| | | | | | | Some Coking | |
| | Ketewaka | | | 25.6 | | 20.0 | Bituminous "C" |
| | | | | | | | High Volatile |
| | Mbuyura | 15.0 | 28.8 | 6.6 | 17.8 | Bituminous "C" | |
| | Mbalawala | 98.0 | 28.0 | 6.8 | 15.6 | Bituminous "C" | |
| High Volatile | | | | | | | |
| Lake Nyasa | Mbamba Bay | | 17.4 | <1.0 | | Sub-bituminous "A" | |
| Seleous | Mhukuru | 150.0 | 24.2 | 0.8 | 21.9 | Sub-bituminous "A" | |
| | Njuga | 23.0 | 24.0 | 0.5 | 20.2 | Bituminous "C" | |

* Analysis of weathered samples

** Historical non-compliant estimate

Between 1977 and 1980, a regional uranium potential investigation was undertaken in the form of a nationwide radiometric survey by Geosurvey International of the then West-Germany. From this survey data, a number of 'first order' and secondary anomalies were identified (Figure 3), from radiation intensity contour maps produced over the area and thorium, uranium and potassium profiles. This information was never published, due to restrictions at the time, however Venmyn found, during their visit to the GST in February 2011, that the data and reports are available in their archives and can now be viewed and/or purchased.

To this end, Venmyn have purchased, for Pinewood's benefit, the radiometric datasheets for all areas within the Pinewood Project area for which radiometric anomalies were interpreted.

Venmyn have determined that, uranium point source anomalies were defined when the U/Th and U/K count ratios exceeded 0.66 and uranium exceeded 25cps. Anomalies were generally defined according to the following parameters:-

- 1st order anomalies over areas that produced uranium values exceeding 60cps. These anomalies were all considered to require ground follow-up investigations; and
- 2nd order anomalies over areas that produced uranium values between 25cps and 60cps and were deemed of lower priority than the first order anomalies.

While this historical data is useful as an initial targeting tool, the following limitations have been noted:-

- the gamma radiation is effectively masked by as little as 30cm rock, 45cm soil and 90cm of water;
- radiation is suppressed by vegetation, soil, high humidity and surface moisture; and
- the multichannel spectrometer only measures gamma radiation emitted by uranium daughter product (B214) and might not always be a reflection of uranium in the ground.

It follows therefore that additional anomalies and deposits could be identified using modern uranium exploration techniques, and as a consequence southwestern Tanzania has experienced renewed interest in uranium exploration in recent times (Section 7.5.3).

9.5. Recent Exploration

Pinewood is a new exploration company, and consequently only limited field activities have been conducted on the licences. Several desktop studies have been conducted to facilitate targeting and prioritisation, and this process is still ongoing.

During February 2011, Pinewood conducted a first pass reconnaissance field survey of many of the license areas that form part of the Pinewood portfolio. The focus of this survey was to:-

- assess the roads and access of the Pinewood licenses in order to better understand the logistical requirements of working in the various areas;
- assess the outcrop coverage of the various areas to better plan the type of field work possible; and
- perform a basic geological assessment of the licenses and to check the geology listed on published geological maps.

An airborne survey on certain high priority uranium targets has been planned. Field activities are expected to commence in the upcoming dry season of 2012.

The sections below summarise the findings of the desktop studies and field investigations to-date as well as Venmyn's own observations and analysis of the local geology and mineralisation potential of each of the respective Block areas.

9.5.1. Mbeya Block

The Mbeya Block includes all licences within a 50km radius of the regional centre of Mbeya.

The Mbeya Block is characterized by large areas of recent volcanic ash cover originating from Mount Rungwe in the central regions. The block is split northwest to southeast by the rifting which produced the Songwe basin, connecting the Lake Rukwa and Lake Nyassa basins. The northeastern and southwestern areas are characterized by rugged mountainous terrain.

The most northwesterly (HQ-P16192) offer and southern licence (HQ-P20675) application include documented Karoo lithologies and fall within the Galula and Kiwira coalfields, respectively. These licences would form obvious and immediate targets for coal exploration once these applications are granted. Additionally, southern application HQ-P20675 is adjacent to the operational underground Songwe-Kiwira Coal Mine and has documented (GST publications) K2 Coal Measures outcropping at surface in the southeastern corner of the application as well as potential for K2 Measures buried by more recent Karoo along the entire eastern border of the application.

The remainder of the licences are generally covered by younger Mesozoic and/or Cenozoic alluvium or volcanic ash deposits. Their potential to host either buried coal or uranium deposits can only be assessed after detailed field mapping has been conducted.

Historical airborne radiometric surveys have highlighted several specific, 2nd order, uranium anomalies within the Mbeya Block, including:-

- a large igneous intrusive/hydrothermal type, 2nd order, anomaly just south of the town of Mbeya and immediately north of a licence already offered (HQ-P15207) to Pinewood; and
- several smaller uraniumiferous carbonatite type, 2nd order, anomalies bordering and adjacent to Pinewoods western applications in this block.

License Offer HQ-P15207, is just south of the town of Mbeya, and covers an area of over 585km². The license straddles an area of the Songwe Trough covered by recent volcanic and ash and debris flows. The terrain is mostly mountainous with deeply incised steep sided river valleys. The southwestern parts of the license are made up of gneisses and schists. Most of the northwestern and central parts of the license are covered by ash flows and volcanics. Reconnaissance mapping, by Pinewood, along regional access roads revealed mudstones and siltstones of either Karoo or Cretaceous age. These outcrops confirm the continuation of the sediments found to the south in Kiwira under the volcanic cover towards the Galula Coalfields to the northwest. The area thus has definite coal potential, and the extent of underlying Karoo strata (and coal and sandstone uranium) needs to be investigated.

Detailed mapping is needed to gain a better understanding of the Karoo/Cretaceous cover of the area. The terrain and lack of outcrop will make this task challenging.

This license also has uranium potential which needs be further investigated

Centred around the town of Mbeya, the majority of the licences are traversed by roads (both tarred roads and dirt tracks) or occur in very close proximity to these. The dirt tracks are poorly maintained and access during the wet season is particularly challenging due to overgrown vegetation, washed away roads and deep cut fast flowing rivers.

9.5.2. Makambako Block

The Makambako Block includes all licences within a 100km radius of the town of Makambako.

Within this block, the licences can be split into two discrete geological terrains:-

- those associated with the Usangu Basin, in the northwest; and
- those associated with the Archaean and Ubendian basement, in the east.

The primary exploration target would be Karoo rocks of the Usangu Basin. However the geological maps of the area indicate that the majority of the area is covered by recent, Cenozoic alluvium.

The potential of the area to host either buried coal or uranium deposits can only be assessed after detailed field mapping has been conducted and buried Karoo potential has been assessed.

Historical airborne radiometric surveys have also highlighted specific uranium anomalies within this block. This includes an igneous intrusive/hydrothermal type, second order anomaly in the northeast of the block adjacent to applications, offered licences and third party licences. Secondly, a superficial Mbuga Type, 2nd order anomaly in the northwestern area of the block, surrounded on all four sides by Pinewood offered licences HQ-P16188 and HQ-P16186, has been identified from the historical radiometric survey. This would form obvious and immediate target for uranium exploration should these offers be accepted.

The majority of the licences in the east are traversed by roads (both tarred roads and dirt tracks) or occur in very close proximity to these, and access to the licences is not considered a particular problem. However the licences in the northwest are remote, with only a single dirt track mapped within the southernmost licence. It follows that access to these licences may be a challenge. Certain areas may become inaccessible during the wet season. Much of this area, especially the western portion, is covered by swamps and Mbuga and can only be accessed during the dry season.

9.5.3. Njombe Block

The Njombe Block includes all licences within an area approximately 50km north and 100km south of the town of Njombe.

Very little is known about the geology of the area, however field assessments and reviews of geological maps suggest that the area is dominated by crystalline rocks of Archaean and Ubendian age with lesser recent Mesozoic and Cenozoic alluvium.

There are no documented occurrences of Karoo sediments within any of the licences and applications. The potential of the licences within the area to host either buried coal or uranium deposits can only be assessed after field mapping has been conducted.

Historical airborne radiometric surveys have highlighted one specific, 2nd order, uranium anomaly within this block. This specific target has been identified as a roll-front sandstone type deposit. Other lower order anomalies are centred in or around several of Pinewood's offered licences and applications.

Access to much of this area is via the main road extending from Njombe to the regional centre of Ludewa then southwards on to the Ketewaka-Mchuchuma coalfields. The area is mountainous and any access off the main roads may prove challenging. Much of the area is covered with tea and forestry plantations.

9.5.4. Songea Block

The Songea Block includes all licences within an area approximately 120km north and 100km south of the town of Songea.

This block is dominated by the Ruhuhu Basin in the northwest and north and Ubendian basement in the central regions. This block contains some of the most prospective coal areas as well as the largest concentration of high order uranium anomalies in the Pinewood portfolio. The block contains a number of documented coal occurrences, such as Ketewaka-Mchuchuma, Ngaka, Njuka and Lumecha Valley coalfields.

Historical airborne radiometric surveys have highlighted a number of specific uranium anomalies within this block. Two of these target areas have been identified as large, 2nd order, Igneous Intrusive/Hydrothermal type anomalies in the centre of the block and represented in large extents by Pinewood applications (HQ-P19760 and HQ-P16242).

In the northwest, a 2nd order, Sandstone Type anomaly occurs in close proximity several Pinewood applications (HQ-P19762 and HQ-P20422).

Sandstone (roll front) uranium mineralization needs to be investigated on all licenses with Karoo cover while intrusive and hydrothermal vein deposits should be investigated over the metamorphic terrains.

Regional access to the Songea Block licences is good with the sealed tar road from Njombe in the north extending to just past the regional capital of Songea in the centre of the block. From Songea, a maintained dirt track (currently being tarred) extends to Mbamba Bay on the shores of Lake Malawi to the south west. At the village of Nyoni a secondary track goes due south to the Mozambique border.

Parts of this track become challenging to pass in the wet season. The north western parts of the license are accessed by a maintained dirt track from the village of Kitai extending northwest to the Luthui Mission and then over the Ruhuhu River to the small town of Manda. The ferry crossing the Ruhuhu River is new and in good condition, however it does not operate for much of the rainy season when the river is in flood. During the rainy season the northwest most licenses of the Ketewaka-Mvhuvhuma coalfields have to be accessed from the north (Njobe – Ludewa).

9.5.4.1. Ngaka Coalfield

The Ngaka Coalfield was first described in the early nineteen hundreds and the first “modern” exploration programs conducted in the 0s and 50s by the Geological Survey of Tanzania. There are currently several exploration companies conducting both coal and uranium exploration in the area.

Pinewood has a license offer HQ-P18099 which is located on the Ngaka Coalfield.

While a full literature review still needs to be conducted on this area, an initial review of the published geology map indicates that most of the area is covered by K1-K4 sediments with minor K1-K3 outcropping in the north east corner. K7-K8 sandstones occur in the east central regions. The main coal bearing horizons are contained within the K1-K3 beds which lie below the K4-K6. It is interpreted by Pinewood that the K1-K3 will be present over most of the license (under the K4-K6) although the depth will need to be tested by drilling.

During March 2011, Pinewood conducted a week long mapping exercise over license HQ-P18099. The mapping focused on west-east trending rivers cutting across the north-south striking geology.

This mapping confirmed that most of the license is made up of K4-K6 lithologies in the west and K7-K8 sandstones in the east. The re-interpreted geological map for this area is presented in Figure 30.

Coal outcrops were identified in the K4 in two areas of the license. The historical conclusion reached from mapping in the area in the 1940s and 1950s was that the coal of the K4 was too thin to pursue economically and as a result the vast area of the K4 has never been drilled. It is Pinewoods opinion that the K4 needs to be drilled following further mapping during the dry season. The presence of K4 coal (Figure 25) was confirmed by Pinewood during their mapping programme.

The uranium potential of this area still needs to be explored in greater detail.

9.5.4.2. Ketewaka – Mchuchuma Coalfields

Most of the documented coal is located in the eastern portion and this area has been awarded to a Chinese consortium, through government tender. Most historic exploration work has been conducted over this area in the past.

Offer HQ-P16240 is located on the far eastern side of the coalfield. Although a full literature review on the area needs to be conducted, it is clear that the license is located on the Karoo and has coal and uranium potential.

A reconnaissance field trip to the area, by Pinewood, has confirmed the presence of Karoo strata with black carbonaceous mudstones with coaly content.

Kimberlite occurrences have been documented in the south eastern corner of the license. Little is known about these other than that they coincide with low level radiometric anomalies.

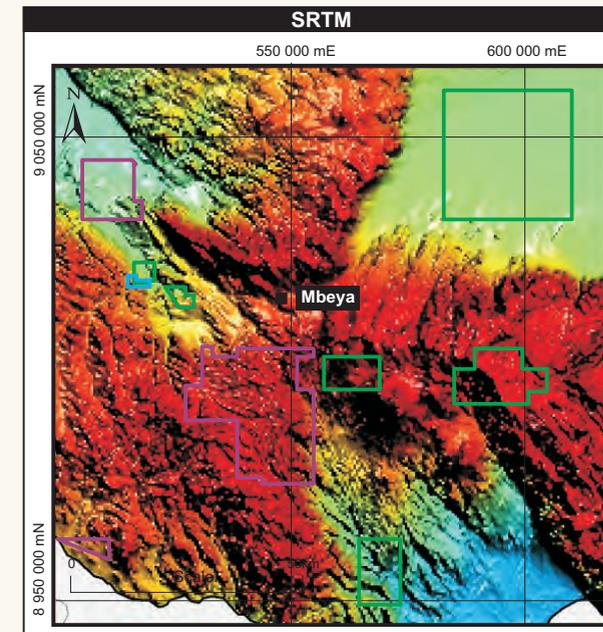
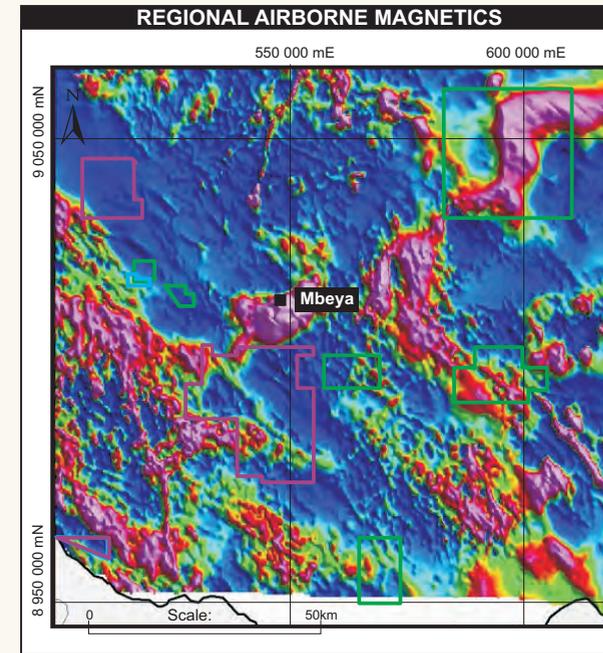
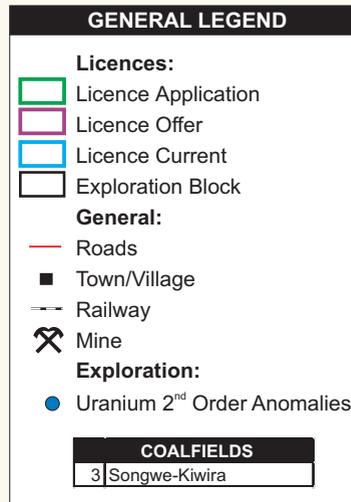
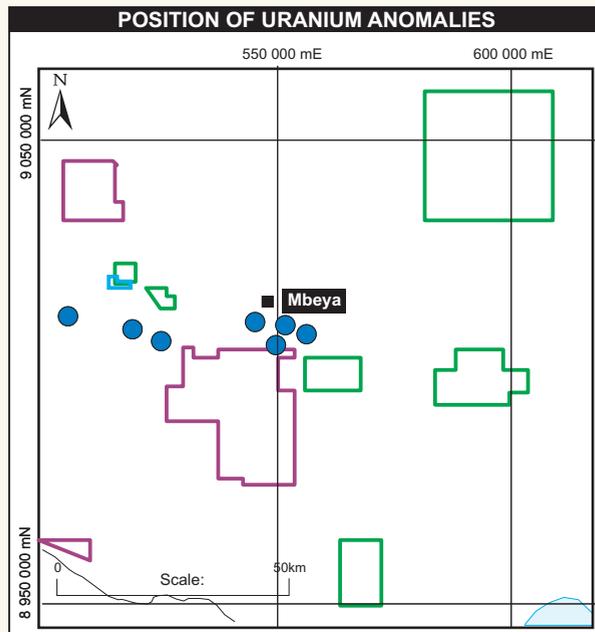
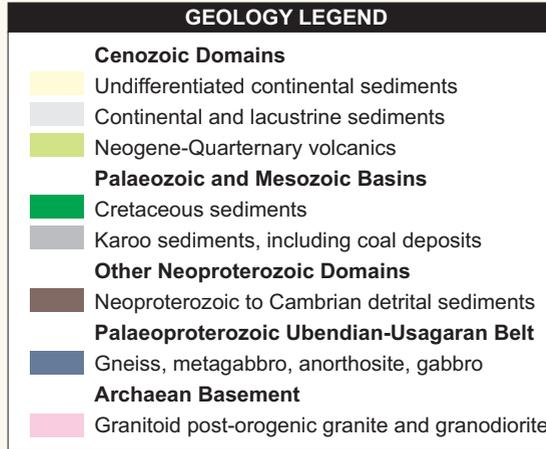
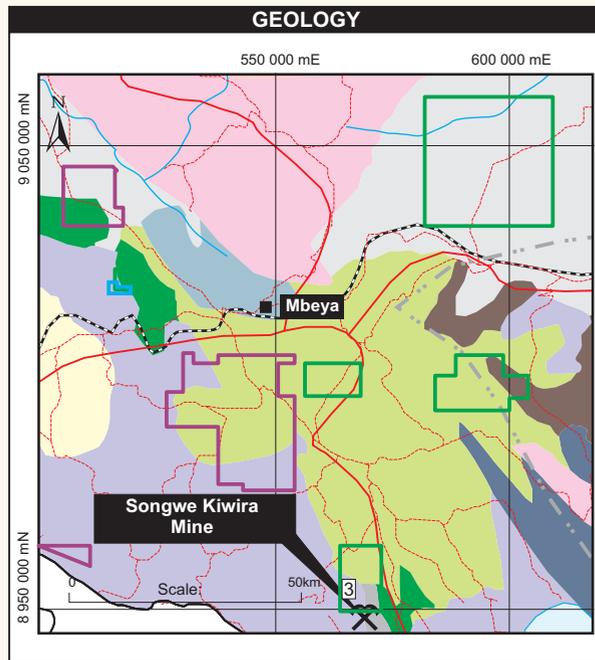
A full literature review and detailed geological mapping of this licence area is recommended as immediate follow up work.

9.5.5. Songea East Block

The Songea East Block includes all licences within an area approximately 150km west of Songea and 100km north of the Mozambique border.

Limited information is known about the geology of the area, however, field assessments and reviews of geological maps suggest the presence of undifferentiated Karoo strata over much of the area. More specifically, the Njuga coal occurrence straddles the western border with the Songea Block and is found on two of the Pinewood applications (HQ-P20307 and HQ-P20308).

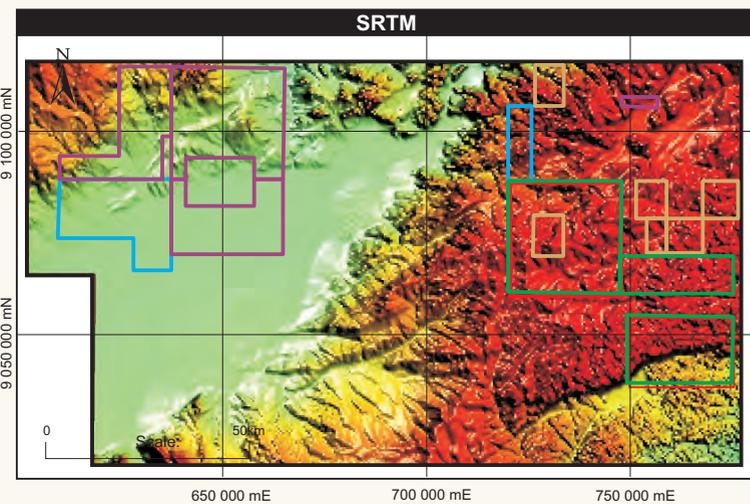
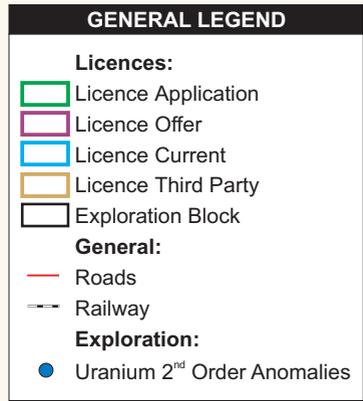
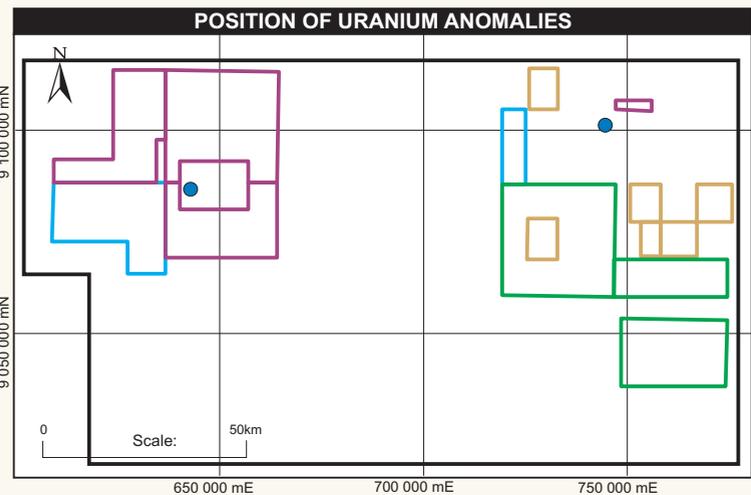
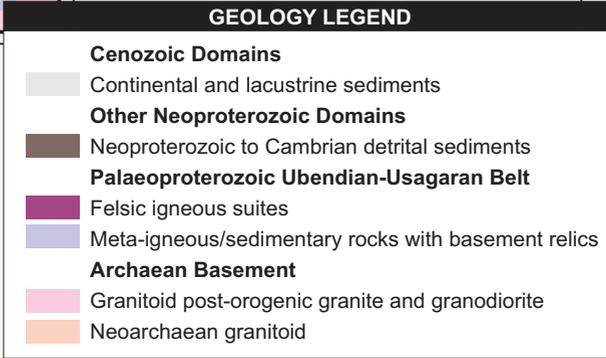
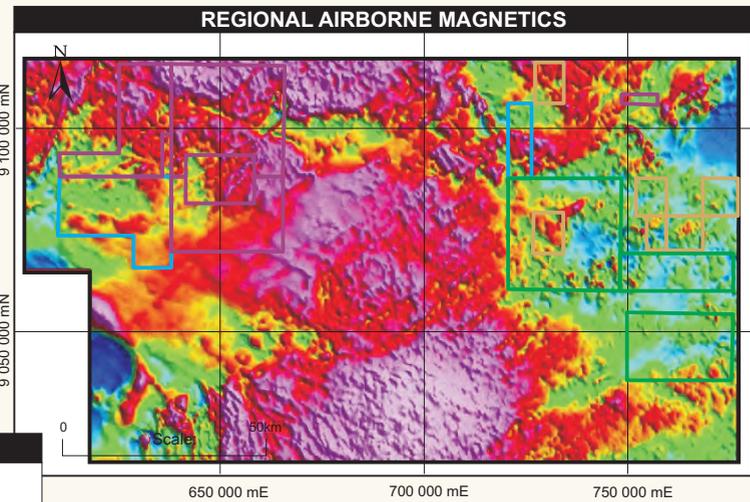
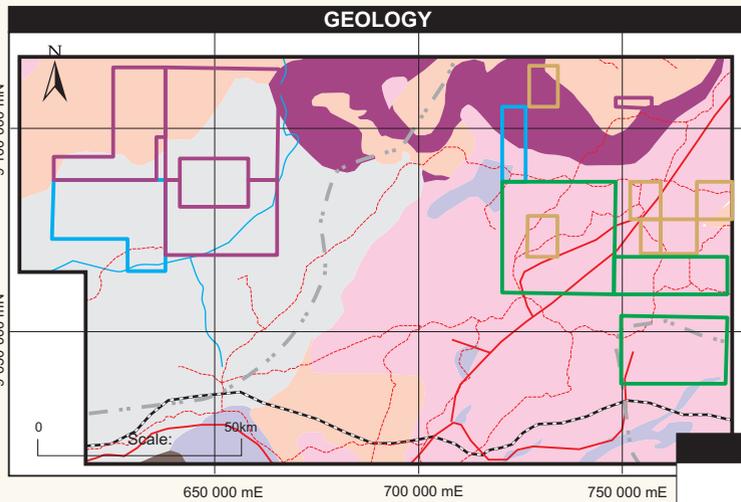
SUMMARY OF GEOLOGY AND EXPLORATION TARGETS FOR THE MBEYA BLOCK



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SUMMARY OF GEOLOGY AND EXPLORATION TARGETS FOR THE MAKAMBAKO BLOCK

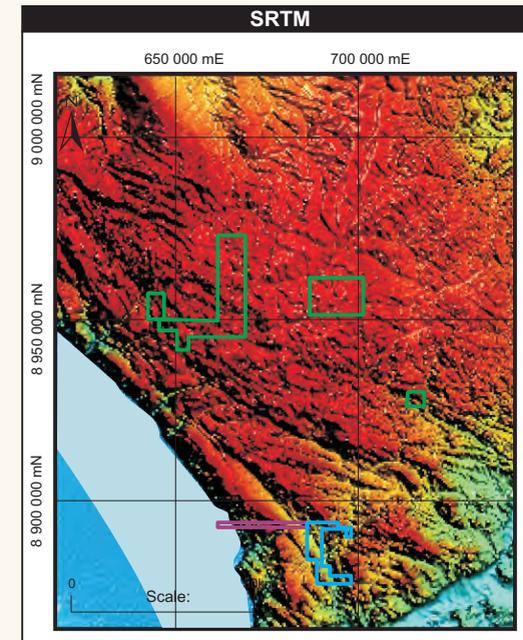
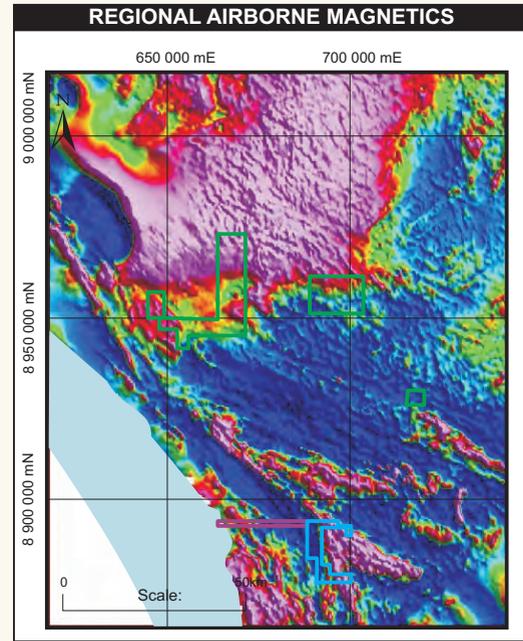
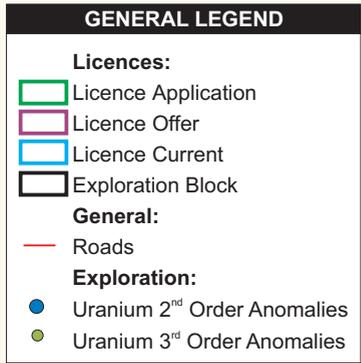
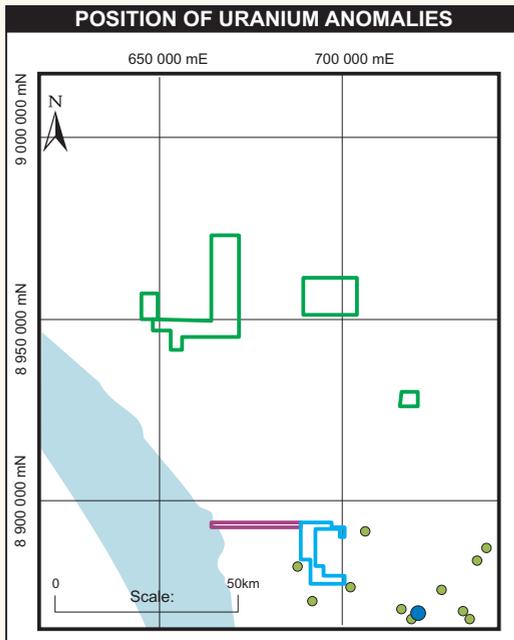
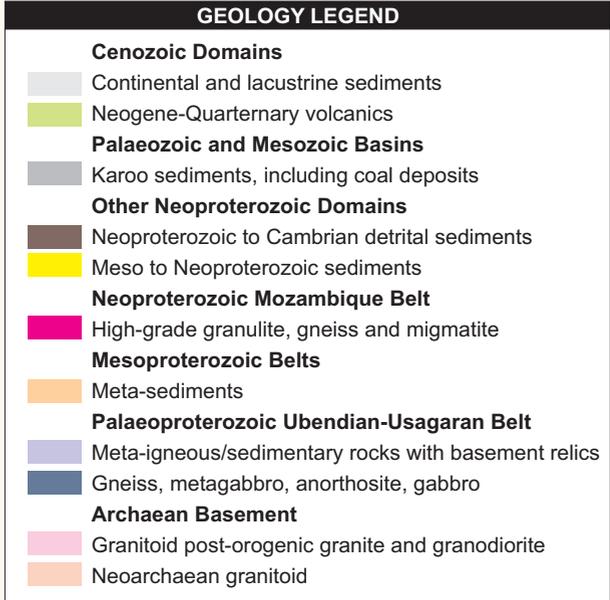
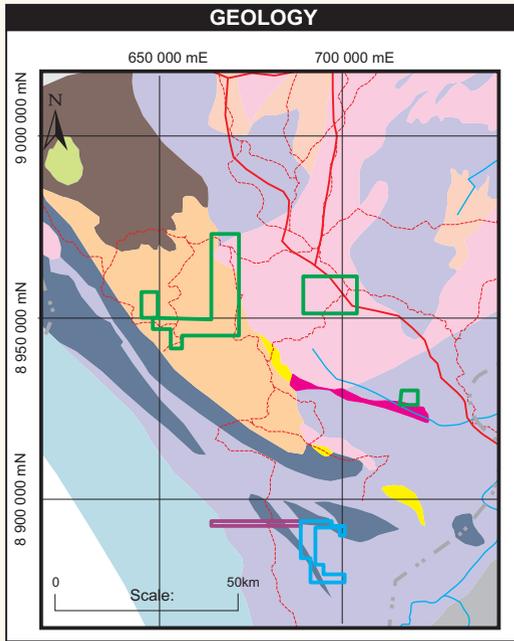


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SUMMARY OF GEOLOGY AND EXPLORATION TARGETS FOR THE NJOMBE BLOCK

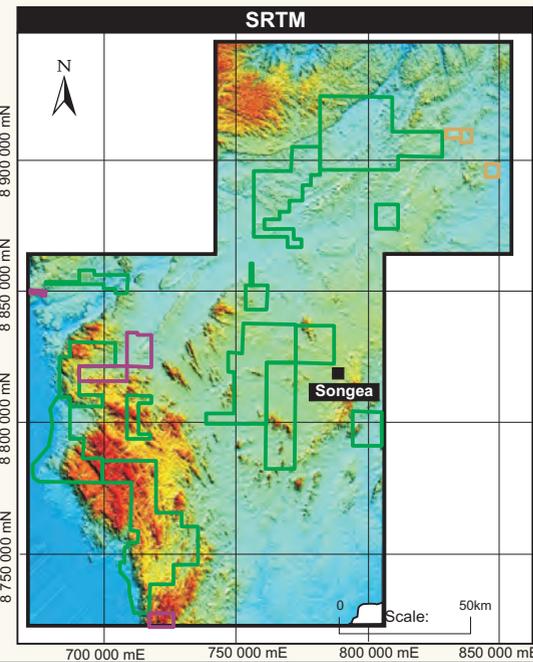
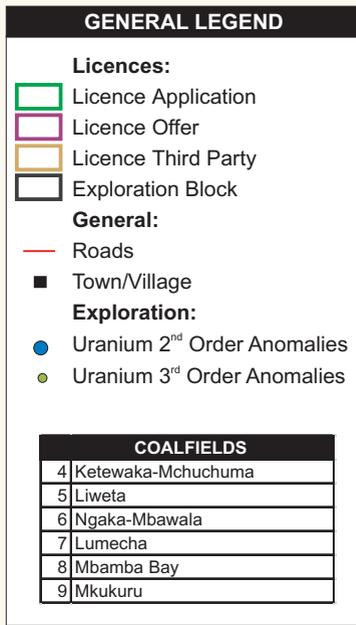
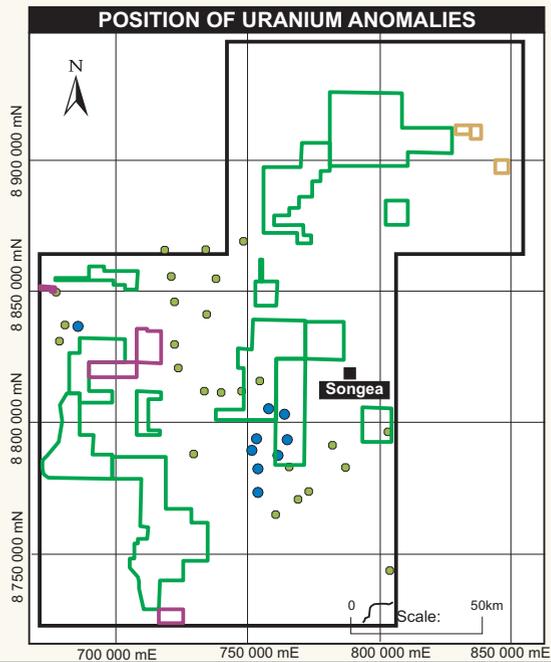
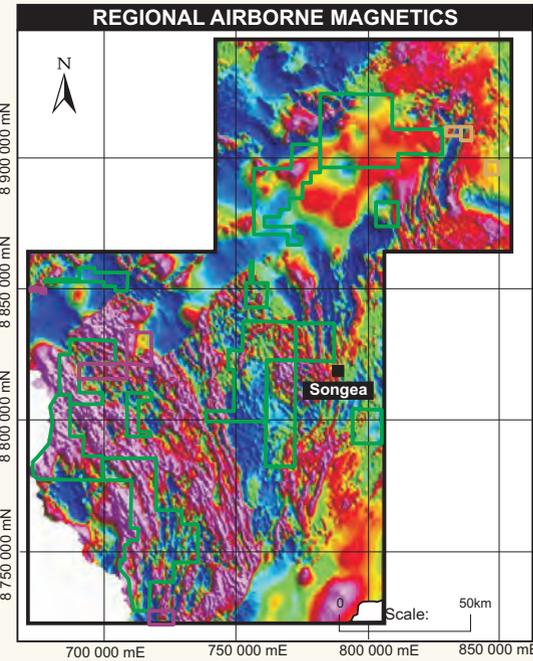
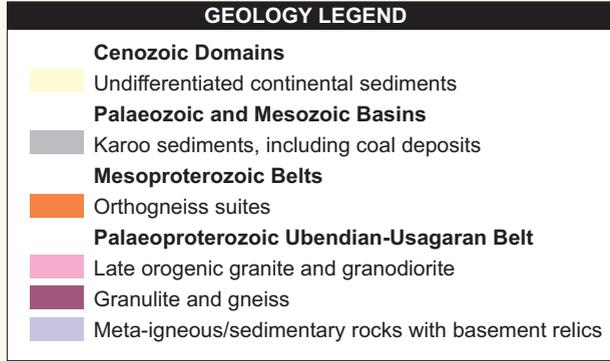
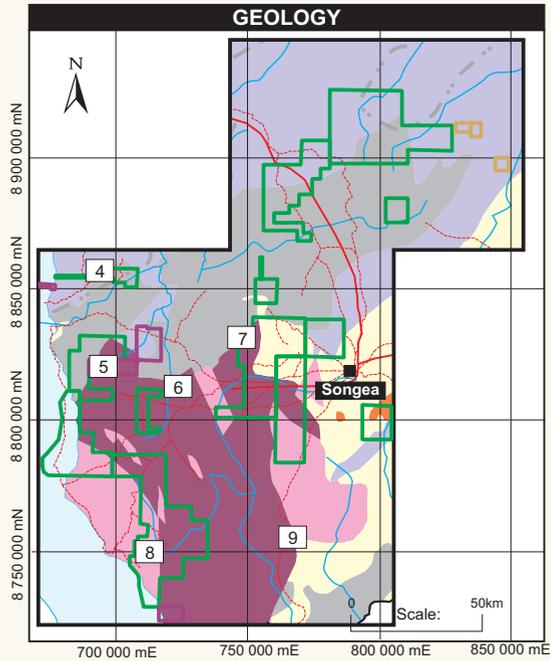
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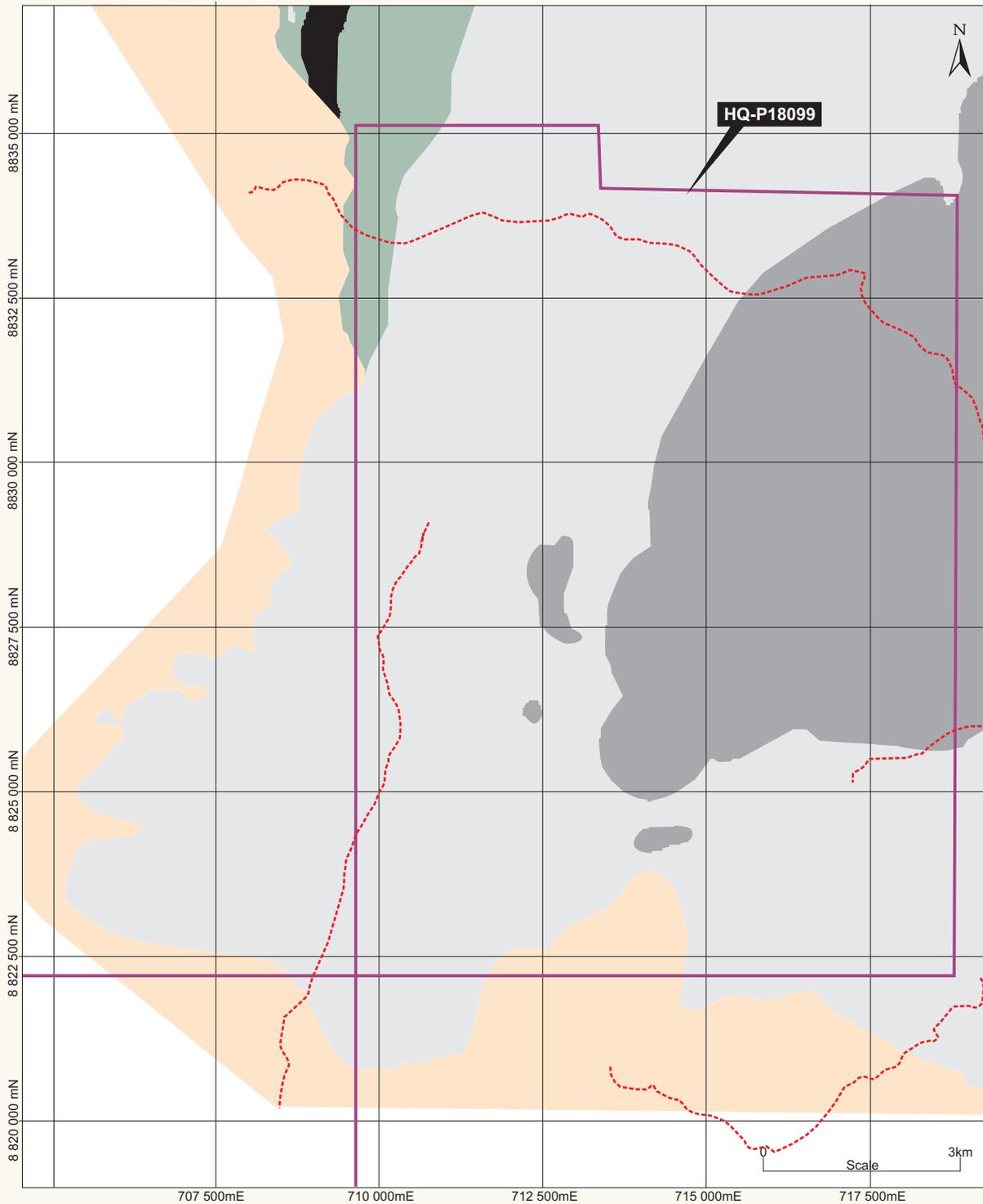


SUMMARY OF GEOLOGY AND EXPLORATION TARGETS FOR THE SONGEA BLOCK

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REVISED GEOLOGICAL MAP OF HQ-P18099

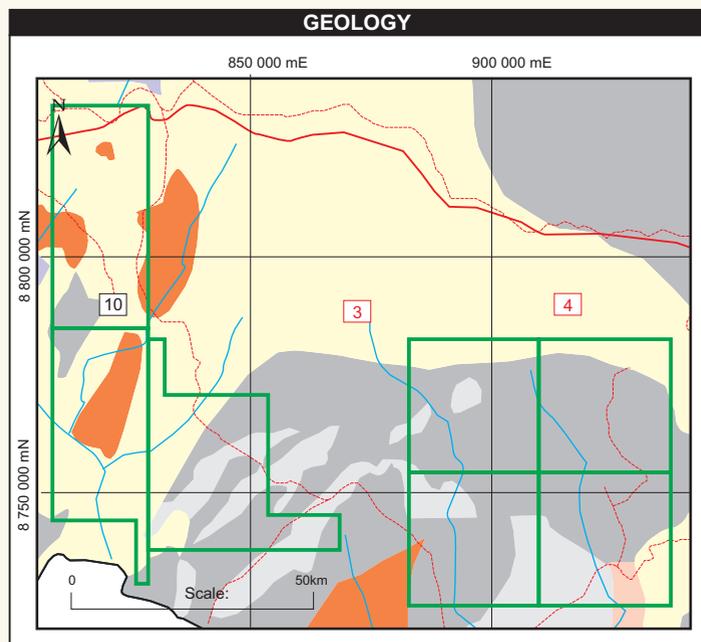


GENERAL LEGEND

- - - Dirt Track
- Precambrian
- K 7-8
- K 2 Coal
- K 1-3
- K 4-6
- Licences:**
- Licence Offer

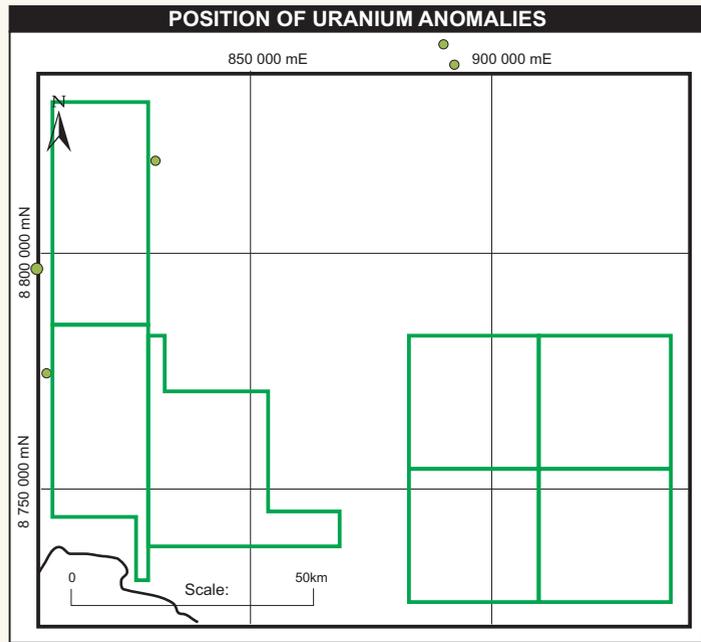
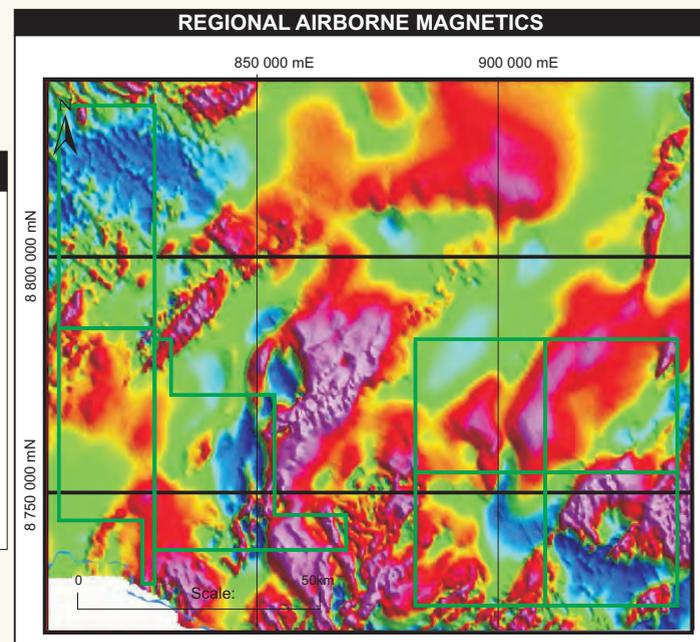
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SUMMARY OF GEOLOGY AND EXPLORATION TARGETS FOR THE SONGEA EAST BLOCK



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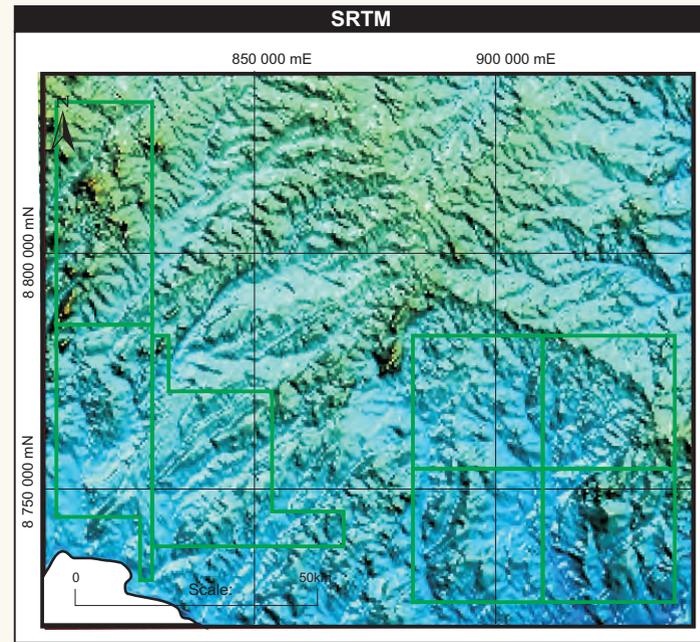
- Cenozoic Domains**
 - Undifferentiated continental sediments
 - Continental and lacustrine sediments
- Palaeozoic and Mesozoic Basins**
 - Karoo sediments, including coal deposits
- Mesoproterozoic Belts**
 - Orthogneiss suites
- Palaeoproterozoic Ubendian-Usagaran Belt**
 - Meta-igneous/sedimentary rocks with basement relics
- Archaean Basement**
 - Neoarchaean granitoid



GENERAL LEGEND

- Licences:**
 - Licence Application
 - Exploration Block
- General:**
 - Roads
- Exploration:**
 - Uranium 3rd Order Anomalies

| COALFIELDS | |
|------------------|----------------------------|
| 10 | Njuga |
| URANIUM PROJECTS | |
| 3 | Uranex - Mkuju |
| 4 | Uranium Resources - Mtonya |



This outcrop includes known K2 coal measures as well as younger Karoo K3-K4 developed seams. Neogene superficial deposits overlay large portions of these western applications which suggests greater scope for assessment of buried deposits.

No 1st or 2nd order radiometric anomalies have been identified within this block. Numerous low priority anomalies, associated predominantly with the Karoo and more recent superficial deposits have been identified in the western portion of the block in and around the Pinewood applications.

The potential of the area to host either buried coal or uranium deposits can only be assessed after field mapping has been conducted.

The Njuka Coalfield is the only documented coal occurrence in this exploration block and straddles the border between the Songea and Songea East exploration areas.

The terrain over the Karoo area appears to be relatively flat rolling hills with large granite hills surrounding the basin area. This area would be a certain coal target in this exploration block, pending the granting of the prospecting license applications.

Limited dirt tracks do allow access to the majority of the licence areas, however certain licences do appear remote and access may be a challenge. Certain areas may become inaccessible during the wet season.

9.5.6. Sampling Methodology, Sample Preparation and Security

No systematic sampling has been conducted by Pinewood on any of their licences to-date.

9.5.7. Sample Analysis, QA/QC and Data Verification

No systematic sampling has been conducted by Pinewood on any of their licences to-date.

9.5.8. Database Management

No dedicated data server exists for the Pinewood Project at present, however all project data with regards to licence status, co-ordinates, infrastructure and known anomalies/Karoo outcrops, is stored in MapInfo databases. Additionally this database and supporting files are backed up on an external hard-drive which is updated from time to time. To-date, no systematic sampling, drilling, or results have been completed on the project, although these data elements and interpretations thereof will also be included in this database. Given the level of advancement of the database, no independent audits have been conducted to-date.

Pinewood has undergone a conversion of data into a Maxwell Database system which serves the dual purpose of a database and as a secured server.

The licence metadata (dates, issues, fees, renewals etc.) is maintained by Ms Tasneem Ladha in a separate Microsoft Excel database at the head office in Dar es Salaam and is updated on a weekly basis. Venmyn conducted a high level audit of the licence database for accuracy and completeness against the original licensing documents at the head office and found no significant errors or discrepancies.

9.6. General Opinion on the Pinewood Project and Recommendations for Further Work

Pinewood is a new exploration company with active licences, offers and licence applications in areas that have not undergone any modern, systematic exploration. Consequently little is known about the specific coal and uranium mineralisation of the licences.

The Pinewood licences still require prioritisation, and a number of licence applications still require approval. Nevertheless, a preliminary desk-top review of the available historical geological information and a recent field reconnaissance and mapping exercise, summarised in this report (Section 9.5), supports the view that Pinewoods is developing a large portfolio of mineral assets in areas variably prospective for both uranium and coal.

During Venmyn's visit to the GST in Dodoma in February 2012, it was clear that the institution is a repository of a wealth of historical information, from detailed geological mapping and exploration exercises conducted between the 50's and 80's. Some of this information has been used in the compilation of this report, however it is clear that there remains a requirement for a more detailed literature and data review (specifically from the GST) to be conducted ahead of any further field work, and Venmyn recommend that this be commissioned ahead of the commencement of any field activities.

Additional geological mapping, specifically with the objective of identifying all Karoo outcrop, should commence on the top priority licences, possibly in conjunction with a remote sensing study. All areas in proximity to known uranium occurrences or radiometric anomalies should also be visited (with priority given to areas proximal to 1st and 2nd order anomalies) and mapped in order to confirm potential mineralisation settings and potential within the Pinewood licences. Exploration drilling should only commence on the receipt of positive results from the above.

No assessment of the mineralisation potential other than that of coal and uranium has been considered in this report as work programmes for coal and uranium are considered the primary objective for Pinewood at present. However given that the licences cover all minerals except building materials and precious stones, other commodities (including those associated with carbonatites, which are known in the areas) could be considered opportunistically based on field assessments and a detailed review of other deposit types in the area.

9.7. Risks

Pinewood's portfolio of coal and uranium assets constitute greenfields exploration projects, and are therefore, inherently exposed to normal operational risks associated with exploration projects. The success of the projects depends largely on successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

While Pinewood's projects are located in an emerging coal and uranium exploration hub, there are significant infrastructural challenges to overcome. Lack of adequate infrastructure is identified as a major challenge to the future development of the region. Pinewood is not immune to this, and should its prospecting continue to be successful and warrant development, significant attention will have to be paid to the projects infrastructure requirements. It is clear that the success of development of the MDC will be instrumental in mitigating these risks.

The majority of the licences within the Pinewood portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Pinewood licences and applications are however being managed by a competent team of personnel at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences. Pinewood will require a Mining Right before either coal or uranium can be mined.

The published coal qualities from historical exploration in the region, suggest that the coal could be amenable to the production of large quantities of coal that could meet power station specifications. However any successful coal operation in southwest Tanzania would be highly dependent on its ability to supply power stations in the area, and it follows, that Pinewood would be reliant on the construction of power stations in the region and securing off-take agreements with such power stations.

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on Pinewood's future operations, and potential revenue streams can also be affected by these factors.

9.8. Exploration Programme and Budget

Pinewood is a new exploration company, and exploration activities to-date have been limited to licence applications, third party licence acquisitions, desktop reviews and reconnaissance mapping and preliminary field inspections.

The Pinewood licences occur in an area in which a relative 'boom' in exploration (both for coal and uranium, but specifically uranium) is occurring. This, together with the initial prospectivity assessments conducted by Pinewood and Venmyn, justifies continued exploration activities within these areas.

An exploration programme has been proposed for the next 6 months, with a primary focus on uranium and a secondary focus on coal (which may change subject to relative success) which will include the following:-

- literature review and further desktop investigations;
- additional reconnaissance sites visits;
- aerial radiometric surveys covering 30,000 line kilometres or detailed ground radiometric surveys (with hand held Scintillometer and GPS); and
- detailed geological mapping with the use a scintillometer and sampling of all represented lithologies. Multi element ICP analysis of all samples. Licenses with noted coal occurrences flagged for detailed geological mapping.

The primary objective of this 6 month programme will be the generation of drilling targets for the next 12 month exploration programme. Only current Licenses and Offers have been considered for the next 6 month exploration programme. The total costs for the 6 month exploration programme is estimated at USD0.9m.

10. THE LAKE VICTORIA MINERAL ASSETS

10.1. Legal Tenure and Agreements

10.1.1. Prospecting Licences

The Lake Victoria Projects' portfolio of licences have been divided into six 'Blocks' based primarily on location, geology and historical activity conducted on the licences. These subdivisions each contain various licences at different stages of application, offer and activation (successfully granted). The full list of licences and status can be viewed in Appendix 2, including the third party licences. A summary of the licences is shown below in Table 12:-

Table 12: Summary of the Lake Victoria Project Licence Status

| PROJECT AREA | LICENCE STATUS | NUMBER OF LICENCES | CURRENT AREA (km ²) |
|-----------------------------|----------------|--------------------|---------------------------------|
| Lake Victoria Projects | Active | 23 | 360.04 |
| | Under Offer | 9 | 209.94 |
| | Applications | 98 | 2,015.71 |
| GRAND TOTAL LICENCES | | 130 | 2,585.69 |

The majority of the licences within the Lake Victoria Project portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Kibo licences and applications are however being managed by a competent team of personal at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences.

The Lake Victoria Projects have been sub-divided as follows (Figure 32):-

- the Mhangu Block;
- the Geita East Block;
- the Geita North Block;
- the Geita West Block;
- the Central Block; and
- the UN Road Block.

10.1.2. Mining Rights

No Mining Rights have been issued with respect to the Project.

10.1.3. Material Agreements

Kibo, through its various subsidiary companies (Figure 1), are subject to a number of 3rd Party Agreements, which together with their own licences, offers and applications have resulted in the consolidation of an extensive portfolio of licences in Tanzania.

Savannah Mining Limited (Savannah), have entered into a number of Vend-In Agreements with third parties (Table 13) over certain prospective licences in the Lake Victoria Projects area, in addition to making its own applications for licences. In general the terms of the various Vend-In Agreements are similar, providing for, inter alia:-

- 100% of rights to be vended into Savannah;
- various cash payments from Savannah up front, on the first and second anniversary of the agreement and a percentage of net smelter revenue from any future mine production or mining activity that could result from the respective properties; and
- Savannah assumes all operational control and expense commitments.

The exceptions to this are the Vend-In Agreements with State Mining Corporation and Ms. Tabitha Timothy, in which Savannah has acquired an initial 90% interest in certain licences. At later developmental stages of these projects (Economic Assessment and Mining), the vendors may be required to dilute further based on their funding contributions with a prescribed minimum free carry interest.

10.1.4. Environmental Provision

No environmental provisions have been made for the licences at this stage nor are any required at present. Should application for a Mining Licence be made however, the applicant must submit a feasibility report including environmental and health safeguards, plans for local sourcing of goods, services, employment and training of Tanzanians. The license holder must submit regular reports according to regulations.

Table 13: Summary of Active Vend-In Agreements

| VENDOR | ORIGINAL LICENCE INFORMATION | | | LOCATION |
|-------------------------------------|------------------------------|--------------|--------------|--------------------------|
| | PL NO | GRANTED DATE | EXPIRED DATE | |
| Adam Fadhili | PL 3012/2005 | 28-Jan-05 | 27-Jan-08 | Mulele River - Bukombe |
| Chubwa Vitas & Salma Mgalula | PL 3017/2005 | 28-Jan-05 | 27-Jan-08 | Muhuruma - Bukombe |
| Daudi Fadhili | PL 3154/2005 | 21-Apr-05 | 20-Apr-08 | Buzirayombo - Geita |
| Dismas Calist | PL 3046/2005 | 10-Feb-05 | 09-Feb-08 | Kwimba - Kwimba |
| Elizabeth Mbagu | PL 2772/2004 | 08-Oct-04 | 07-Oct-07 | Kirumwa - Geita |
| Emmanuel Jengo | PL 3015/2005 | 28-Jan-05 | 27-Jan-08 | Geita - Geita |
| | PL 3016/2005 | 28-Jan-05 | 27-Jan-08 | Kaniha - Bukombe |
| Gorge Athanas & Hussen Ally | PL 3007/2005 | 28-Jan-05 | 27-Jan-08 | Misungwi - Kwimba |
| Jaha Investment Limited | PL 2593/2004 | 16-Jul-04 | 15-Jul-07 | Kikiliji - Kwimba |
| John Fadhili | PL 2067/2002 | 20-Nov-02 | 19-Nov-05 | Bwanga - Biharamulo |
| | PL 2736/2004 | 08-Oct-04 | 07-Oct-07 | Igengi - Magu |
| Kikare Mining & Prospecting Limited | PL 2315/2003 | 05-Sep-03 | 04-Sep-06 | Bukwimba - Geita |
| | PL 2316/2003 | 05-Sep-03 | 04-Sep-06 | Buzimba - Geita |
| Kuruthum H. Kiumbe | PL 2823/2004 | 30-Oct-04 | 29-Oct-07 | Kitongo - Magu |
| | PL 2824/2004 | 30-Oct-04 | 29-Oct-07 | Kitongo - Magu |
| Manyama Makweba & Gasper Kusundwa | PL 2057/2002 | 19-Nov-02 | 18-Nov-05 | Nyehunge - Geita |
| Martedo investment Limited | PL 3011/2005 | 28-Jan-05 | 27-Jan-08 | Rwamagaza - Geita |
| Mineral Resources Company Limited | PL 1874/2002 | 21-Feb-02 | 20-Feb-05 | Nyamalimbe - Geita |
| Jonas Mrichiwa & Eustance Albert | PL 2049/2002 | 18-Nov-02 | 17-Nov-05 | Nundu - Kwimba |
| Rehema Buzohera | PL 2509/2004 | 10-May-04 | 09-May-07 | East geita - Geita |
| | PL 2650/2004 | 01-Sep-04 | 31-Aug-07 | Ushirombo - Bukombe |
| Remi Materu & Justina Matera | PL 3010/2005 | 28-Jan-05 | 27-Jan-08 | Mwamagala - Kahama |
| Sammy M. Abdala | PL 3071/2005 | 17-Feb-05 | 16-Feb-08 | Buzirayombo - Biharamulo |
| State Mining Corporation | PL 2397/2003 | 16-Dec-03 | 15-Dec-06 | Geita - Geita |
| Thabatha Timothy | HQ-P2045 | n/a | n/a | Geita - Geita |
| | HQ-P2046 | n/a | n/a | Geita - Geita |
| Thadei Francis Moshy | PL 3004/2005 | 28-Jan-05 | 28-Jan-08 | Bukondo - Geita |
| Widescope Promotion Limited | PL 3049/2005 | 10-Feb-05 | 09-Feb-08 | Fukalo - Magu |
| Ziko Farm Limited | PL 1959/2002 | 26-Aug-02 | 25-Aug-05 | Geita North - Geita |

Venmyn are advised that there are no other material agreements with respect to the Lake Victoria Projects.

10.1.5. Environmental Impact Assessment (EIA) and Other Environmental Considerations

No EIAs have been conducted on the licences at this stage nor are any required at present. Tanzania has established a National Environment Management Council and is drafting a general environmental legislation. At the moment, the only environmental consideration is establishing the proximity or overlap of any of the licences to Forest Reserves or Game Controlled Areas.

If licences fall within a Forest Reserve and Game Controlled Area, additional authorization must be sought from the Ministry of Natural Resources and Tourism (MNRT). In the case of the Lake Victoria Projects, several of the westernmost licences within the Savannah UN Road Block fall within a Forest Reserve (Kigosi Forest Reserve). Venmyn are advised that such authorisations have been granted and annual fees paid to cover the period of exploration. Since no exploration is currently being conducted on these licences no authorisations are required.

It is important to note that the Forests Ordinance Code permits mining in both reserved forest areas and on unreserved forest lands. Chapter 4.5 of the Environmental Handbook for Business for Tanzania as published by the Lawyers' Environmental Action Team (LEAT), highlights the current key environmental issues associated with exploration and mining. Requirements are currently addressed in each Mining Licence awarded but there are none for Prospecting and Reconnaissance Licences.

10.1.6. Other Legal Issues

Venmyn are advised that there are no legal disputes or other legal issues concerning the licences and/or applications of the Lake Victoria Project.

10.2. The Lake Victoria Projects Area

10.2.1. Location and Access

The Lake Victoria Projects comprise an extensive portfolio of licences within the LVG of northern Tanzania (Figure 32). These licences are scattered over a large area across the LVG and occur within the Mwanza, Shinyanga and Kagera provinces.

The licences represent early stage exploration properties, with licences having been variably sampled in order to identify first pass geochemical anomalies. While some of these licences have generated follow-up targets, a number of licences still require first pass sampling and assessment.

The licences can be accessed by a network of tarred and gravel roads, in varying states of repair. However, Venmyn found that consistent with the general development of the LVG, the regional infrastructure appears well maintained.

The southern and eastern licence areas are best accessed from the regional centre of Mwanza, by taking the national road south from Mwanza to Mabuki. At Mabuki a tarred road to the west leads to the Mhangu Block licence area and continuing to Mhangu will lead to a branch to the west from which the UN Road Block licences can be accessed.

The northern, central and western licence areas can be accessed from Mwanza by crossing the Mwanza Gulf by ferry at either Mwanza or at Busisi and a number of tarred roads branching from Sengerema. While some licences can be accessed from the primary tarred roads, most must be accessed from secondary dirt roads branching from the primary roads or even dirt tracks.

Low lying areas are often covered with thick deposits of black cotton soils ('mbuga'), which require four wheel drive vehicles to pass over in wet conditions, or which may be temporarily impassable.

There is a regional airport located at Mwanza, with daily flights to Dar es Salaam. Smaller airstrips are also located across the LVG.

10.2.2. Topography and Vegetation

The topography of the majority of the Lake Victoria Projects area is characterised by low lying granite hills and more prominent greenstone ridges set between intervening flat stretches of grass covered mbuga (Figure 33). The low lying areas are extensively cultivated and grazed. Woodland and thick bush occur over the granite and greenstone hills where this has not been cleared for farming. Perennial streams bisect the mbuga landscape and drain into Lake Victoria.

The southwesternmost licences occur in an area of indigenous forest comprised of Miombo Woodland, within the Kigosi Forest Reserve. This area is generally flat lying with shallow drainage depressions which drain into Lake Tanganyika. Small granite hills are present but these only represent 5% of the project area. Mbugas are formed along the majority of the rivers and their tributaries in the area.

10.2.3. Climate

This area is situated on the inland plateau and has a temperate climate with a single rainy season between November and April. Most rainfall is associated with thunderstorms. The average midday temperatures range from 26°C in April to 32°C in January and the average monthly rainfall figures vary from 5mm in July to a maximum of 190mm in April.

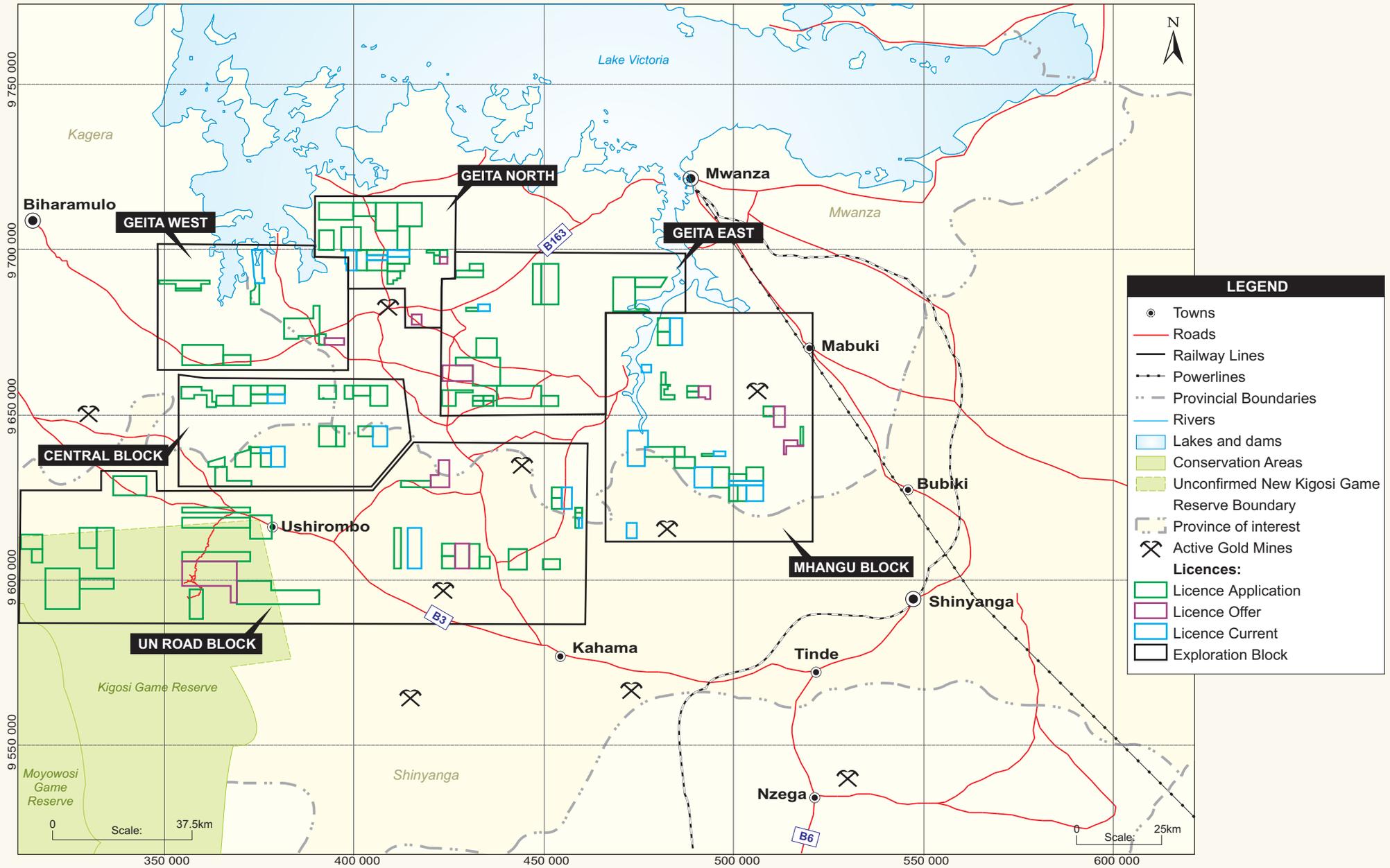
Exploration activities can be carried out year round, however, access to the wetland or marshy areas (and areas covered by mbuga) cannot be achieved during the rainy seasons posing a potential exploration risk.

10.3. Regional Geology and Mineralisation in the Lake Victoria Projects Area

The Lake Victoria Projects area is situated within the greater Lake Victoria Goldfield (LVG) of northern Tanzania, which consists of a number of east-west trending linear, greenstone belts (Figure 35). The greenstone belts of the LVG are separated by granite-gneiss terrains. The Lake Victoria Projects licences surround, straddle and occur within all the major greenstone belts in the LVG:-

LOCALITY, INFRASTRUCTURE AND LEGAL TENURE OF THE LAKE VICTORIA LICENCES

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INFRASTRUCTURE OF THE LAKE VICTORIA PROJECT AREA

DIRT ROAD TO MASISI



DIRT ROAD TO MAHENGA



FERRY ACROSS SMITH SUND



FERRY TERMINAL



TARRED ROAD NEAR BULYANHULU



FERRY ACROSS SMITH SUND



TOPOGRAPHY AND VEGETATION OF THE LAKE VICTORIA PROJECT AREA

METASEDIMENTARY RIDGE WITH MBUGA FLATS AND GREENSTONE HILLS IN BACKGROUND



GENERAL TOPOGRAPHY OF LVG - GREENSTONE HILLS



BIF HILL, MBUGA IN FLATS



BLACK COTTON SOILS (MBUGA)



LAKE VICTORIA OVER SMITH SUND



- the Geita Belt in the Geita West, Geita North and Geita East blocks;
- the Buhungukira Belt in the Mhangu Block;
- the Sarama-Rwamagaza belt in the Central Block; and
- the Ushirombo Belt in the UN Road Block.

The general prospectivity of the Lake Victoria Projects licences is improved further by the proximity of a number of the licences to known gold deposits and operating large-scale mines and artisanal workings.

The LVG is considered the third largest gold producing area of Africa, surpassed only by the Witwatersrand in South Africa and the Tarkwa region of Ghana. Numerous gold occurrences have been identified in the LVG, and new discoveries continue to be made. Since 1998, when the first mine (Golden Pride) was commissioned, five additional large scale mines (Geita, Bulyanhulu, North Mara, Buzwagi and Tuluwaka) have begun production. Geita and Bulyanhulu are considered world-class deposits, together comprising in excess of 35Moz of gold resources.

The greenstone belts comprise mafic volcanic rocks, pyritic sediments, tuffs, banded iron formation (BIF) and iron formation, chert, and felsic volcanics (in sequence). Collectively these rocks are known as the Nyanzian Group. Metamorphism of Nyanzian Group rocks is generally of lower to middle greenschist facies, and two major deformational episodes have been interpreted. Amphibolite facies metamorphic rocks are exposed in the western portions of the belt near Tulawaka Mine, but in general higher grade metamorphic complexes are rare.

The greenstone rocks are considered to be of Achaean age having geological and structural similarities to major gold districts in the Canadian Shield (Val d'Or, Kirkland Lake) and the Yilgarn Craton in Western Australia (Kalgoorlie, Laverton, Leonora, Kambalda & Southern Cross).

Gold mineralisation within the LVG occurs in a number of geological environments, including:-

- quartz veins within minor brittle lineaments, most commonly worked on a small scale by artisanal workers due to their limited extent and erratic gold distribution;
- major ductile shear zones, such as at Bulyanhulu;
- replacement of BIF and ferruginous sediments, such as at Golden Pride and Golden Ridge; and
- felsic (porphyry) hosted mineralisation, such as within the Rwamagaza Greenstone Belt.

Regardless of the geological environment, it is accepted that structural control on the emplacement of the mineralisation is critical. The following structural features have proven to be important targets for gold mineralisation:-

- structural lineaments trending at 120°;
- flexures and splays to the 120° trend (such as at Golden Pride);
- structural lineaments at 70° (such as at Golden Ridge); and
- granite-greenstone contacts (such as at the Ushirombo and Rwamagaza Greenstone belts).

It follows that key aspects to any exploration programme within the LVG, are identifying high potential geological and structural environments consistent with the above.

Figure 36 illustrates some of the geological formations and features that were encountered by Venmyn during their site visit to the Lake Victoria Projects area (within the Mhangu Block).

10.4. Historical Exploration

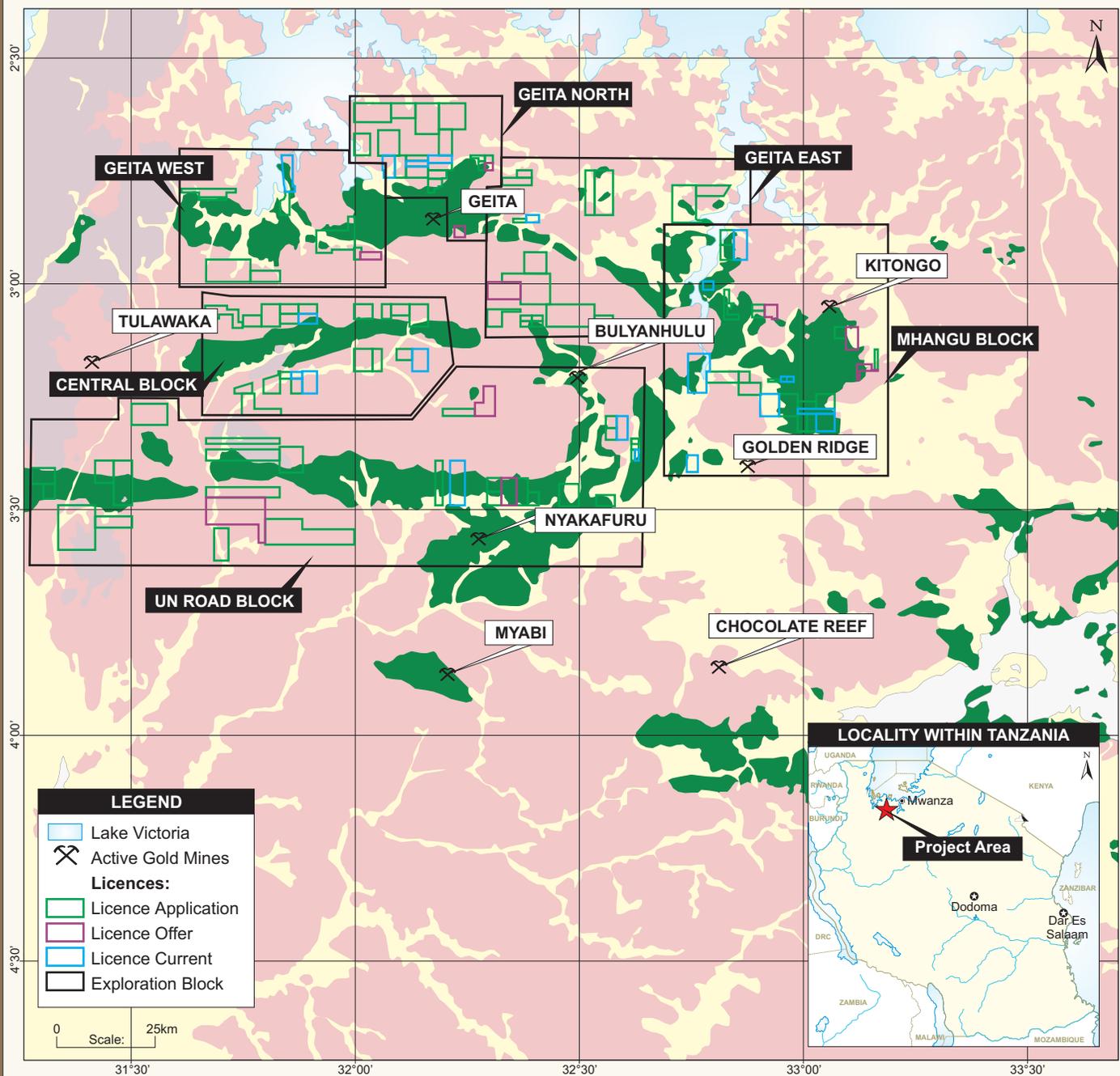
Although the LVG has been extensively prospected by a number of companies over many years, no historical exploration results have been made available for the Lake Victoria Projects licence areas. However, the LVG is a large gold province and exploration and mining activities are taking place on numerous adjacent properties.

10.5. Recent Exploration

By 2007, most of the licences had been visited and pitting programs completed to assist with understanding the properties and devising future exploration strategies.

The licences were then prioritised and ranked according to such factors as field condition reviews, areas with known anomalous soil values, surrounding mines, accessibility, topography and availability of various satellite and geophysical imagery. Once ranking was completed, a number of these licences were then sampled using hand and mechanical augers as well as manual soil sampling at various spacings and sampling densities.

REGIONAL GEOLOGY AND STRATIGRAPHY OF THE LAKE VICTORIA PROJECTS AREA



LEGEND:

GEOLOGICAL LEGEND:

- | | |
|---|---|
| <p> Cenozoic Mbuga-Clay - Alluvial deposits from Holocene and fossil streams and lake deposits of Proto-Lake Tanganyika</p> <p> Proterozoic Bukuban System, undifferentiated (siliceous siltstone and buff shale, intruded by basic sills; conglomerate, gritstone, quartzite, ferruginous sandstone; on the pediment plain usually bleached)</p> | <p> Archean Greenstone Belt Nyanzian system, including:- - Flyschoid sediments and metamorphic equivalents (greywacke and shale; slate and schist) - Acidic volcanics (rhyolite, dacite and associated tuff) - Basic volcanics and metamorphic greenschists (tholeiite basalt, amphibolite, horn blende and chlorite schist)- Banded Ironstone Formation (BIF) (prominent crests and ridges) interbedded with shale - Migmatite facies</p> <p> Granitoid Shield Granite / Gneiss complex undifferentiated including K-rich late kinematic Nyanzian intrusives</p> |
|---|---|

PHOTOGRAPHS OF THE GEOLOGY OF THE LAKE VICTORIA PROJECTS AREA

METAVOLCANICS AT SMITH SUND



METASEDIMENTARY RIDGE AT SMITH SUND



METASEDIMENTS AT SMITH SUND - CONGLOMERATE



BANDED IRON FORMATION (BIF) - TIGHTLY FOLDED



LATERITE WITH BIF FRAGMENTS



BIF WITH QUARTZ VEINING



BIF OUTCROP



TRENCH ON TOP OF BIF RIDGE - ANOMALOUS GOLD VALUES FROM SOIL SAMPLING



The results of these subsequent soil/auger sampling campaigns were compiled and collated, culminating in the creation of the Savannah GIS Database.

This digital GIS database includes all primary data elements, observed and measured, including all pitting, augering and soil sampling results, as well as previous data resources acquired digitally and in hard copy from various sources at the Tanzanian Geological Survey (TGS) used to rank the licences including:-

- regional geology covering the full extent of the Lake Victoria Projects properties;
- regional aeromagnetics covering the full extent of the Lake Victoria Projects properties (maximum 1.0km spacing, some areas much higher resolutions);
- Landsat imagery including an RGB band and an FeO enhanced combination band;
- an SRTM Digital Terrain Model (DTM); and
- a mineralisation database highlighting known mines, deposits, reefs and artisanal workings.

All sampling, to-date, within the Lake Victoria Projects properties, has been done at a reconnaissance level only and therefore confidence in these unsophisticated and low level of detail results is low. Any inferences made from these results would be of low confidence as this work was primarily directing future targeting. Follow-up in-fill soil sampling was conducted on four PLs within the Mhangu Block in the last quarter of 2011 and the first quarter of 2012, no more detailed work has been completed since this in-fill campaign.

The sections below summarise the work conducted in each block to-date, as well as the results achieved and their significance with respect to on-going exploration work.

10.5.1. Mhangu Block

Initial exploration within the Mhangu Block was in the form of pits. These pits were dug in an attempt to understand the regolith and assist in devising a sampling strategy at an early stage. The position of these pits is indicated in Figure 37.

All the pits were sampled, however no significant gold values greater than 10ppb were returned with the exception of a sample from a single pit, which returned a gold value of 425ppb.

The methodology, preparation, analysis and QA/QC for the pitting program were not reported on during the activity and are not presented here. However, given that the nature of the pitting was to direct future interests and to provide an initial understanding of the regolith, Venmyn feels this is not a pertinent deficiency.

Subsequent to the pitting program, reconnaissance geochemical regional soil sampling was conducted with internally ranked licences prioritised. According to internal reports both auger and soil samples were taken on the licences and applications within this block. The reader is referred to Section 10.5.7 and Section 10.5.8 for details on methodology and assaying.

Figure 37 demonstrates that soil sampling has focussed on those areas associated with mapped greenstone lithologies. Anomalous results were encountered in several regions as illustrated in Figure 37 and it was the following regions that were targeted heavily in this first regional soil sampling campaign:-

- the northernmost licence and its associated renewal licences contains outcropping greenstone and granitoid lithologies along the edge of Lake Victoria, at Smith Sund, with an associated short ranged magnetic anomaly according to the regional airborne magnetic survey. Anomalous gold-in-soil sample results are closely associated with the mapped greenstone lithologies. A nearby locality of known mineralisation or 'gold deposit' (Buhingo) located to the west of the licence adds to the overall prospectivity of the licence area;
- the central western applications contain outcropping greenstone along the edge of Lake Victoria with an associated structurally complex and variable magnetic anomaly according to the regional airborne magnetic survey. Anomalous gold-in-soil sample results are closely associated with the mapped greenstone lithologies. A nearby gold deposit (Nyamtukusa), to the west, adds to the overall prospectivity of the licence area; and
- the southern licences, associated renewal licences and applications show a widely mineralised area with few known gold deposits. These licences are associated with significant outcropping greenstone and lesser granitoid lithologies. Anomalous soil sample results are generally closely associated with the mapped greenstone lithologies. Vastly contrasting magnetic survey results, indicate an interesting lithological sequence in the area. This, together with the anomalous gold-in-soil sample results, increases the prospectivity of the licence area.

Follow-up in-fill soil sampling was conducted in the last quarter of 2011 and the first quarter of 2012 with the objective of possibly delineating near-term drilling targets based on strongly positive results. The areas and results of this follow-up in-fill soil sampling are as follows and are included in Figure 37:-

- PL 5243 on the central western application area in the Mhangu Block. 180 soil samples were submitted for multi-element assays, however, poor results were obtained with only 2 samples returning Au results greater than 10ppb;
- PL 6283, PL 7589 and PL 7590 all in the southern and south western licences in the Mhangu Block. These returned more promising results confirming the previous soil sampling anomalies. 397 in-fill soil samples were submitted for multi-element assays on PL 6283 with 223 samples returning Au results greater than 10ppb of which 7 were greater than 50ppb and of which 2 were greater than 100ppb. 266 in-fill soil samples were submitted for multi-element assays on PL 7589 with 91 samples returning Au results greater than 10ppb of which 4 were greater than 50ppb and of which 1 was greater than 100ppb. 397 in-fill soil samples were submitted for multi-element assays on PL 7590 with 54 samples returning Au results greater than 10ppb of which 12 were greater than 50ppb and of which 3 were greater than 100ppb.

The Mhangu Block is composed of numerous known 'gold deposits' and has sustained artisanal interest in many parts as witnessed by Venmyn who visited most of the licences hosting anomalous geochemical results. Indeed, several other small gold discoveries have been made in the Mhangu Block in recent years including Luhala, Mwamazengo and Kitongo of several hundred thousand ounces Au each. However, only limited outcrops occur in this area and anomalous soil sample results are closely correlated with mapped greenstone lithologies. Additionally, the regional aeromagnetic data indicates that there is a host of interesting structures below the surface of a number of the licences with several linear and non linear anomalies apparent.

Venmyn's interpretation is that this block has good prospectivity, and considers that detailed follow-up sampling work should be continued and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences, especially those discussed above which have proven positive through two rounds of soil sampling. Site visits to all other licences should also be undertaken in order to re-prioritise the licences for this follow-up work.

10.5.2. Geita East Block

Initial exploration within the Geita East Block was in the form of pits. These pits were dug in an attempt to understand the regolith and assist in devising a sampling strategy at an early stage. The position of these pits is indicated in Figure 38. All the pits were sampled. However, no anomalous gold results were recorded.

Subsequent to the pitting program, reconnaissance geochemical soil sampling was conducted with internally ranked licences prioritised. According to internal reports only auger samples were taken on the applications within this block. The reader is referred to Section 10.5.7 and Section 10.5.8 for details on methodology and assaying.

Figure 38 demonstrates that auger sampling has only been carried out in the northeastern licences, focussed on those areas associated with mapped greenstone lithologies.

Venmyn has visited and traversed this block several times on past trips to Tanzania and is familiar with the area.

Anomalous results were encountered in only one region within this block as illustrated in Figure 38:-

- the northeastern applications did not form part of the original pitting campaign yet returned the most anomalous gold results for this block. The area is characterised by few outcrops of granitoid lithologies. Subcrop is represented mostly by granitoid and later Cenozoic sediments with several known greenstone subcrops. No significant magnetic anomalies or known gold deposits are associated with these licences although several auger samples returned gold values in excess of 500ppb.

The Geita East Block remains largely un-sampled. Only a small portion of the total geology outcrops in this area, mostly defined by a westnorthwest-east-southeast greenstone ridge which also features strongly on the aeromagnetic map with parallel features which have no apparent surface interpretation.

Venmyn consider that insufficient reconnaissance work has been conducted on these licences to make any definitive assessment of prospectivity, other than in the northeast which is considered to have good prospectivity given the anomalous gold-in-soil sample results.

Venmyn considers that follow-up sampling work and geological and structural mapping should be carried out on the northeastern licences, and that reconnaissance soil/auger sampling should be carried out on all other licences over mapped greenstone lithologies. Site visits to all licences should also be undertaken in order to re-prioritise the licences for this follow-up and reconnaissance work.

10.5.3. Geita North Block

No initial pitting program was initiated on the Geita North Block. However, reconnaissance auger samples were taken on the several of the third party licences within this block. The reader is referred to Section 10.5.7 and Section 10.5.8 for details on methodology and assaying.

Figure 39 demonstrates that auger sampling has only been carried out in the central licences. Of significance is that this area, as are most licences within this block, is underlain predominantly by granitoid lithologies.

Venmyn has visited and traversed this block several times on past trips to Tanzania and is familiar with the area. Anomalous gold results were encountered in only one region within this block as illustrated in Figure 39:-

- the centrally located collection of third party licences contains outcropping granitoid lithologies along the northern border of the licences but is otherwise completely underlain by sub-cropping granitoid lithologies. An associated short ranged aeromagnetic anomaly suggests some structural or mineralogical complexities to the southeast of these. All known gold deposits occur to the south of the licence area within the greenstone lithologies.

The Geita North Block remains largely un-sampled, and Venmyn consider that insufficient reconnaissance work has been conducted on these licences to make any definitive assessment of prospectivity.

The licence under offer in the south is of particular significance as it is associated with greenstone lithologies and is in close proximity to a number of known gold deposits, including the famous Geita Mine.

Venmyn considers that reconnaissance soil/auger sampling and geological and structural mapping should be carried out on all the licences, focussing on those associated with mapped greenstone lithologies and major structural trends. Site visits to all licences should also be undertaken in order to re-prioritise the licences for this reconnaissance work. The licence under offer is an obvious priority.

10.5.4. Geita West Block

Initial exploration within the Geita West Block was in the form of pits. These pits were dug in an attempt to understand the regolith and assist in devising a sampling strategy at an early stage. The position of these pits is indicated in Figure 40. All the pits were sampled. However, no anomalous gold results were recorded.

Subsequent to the pitting program, reconnaissance geochemical soil sampling was conducted with internally ranked licences prioritised. According to internal reports both auger and soil geochemical samples were taken on the licences and applications within this block. The reader is referred to Section 10.5.7 and Section 10.5.8 for details on methodology and assaying.

Figure 40 demonstrates that sampling has covered large portions of the licences and applications, having been focussed on those areas associated with mapped greenstone lithologies and granitoid lithologies associated with structural trends.

Venmyn has visited and traversed this block several times on past trips to Tanzania and is familiar with the area. Anomalous results were encountered in several regions within this block as illustrated in Figure 40:-

- the southwestern licence and its associated renewal licences contains no outcropping lithologies, but is interpreted as being underlain almost entirely by granitoid subcrop, and to a lesser extent some recent Cenozoic deposits and only a small fraction by greenstone. The airborne magnetic survey indicates substantial differential magnetic anomalies in this area with a regional northeast-southwest trend. These structural anomalies are consistent with interpreted faults and shears on the geological map.

- no known gold deposits are found in proximity to these licences, however a number of anomalous gold results from the soil and auger samples taken from the area increase the prospectivity of these licences;
- the northernmost licence and its associated renewal licences is associated with little outcropping lithologies but is interpreted as being underlain by greenstone and granitoid lithologies. Vastly contrasting magnetic survey results indicate extensions of the northeast-southwest structures identified in the southwestern licences. No known gold deposits are found in proximity to these licences, however a number of anomalous gold results from the soil and auger samples taken from the area increase the prospectivity of these licences; and
- the easternmost licence and its associated renewal licences also contains little outcrop but is also interpreted as being underlain by granitoid lithologies with minor greenstone in the north of the licence. Significant soil and auger sampling traverses yielded only one anomalous gold value in the order of 10-50ppb. Regional airborne magnetic data suggests significant structural complexity in this licence area which requires further investigation. A number of known gold deposits occur to the north of these licences.

The Geita West Block is composed of numerous known gold deposits and has sustained artisanal interest in many parts. Only limited outcrops occur in this area, however anomalous gold-in-soil sample results are closely correlated with mapped greenstone lithologies and granitoid lithologies associated with major structural anomalies.

Venmyn's interpretation is that this block has good prospectivity, and considers that detailed follow-up sampling work and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences. Site visits to all licences should also be undertaken in order to re-prioritise the licence for this follow-up work.

10.5.5. Central Block

Initial exploration within the Central Block was in the form of pits. These pits were dug in an attempt to understand the regolith and assist in devising a sampling strategy at an early stage. The position of these pits is indicated in Figure 41.

There has, to-date, been no additional exploration work on the newly demarcated Central Block.

The Central Block remains largely un-sampled, and Venmyn consider that insufficient reconnaissance work has been conducted on these licences to make any definitive assessment of prospectivity. Numerous known gold deposits, found in close proximity to the licences, are all closely associated with greenstone lithologies and structural anomalies.

Venmyn considers that reconnaissance soil sampling should be carried out on all licences over mapped greenstone lithologies and granitoid lithologies with interpreted structural anomalies. Site visits to all licences should also be undertaken in order to re-prioritise the licences for this follow-up and reconnaissance work.

10.5.6. UN Road Block

No pitting has been conducted on the UN Road Block, although reconnaissance auger samples have been taken on a limited number of the licences in the southeast. The reader is referred to Section 10.5.7 and Section 10.5.8 for details on methodology and assaying.

Venmyn has visited and traversed this block several times on past trips to Tanzania and is familiar with the area. Anomalous gold results were encountered in only one region within this block as illustrated in Figure 42:-

- the southeastern licence and its associated renewal licences contains outcropping greenstone with an associated short ranged magnetic anomaly. A known, but unnamed, gold deposit is found within the borders of this licence in the north, associated with the greenstone, which increases the prospectivity of this licence area.

Follow-up in-fill soil sampling was conducted in the last quarter of 2011 and the first quarter of 2012 with the objective of possibly delineating near-term drilling targets based on strongly positive results. The areas and results of this follow-up in-fill soil sampling are as follows and are included in Figure 37:-

- PL 5243 on the eastern application area in the UN Road Block. 180 soil samples were submitted for multi-element assays however poor results were obtained with only 2 samples returning Au results greater than 10ppb;

The UN Road Block is composed of numerous known gold deposits and has sustained artisanal interest in many parts. Only limited outcrop occurs in the southeast of the area, and the block in general remains largely un-sampled. Anomalous soil sample results have been documented in the southeast, closely correlated with mapped greenstone lithologies.

Given the large amount of interpreted greenstone lithologies within many of the licences and known gold deposits, Venmyn consider that this block has good prospectivity, albeit that only limited sampling has been conducted to-date. It is therefore recommended that reconnaissance sampling be conducted over all licences with interpreted greenstone lithologies and structural anomalies. While geological and structural mapping is also recommended, the lack of outcrop may be an impediment. Site visits to all licences should also be undertaken in order to re-prioritise the licence for this follow-up work.

10.5.7. Sampling Method

Reconnaissance sampling focussed on collecting and assaying soil samples in order to identify follow-up targets. This dataset of soil samples was collected either as:-

- conventional soil samples where the regolith was easily excavated;
- or auger samples where the regolith could not easily be excavated, in which case either a hand auger was used for softer regolith or a Cobra MK1 mechanical auger was used for harder regolith.

The targeted sample mediums, in order of preference were pisoliths, ferricretes, mottled regolith zones and saprolites.

Sampling grids were set up at either 400m by 100m line/sample spacing, or where suitable soil conditions provided, a 200m by 50m line/sampling grid was used.

In general, sampling positions were determined and planned before sampling along specific sample lines. A handheld GPS was used in the field to site sampling positions with an expected accuracy of <10.0m. These positions were delineated on sampling sheets going into the field so that each sample location had a planned sample number allocated and once collected an actual number which was accompanied by a pre-printed corresponding sample ticket. Samples not collected were indicated as such and the reason completed on the sheet. This ensured integrity of the data for later GIS modelling and served as a means of verification after the fact if a mix-up occurred. Sampling sheets also included fields for sample type, soil type, actual co-ordinates and other comments to ensure quality and representivity of samples and data. No identifiable sample biases occurred.

These sampling sheets were further supported by detailed soil sampling sheets including all relevant metadata: sample number, sample type, co-ordinates, colour, average grain size, soil type, depth, slope angles, wet/dry condition, date, sampler, blank-standard-duplicate QA/QC fields and comments.

While sampling could not be inspected by Venmyn (as no sampling was being conducted at the time of their site visits), documents detailing the sampling procedure were provided and reviewed by Venmyn. The basic methodology reviewed was:-

- confirm sample positions and collect GPS co-ordinates of actual sample site (within 5.0m of planned pit site);
- a pit of 500x500mm is dug at least 300-750mm deep before soil sampling commences. A representative sample is taken diagonally from both sides across the bottom of the sample pit, or excavated with an auger;
- sample is sieved through a 2mm sieve until maximum of 2.0kg is collected in a plastic sheet and then poured into a plastic bag and labelled with a sample ticket tab;
- sieves, shovels, soil picks and the plastic sheet are cleaned with a brush and water between each sample;
- sample sites are closed with remaining material and flagged with tape for future purposes;
- all samples are taken to the sample shed/field camp at the end of the day and placed in numerical order; and
- field sheets are captured and verified by a peer into Microsoft Excel at the end of each day.

Samples were placed in sequence in groups of 5 and 10 samples (depending on weight) into large Hessian bags.

Each Hessian bag was labelled with a batch number, sample from and to, and project name. 300-500 samples at a time were dispatched to the Mwanza offices and were accompanied by a sample field dispatch sheet indicating sample numbers in each hessian bag, total number of samples per lot, project and licence name.

10.5.8. Laboratory Analyses

While the analysis of the samples could not be inspected by Venmyn (as no analysis was being conducted at the time of the review), documents detailing the analytical, QA/QC and database management procedures were provided and reviewed by Venmyn.

Preparation and analysis was performed by the accredited (T0387) ALS Chemex South Africa (Pty) Ltd (ALS SA) located in Johannesburg South Africa.

10.5.8.1. Sample Preparation and Analysis

All samples were dried at 110°C-120°C in electric ovens and submitted for total pulverisation using an oscillating jaw crusher followed by a rotary ring pulveriser to > 5% passing 75µm with sizing tests performed every 20 samples to maximise representivity of samples. Barren wash material is used to clean out all sample preparation equipment between batches. The likelihood of inadequate or non-representative samples is low and the appropriateness of this sample preparation technique is suitable for the types of sample and grain size.

A 50g sample aliquot is used to analyse for low level gold utilising a Fire Assay methodology (1ppb accuracy threshold) by ICP-AES. This is a total technique, the nature, quality and appropriateness of which is accepted as suitable for the type of sample being analysed.

10.5.9. Security

Samples were stored at the office until dispatch to the laboratory. The soil pulps/rejects were collected from the lab and taken to storage under covered tarpaulins in the office yard in Mwanza. Once at the laboratory, the samples were subject to the standard security measures of the laboratory.

10.5.10. QA/QC

The dispatch forms provided by ALS SA were reportedly completed by the Project or Senior Geologist in Mwanza who accounted for all samples. Random samples, in the order of 5%, were selected for a second laboratory check. All check samples were then recorded on the ALS SA laboratory dispatch sheet. Once all samples were accounted for and entered into the database, field QA/QC samples were placed in pre-allocated locations with every 10th being a blank, every 20th sample a standard and every 30th sample a duplicate of the previous sample which was collected in the field as per the sampling procedures.

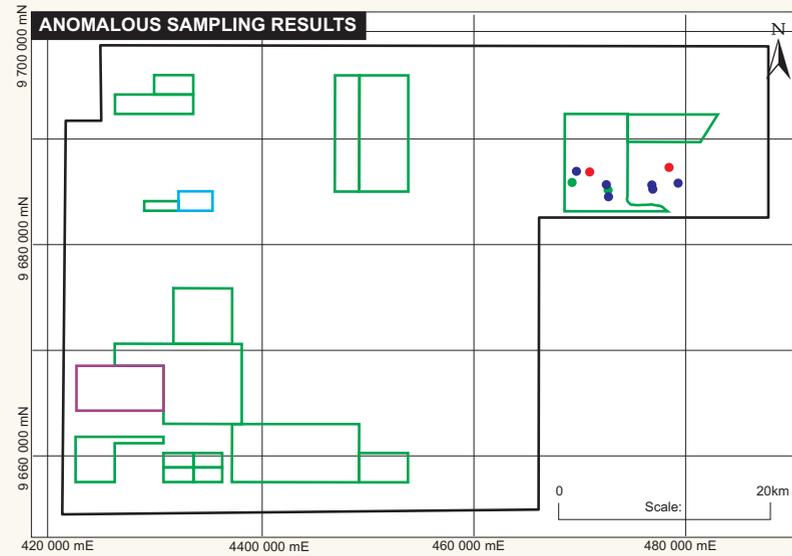
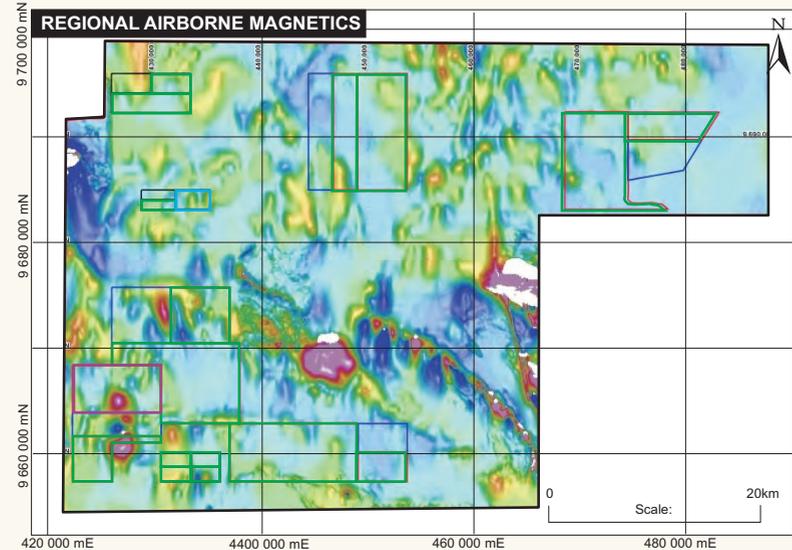
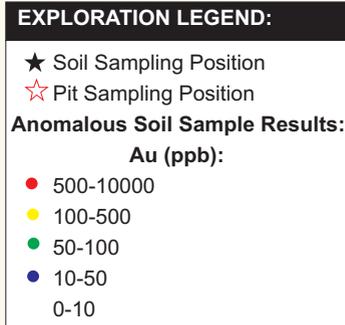
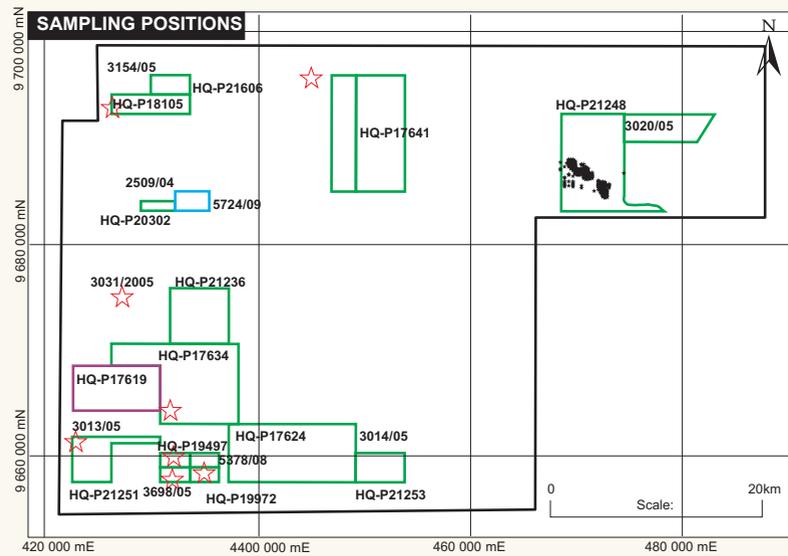
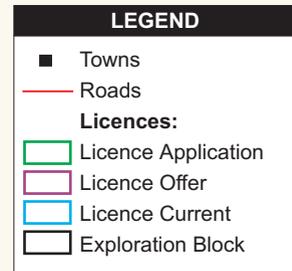
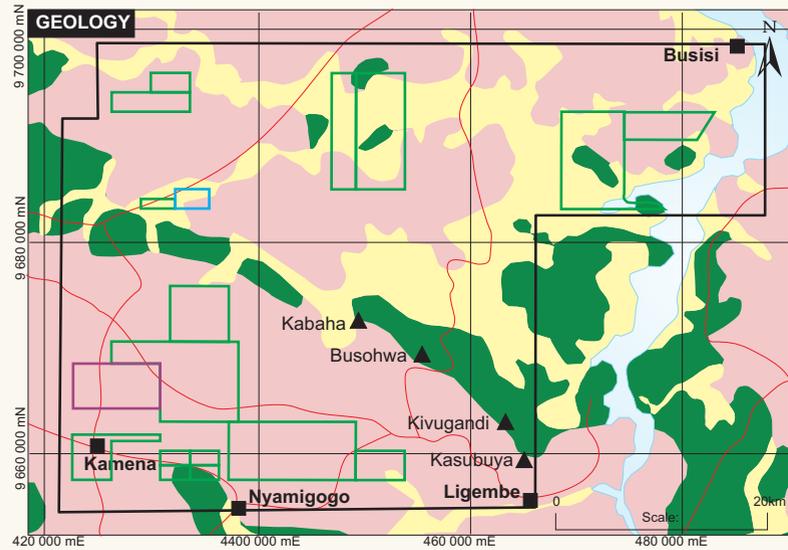
Random samples, in the order of 5%, were selected for a second laboratory check. All check samples were then recorded on the ALS SA laboratory dispatch sheet. Once all samples were accounted for and entered into the database, field QA/QC samples were placed in pre-allocated locations with every 10th being a blank, every 20th sample a standard and every 30th sample a duplicate of the previous sample which was collected in the field as per the sampling procedures.

QA/QC at the laboratory was facilitated by the LIMS system of using barcodes and scanning to document the complete chain of custody for every stage in the laboratory preparation and analysis. No detail as to the ratio of internal standards, blanks and duplicates utilised by the lab were presented to Venmyn, although, evidence of these having been used were presented in the laboratory certificates reviewed by Venmyn and appear to be conducted at an appropriate level to ensure quality of results. Failed batches are re-analysed and a selection of re-tests were examined by Venmyn with no material irregularities.

A statistical evaluation of the QA/QC programme by Protocol Exploration and Mining Service Ltd was conducted in 2008 which has been reviewed by Venmyn. The results were satisfactory for this stage of exploration with blanks performing well, standards performing acceptably and duplicates performing well for values >30ppb but poorly at or near detection levels 1ppb.

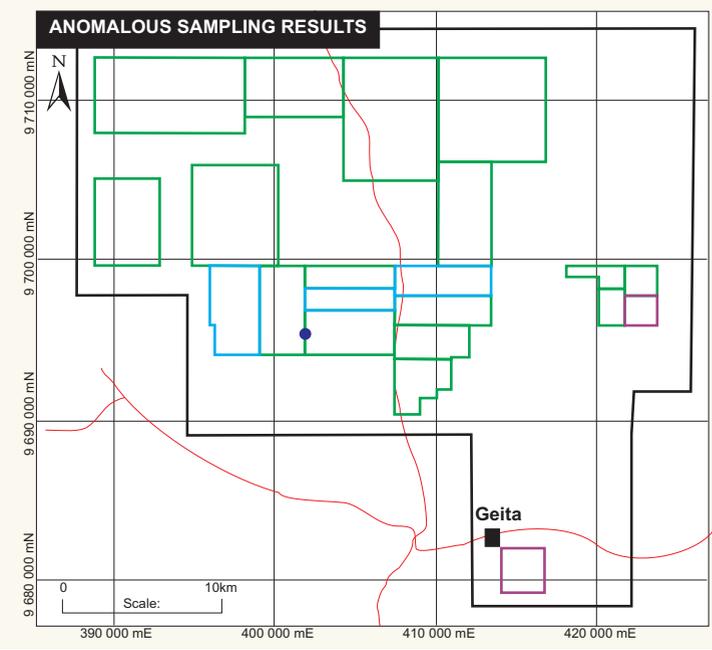
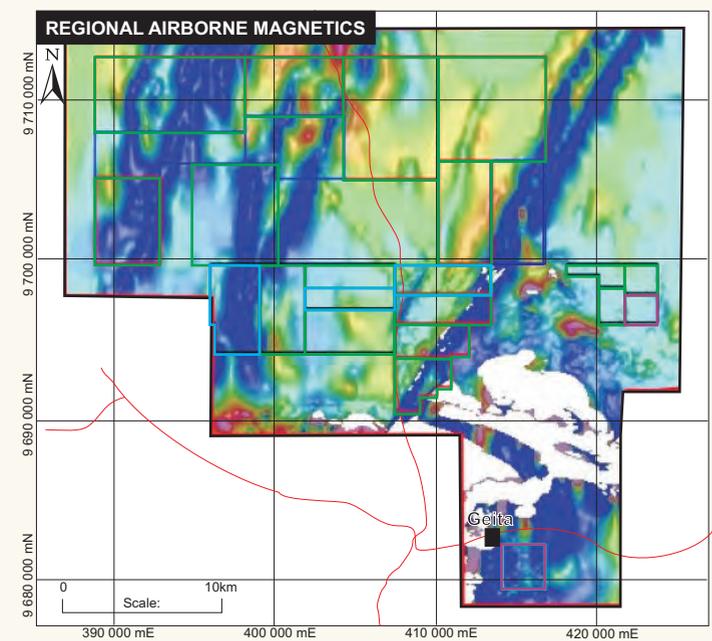
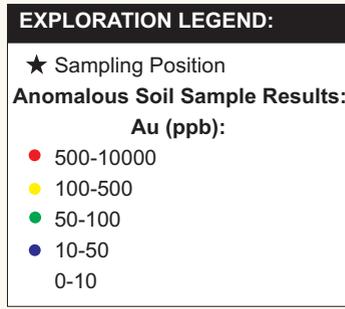
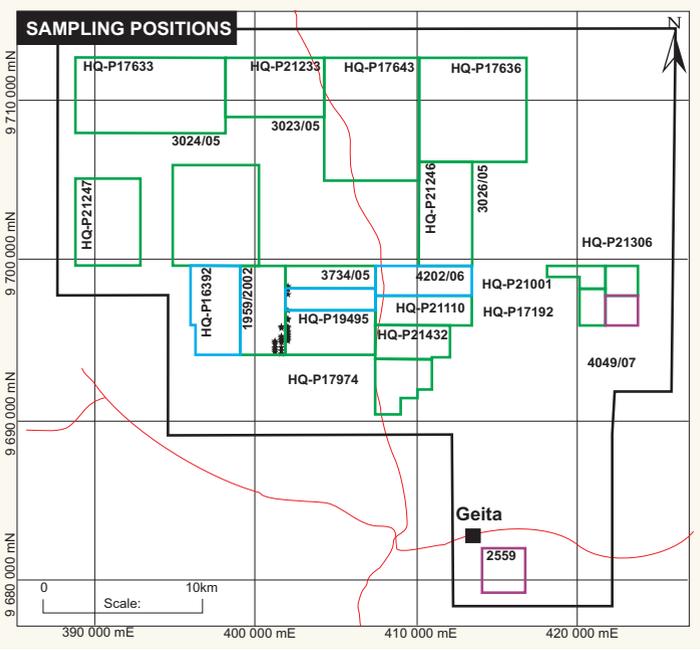
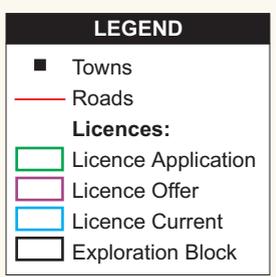
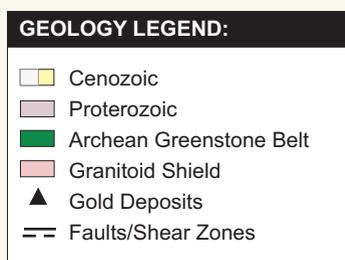
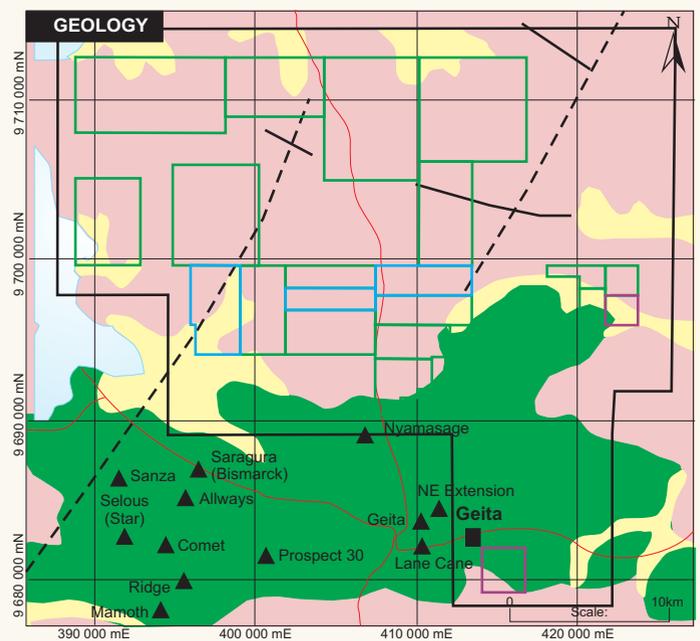
SUMMARY OF RECENT EXPLORATION FOR THE GEITA EAST BLOCK

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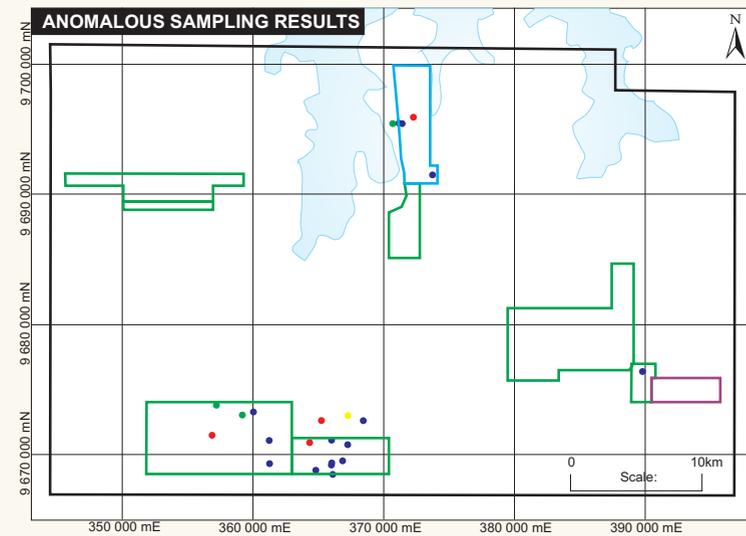
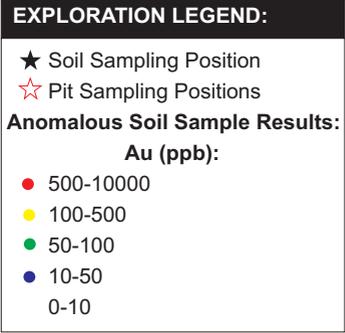
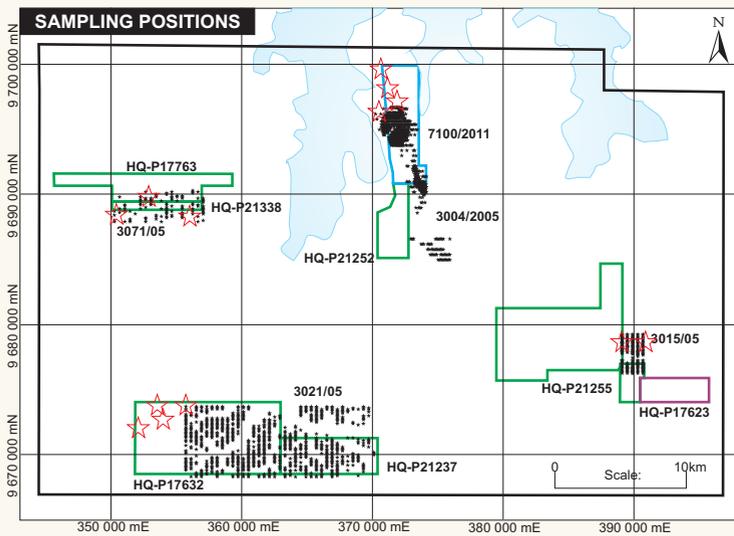
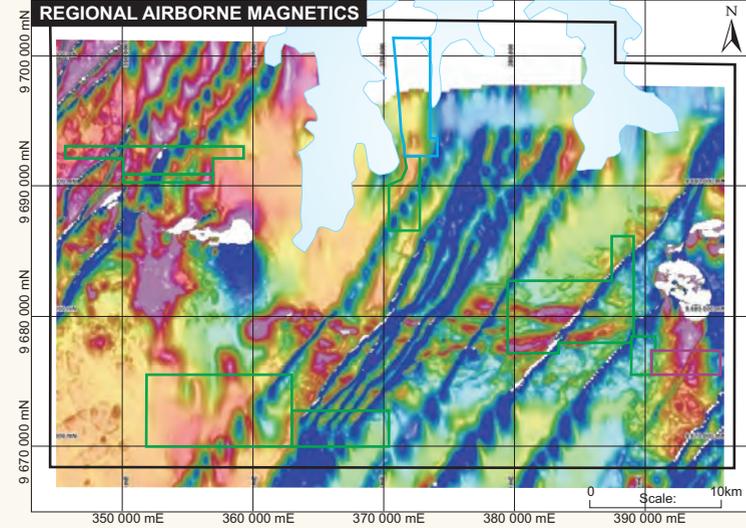
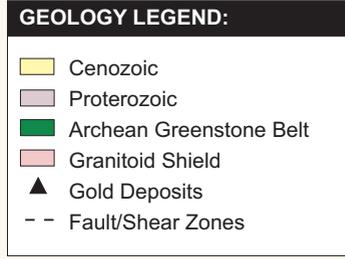
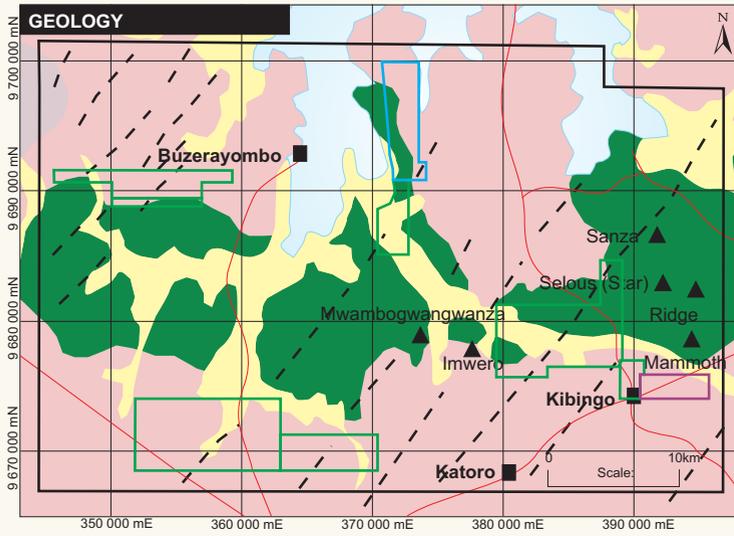
SUMMARY OF RECENT EXPLORATION FOR THE GEITA NORTH BLOCK



SUMMARY OF RECENT EXPLORATION FOR THE GEITA WEST BLOCK

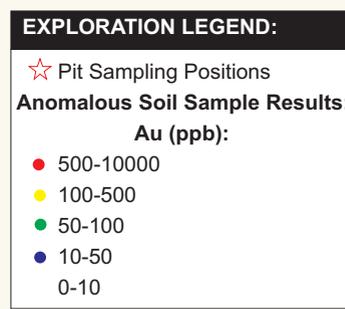
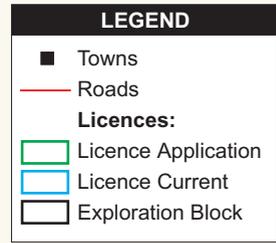
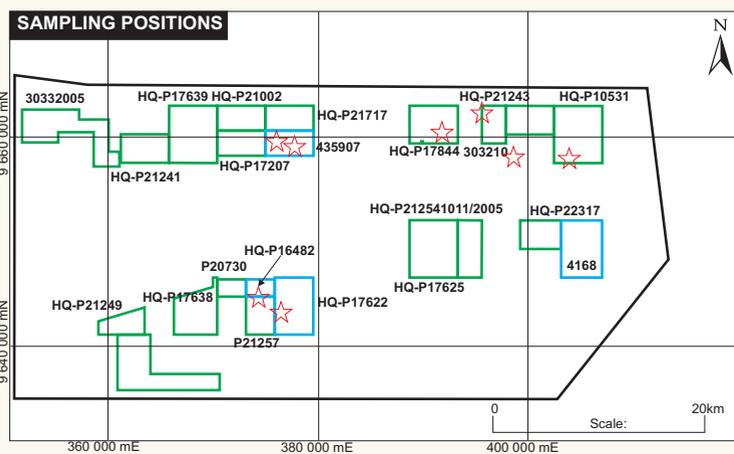
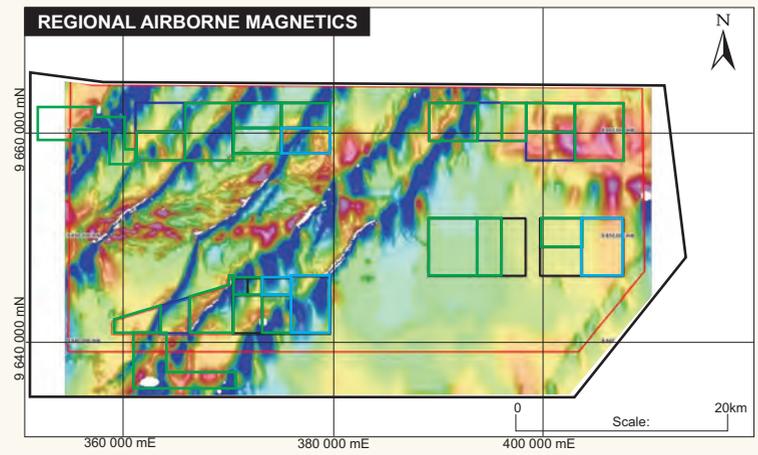
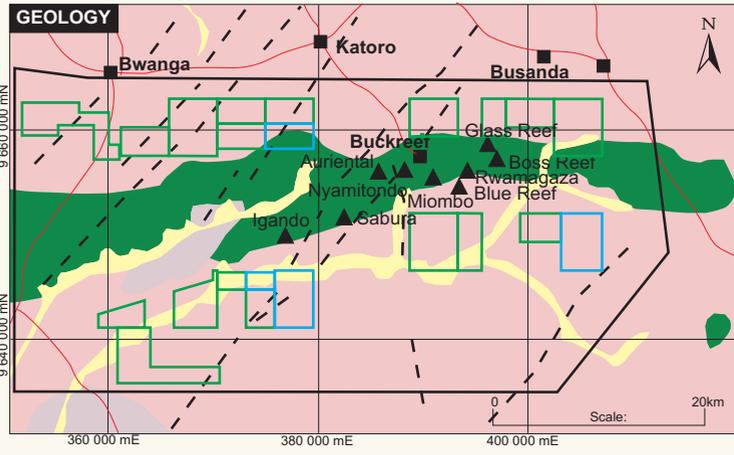
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SUMMARY OF RECENT EXPLORATION FOR THE CENTRAL BLOCK



10.5.11. Data Management

10.5.11.1. Data Acquisition and Validation

The complete set of sampling results for the Lake Victoria Projects properties is currently stored in a GIS Database (Lake Victoria Project Database) which is stored and backed up on an access protected central database in Johannesburg.

This database (Datashed) includes all sampling positions and assay results to-date. Data from sampling and exploration activities was received in digital format from ALS SA and validated by technicians upon receipt and compared with QA/QC samples. Irregularities are communicated to the laboratory for follow up re-tests.

Additionally, historical data obtained from the TGS was captured and digitised into the database and validated. This database is managed and backed up by a dedicated database manager in Johannesburg and can be accessed remotely by authorised Kibo personnel.

A selection of sample dispatches were checked by Venmyn for numbering consistency and random spot-checks were carried out verifying sample medium logs. Venmyn have been supplied with the assay sheets for each of the samples as well as the duplicates, blanks and standards.

Random checks were performed on anomalous assay results reported by the laboratory and within the GIS database and no discrepancies were noted. Venmyn also reviewed all blank, standard and duplicate assay results and found no material discrepancies. While no in-field checks could be made, Venmyn is satisfied that the data can be relied on, in consideration of the procedures described above, the limited independent checks on the sampling data and the early stage of exploration being considered.

10.5.11.2. Database Management

The database for the Lake Victoria Goldfields Projects currently contains data from all sampling conducted over the various properties. The database is managed and maintained by database manager in Johannesburg. Elements of the database and backups are also stored on the project geologists' personal computers and at Kibo's office in Dar es Salaam.

10.6. General Opinion on the Lake Victoria Projects and Recommendations for Further Work

The Lake Victoria Projects properties, have to-date yielded numerous positive exploration results which warrant follow-up exploration and more indepth exploration. In addition, large prospective areas remain unsampled, which require reconnaissance sampling in order to identify additional follow-up targets. It is clear that understanding the local geological and structural environments within the various licences is important in order to assess their mineralisation potential. Venmyn considers it prudent that all licences are re-visited and re-assessed based on the existing results and interpretations in order to re-prioritise the licences for these follow-up and reconnaissance work programmes.

Venmyn consider that the licences have potential for the discovery of traditional greenstone associated mineralisation within the Savannah Properties, based on the exploration results received to-date, the initial assessment of the geological and structural environments within the licences, proximity to known gold deposits, and the extensive licence portfolio available for prospecting.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments of each of the licences. Future exploration programmes should be aligned with this objective.

10.7. Risks

Kibo's portfolio of gold exploration assets within the Lake Victoria Goldfields Projects area constitute greenfields exploration projects, and are therefore, inherently exposed to normal operational risks associated with exploration projects. The success of the projects depends largely on successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

The majority of the licences within the Lake Victoria Goldfields Projects portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Kibo's licences and applications are however being managed by a competent team of personnel at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences.

Kibo will require a Mining Right before gold can be mined.

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on Kibo's future operations, and potential revenue streams can also be affected by these factors.

10.8. Exploration Programme and Budget

Kibo has consolidated an extensive portfolio of mineral rights within the Lake Victoria project area in Tanzania. The majority of these assets and exploration on these assets has been limited to licence applications, third party licence acquisitions, desktop reviews, preliminary field inspections and regional reconnaissance mapping using geo-chemical and geophysical methodologies. Relatively more intensive exploration conducted recently has included follow-up in-fill soil sampling in the last quarter of 2011 and first quarter of 2012.

Planned exploration activities and budgets for the project area are preliminary in nature and are based on a long-term 18 to 24 month exploration programme and are as follows:-

- the total provisional budget for the Lake Victoria project area is USD1.0m; and
- exploration in the Lake Victoria Project area includes follow up of positive in-fill soil sampling with mapping, prospecting, trenching and rotary air blast (RAB) drilling. Proposed exploration also includes more in-fill soil sampling on other prospective targets and re-interpretation of regional magnetic data;

11. THE MOROGORO ASSETS

11.1. Legal Tenure and Agreements

11.1.1. Prospecting Licences

The Morogoro Projects' portfolio of licences have been divided into two 'Blocks' based primarily on location, geology and historical activity conducted on the licences. These subdivisions each contain various licences at different stages of application, offer and activation (successfully granted). The full list of licences and status can be viewed in Appendix 2, including the third party licences. A summary of the licences is shown below in Table 14:-

Table 14: Summary of the Morogoro Project Licence Status

| PROJECT AREA | LICENCE STATUS | NUMBER OF LICENCES | CURRENT AREA (km ²) |
|-----------------------------|----------------|--------------------|---------------------------------|
| Morogoro Projects | Active | 10 | 1,405.82 |
| | Under Offer | 4 | 610.02 |
| | Applications | 24 | 7,114.12 |
| GRAND TOTAL LICENCES | | 38 | 9,129.96 |

The majority of the licences within the Morogoro Project portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Kibo licences and applications are however being managed by a competent team of personnel at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences.

The Lake Victoria Projects have been sub-divided as follows (Figure 32):-

- the Morogoro Block (Morogoro South); and
- the Dodoma Block (Morogoro North).

11.1.2. Mining Rights

No Mining Rights have been issued with respect to the Morogoro Projects.

11.1.3. Material Agreements

Kibo, through its subsidiary, Sloane Developments Limited (Sloane), have entered into an option agreement in terms of which Sloane is to acquire up to 90% of the right, title and interest in licence PL5625/2009 from Comuta Advertising Tanzania Limited (Comuta), in the Morogoro Projects area. The option is exercised by Sloane undertaking to carry out all exploration work on the area up to a minimum of USD250,000 by December 2012, and funding any future feasibility studies, as well as various cash payments at various anniversaries of the agreement.

Should Sloane decide to progress to mining, Comuta can opt to either contribute 10% of the costs of the development of the mining project, or convert its 10% interest into a royalty equivalent to 3% of net smelter revenue. This Option Agreement was executed on 10th October 2008.

Venmyn are not aware of any other material agreements with respect to the Morogoro Project.

11.1.4. Environmental Impact Assessment (EIA) and Other Environmental Considerations

No EIAs have been conducted on the licences at this stage nor are any required at present. Tanzania has established a National Environment Management Council and is drafting a general environmental legislation. At the moment, the only environmental consideration is establishing the proximity or overlap of any of the licences to Forest Reserves or Game Controlled Areas.

At the time of writing this could not be established, and the Morogoro Project would have to establish their requirements for any additional authorisations should there be an overlap with such areas.

It is important to note that the Forests Ordinance Code permits mining in both reserved forest areas and on unreserved forest lands. Chapter 4.5 of the Environmental Handbook for Business for Tanzania as published by the Lawyers' Environmental Action Team (LEAT), highlights the current key environmental issues associated with exploration and mining. Requirements are currently addressed in each Mining Licence awarded but there are none for Prospecting and Reconnaissance Licences.

11.1.5. Environmental Provision

No environmental provisions have been made for the licences at this stage nor are any required at present. Should application for a Mining Licence be made however, the applicant must submit a feasibility report including environmental and health safeguards, plans for local sourcing of goods, services, employment and training of Tanzanians. The license holder must submit regular reports according to regulations.

11.1.6. Other Legal Issues

Venmyn are advised that there are no legal disputes or other legal issues concerning the licences and/or applications of the Morogoro Projects.

11.2. Morogoro Projects Area

11.2.1. Location and Access

The Morogoro Projects comprise an extensive portfolio of licences within southeastern Tanzania, between the regional centres of Morogoro and Dodoma, within the Morogoro Province (Figure 43). The Morogoro Projects represent early stage gold exploration projects, with only limited reconnaissance stream sampling having been conducted in a few of the licences to-date. While some licences have generated follow-up targets, the majority of licences still require first pass stream sampling and assessment.

The licences can be accessed by a network of tarred and gravel roads, in varying states of repair. However, Venmyn found that the regional infrastructure appears well maintained. The Morogoro Projects are best accessed from Dar es Salaam on the sealed national road to Morogoro (~160km), and then south for approximately 30km on gravel roads. The individual licences are accessed by a network of gravel roads and dirt tracks.

There is a regional airport located at Dodoma, with three flights a week to Dar es Salaam. Smaller airstrips (most unmanned) are also located across the project area.

11.2.2. Topography and Vegetation

The topography within the Morogoro Projects area varies considerably, from flat plateau in the southeast and north to rugged alpine terrain in the Uluguru Mountains in the central and southern areas (Figure 44). While the plateau areas average approximately 500m amsl the, the Uluguru Mountains reach in excess of 2,600m amsl.

The vegetation changes in response to both the climatic and topographic differences across the area. The plateau areas are characterised by sparse bush and baobab vegetation, while the mountainous regions are characterised by indigenous forests and cultivated lands.

The Uluguru Mountains form an important water catchment area for the city of Dar es Salaam, Morogoro Municipal and other Coast Regions of Tanzania.

11.2.3. Climate

The climate in the Morogoro Projects area varies considerably, consistent with elevation differences. In the northern and central regions the climate is predominantly semi-arid, receiving less than 500mm annually. In contrast, the mountainous areas in the south receive in excess of 2,000mm annually. Most rainfall is associated with thunderstorms.

The average midday temperatures range from 27°C in April to 32°C in January with most rain falling between November and April.

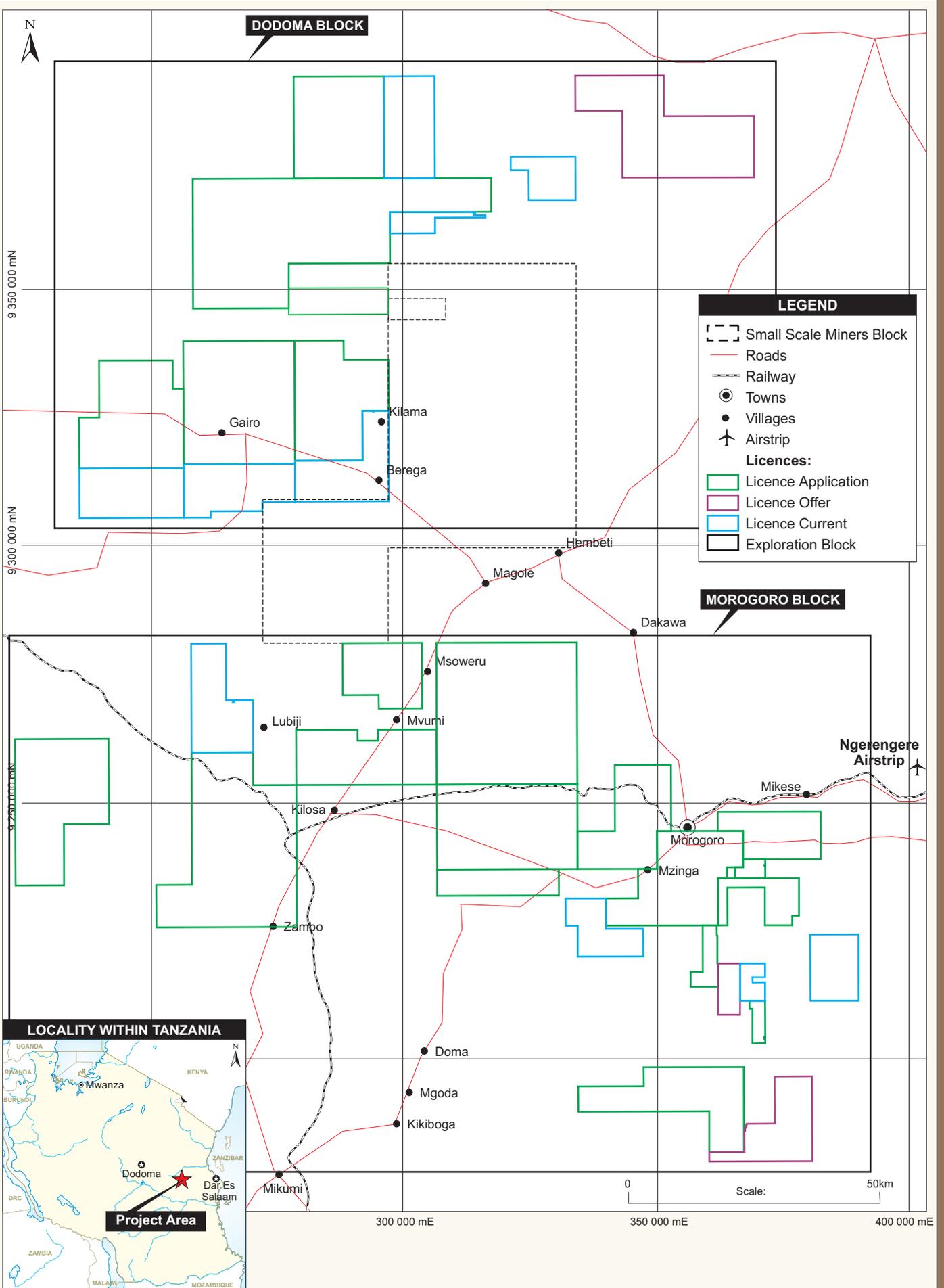
Exploration activities can be carried out year round, however, access to certain mountainous areas could be significantly hampered during the rainy season.

11.3. Regional Geology and Mineralisation in the Morogoro Projects Area

The Morogoro Projects are situated within Uluguru-Mvomero region of eastern Tanzania, between the regional centres of Morogoro and Dodoma. The geology of this region represents a non-traditional gold exploration environment dominated by Proterozoic, high-grade metamorphic (granulite to amphibolite facies) rocks (Figure 45), and consequently has only recently (within the past 5 years) begun to receive the attention of mineral exploration companies. It follows therefore that very little is known of the regional geology, specifically as it relates to gold mineralisation.

The licences within the southeast of the project area encompass part of the Uluguru Mountains which consist of metamorphosed gneisses (amphibolite and granulite facies) that have been attributed to the Palaeo-Proterozoic Usagaran Orogenic cycle. These highly metamorphosed rocks occur adjacent to the central Tanzanian Archaean-aged Craton.

LOCALITY, INFRASTRUCTURE AND LEGAL TENURE OF THE MOROGORO LICENCES



INFRASTRUCTURE, TOPOGRAPHY AND VEGETATION OF THE MOROGORO PROJECTS AREA

DIRT ROAD TO MOROGORO BLOCK AREA



DIRT ROAD THROUGH FOREST - MOROGORO BLOCK AREA



GENERAL TOPOGRAPHY - MOROGORO BLOCK



**GENERAL TOPOGRAPHY
ULUGURU MOUNTAINS - MOROGORO BLOCK**



**TOPOGRAPHY AT CONTACT BETWEEN METAMORPHIC ROCK (HILLS)
AND KAROO (PLATEAU)**



**CALCITE / MARBLE HILL - ARTISANAL SHAFT
AT TOP - MOROGORO BLOCK**



TAR ROAD TO DODOMA BLOCK AREA



DIRT ROAD THROUGH BEREKA VILLAGE - DODOMA BLOCK



GENERAL TOPOGRAPHY - DODOMA BLOCK - GNEISS HILLS



GNEISS HILLS - DODOMA BLOCK



The southeastern licences cover part of a 60km long regional north-south trending nappe structure (Ruvu Nappe) that has thrust faulted marbles of the Matombo Group over granulites of the Lakwangule Group. Most artisanal gold mining is coincident with the basal thrust fault of this nappe along its length, workings being located within the rivers (and river terraces) that drain the structure. Some limited hard rock artisanal workings are also present within the Ruvu Nappe area and further to the north and west (Figure 46), with workings focussing on wide quartz veins and/or altered and sheared gneisses.

Younger, Karoo sediments unconformably overlay the older Usagaran metamorphic rocks, the contact between the two defined by faulting and characterised by steep escarpments (Figure 45).

The extent and nature of gold mineralisation within the Morogoro Projects area is poorly understood, with artisanal miners generally restricted to alluvial gold in the rivers and river terraces in the area within the last five years.

From field observations, gold appears to be hosted within high-grade mafic to felsic volcanic and sedimentary metamorphosed rocks of Archaean or Proterozoic age. Mineralisation is understood to be vein-related, structurally-controlled mesothermal gold associated with sulphide including pyrrhotite and arsenopyrite. The dominant host rocks are altered amphibolite, or gneiss and marbles (with lesser quartzite). As a consequence of these observations it is suggested that the geological setting of the gold mineralisation of the Morogoro Projects area is similar to the Navachab Gold Mine in Namibia, which displays similar geological and mineralisation characteristics.

Research has suggested that the area may represent an extension of the highly-endowed Sukumaland Superterrane, the geological host to Tanzania's most significant gold deposits (in the LVG), to the southeast. The area may therefore be prospective for metamorphosed Achaean orogenic gold deposits within the extended Sukumaland Corridor.

The distribution of data from stream sediment sampling to-date is low, and the data density is only concentrated significantly in certain areas (see Figure 47 and Figure 48). A number of positive exploration results received to-date (Section 11.5.1 and Section 11.5.2) are commensurate with the high potential geology observed within the area. This bodes well for the follow-up work programmes planned for the area. The recently discovered gold mineralisation in the area is indicative of a new and emerging exploration environment capable of hosting primary gold mineralisation.

Increased artisanal activities, and a number of new mineral rights applications and exploration activity in the area, points to the significance of the area in terms of establishing itself as a new Tanzanian goldfield. The Morogoro Projects therefore offer an attractive opportunity to conduct exploration in a prospective area in which very little previous systematic exploration has been undertaken.

Figure 46 illustrates some of the geological formations and features that were encountered by Venmyn during their site visit to the Morogoro Projects area (within both the Morogoro and Dodoma blocks).

11.4. Historical Exploration

The Morogoro Projects area represents a new gold prospecting area and Venmyn are unaware of any historical commercial exploration or mining having been conducted within or adjacent to the licences within the Morogoro Projects area.

11.5. Recent Exploration

Limited recent exploration has been conducted within the Morogoro Projects area. This was originally restricted to the primary data elements of stream sediment sampling at a reconnaissance level in 2007 and 2008. This data was acquired by sampling and assaying stream sediments. Results were captured digitally from laboratory certificates and incorporated into a GIS. Positions were surveyed with a handheld GPS with expected accuracies <10.0m.

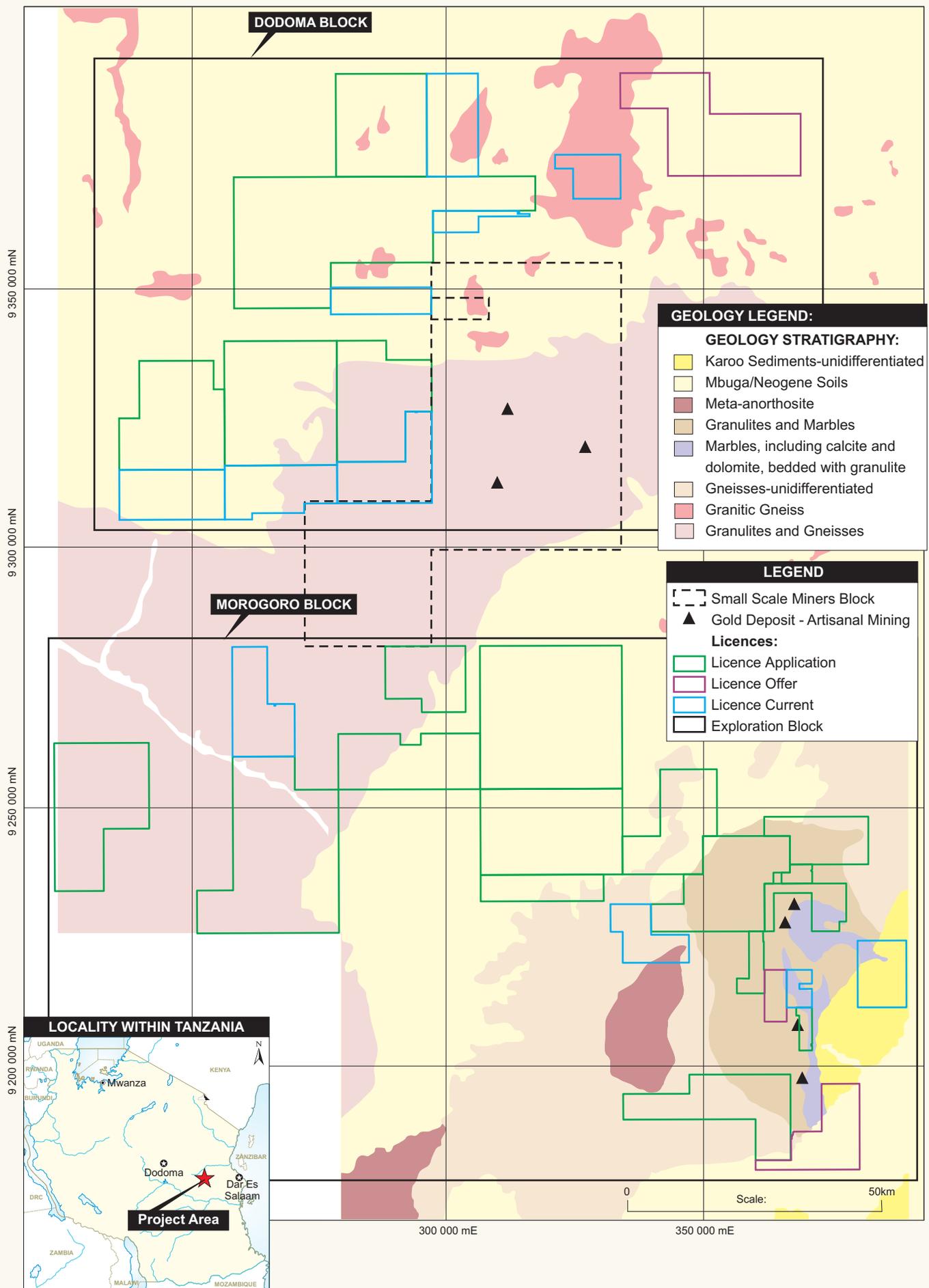
It is not clear how the licences were prioritised, however it is apparent that the licences close to the Ruvu Nappe and marble outcrops in the southeast, and licences adjacent to known artisanal workings in the north were preferentially targeted.

The results of the stream sediment sampling campaigns were compiled and collated, culminating in the creation of the Morogoro GIS Database. At this early stage and for the level of investigation for which the results will be used, confidence in the results is high.

This GIS database includes all stream sediment sampling results, as well as other data resources acquired from various sources at the TGS and include:-

- regional geology covering the full extent of the Morogoro Projects area;
- regional aeromagnetics covering much of the Morogoro Projects area (at low resolution);
and
- an SRTM Digital Terrain Model (DTM).

REGIONAL GEOLOGY AND STRATIGRAPHY OF THE MOROGORO PROJECTS AREA



PHOTOGRAPHS OF THE GEOLOGY OF THE MOROGORO PROJECTS AREA

MARBLE CLIFFS



CUTTINGS INTO MARBLE FOR DIMENSION STONE



QUARTZITE OUTCROP



CALCITE OUTCROP



ARTISANAL WORKINGS ON CALCITE HILL



COARSE GRAINED GNEISS



FINE GRAINED GNEISS



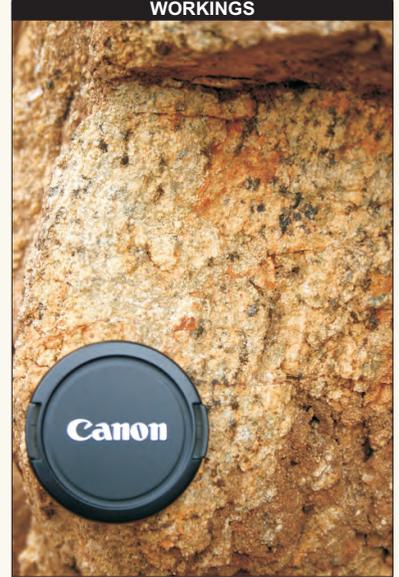
ARTISANAL WORKINGS WITHIN GNEISS



GNEISS OUTCROP WITHIN ARTISANAL WORKINGS



ALTERED GNEISS WITHIN ARTISANAL WORKINGS



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Subsequent exploration was carried out in the last quarter of 2011 and first quarter of 2012 on the Morogoro Projects areas in the form of additional stream sediment sampling in the Dodoma Block (Morogoro North) and regional scale soil sampling in the Morogoro South Block. The sections below summarise the work conducted in each block to-date, as well as the results achieved and their significance with respect to on-going exploration work.

11.5.1. Morogoro South Block

The first phase of exploration in the Morogoro Block comprised of stream sediment samples taken in and around the Ruvu Nappe area in the southeast of the block (Figure 47). The Ruvu Nappe area is atypical of the generally accepted gold targets in Tanzania and was targeted in this instance based on known artisanal alluvial gold mining in the southwest and northern portions of the prospect area. Additionally, the area lends itself well to stream sediment sampling based on the relief and density of drainage channels.

Of the limited samples taken in this area (127 according to the stream sediments assay database), a large proportion returned anomalous gold values in the order of up to 0.19g/t or 190ppb. The methodology, preparation, analysis and QA/QC for the stream sediment sampling are discussed in 11.5.3 and Section 11.5.4.

Venmyn visited the Ruvu Prospect area and personally inspected all licences and applications where anomalous gold values were returned. Anomalous gold results were encountered in several of the licences in the southeastern area of the block as illustrated in Figure 47:-

- the area is characterised by outcropping marbles and gneiss (granulite) lithologies forming the high relief and younger sediments forming the valley fill atop subcropping marbles and granulites. Although large portions of the aeromagnetic survey are not represented, that area which is presented is defined by highly magnetic anomalies in the southeastern area and varied short-range structures. Several active artisanal workings (both alluvial and hard-rock) were identified by Venmyn in the area, during the site visit. This is consistent with the known gold deposits indicated on the geological map of the area.

The southeast Morogoro Block consists of a number of known gold deposits being exploited by artisanal miners. One hard-rock working visited by Venmyn (Figure 46) occurred atop a calcite/marble hill associated with altered calcite/marble lithologies. While conditions did not permit verification, it appears that the artisanal miners were exploiting a structural feature and that this feature was also responsible for the observed alteration of the host rocks.

Extensive outcrop exists within the area and it is clear that these gold deposits and the anomalous sample results received to-date are closely associated with regional structures and altered marble and calcite lithologies of the Ruvu Nappe.

The 2011 – 2012 regional soil sampling campaign consisted of seven systematically sampled strike lines across the Ruvu Nappe area with sample spacing of 100m along strike and the distance between the strike lines of 4km. 364 soils samples were taken and analysed for gold and multi-element analysis with 54 samples returning gold values of >10ppb, of which 12 samples returned gold values of >50ppb, and of which 3 samples returned gold values of > 00ppb. Seven specific areas indicated promising 'clustered' elevated gold assays and have been scheduled for follow-up detailed soil sampling (Figure 47).

Venmyn considers that this block is prospective, albeit, that it occurs within a non-traditional gold prospecting area. More detailed follow-up sampling work and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences within the Ruvu Nappe area. The follow-up detailed soil sampling for the clustered gold results from the regional campaign should be conducted soon. In addition, all other un-sampled licences should be covered by reconnaissance stream or soil sampling. Site visits to all licences should also be undertaken in order to re-prioritise the licences for this follow-up work.

11.5.2. Dodoma Block (Morogoro North)

The first phase of exploration in the Dodoma Block comprised of stream sediment samples taken in the southwest of the block (Figure 48), in proximity to an area identified as the "Small Scale Miners Block". This area is also atypical of the generally accepted gold targets in Tanzania but was targeted in this instance based on known artisanal alluvial gold mining in the east. While only limited samples were taken, a number of anomalous gold values were returned. The methodology, preparation, analysis and QA/QC for the stream sediment sampling are discussed in 11.5.3 and Section 11.5.4.

Venmyn visited the licences on which anomalous gold values were returned. Anomalous gold results were encountered in several of the licences in the southwestern area of the block as illustrated in Figure 48:-

- the area is characterised by variably outcropping gneiss (granulite) lithologies forming the high relief and more recent sediments forming the valley fill atop subcropping granulites. Although an aeromagnetic survey is presented, the resolution over the area is too low to make any definitive interpretations. However, some regional structures are evident. Of significance is that a large block of ground to the east of these licences has been identified as a 'Small Scale Miners Block'. This is consistent with Venmyn's observations, in the field, of a number of artisanal workings (specifically hard-rock workings) in the area.

The southwest Dodoma Block is composed of a number of known gold deposits being exploited by artisanal miners. One hard-rock working visited by Venmyn (Figure 46) occurred within a highly altered and structurally deformed gneissic lithology. Several large pits, some as deep as 10m were dug in the area, apparently tracing the altered and sheared mineralised zone.

The 2011 – 2012 regional stream sediment sampling campaign consisted of 563 stream sediment samples taken on a density of approximately 2 per 1.0km². Approximately 22kg – 25kg of material is bagged for each sample from appropriate sample sites, normally high energy cobble bars within streams but coarse sand bars are also suitable but will likely provide depressed results. All 563 sediment samples were analysed for gold with 18 samples returning gold values of >10ppb, of which 8 samples returned gold values of >50ppb, of which 6 samples returned gold values of >100ppb and of which 3 returned gold values of >500ppb (>0.5ppm). As with Morogoro South, numerous follow up targets have been generated from this work.

Venmyn's interpretation is that this block has good prospectivity albeit that it occurs within a non-traditional gold prospecting area. Venmyn considers that detailed follow-up sampling work and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences in the southwest. In addition all other un-sampled licences should be covered by reconnaissance stream or soil sampling. Site visits to all licences should also be undertaken in order to re-prioritise the licence for this follow-up work.

11.5.3. Sampling Method

Reconnaissance sampling focussed on collecting stream sediment samples in order to identify follow-up targets.

No details of the historical sampling methodology have been provided to Venmyn. However, from interviews with personnel that were involved in the sampling campaign, it appears that the sampling protocol was conventional and that samples were collected from streams and drainages identified in the field by a team of sampling technicians. Sample positions were recorded by hand-held GPS with expected accuracy <10.0m. It is reasonable to assume that samples were screened, however, no detail is available on the actual sample size collected. It is also reasonable to assume that standard sampling sheets and collection and dispatch procedures (as described in Section 10.5.7) were used although no evidence of this was provided.

For the 2011-2012 programme, samples were collected from streams and drainages identified in the field by a team of sampling technicians. Sample positions were recorded by hand-held GPS with expected accuracy <10.0m. Samples of approximately 25kg were collected and screened to <2mm in the field. These samples were then wet screened to -80 mesh, and approximately 1-2kg of material sent to the ALS preparation laboratory in Mwanza. Standard sampling sheets and collection and dispatch procedures (as described in Section 10.5.7) were used.

11.5.4. Laboratory Analyses

The ALS Chemex Preparation Laboratory in Mwanza was used for the stream sediment samples, sample preparation is described below.

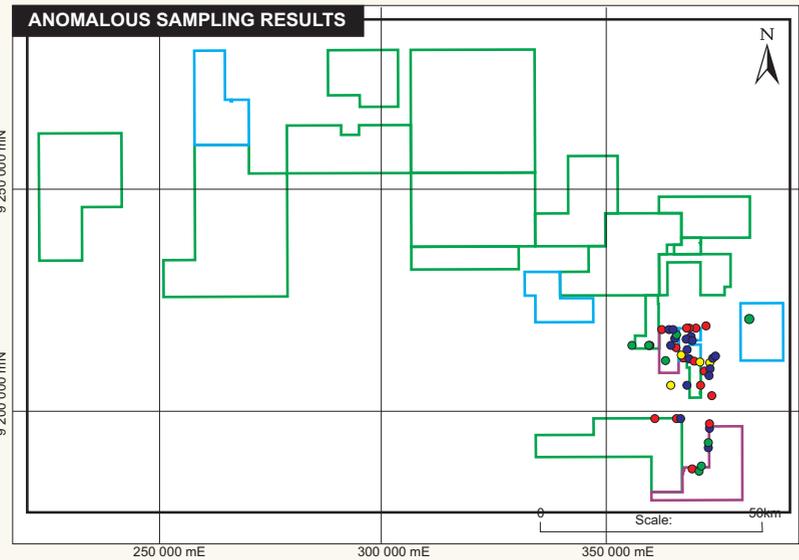
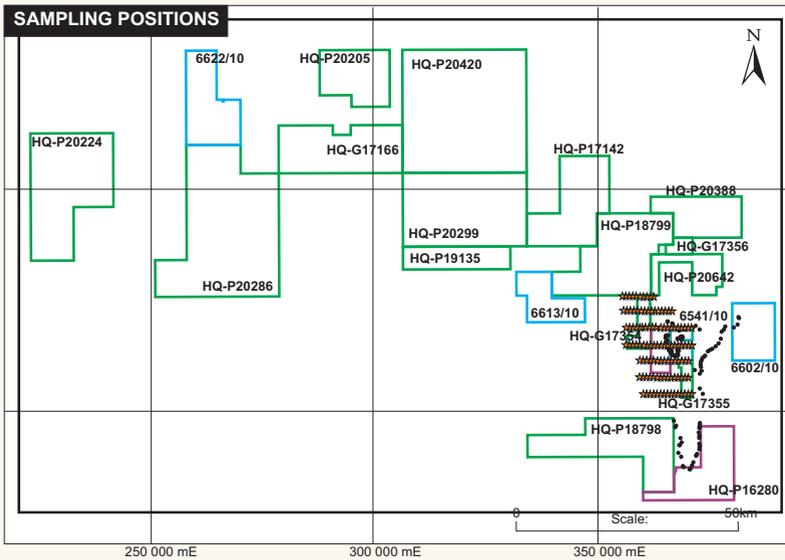
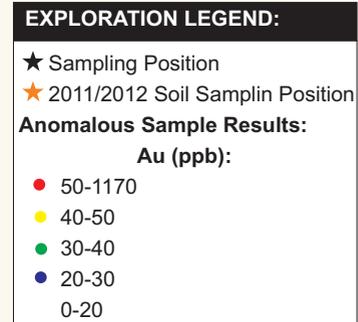
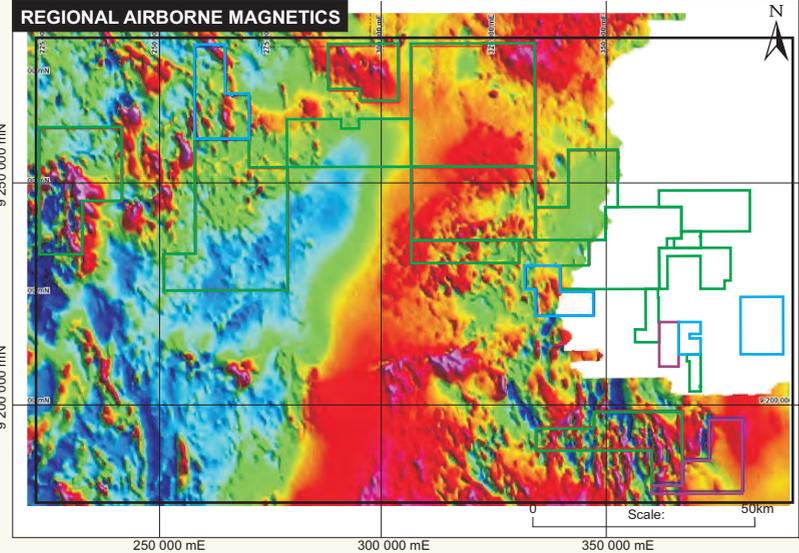
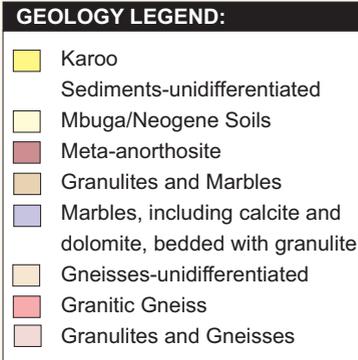
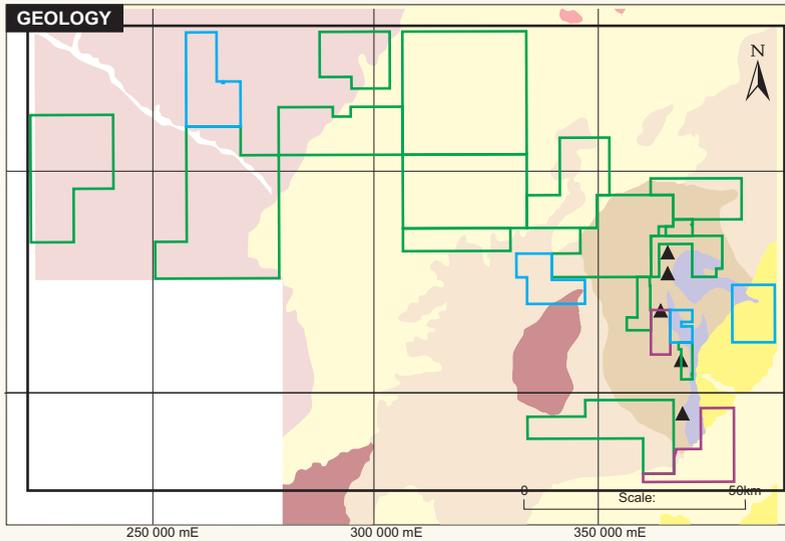
11.5.4.1. Sample Preparation and Analysis

Sample preparation is described in Section 10.5.8.1, the only exception is that stream samples were pre-screened to 0 mesh (0µm) and then pulverised to <75µm. Pulp re-acts are retained by Morogoro Gold at their offices.

Sample analysis was performed using a 30g or 50g fire assay.

SUMMARY OF RECENT EXPLORATION FOR THE MOROGORO BLOCK

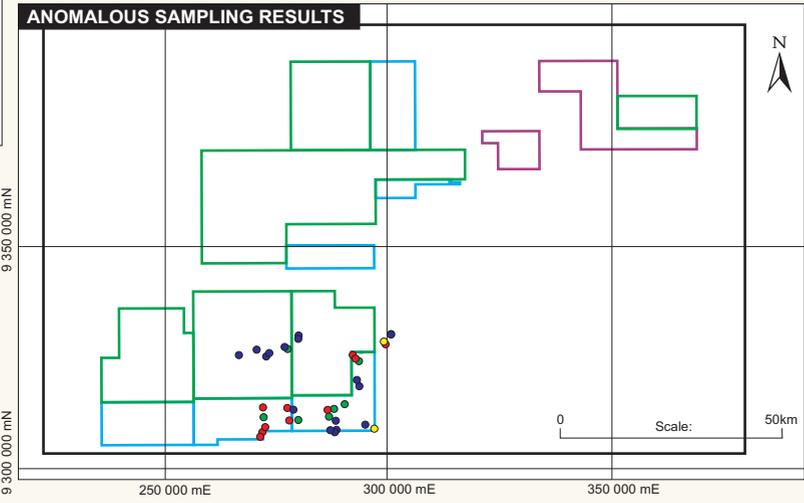
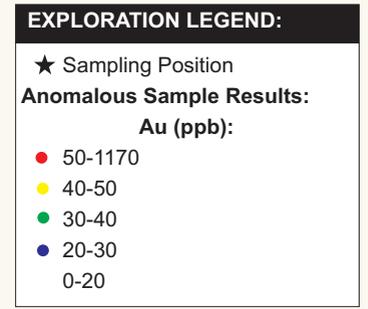
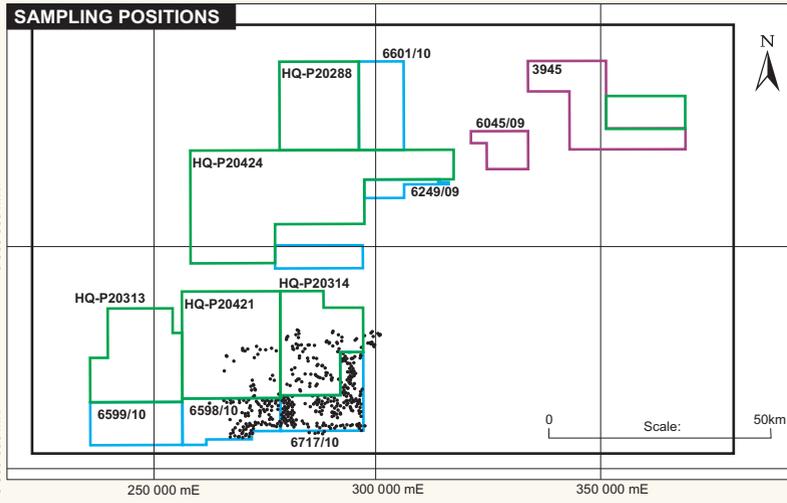
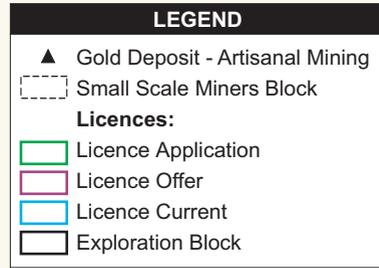
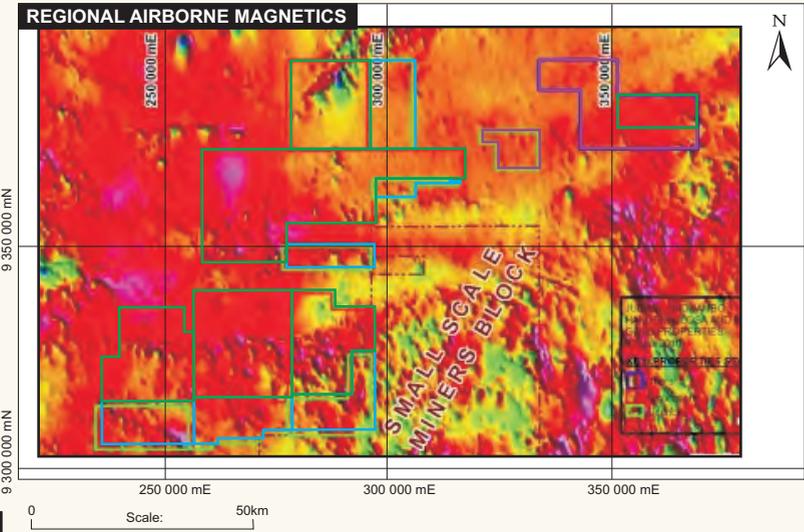
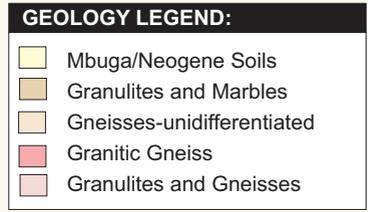
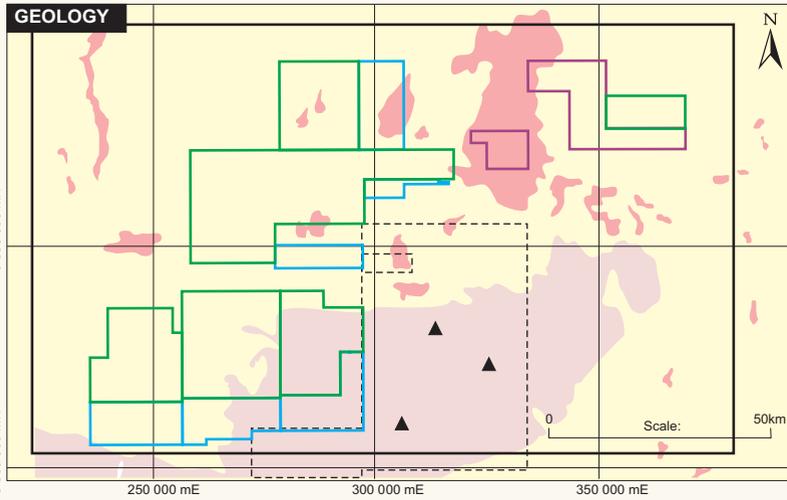
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SUMMARY OF RECENT EXPLORATION FOR THE DODOMA BLOCK

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11.5.5. Security

Samples were stored at the office until dispatch to the laboratory. The soil pulps/rejects were collected from the lab and taken to storage under covered tarpaulins in the office yard in Mwanza. Once at the laboratory, the samples were subject to the standard security measures of the laboratory.

11.5.6. QA/QC

Random samples, in the order of 5%, were selected for a second laboratory check. All check samples were then recorded on the SGS laboratory dispatch sheet. Once all samples were accounted for and entered into the database, field QA/QC samples were placed in pre-allocated locations with every 10th being a blank, every 20th sample a standard and every 30th sample a duplicate of the previous sample which was collected in the field as per the sampling procedures.

No detail as to the ratio of internal standards, blanks and duplicates utilised by the lab were presented to Venmyn, although, evidence of these having been used were presented in the laboratory certificates reviewed by Venmyn and appear to be conducted at an appropriate level to ensure quality of results. Failed batches are re-analysed and a selection of re-tests were examined by Venmyn with no material irregularities.

11.5.7. Data Management**11.5.7.1. Data Acquisition and Validation**

The complete set of sampling results for the Morogoro Projects properties is currently stored in a GIS Database (Morogoro Project Database) which is stored and backed up on an access protected central database in Johannesburg

This database (Datashed) includes all sampling positions and assay results to-date. Data from sampling and exploration activities was received in digital format from SGS and ALS and validated by technicians upon receipt and compared with QA/QC samples. Irregularities are communicated to the laboratory for follow up re-tests.

Additionally, historical data obtained from the TGS was captured and digitised into the database and validated. This database is managed and backed up by a dedicated database manager in Johannesburg and can be accessed remotely by authorised Kibo personnel.

A selection of sample dispatches were checked by Venmyn for numbering consistency and random spot-checks were carried out verifying sample medium logs. Venmyn have been supplied with the assay sheets for each of the samples as well as the duplicates, blanks and standards.

Random checks were performed on anomalous assay results reported by the laboratory and within the GIS database and no discrepancies were noted. Venmyn also reviewed all blank, standard and duplicate assay results and found no material discrepancies. While no in-field checks could be made, Venmyn is satisfied that the data can be relied on, in consideration of the procedures described above, the limited independent checks on the sampling data and the early stage of exploration being considered.

11.5.7.2. Database Management

The database for the Morogoro Projects currently contains data from all sampling conducted over the various properties. The database is managed and maintained by database manager in Johannesburg. Elements of the database and backups are also stored on the project geologists' personal computers and at Kibo's office in Dar es Salaam.

11.6. General Opinion on the Lake Victoria Projects and Recommendations for Further Work

The Morogoro Projects have been subjected to limited reconnaissance stream sampling to-date, however, large areas within the Morogoro Projects remain un-sampled. Nevertheless those areas that have been sampled, have returned a number of positive results which warrant follow-up exploration and suggest that un-sampled areas should be assessed by reconnaissance stream sampling too, as this method is proving successful.

The follow-up soil sampling conducted across the Ruvu Nappe has confirmed elevated gold assay results from earlier stream sediment sampling results and has delineated several 'clustered' target localities for more detailed geological mapping and in-fill sampling. It is clear that understanding the local geological and structural environments within the various licences is important in order to assess their mineralisation potential.

Venmyn consider it prudent that all licences are re-visited and re-assessed based on the existing results and interpretations, in order to re-prioritise the licences for these follow-up and reconnaissance work programmes.

Venmyn consider that the licences have potential for the discovery of non-traditional gold mineralisation within the Morogoro Projects area, based on the limited exploration results received to-date, the initial assessment of the geological and structural environments within the licences, increased artisanal activity in the area, and the extensive licence portfolio available for prospecting. The Morogoro Projects offer an attractive opportunity to conduct exploration in a prospective area in which very little previous systematic exploration has been undertaken, and which may be set to become a new goldfield within Tanzania.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments of each of the licences. Future exploration programmes should be aligned with this objective.

11.7. Risks

Kibo's portfolio of gold exploration assets within the Morogoro Projects area constitute greenfields exploration projects, and are therefore, inherently exposed to normal operational risks associated with exploration projects. The success of the projects depends largely on successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

The majority of the licences within the Morogoro Projects portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Kibo's licences and applications are however being managed by a competent team of personnel at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences.

Kibo's Option Agreement (Section 11.1.3) present the risk of, inter alia, the following:-

- that Kibo may elect not to continue to exercise their option;
- that Kibo may not be in a financial position to continue exercising their option; and
- that on fully exercising their option, the rights are not transferred to Kibo, or its subsidiaries.

Kibo have however confirmed to Venmyn that their intention is to continue exercising their option and that they are in a financial position to keep doing so. In addition, there do not appear to be any reasons for the rights not to be transferred to Kibo or its subsidiaries should Kibo fully exercise their options.

Kibo will require a Mining Right before gold can be mined.

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on Kibo's future operations, and potential revenue streams can also be affected by these factors.

11.8. Exploration Programme and Budget

Kibo has consolidated an extensive portfolio of mineral rights within the Morogoro and Dodoma (Morogoro North) project areas in Tanzania. The majority of these assets and exploration on these assets has been limited to licence applications, third party licence acquisitions, desktop reviews, preliminary field inspections, stream sediment sampling and regional reconnaissance mapping using geo-chemical and geophysical methodologies.

Planned exploration activities and budgets for the project area are preliminary in nature and are based on a long-term 18 to 24 month exploration programme and is as follows:-

- the total provisional budget for the Morogoro project area is USD2.4m (USD1.2m each for Morogoro South and North project areas); and
- exploration in Morogoro North and South project areas include follow-up mapping, rock sampling and prospecting where anomalous clustered stream sediment samples were assayed previously as well as further regional stream sediment sampling on other tenements. Should positive results be returned, drilling has been proposed and budgeted for.

12. THE HANETI ASSETS

12.1. Legal Tenure and Agreements

12.1.1. Prospecting Licences

The Haneti Projects' portfolio of licences have been divided into three sub-projects based primarily on location, geology and historical activity conducted on the licences. These subdivisions each contain various licences at different stages of application, offer and activation (successfully granted). The full list of licences and status can be viewed in Appendix 2, including the third party licences. A summary of the licences is shown below in Table 15:-

Table 15: Summary of the Haneti Project Licence Status

| PROJECT AREA | LICENCE STATUS | NUMBER OF LICENCES | CURRENT AREA (km ²) |
|-----------------------------|----------------|--------------------|---------------------------------|
| Haneti Projects | Active | 8 | 1,226.02 |
| | Under Offer | 8 | 2,961.44 |
| | Applications | 12 | 3,093.90 |
| GRAND TOTAL LICENCES | | 28 | 7,281.36 |

A significant amount of the licences within the Haneti Project portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Kibo licences and applications are however being managed by a competent team of personal at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences.

The Haneti Projects have been sub-divided as follows (Figure 49):-

- the Haneti Ultramafic Complex;
- the Betete Prospect; and
- the PLA1162 Gold Prospect.

12.1.2. Mining Rights

No Mining Rights have been issued with respect to the Haneti Project.

12.1.3. Material Agreements

Eagle Gold Mining, have entered into a Vend-In Agreement with a third party (Table 16) over two prospective licences in the Haneti Projects area, in addition to making its own applications for licences in the Projects. In general the terms of the Vend-In Agreement are similar, providing for, inter alia:-

- 100% of rights to be vended into Eagle Gold Mining;
- payment in ordinary shares in Kibo;
- 1% of net smelter revenue from any future mine production or mining activity that could result from the respective properties; and
- Eagle Gold Mining assumes all operational control and expense commitments.

Table 16: Summary of Active Vend-In Agreements

| VENDOR | ORIGINAL LICENCE INFORMATION | | | LOCATION |
|-----------------|------------------------------|--------------|--------------|------------------|
| | PL NO | GRANTED DATE | EXPIRED DATE | |
| Manyama Makweba | PL5457/2008 | 18-Dec-08 | 17-Dec-11 | Bubu - Kondo |
| Manyama Makweba | PL4383/2007 | 02-Apr-07 | 01-Apr010 | Kwamtoro - Kondo |

On the 8th May 2012, Kibo announced that it had signed a Memorandum of Understanding to pursue a strategic joint venture with Brazilian industrial conglomerate Votorantim for the further exploration of its Haneti properties. The Joint Venture, if concluded and implemented, would see Votorantim initially contributing exploration expenditures of GBP0,5m until December 2013. The earn-in phase comprises total investments up to GBP 2,7m during a period of 3 years in an mutually agreed work program budget on Haneti to earn a 50% interest (the "Initial Period"), where after the parties will continue to contribute equally to the Joint Venture.

During the first stage of the program, the Joint Venture will be unincorporated and the Company will be the operator of the Joint Venture and its exploration work program.

Votorantim will however have an option to take over the management of the work program and call for the transfer of the Haneti properties to a joint venture company (“Newco”) that will be owned equally by Kibo and Votorantim. Votorantim shall be entitled to operate the Joint Venture from 31 December 2013 until the end of the Initial Period, where after the board of directors of Newco shall appoint the operator.

It is the intention of the parties to direct the work program towards establishing a JORC compliant mineral resource at Haneti during the Initial Period, where after the Joint Venture will consider the further development of the project on the merits of the exploration results achieved.

Venmyn are advised that there are no other material agreements with respect to the Haneti Project.

12.1.4. Environmental Impact Assessment (EIA) and Other Environmental Considerations

No EIAs have been conducted on the licences at this stage nor are any required at present. Tanzania has established a National Environment Management Council and is drafting a general environmental legislation. At the moment, the only environmental consideration is establishing the proximity or overlap of any of the licences to Forest Reserves or Game Controlled Areas.

At the time of writing this could not be established, and Eagle Gold would have to establish their requirements for any additional authorisations should there be an overlap with such areas.

It is important to note that the Forests Ordinance Code permits mining in both reserved forest areas and on unreserved forest lands. Chapter 4.5 of the Environmental Handbook for Business for Tanzania as published by the Lawyers' Environmental Action Team (LEAT), highlights the current key environmental issues associated with exploration and mining. Requirements are currently addressed in each Mining Licence awarded but there are none for Prospecting and Reconnaissance Licences.

12.1.5. Environmental Provision

No environmental provisions have been made for the licences at this stage nor are any required at present. Should application for a Mining Licence be made however, the applicant must submit a feasibility report including environmental and health safeguards, plans for local sourcing of goods, services, employment and training of Tanzanians. The license holder must submit regular reports according to regulations.

12.1.6. Other Legal Issues

Kibo have been involved in intermittent discussion with the Ministry of Energy and Minerals over the years who recognise Kibo's rights in the PLA1162 and PLA1163 Gold Prospect (Section 12.5.3) of the Haneti Projects area. However, the licences have not been issued as there was an artisanal discovery on them after the letters of offer were received (and payment of acceptance fees paid), and the Ministry subsequently issued mining claim PMLs over the same ground. As there is a large artisanal presence on the ground, the Ministry has been slow to resolve the issue. Kibo have not escalated this issue to a legal dispute as Kibo would prefer resolving the issue amicably. Kibo remain engaged with the Ministry of Energy and Minerals on this subject and we are following it up on a regular basis but the matter has still not yet been resolved.

12.2. Haneti Projects Area

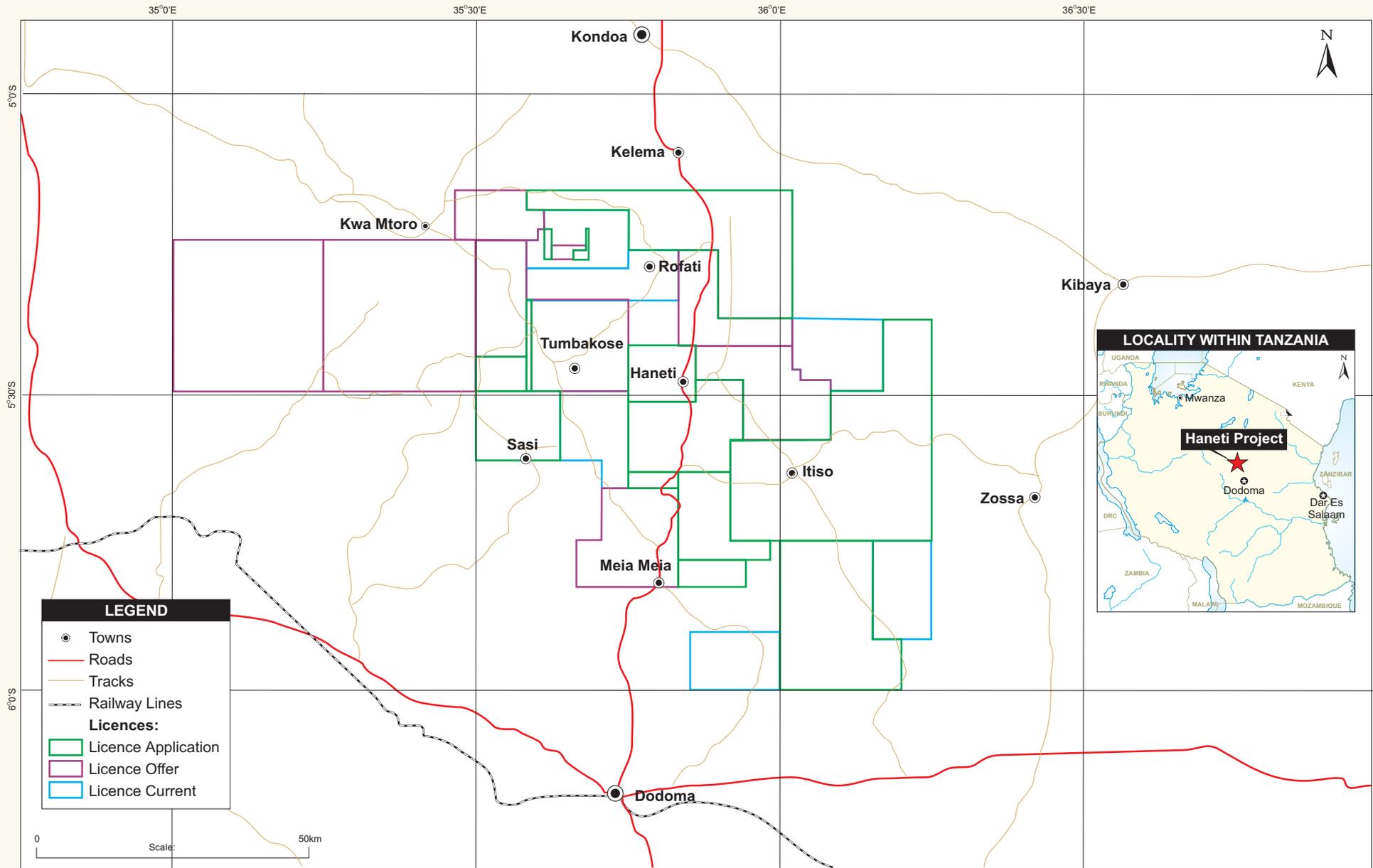
12.2.1. Location and Access

The Haneti Projects comprise an extensive portfolio of licences within central Tanzania, approximately 80km northwest of Dodoma, within the Dodoma Region (Figure 49). The Haneti Projects represent early stage exploration projects, with only limited reconnaissance soil and trench sampling having been conducted in a few of the licences to-date. While some licences have generated follow-up targets, the majority of licences still require first pass soil sampling and assessment.

The licences can be accessed by a network of gravel roads that branch off the well-graded, all-weather Great North Road to the village of Haneti (approximately 75km northwest of Dodoma). The gravel tracks are in varying states of repair (Figure 50) and ground conditions can be problematic during the wet season, specifically over areas covered by mbuga.

Venmyn found, that the regional infrastructure is rudimentary but appears well maintained. There are no known factors, mining or other that could have a significant effect on the prospects of the Haneti Project. There is a regional airport located at Dodoma, with flights to Dar es Salaam 3 times a week. Smaller airstrips (most unmanned) are also located across the project area.

LOCALITY, INFRASTRUCTURE AND LEGAL TENURE OF THE HANETI LICENCES



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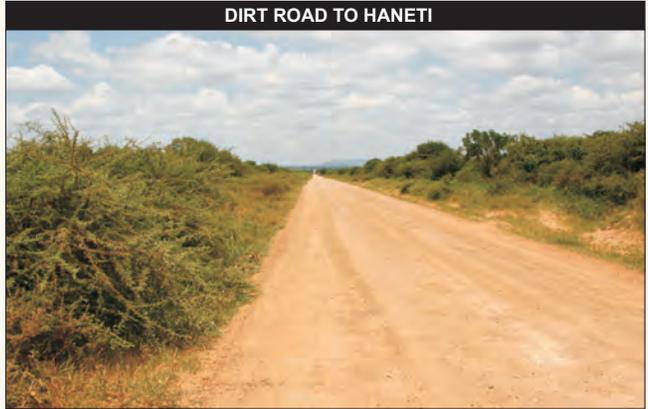
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INFRASTRUCTURE OF THE HANETI PROJECTS AREA

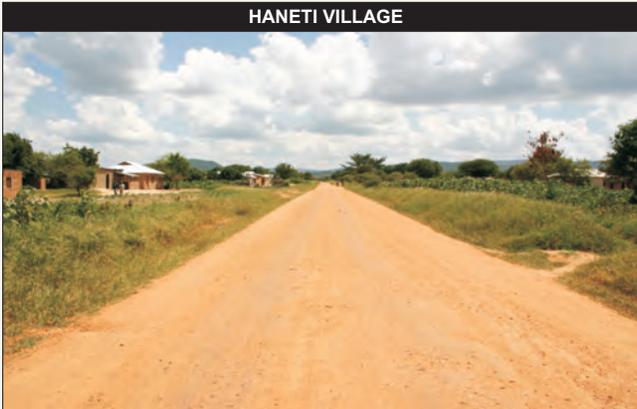
DIRT ROAD TO HANETI



DIRT ROAD TO HANETI



HANETI VILLAGE



KIBO OFFICE IN HANETI



DIRT TRACK TO HANETI ULTRAMATIC COMPLEX OVER MBUGA



DIRT TRACK WITHIN HANETI ULTRAMATIC COMPLEX



TOPOGRAPHY AND VEGETATION OF THE HANETI PROJECTS AREA

GENERAL TOPOGRAPHY OF HUC



GENERAL TOPOGRAPHY OF HUC



GENERAL TOPOGRAPHY OF HUC



GENERAL TOPOGRAPHY OVER PLAINS DODOMAN PEAKS IN BACKGROUND



GENERAL TOPOGRAPHY OF HUC



MINDII HILL - ULTRAMAFIC



MWAKA HILL



MWAKA HILL IN FOREGROUND, REST OF HUC IN BACKGROUND



12.2.2. Topography and Vegetation

The topography within the Haneti Projects area is dominated by vast plains at an elevation of approximately 1,200mamsl. Locally, the generally flat terrain is incised by ephemeral creeks that incise the landscape by several meters. Within the licences, the main topographic relief is created by steep sided, scrub-covered hills of laterised ultramafic rocks, which can rise up to 250m above the mbuga-filled plains (Figure 51). The lowermost ultramafic outcrops are characterised by an absence of lateritic duricrust.

The hills are mainly vegetated by scrub, while the mbuga is either grassed or cultivated (Figure 51).

12.2.3. Climate

The Project area has a temperate climate with a single rainy season between November and April. Most rainfall is associated with thunderstorms. The region averages 570mm of precipitation per year, the bulk of which occurs during the wet season.

Average midday temperatures remain somewhat consistent throughout the year (ranging between from 26°C in April to 30°C), however average lows can reach as low as 10°C in winter.

Exploration activities can be carried out throughout the year, however access to areas covered by mbuga can be hampered during the rainy season.

12.3. Regional Geology and Mineralisation in the Haneti Projects Area

The Haneti Projects are situated along the boundary between the Archaean rocks of the Dodoman Craton in the southwest and the Palaeo-Proterozoic rocks of the Usagaran Orogenic Complex in the northeast (Figure 52). A zone of sheared granitoids (the Bubu Cataclasites) separates the Usagaran gneisses from the Dodoman granite and granodiorite.

The Haneti Ultramafic Complex (HUC), which is the focus of the current exploration at the Haneti Project area is enclosed within the Usagaran gneisses to the northeast of the margin of the Dodoman Craton.

The HUC generally outcrops as a line of prominent hills, striking northwest-southeast, over a strike length of approximately 80km (Figure 52 and Figure 54). The ultramafic rocks have been metamorphosed from high magnesium peridotites and dunites, to magnetite-bearing lizardite-serpentinites with cross cutting magnesite veinlets. The serpentinites have generally been silicified and ferruginised at surface (Figure 37) by subsequent weathering processes. It remains unknown whether these ultramafic rocks were emplaced as flows or are intrusive, or whether they were structurally emplaced.

The most prominent ultramafic hills in the area are characterised by the best regolith preservation and laterite development. The largest hills, Sanato and Yobo, have moderately developed laterite profiles between 10m – 30m thick. Where the laterite profile has been eroded, less weathered ultramafic rocks outcrop as more subtle hills, with gentler relief, and rising a maximum of 20m above the plain. It is possible that other ultramafic bodies exist that have no topographic expression along the dominant trend. However, without detailed magnetic surveying and drilling this cannot be confirmed.

Veining within the ultramafics is common and include the following:-

- asbestiform tremolite within the sheared serpentinites;
- cryptocrystalline or amorphous silica in the silicified and non-silicified serpentinites;
- local, potentially economic quantities of chrysoprase in the serpentinites; and
- magnesite (up to 50m wide) is abundant within the non-silicified serpentinites (Figure 54).

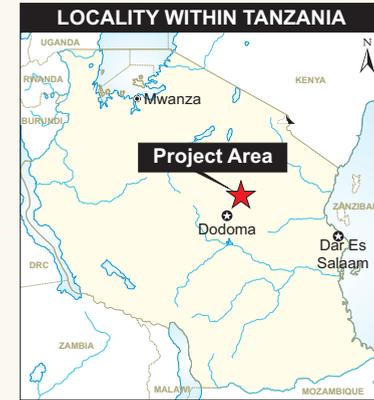
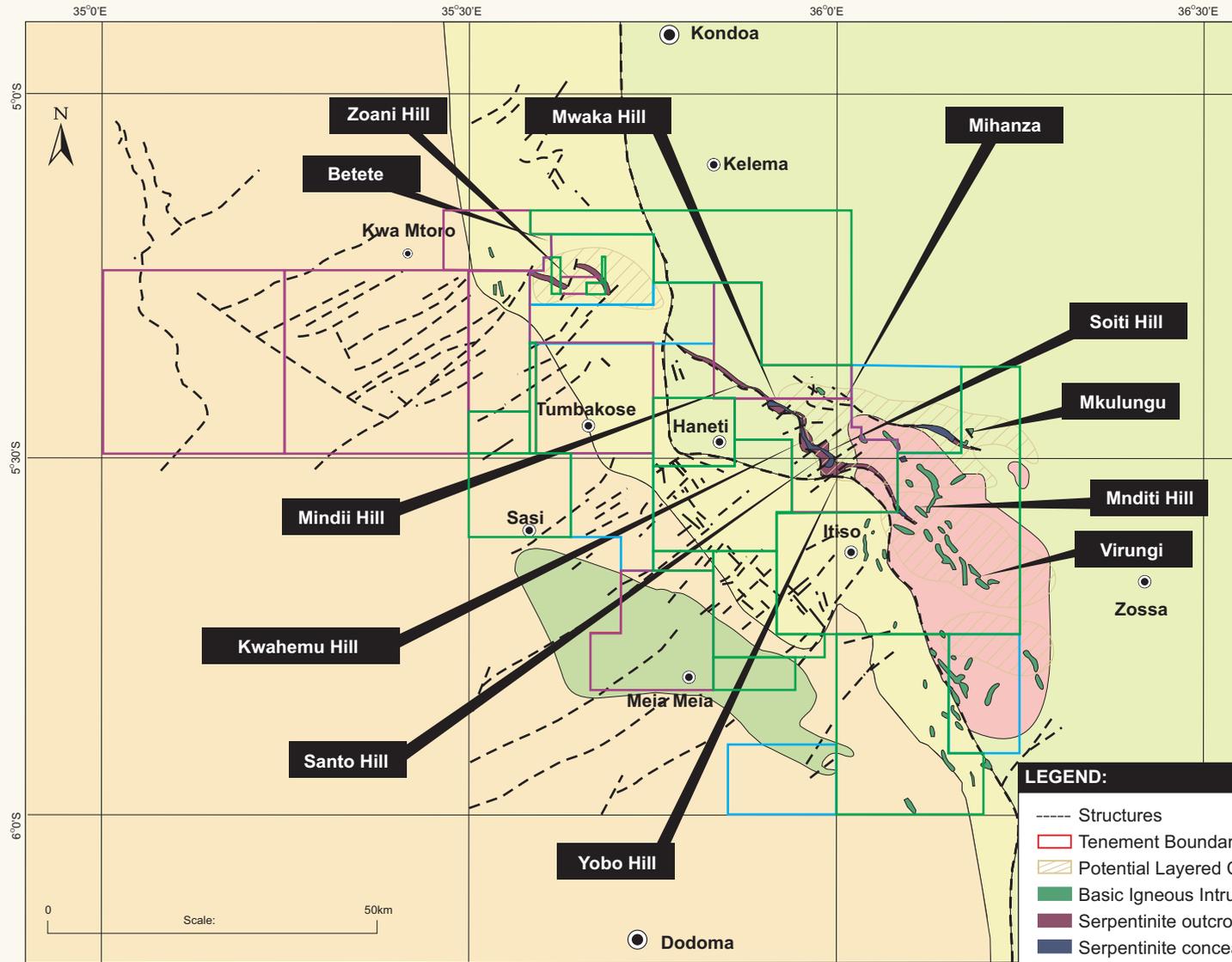
The ultramafic rocks are targets for Ni-Cu-PGE exploration as this type of mineralisation occurs within such ultramafic bodies. However, only very limited sampling has been conducted to-date and the extent and nature of the mineralisation is poorly understood. Additional exploration will be required before any definitive commentary can be made on Ni-Cu-PGE mineralisation models.

Figure 54 illustrates some of the geological formations and features that were encountered by Venmyn during their site visit to the Haneti Projects area.

To the east of the HUC, the geology is dominated by the Dodoman granites and gneisses, however, in the area over which Kibo's westernmost licences are located, the recently discovered Londoni Greenstone Belt is present. This is understood to be the host to the gold mineralisation within PL1162, which is currently being exploited by artisanal miners (Section 12.5.3). No ground work has been conducted within this westernmost area by Kibo, nor has Venmyn visited this area. Consequently, the nature of the local geology is poorly understood.

REGIONAL GEOLOGY AND STRATIGRAPHY OF THE HANETI PROJECTS AREA

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LEGEND

- Towns
- Licences:**
- ▭ Licence Application
- ▭ Licence Offer
- ▭ Licence Current

LEGEND:

- Structures
- ▭ Tenement Boundary
- ▨ Potential Layered Complexes
- Basic Igneous Intrusions
- Serpentinite outcrops
- Serpentinite concealed (interp.)
- Babu Cataclasites - Pan-African Cycle?
- Xenolithic Granite-gneiss and chamockites
- Banded gneisse
- Granites and granitic gneiss
- Paragneiss and Meta-basic rocks

— Haneti-Itiso Ultramatic Complex

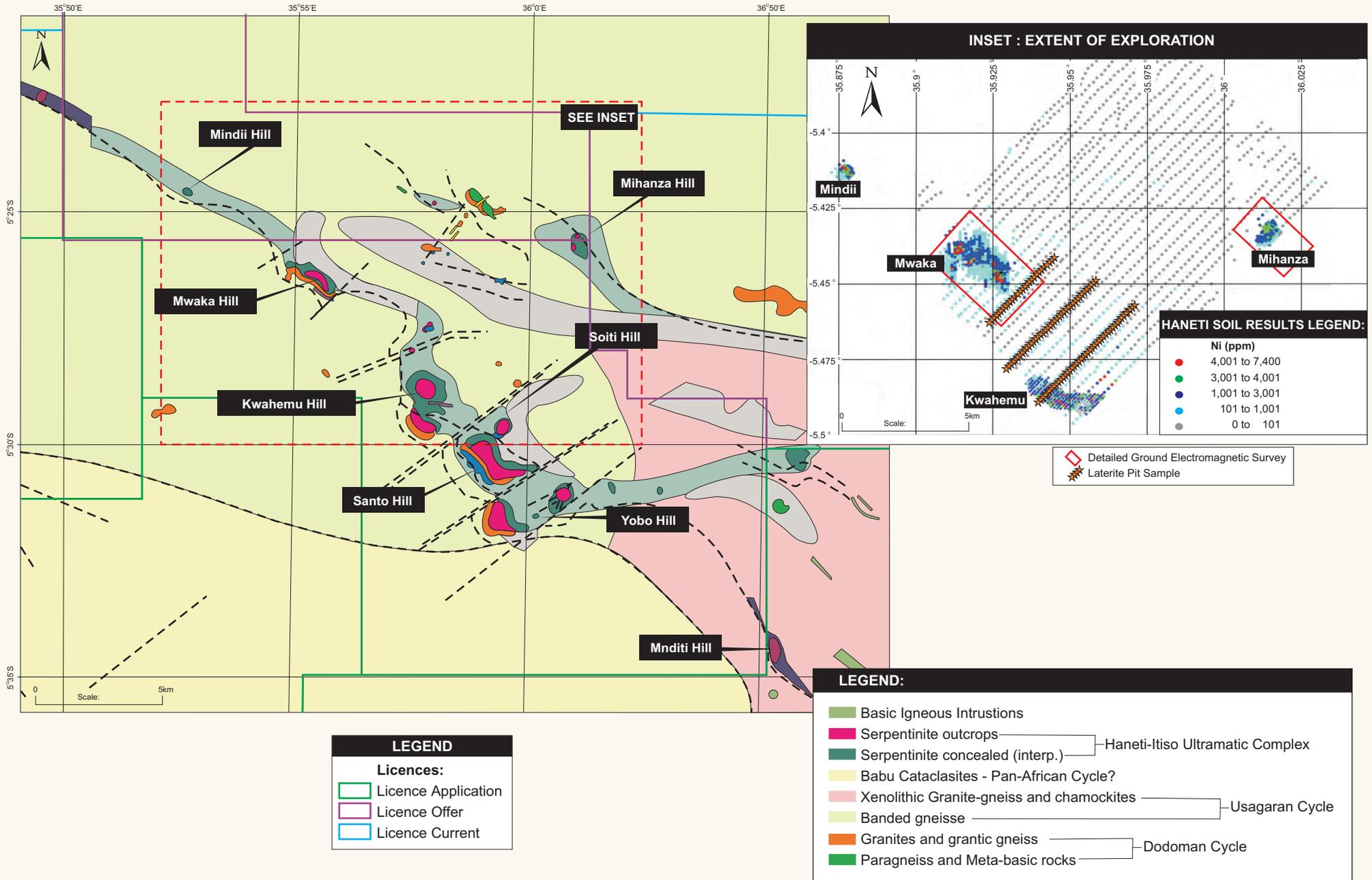
— Usagaran Cycle

— Dodoman Cycle



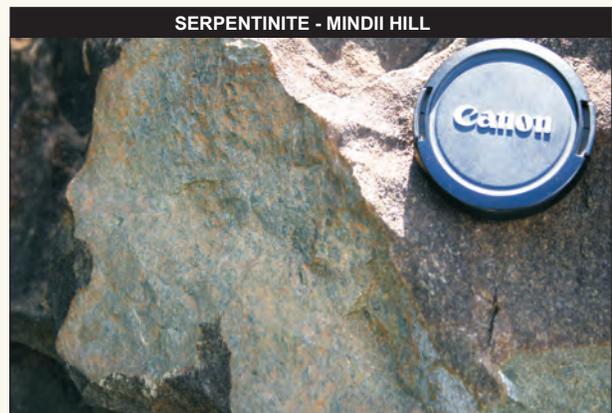
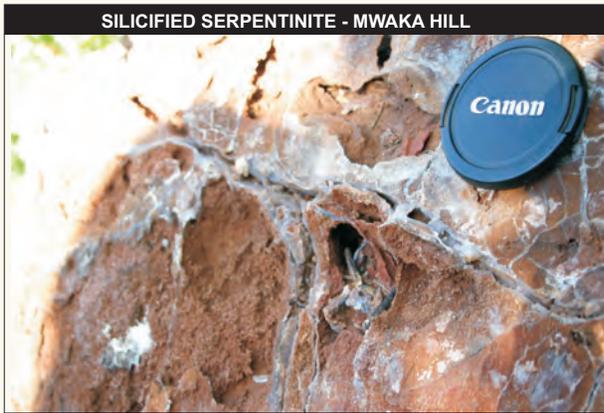
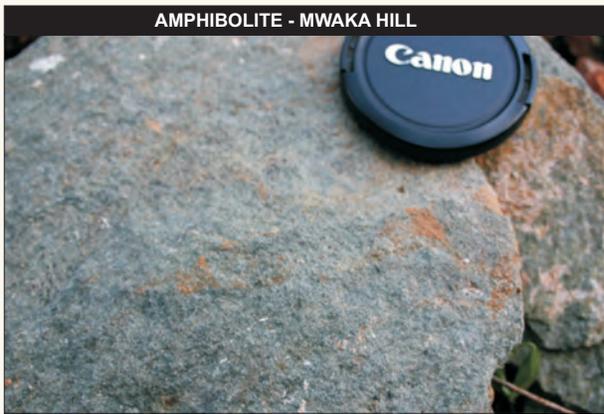
GEOLOGY OF THE HANETI ULTRAMAFIC COMPLEX SHOWING EXTENT OF REGIONAL EXPLORATION

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PHOTOGRAPHS OF THE GEOLOGY OF THE HANETI PROJECTS AREA



12.4. Historical Exploration

There is no record of any significant historical nickel discoveries or mining within the area. However, the area has been subjected to limited prospecting since the 30's. Between 57 and 66, geologists from the Geological Survey of Tanganyika (GST) conducted a 1:125,000 scale regional mapping, pitting, geochemical soil sampling, rock chip sampling, trenching and limited drilling campaign on the Zoani, Mindii (Mnajura) and Mihanza (Mwahanza) hills. This programme focused on the identification of nickel, asbestos and magnesite deposits. Only limited drill samples were taken, and no indications of nickel sulphide mineralisation were returned. However, the ultramafics did reportedly contain elevated nickel concentrations of between 2,000ppm and 4,000ppm Ni. There is no reported exploration for Ni-Cu-PGE mineralisation within the Haneti licences since the 60's, other than reported in Section 12.5.

12.5. Recent Exploration

Very limited recent exploration has been conducted within the Haneti Projects area, and that which has been done has been concentrated around the central part of the HUC, immediately east of the village of Haneti (Section 12.5.1). Initial reconnaissance level field exploration activities performed by Kibo included geological mapping, geochemical soil sampling, detailed mapping, trench sampling, ground geophysical magnetic and IP surveys and re-interpretation of the 70's country-wide aeromagnetic survey data. Subsequent follow-up reconnaissance level field exploration conducted in the last quarter of 2011 and first quarter of 2012 included a pit sampling campaign of the lateritic soils between Kwahemu and Mwaka Hills as well as two electromagnetic and magnetic ground-borne surveys on Mwaka and Mihanza Hills (Figure 53). Surveying used for field explorations made use of a handheld GPS with expected accuracies of <10.0m. A very limited programme of work has also been conducted at the Betete Prospect in the north of the project area (Section 12.5.2). No work has yet been conducted in the westernmost licence areas where extensive artisanal gold mining is reported (Section 12.5.3).

The results of the various sampling campaigns were compiled and collated, culminating in the creation of the Haneti GIS Database. This GIS database includes all primary data sampling positions and captured results from the laboratory assays which were received digitally, as well as other data resources from the TGS, including:-

- regional geology covering the full extent of the Haneti Projects area;
- regional aeromagnetics covering much of the Haneti Projects (at low resolution); and
- detailed electromagnetic surveys covering Mwaka Hill and Mihanza Hill.

The sections below summarise the work conducted in each area to-date, as well as the results achieved and their significance with respect to on-going exploration work. Data density is variable across the deposit and focussed in selected areas.

12.5.1. Haneti Ultramafic Complex

Reinterpretation of aeromagnetic survey data from the 70's over two thirds of the project area, showed that all the known nickel occurrences and all serpentinitised peridotite/dunite outcrops are located close to an interpreted shear or one of its splays.

In November 2006 a soil geochemical survey was conducted over an area of approximately 204km² (Figure 55), in order to identify areas of high nickel values. The vast majority of the high metal values were confined to the hilltops, which were subjected to follow-up soil sampling. Substantial Ni enrichment was evident in the regolith above the serpentinites, which was considered as a positive sign for potential nickel laterite and nickel sulphide deposits. Good correlations were observed between Ni and Co, and moderately good correlations were noted between Au, Ni and Co and between Au, Cu and As.

At Mwaka Hill, several samples returned values of over 100ppb Au, including isolated values in excess of 1,000ppb Au and a strong coincident anomaly for all elements. In 2008, laboratory pulps from the two most strongly anomalous lines were submitted for re-assay for Au, and assay for Pt and Pd, which were not previously determined. The new assays reported four values above 100ppb, five above 10ppb Pt and eight above 10ppb Pd, with high values more or less coincident.

At Mihanza Hill, a maximum gold-in-soil assay of 725ppb was reported, as well as another 12 samples with values greater than 100ppb. These elevated gold values are generally associated with elevated nickel and cobalt concentrations. Two coherent anomalies have been identified over approximately 50m width and 150m – 200m strike.

Detailed sampling at Mindi Hill defined the northwest-southeast striking margin of the HUC, defined by a 1,000ppm Ni contour, within which a coherent area of nickel assays above 4,000ppm Ni occurs. This area is interesting as it is described as an area characterised by the relative absence of laterite, dominated by serpentinite outcrop.

There is no record of chrysoprase or other secondary Ni mineral occurrences in the area. Gold-in-soil anomalies are subdued, with only four samples reporting >10ppb.

In 2007, Aardvark also conducted a new geological interpretation of the area, including a 1:50,000 scale mapping of the serpentinite hills based on field mapping, air photo interpretation, aeromagnetic data interpretation and the previous GST mapping of the 60's.

At the same time as the mapping, regional lithochemical (or grab sample) sampling was conducted. 65 grab samples were collected. However, no Ni sulphides or obvious gossans were observed. Nevertheless a grab sample of a 5 -10cm band of magnetite rich garnierite serpentinite from a pit at Mihanza reported 13.6% Ni and 0.38% Co. Repeat sampling returning 7.7% Ni and 0.14% Co. Samples of silicified regolith returned values ranging from 0.1% to 1.2% Ni, with a few samples from yellow-green soft serpentinite below this returning values up to 1.5% Ni. A suite of 40 detailed rock chip samples from trenches and outcrops at Mihanza returned average values of 0.13% Ni and 62ppm Co for the serpentinites.

Other samples from Mihanza returned values of 1,930 ppb Pd and 413ppb Pt. At Sanato Hill, a vein of nimitite approximately 40cm thick assays 13.5% Ni, 0.38% Co and 0.24% Zn.

In 2010, a trench was dug across the geochemical anomaly on Mwaka Hill, approximately perpendicular to the strike of the ridge and over a distance of 269m (Figure 55). Rock chip samples were taken every 3m. Figure 55 shows the position of the trench, as well as the mapped lithologies and the sampling results. It is promising that values in excess of 0.5% Ni was regularly encountered within the trench. It follows that Mwaka Hill represents an immediate target for additional exploration.

Figure 56 to Figure 58, summarise the follow-up exploration results from Mindii, Kwahemu and Mihanza hills.

In the last quarter of 2011 and the first quarter of 2012, a laterite soil pitting campaign constituting a 49 pit programme of multi-element analysis was conducted as a follow-up of previous soil sampling. The pit positions are illustrated in Figure 53 of which nine pits returned assay grades of greater than 0.1% Nickel. In the same period, detailed ground electromagnetic and magnetic surveys were carried out over Mwaka and Mihanza Hills. The electromagnetic surveys indicated the presence of conductors at these localities which provide potential nickel sulphide drill targets.

Venmyn's interpretation is that the HUC is prospective for Ni mineralisation based on exploration results to-date, and considers that detailed follow-up sampling work and geological and structural mapping should be carried out in order to better understand the mineralisation potential of the licences over the HUC. The potential for Cu, Au and PGE mineralisation cannot be definitively assessed presently, however preliminary results are encouraging.

12.5.2. Betete Gold Prospect

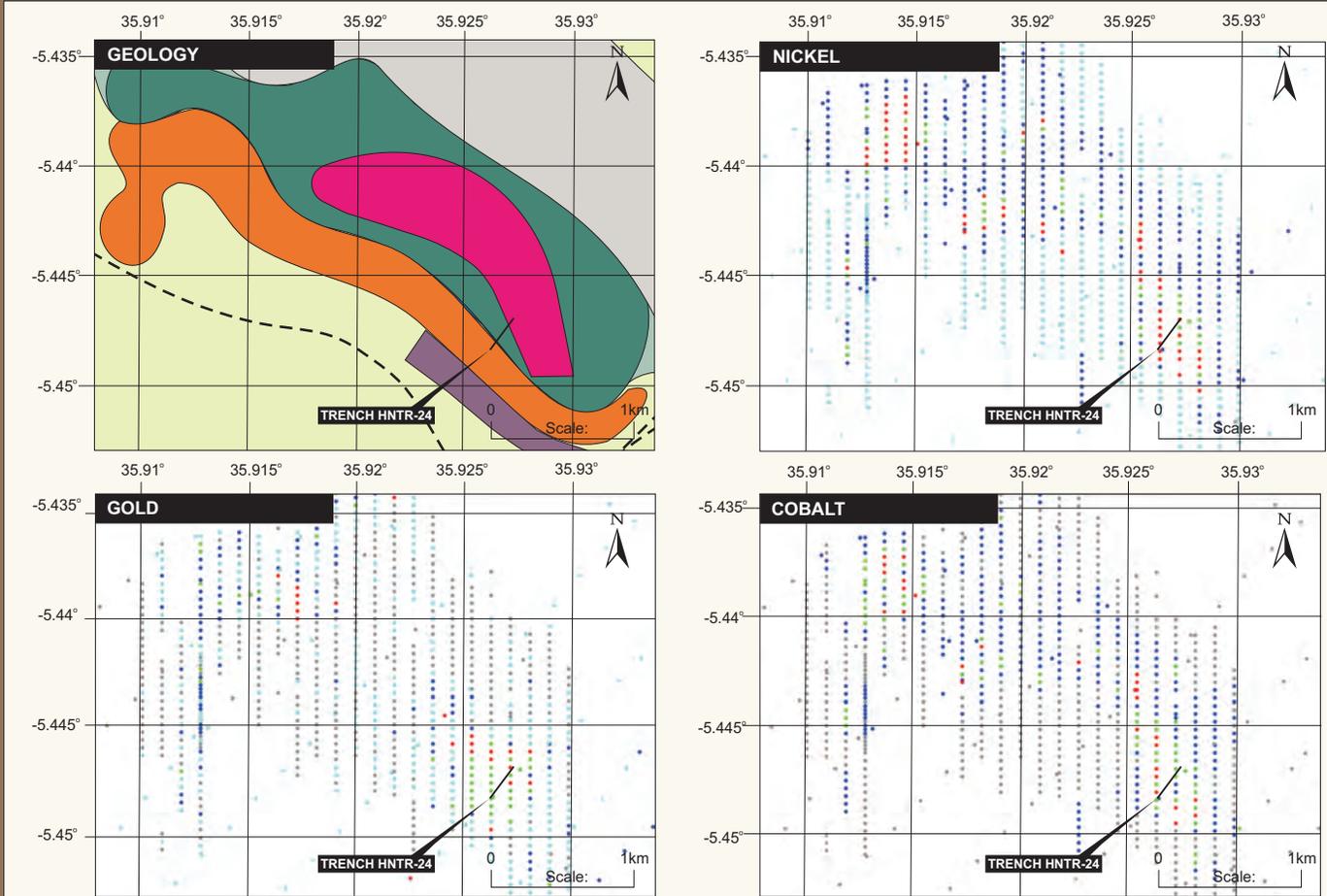
The Betete prospect is located 15km northwest of Rofati in the northern-most part of the project area. It comprises two isolated hills with three distinct, interconnected ridges, and a smaller hill to the southeast.

There are anecdotal reports of a 'gold rush' in the area several years ago, however CSA in 2009, during their site visit to the area, noted that the only evidence of activity was two pits approximately 3m deep on the small hill, and plot/tenement demarcations. There are no known pre-existing mineral rights in the area.

According to the geological Survey of Tanganyika (GST) 1:250,000 map (QDS124), the area is underlain by Bubu Cataclasites (Figure 52) which are described as comprising sheared and granulated syn-orogenic granite and migmatite. However, detailed geological mapping (of boulders, pebbles and float as the outcrop in the area is very scarce) was carried out in 2007 and suggests that the dominant rock types in the area are more suggestive of a metamorphosed arkosic, pelitic and mafic volcanic rock types. Evidence from the GST aeromagnetic survey suggests that the area may form part of the HUC. An alternative interpretation is that the prospect may occur within a metamorphosed Archaean Dodoman terrain.

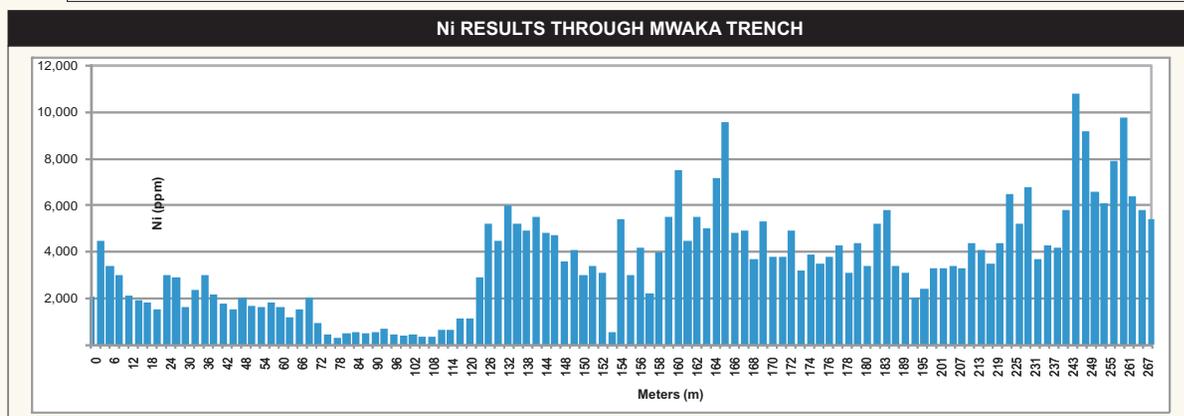
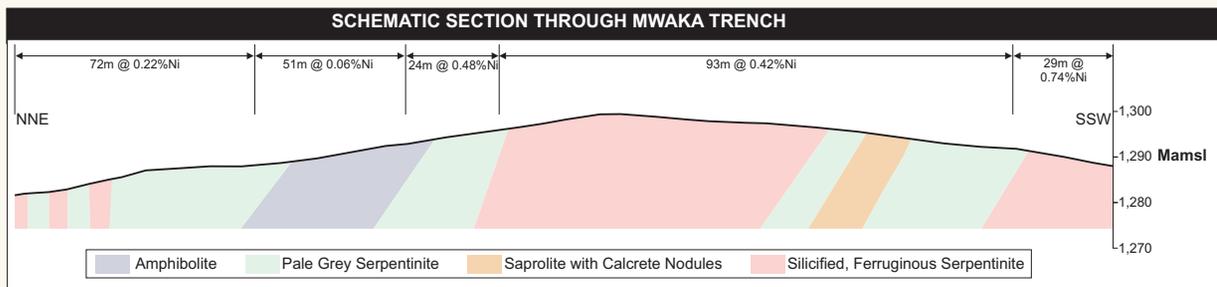
During 2007, a soil sampling campaign was conducted at 50m intervals along either a 200m or 100m lines spacing. A total of 240 soil samples were collected over the area, as well as 15 rock samples during the course of the mapping. Samples were analysed for Au, Cu, Pb, Zn, As and Sb (Figure 59).

SOIL SAMPLING AND TRENCHING OVER MWAKA HILL



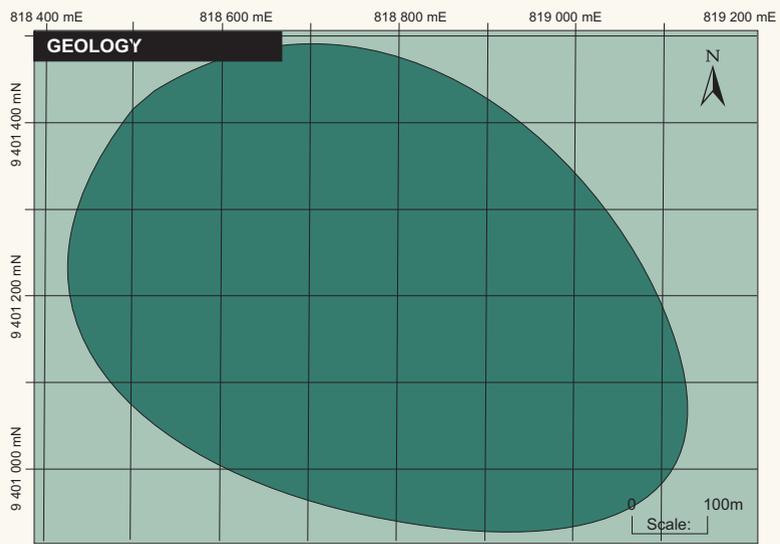
LEGEND:

| GEOLOGY | | Mwaka Soil Sample Results: | | |
|--------------------|----------------------------------|----------------------------|-------------|--|
| | Basic Igneous Intrusions | Ni (ppm): | | |
| | Serpentinite concealed (interp.) | | 4,001-7,400 | |
| | Serpentinite outcrops | | 3,001-4,001 | |
| | Banded gneisse | | 1,001-3,001 | |
| | Granite and granite gneisse | | 101-1,001 | |
| EXPLORATION | | | 0-101 | |
| | Trench | Au (ppm): | | |
| | | | 101-1,050 | |
| | | | 31-101 | |
| | | | 11-31 | |
| | | | 4-11 | |
| | | | 0-4 | |
| | | Co (ppm): | | |
| | | | 151-210 | |
| | | | 101-151 | |
| | | | 51-101 | |
| | | | 0-51 | |



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SOIL SAMPLING OVER MINDII HILL



LEGEND:

GEOLOGY

- Basic Igneous Intrusions
- Serpentinite concealed (interp.)

EXPLORATION

Mindii Soil Sample Results:

Ni (ppm):

- 4,001-7,400
- 3,001-4,001
- 1,001-3,001
- 101-1,001
- 0-101

Mindii Soil Sample Results:

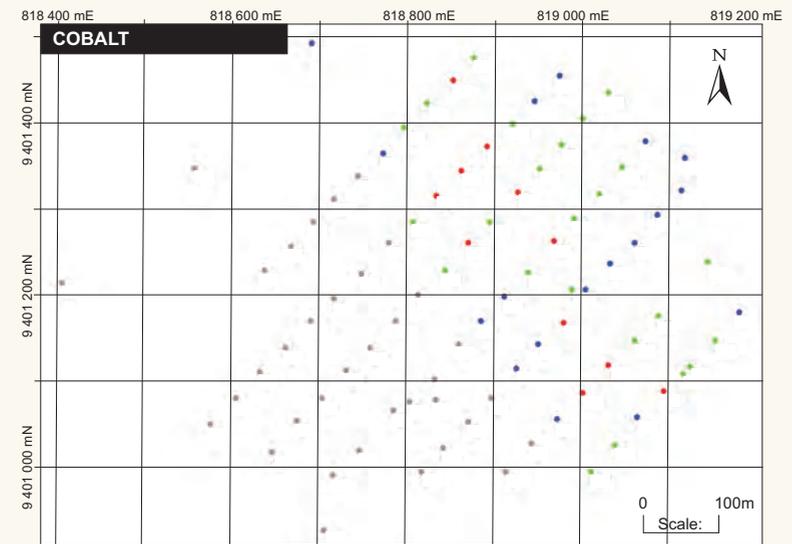
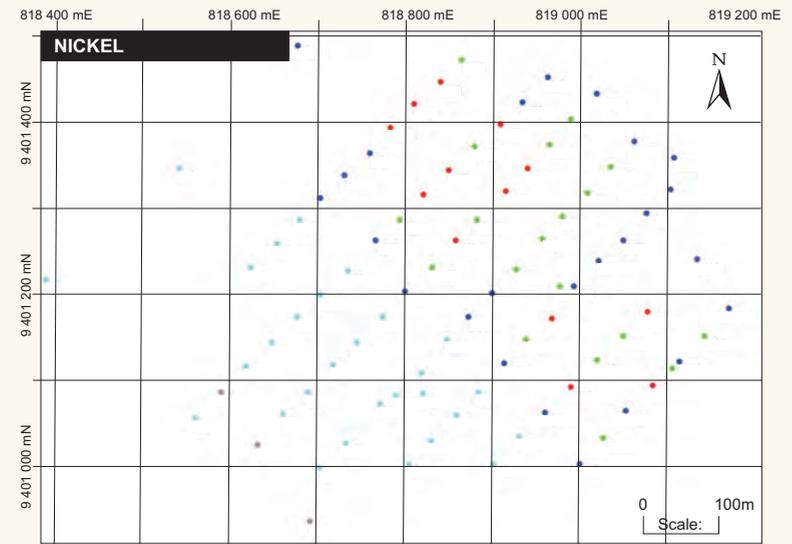
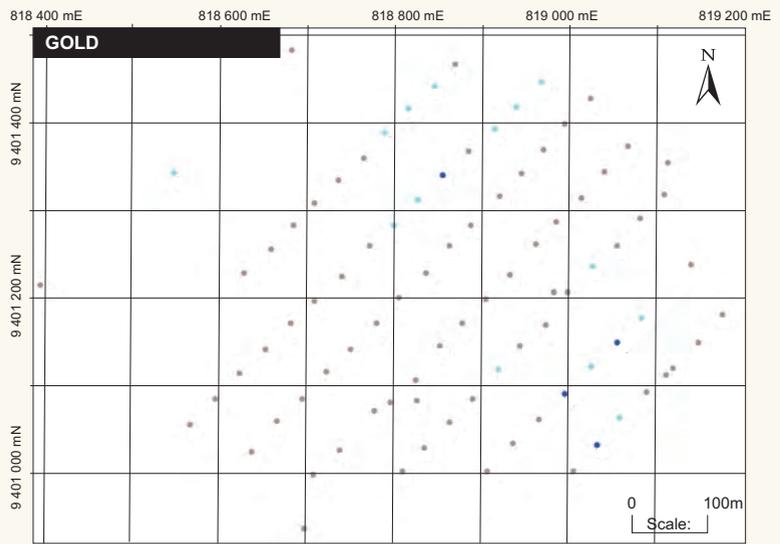
Au (ppm):

- 101-907
- 31-101
- 11-31
- 4-11
- 0-4

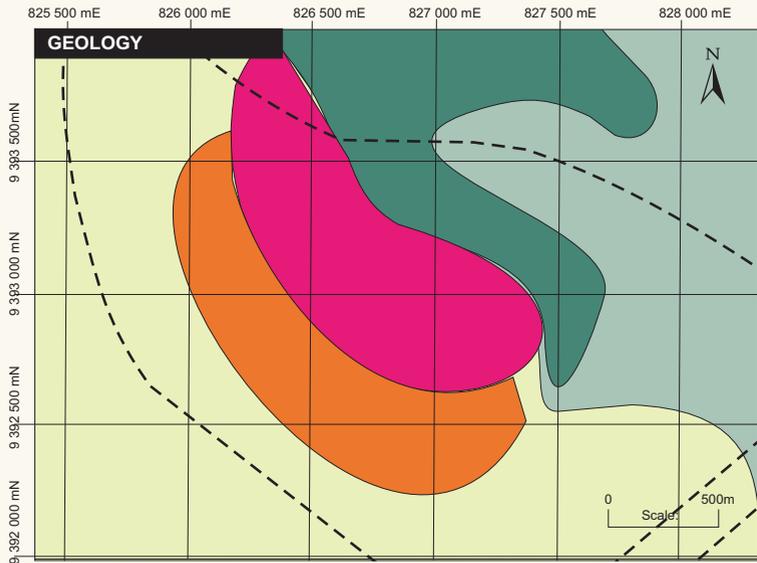
Mindii Soil Sample Results:

Co (ppm):

- 151-210
- 101-151
- 51-101
- 0-51



SOIL SAMPLING OVER KWAHEMU HILL



LEGEND:

GEOLOGY

- Basic Igneous Intrusions
- Serpentinite outcrops
- Serpentinite concealed (interp.)
- Banded gneiss
- Granites and granite gneiss

EXPLORATION

Kwahemu Soil Sample Results:

Ni (ppm):

- 4,001-7,400
- 3,001-4,001
- 1,001-3,001
- 101-1,001
- 0-101

Kwahemu Soil Sample Results:

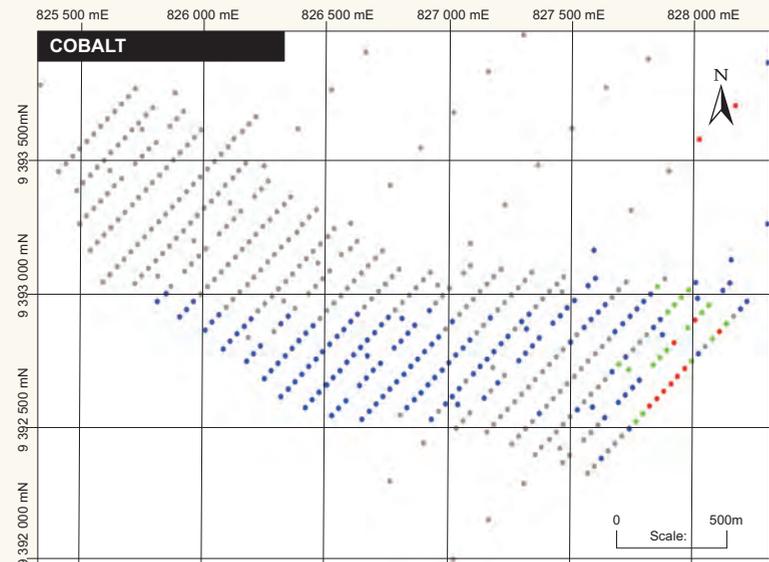
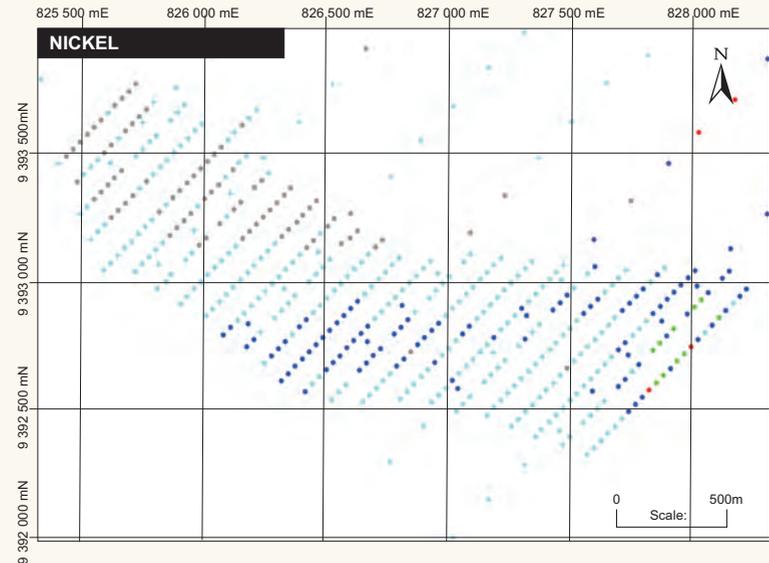
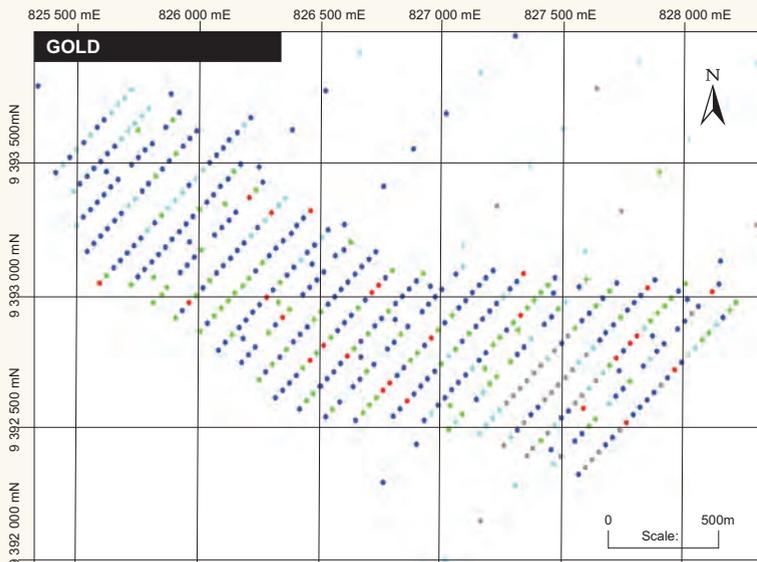
Au (ppm):

- 101-907
- 31-101
- 11-31
- 4-11
- 0-4

Kwahemu Soil Sample Results:

Co (ppm):

- 151-250
- 101-151
- 51-101
- 0-51

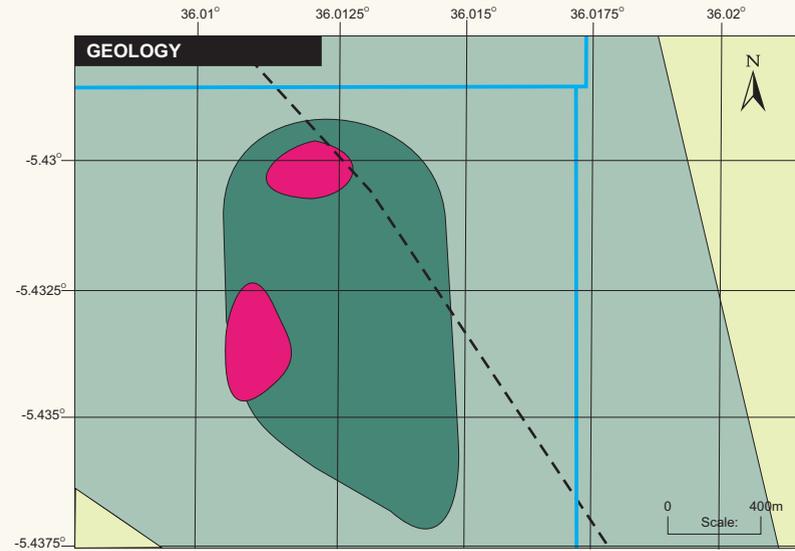


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SOIL SAMPLING OVER MIHANZA HILL

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LEGEND:

- GEOLOGY**
- Basic Igneous Intrusions
 - Serpentinite outcrops
 - Serpentinite concealed (interp.)
 - Banded gneiss
 - Properties Under Offer

EXPLORATION

Mihanza Soil Sample Results:

Ni (ppm):

- 4,001-4,600
- 3,001-4,001
- 1,001-3,001
- 101-1,001
- 0-101

Mihanza Soil Sample Results:

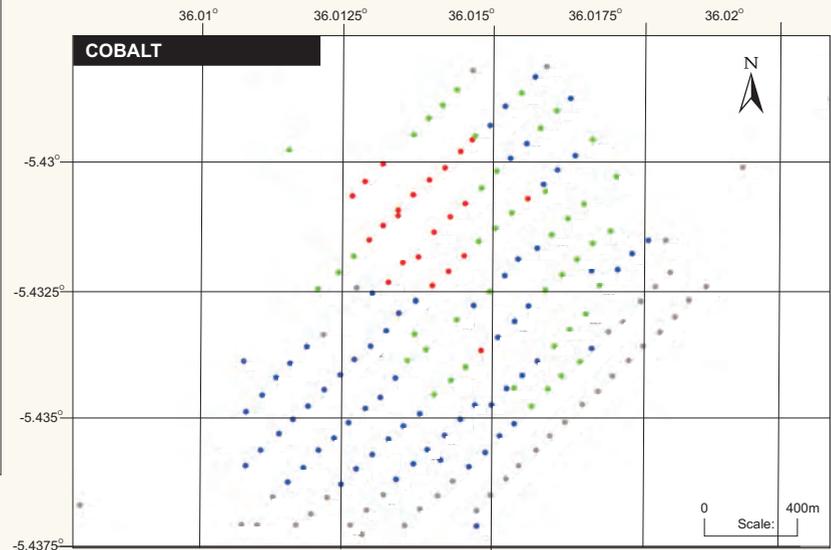
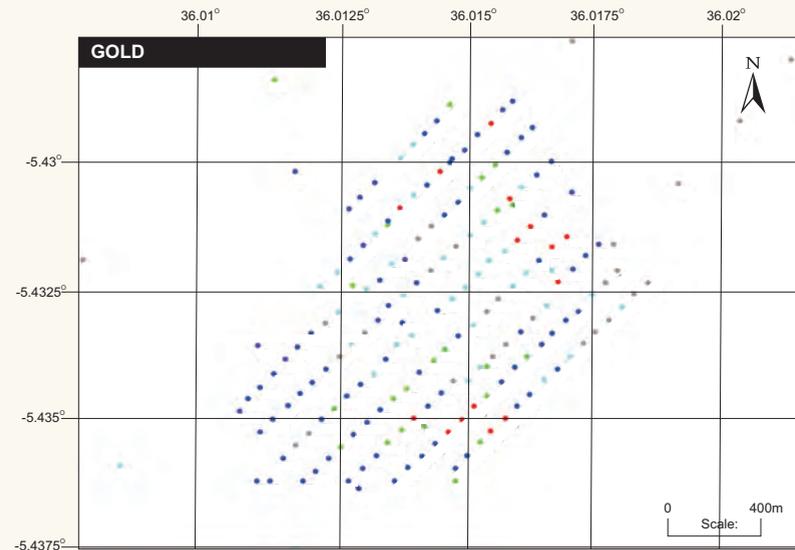
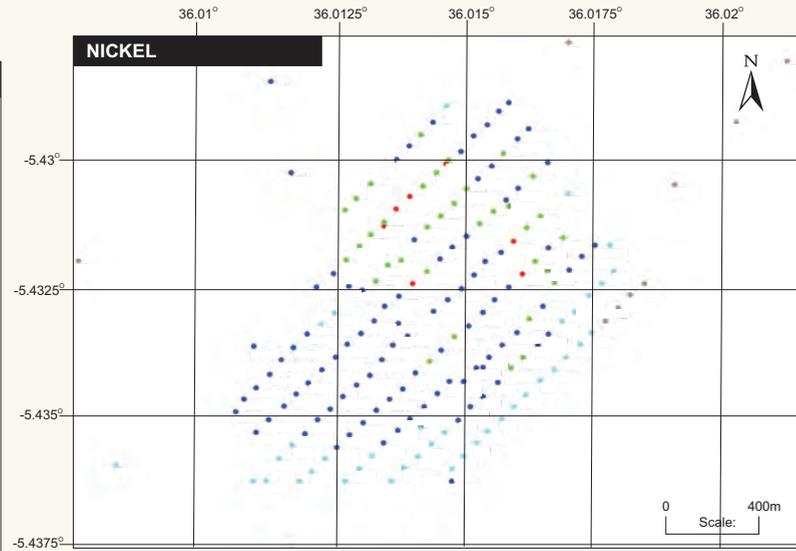
Au (ppm):

- 101-1,050
- 31-101
- 11-31
- 4-11
- 0-4

Mihanza Soil Sample Results:

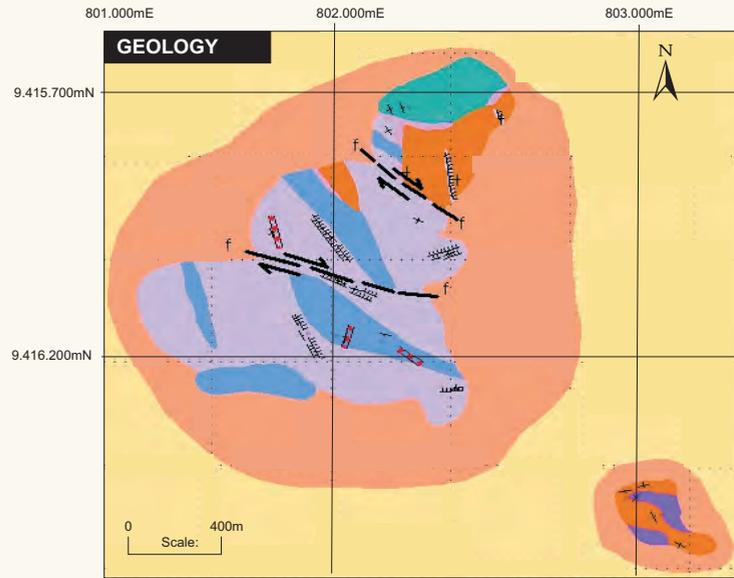
Co (ppm):

- 151-210
- 101-151
- 51-101
- 0-51



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SOIL SAMPLING AT BETETE



LEGEND:

GEOLOGY

- Amphibolite
- Micro-Granite
- Pegmatite
- Porphyritic Granite
- Quartzite
- Red Soil
- Grey Soil
- Dolerite
- Quartz Vein
- Shear/Schistosity
- Fault. Arrow shows direction of relative movement

EXPLORATION

Betete Soil Sample Results:

Au (ppm):

- 30-79
- 10-30
- 4-10
- 0-4

Betete Soil Sample Results:

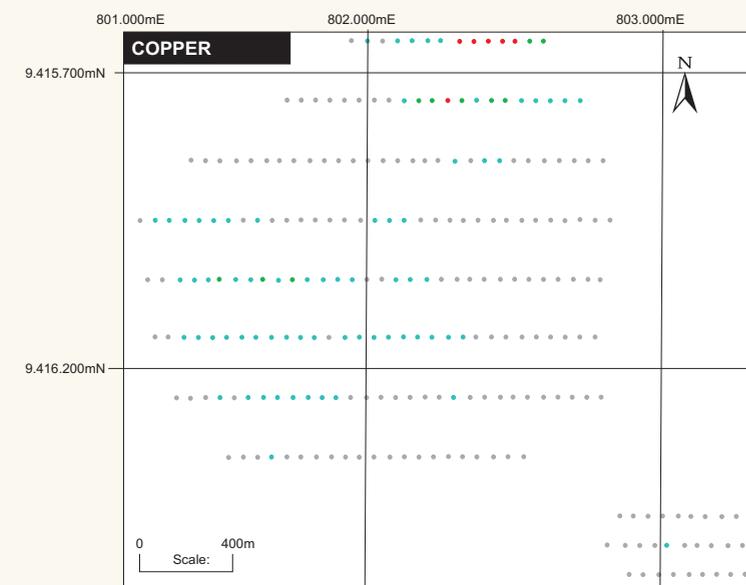
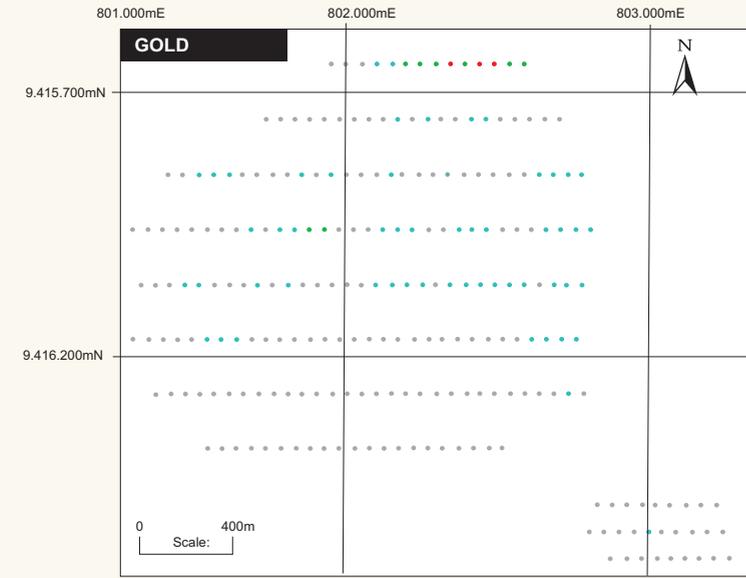
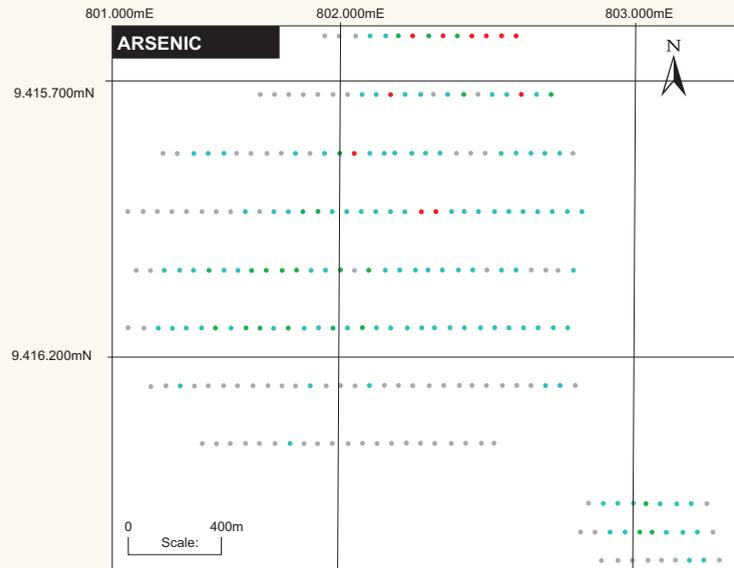
As (ppm):

- 200-1,58
- 100-200
- 50-100
- 0-50

Betete Soil Sample Results:

Cu (ppm):

- 150-222
- 100-150
- 50-100
- 0-50



A moderate Au anomaly (maximum 79ppb Au) was identified on the northern-most sample line over 9 consecutive samples covering 200m of easting. A strong Au-Cu-As correlation was noted.

Venmyn did not visit this prospect and consequently we are unable to definitively comment on the prospectivity of this prospect. From the above, however, it would appear that follow-up sampling in conjunction with detailed geological and structural mapping is warranted. In addition it is also recommended that petrographic samples are analysed and dated.

12.5.3. PLA1162 and PLA 1163 Gold Prospect

Kibo has a beneficial interest in two Prospecting Licences in the far west of the Haneti Projects area. While letters of offer were issued to Frontier Resources Ltd (Frontier) in 2004, the licences have still not been issued. A deed of assignment dated 13th March 2010 between Frontier Resources Limited (and Eagle Gold Mining provides for the transfer of these licences from Frontier to Eagle Gold Mining once they are issued.

Kibo have been involved in intermittent discussions with the Ministry over the years that recognise their rights. However, there was an artisanal discovery over the area after the letters of offer were issued (and payment of acceptance fees made), and the Ministry issued mining claims (PML's) on the ground. As there is a large artisanal presence on the ground, the Ministry are slow to sort this out.

As a consequence of the above, no exploration has been conducted in the westernmost portion of the Haneti Projects (PLA1162), due to the prevalence of artisanal gold mining in the area.

The area is underlain by Archaean Dodoman granites and granite gneisses, with Au mineralisation understood to be associated with the extensions of the Londoni Greenstone Belt. Exploration to the west and northwest of PLA1162 by Shanta Mining Company Limited (Shanta) has identified significant Au mineralisation within the newly discovered Londoni Greenstone Belt.

Clearly the presence of a large number of artisanal miners within PLA1162, raises concerns regarding Kibo's access to the area as PML's take precedence over prospecting licences. It seems that Kibo would have to enter into numerous agreements with the holders of the PML's in order to gain access.

12.5.4. Sampling Method

Reconnaissance sampling has focussed on the collecting of soil and rock chip samples in order to identify follow-up targets.

Geochemical soil samples over the HUC were collected from pits dug between 30cm to 70cm deep to get through the surficial alluvium. Samples were collected along the bottom of the pit for the full 1.0m sample length. Interesting lithologies were assayed at 1.0m while less interesting lithologies were composited into 3.0m, while retaining each 1.0m for individual testing if assays returned grade for the composite. Pits were initially dug at intervals of 200m along northeast-southwest oriented survey lines spaces about 400m apart (Figure 52). Infill pits were later conducted over certain anomalies at a spacing of approximately 50m apart (Figure 55-Figure 59). The sample positions were sited using a hand held GPS with expected accuracies <10.0m. Areas covered by mbuga were not sampled. Each sample was ~1.5-2.0kg and assigned unique sample numbers when bagged by technicians.

Pits/Trenches were logged each metre according to geology, lithology, mineralisation, colour and once laboratory certificates received, grade.

Geochemical soil samples were sieved to -80 mesh in the field. Duplicates, standards and blanks were included with the samples submitted for assay at a rate of approximately 1 in 10.

A total of 1,325 soil samples have been collected to-date.

12.5.5. Laboratory Analyses

All samples have been analysed for Au, Cu, Zn, Pb, Ni, Co and As at the un-accredited Humac Laboratory in Mwanza.

12.5.6. Sample Preparation and Analysis

The samples were analysed using a hot aqua regia digest, and atomic absorption flame spectrophotometry for metal determination. This is an appropriate total analysis technique for these types of samples.

An internal analysis of the QA/QC data concluded that there was no cause to suspect erroneous laboratory practices. The sample preparation for the soil samples with regards to splitting, size reduction, verification and laboratory QA/QC measures are considered appropriate techniques for these types of samples. The likelihood of inadequate or non-representative samples is low.

12.5.7. Security

Samples are stored at the company's office in Mwanza, sorted by project, exploration programme and sample number for easy retrieval. Once at the laboratory, the samples were subject to the standard security measures of the laboratory.

12.5.8. QA/QC

Data was validated by the on-site geologist when captured from log sheets to digital format as well as when assays were received back from the lab when comparing results of field QA/QC samples. If discrepancies occurred, the lab was notified to re-test the batch. Field verification techniques were utilised with certified standards, blanks and field duplicates inserted sequentially in the sample stream such that every 10th sample was a QA/QC sample.

Venmyn could not inspect the analysis of the Haneti Project samples (as no analysis was being conducted at the time of the review), however it is reasonable to assume that similar procedures were followed as discussed for the Lake Victoria Greenfields Projects.

12.5.9. Data Management

12.5.9.1. Data Acquisition and Validation

The complete set of sampling results for the Haneti Projects properties is currently stored in a GIS Database (Haneti Project Database) which is stored and backed up on an access protected central database in Johannesburg

This database (Datashed) includes all sampling positions and assay results to-date. Data from sampling and exploration activities was received in digital format from the laboratory and validated by technicians upon receipt and compared with QA/QC samples. Irregularities are communicated to the laboratory for follow up re-tests.

Additionally, historical data obtained from the TGS was captured and digitised into the database and validated. This database is managed and backed up by a dedicated database manager in Johannesburg and can be accessed remotely by authorised Kibo personnel.

A selection of sample dispatches were checked by Venmyn for numbering consistency and random spot-checks were carried out verifying sample medium logs. Venmyn have been supplied with the assay sheets for each of the samples as well as the duplicates, blanks and standards.

Random checks were performed on anomalous assay results reported by the laboratory and within the GIS database and no discrepancies were noted. Venmyn also reviewed all blank, standard and duplicate assay results and found no material discrepancies. While no in-field checks could be made, Venmyn is satisfied that the data can be relied on, in consideration of the procedures described above, the limited independent checks on the sampling data and the early stage of exploration being considered.

12.5.9.2. Database Management

The database for the Haneti Projects currently contains data from all sampling conducted over the various properties. The database is managed and maintained by the chief consulting geologist, Mr G. Norton. Backups are stored at Kibo's office in Dar es Salaam.

12.6. General Opinion on the Haneti Projects and Recommendations for Further Work

Despite a history of the identification of Ni bearing lithologies in the area, no Ni sulphides or voluminous high grade Ni laterites have been discovered within the HUC to-date. However, elevated Ni results from a number of anomalies, in particular at Mwaka Hill and between Mwaka and Kwahemu Hill, do suggest that the HUC remains prospective, and justifies continued exploration, with Mwaka Hill representing an obvious follow-up target.

Regional scale exploration should also continue in order to better assess the extent of the HUC and its origins as well as to better assess its Ni-Cu-PGE potential. Given the initial indications of possible PGE mineralisation in the area, it is further recommended that all soil and rock samples continue to be analysed for Cr in order to determine whether the ultramafic rocks may have included Cr-bearing dunite (and a possible host for PGE mineralised sulphides).

It is too early to define the potential of the HUC to host magmatic Ni sulphide deposits, as this has only been superficially explored to-date. Nevertheless the exploration that has been conducted shows that Ni occurs in elevated concentrations throughout the ultramafics, with a number of Ni and Au anomalies having been identified from soil geochemical samples. Of the ten identified ultramafic bodies, the best exposed have received the most exploration to-date. Any or all of these have potential to host nickel mineralisation and warrant follow-up work. To-date no Ni sulphides or obvious Ni gossans have yet been found.

The potential for nickel laterite deposits is most likely to be restricted to hilltops, however there remains the possibility of preserved laterite beneath the flat areas away from the hills and the 2011-2012 pitting campaign returned supportive results for the presence of laterites, albeit, at low grades for economical extraction. Given that the hills are limited in aerial extent, it is important to establish the laterite potential in the flat areas.

It is important to establish whether the HUC is intrusive or structurally emplaced, as this will impact on and determine the future exploration strategy. A structural emplacement model would direct exploration towards contact-related Ni-Cu-PGE mineralisation while an intrusive model would direct exploration towards a feeder-related or stratiform Ni-Cu-PGE deposit.

The presence of significant artisanal workings within PLA1162 suggests that the area has potential for Au mineralisation within the Archaean Dodoman terrain. It follows that this should become a high priority target for Kibo. This raises the possibility that the Betete area may also be underlain by a Dodoman Greenstone terrain and suggests that all areas to the west of the NW-SE boundary between the Usagaran and Dodoman lithologies should be targeted for reconnaissance Au exploration by means of detailed aeromagnetics and bedrock geochemical sampling, in order to identify possible greenstone lithologies.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments of each of the licences. Future exploration programmes should be aligned with this objective.

12.7. Risks

Kibo's portfolio of base metal and gold exploration assets within the Haneti Projects area constitute greenfields exploration projects, and are therefore, inherently exposed to normal operational risks associated with exploration projects.

The success of the projects depends largely on successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

Many of the licences within the Haneti Projects portfolio remain as applications. There is no guarantee that these will be awarded in their entirety or in part, and licence applications are currently experiencing considerable delays. Kibo's licences and applications are however being managed by a competent team of personnel at their Dar es Salaam offices in order to ensure the best possible chance of success. This team has a track record of successful applications and maintenance of awarded licences.

While Kibo believe their rights over the licences in the west of the Haneti Project are valid, the granting of PML's over the same resources raises concerns regarding Kibo's access to the area as PML's take precedence over prospecting licences. Kibo would have to enter into numerous agreements with the holders of the PML's in order to gain access. Kibo have not escalated this issue to a legal dispute as Kibo would prefer resolving the issue amicably. Kibo remain engaged with the Ministry of Energy and Minerals on this subject and we are following it up on a regular basis but the matter has still not yet been resolved.

Kibo will require a Mining Right before base metals or gold can be mined.

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on Kibo's future operations, and potential revenue streams can also be affected by these factors.

12.8. Exploration Programme and Budget

Kibo has consolidated an extensive portfolio of mineral rights within the Haneti project area in Tanzania. The majority of these assets and exploration on these assets has been limited to licence applications, third party licence acquisitions, desktop reviews, preliminary field inspections, pitting and trenching and regional reconnaissance mapping using geo-chemical and geophysical methodologies.

Exploration conducted recently has included pitting/sampling for laterites and ground based detailed geophysical examinations of two ultramafic bodies, conducted in the last quarter of 2011 and first quarter of 2012.

The preliminary budgets are based on a pending JV agreement which is likely to fund the bulk of the exploration. Planned exploration activities and budgets for the project area are preliminary in nature and are based on a long-term 18 to 24 month exploration programme and are as follows:-

- the total provisional budget for the Haneti project area is USD1.7m; and
- exploration in the Haneti Project area, includes diamond core (DC) drilling of the detailed electro-magnetic (EM) targets, with mapping prospecting and rock sampling of other ultramafic belt nickel and greenstone gold targets. Proposed exploration also includes RAB drilling of the laterite where potential exists.

13. CONCLUSIONS

This report has described each mineral asset in terms of its historical and recent exploration data, which would have a bearing on the techno-economic value of the contributing mineral assets.

Kibo currently has access to an extensive portfolio of greenfields prospecting licences within a number of prospective project areas within Tanzania. The acquisition of Rukwa would give Kibo access to an advanced stage coal exploration project, with JORC compliant resources, while the acquisition of Pinewood would further balance Kibo's portfolio of mineral projects by adding significant coal and uranium exploration projects, creating a highly diversified mineral exploration company with a significant ground holding within Tanzania.

Rukwa comprises a single coal exploration project in southwestern Tanzania, at an advanced level of exploration development and with JORC Code compliant coal resources. The large coal resource and coal qualities suggest that the coal could be amenable to the production of large quantities of coal that could meet power station specifications. However the successful development of this project would be highly dependent on its ability to supply future power stations in the area, and it follows, that Rukwa would be reliant on the construction of power stations in the region and securing off-take agreements with such power stations or other external markets. Additional in-fill drilling and extension drilling is required at the Rukwa Project to further increase the confidence within the current resource area and to increase the coal resource, respectively.

Pinewood has consolidated an extensive portfolio of mineral rights in southwestern Tanzania (the Pinewood Project), at very early stages (greenfields) of exploration development. No modern, systematic exploration has been completed within the licence areas. However a preliminary review of historical information suggests that the licences are variably prospective for both coal and uranium as a result of:-

- the occurrence of Karoo lithologies within a number of the licences; and
- proximity of a number of licences to various second order radiometric anomalies.

Pinewood, through its portfolio of mineral rights, establishes itself as a new energy exploration company focussing on both traditional energy in the form of coal and new energy in the form of uranium. Pinewood is an early stage exploration company and is at the very start of a systematic regional prospecting programme in areas prospective for both coal and uranium.

Pinewood and Rukwa are both positioned to take advantage of future infrastructural development within southwestern Tanzania and the African continent as a whole, at a time when investors (specifically from Indian and China) are investing heavily in both infrastructure and minerals projects within Africa, in order to secure supply for their growing demands.

The Lake Victoria Projects represent an extensive portfolio of early stage exploration projects, in a traditional greenstone belt prospecting environment in Northern Tanzania. Exploration on these properties is still in its infancy, with limited reconnaissance exploration having been conducted to-date. Positive results to-date warrant follow-up sampling and geological and structural mapping in previously sampled areas.

The Morogoro Projects comprise an extensive portfolio of licences within a non-traditional gold exploration environment, within southeastern Tanzania. Very limited sampling has been conducted within the project area, with only limited reconnaissance stream sampling in proximity to known alluvial occurrences. Positive results to-date warrant follow-up sampling and geological and structural mapping in previously sampled areas. However, given the lack of geological knowledge in the project area, reconnaissance sampling is recommended for all un-sampled licences. Venmyn consider that the licences have potential for the discovery of non-traditional gold mineralisation within the Morogoro Projects area, based on the limited exploration results received to-date, the initial assessment of the geological and structural environments within the licences, increased artisanal activity in the area, and the extensive licence portfolio available for prospecting. The Morogoro Projects offer an attractive opportunity to conduct exploration in a prospective area in which very little previous systematic exploration has been undertaken, and which may be set to become a new goldfield within Tanzania.

The Haneti Projects comprise an extensive portfolio of licences within central Tanzania, that are variably prospective for Ni-Cu-PGE and Au. The Haneti Projects represent early stage exploration projects, with only limited reconnaissance soil and trench sampling having been conducted over a few of the anomalies to-date. While a number of anomalies require follow-up sampling, results to-date suggest that the HUC remains prospective, and justifies continued exploration, with Mwaka Hill representing an obvious follow-up target.

Successful exploration will require a persistent and systematic approach and a thorough understanding of the local geology and regional structural environments. Future exploration programmes should be aligned with this objective, taking into account the nature of potential mineralisation.

Appendix 1 CV's

Name of Firm: Venmyn Rand (Pty) Limited
Name of Staff: Mr Andrew Clay
Company Responsibility: Managing Director
Profession: Geologist
Date of Birth: 16th April 1955
Years with Firm/Entity: 25 years
Nationality: British

Membership in Professional Societies:

| CLASS | PROFESSIONAL SOCIETY | YEAR OF REGISTRATION |
|------------------|--|----------------------|
| Member | Canadian Institute of Mining, Metallurgy and Petroleum | 2006 |
| Advisor | JSE Limited Listings Advisory Committee | 2005 |
| Issuer | JSE Issuer Services | 2008 |
| Member | JSE Issuer Mining Sub-committee | 2009 |
| Associate Member | American Association of Petroleum Geologists | 2005 |
| Member | South African Institute of Directors | 2004 |
| Fellow | Geological Society of South Africa | 2003 |
| Member | American Institute of Mineral Appraisers | 2002 |
| Member | South African Institute of Mining and Metallurgy | 1998 |
| Fellow | Australasian Institute of Mining and Metallurgy | 1994 |
| Member | Natural Scientist Institute of South Africa | 1988 |
| Member | Investment Analysts Society of South Africa | 1990 |
| Member | Society of Petroleum Engineers | 2009 |
| Member | Project Management Institute | 2011 |

Involvement in Code Writing:

| POSITION | PROFESSIONAL CODE | DATE OF INVOLVEMENT |
|----------------------|---|---------------------|
| Chairman | Venmyn Advisory Checklist | 2000 - present |
| Member | South African (SAICA) extractive industries deliberations | 2003 - present |
| Initiator | SAMREC / IAS Award | 2002 - present |
| Advisor | JSE Listing Requirements (Section 3 Ongoing obligations) | 2002 - present |
| Working Group Member | SAMREC Code (Oil & Gas) | 2005 - present |
| Working Group Member | SAMVAL Code | 2001 - present |
| Working Group Member | SAMREC Code (Re-write Sections 1 - 5) | 2005 - present |
| Working Group Member | SAMREC Code (Re-write) | 2003 - present |
| Working Group Member | SAMREC Code (First Version) | 1996 - 2001 |

Mr Clay currently has a special interest in incorporating oil and gas reporting procedures into the general application of mineral asset valuation.

Involvement in Fund Management

| POSITION | FUND | DATE OF INVOLVEMENT |
|--|--|---------------------|
| Member of Investment & Audit Committee | New Africa Mining Fund (NAMF) | 2007 - present |
| Director | Strategic African Mineral Investment Fund (SAMI) | 2008 - present |

Detailed Tasks Assigned:

| YEAR | CLIENT | COMMODITY | DOCUMENTATION |
|------|--|--------------|---|
| 2012 | Optimum Coal | Coal | Independent Opinion |
| 2012 | Wits Gold | Gold | CPR and Valuation |
| 2012 | Pan African Resources | Gold | CPR and Valuation |
| 2012 | Banro | Gold | Technical Report and Valuation |
| 2012 | Harmony Evander | Gold | Full CPR and Valuation |
| 2012 | Boynton | PGM | Pre-feasibility Study |
| 2012 | Sudor Coal | Coal | Valuation |
| 2012 | NMIC | Gold | Technical Report and Valuation |
| 2011 | SSC Mandarin | Gold | Independent Corporate and Technical Advisor |
| 2011 | Harmony | Gold | CPR |
| 2011 | Afrisam | Cement | Independent Valuation |
| 2011 | Chromex | Chrome | Hong Kong Listing |
| 2011 | Banro | Gold | Independent Technical Statement |
| 2011 | Xceed Capital | Coal | Independent Valuation Statement |
| 2011 | Chrometco | Chrome | Independent Valuation |
| 2011 | Scinta | Coal | Independent Technical Statement and Valuation |
| 2011 | Seque Manganese | Manganese | Prospectivity and Scoping Study |
| 2011 | Sable | PGE | Prospectivity and Drilling Density CP |
| 2011 | Taung | Gold | Hong Kong Listing |
| 2011 | Maghreb Minerals | Zinc | CPR |
| 2011 | Veremo | Iron | Updated Technical Statement on Veremo |
| 2011 | Smart Carbon | Coal | Strategic Advisor |
| 2011 | Sephaku | Cement | |
| 2011 | Axmin | Gold | Technical and Economic Documentation |
| 2011 | Absa Vanadium | Vanadium | Vanadium Project Valuation |
| 2011 | BCL Dumps | Nickel | Scoping Study |
| 2011 | AMRT | Copper/Gold | Scoping Study |
| 2011 | Jindal Mining | Coal | Techno-Economic Statement on the Mbili Coal Project |
| 2011 | Essar RioZim | Various | Corporate Transaction |
| 2011 | SEW Trident | Coal | Transaction and Valuation Planning |
| 2011 | PSIL | Uranium | Strategic Valuation |
| 2011 | Kibo Mining | Gold/Various | Tanzanian Assets |
| 2011 | Moabsveldten Coal | Coal | Technical and Valuation Work |
| 2011 | Wesizwe | PGE | Fairness Opinion |
| 2010 | Namane | Coal | |
| 2010 | Bauba Platinum | Platinum | Independent Strategic Technical Advisor |
| 2010 | Evrax Mapochs | | Independent Valuation |
| 2010 | African Copper | Copper | Independent Mass Balance and Orebody Fatal Flaws Assessment |
| 2010 | Advanced Mineral Recovery Technologies | Gold | Independent Sampling and Mass Balance Report |
| 2010 | Xstrata Coal | Coal | Independent Valuation Certificate |
| 2010 | Sephaku | Cement | Independent Technical Review |
| 2010 | White Water Resources | Gold | Independent Competent Persons' Report |
| 2010 | White Water Resources | Gold | Independent Technical Statement |
| 2010 | Platmin | Platinum | Independent Techno-Economic Reports and Valuation |
| 2010 | West Wits Mining | Gold | Independent Prospectivity Review |
| 2010 | SSC Mandarin | Gold | Independent Corporate and Technical Review |
| 2010 | Ultra Tech | Cement | Independent Techno-Economic Statements |
| 2010 | Taung | Gold | Independent Technical Review |
| 2010 | Taung | Gold | Independent Valuation Statement |
| 2010 | Sylvania | PGMs | Independent Technical and Valuation Experts Report |
| 2010 | Mzuri Capital | Gold | Independent AIM Compliant Competent Person's Report |
| 2010 | Kalagadi | Manganese | Independent High Level Techno-Economic Review |
| 2010 | Lesego | Platinum | Independent Techno-Economic Valuation Report |
| 2010 | Lesego | Platinum | Independent Executive Summary |
| 2010 | G&B Resources | Li | Independent Prospectivity Review |
| 2010 | Miranda | Coal | Independent Technical Resource and Valuation Statement |
| 2010 | Loncor | Gold | Independent Techno-Economic Valuation Report |

| YEAR | CLIENT | COMMODITY | DOCUMENTATION |
|------|---------------------------------------|---------------------|--|
| 2010 | Gentor Resources | Copper | Independent Techno-Economic Report |
| 2010 | ETA Star | Coal | Independent Valuation Report |
| 2010 | AfriSam | Cement | Independent Technical Review |
| 2010 | Buildmax | Cement | Independent Short-Form Competent Report |
| 2010 | Anglo Platinum | Platinum | Independent Valuation of the PGM Assets |
| 2010 | Nyota Minerals | Gold | Independent Inferred Resource Estimate |
| 2010 | Absolute Holdings | Platinum | Independent Competent Persons' Report |
| 2010 | AfriSam | Cement | Independent Technical Review |
| 2010 | African Copper | Copper | Mass Balance and Orebody Fatal Flaws Assessment |
| 2010 | Ruukki | Platinum | Short-Form Techno-Economic Statements |
| 2010 | Umbono Capital | PGMs | Independent Competent Persons' Report |
| 2010 | Anglo Platinum | PGMs | Independent Mineral Asset Valuation |
| 2010 | Zambia Copper Investments | Copper | Mineral Asset Valuation |
| 2010 | White Water Resources | Gold | Short-Form Valuation Statements |
| 2010 | Central African Gold | Gold | NI 43 – 101 Technical Report |
| 2010 | Platmin | Platinum | Updated NI 43 – 101 Technical Report |
| 2009 | G & B Resources | Uranium | Independent Competent Persons' Report |
| 2009 | Kalagadi | Manganese | Independent Techno-Economic Review |
| 2009 | Sephaku Cement | Cement | Independent Competent Persons' Report |
| 2009 | Metorex | Gold | Independent Fairness Opinion |
| 2009 | Kivu Resources | Pegmatites | Independent prefeasibility study |
| 2009 | Kalagadi Manganese | Manganese | Independent Tehno-Economic Review |
| 2009 | Taung Gold | Gold | Independent Competent Person's Report |
| 2009 | Sylvania Resources | Platinum | Independent Technical and Valuation Expert's Report |
| 2009 | Ernst & Young Jordan | Gold | Independent Valuation Report on mineral assets of a Gold Mining Concession in Ethiopia |
| 2009 | Dwyka Resources | Gold | Independent Technical Statement on Tulu Kapi Gold Project |
| 2009 | G & B African Resources | Pot Ash | Independent Prospectivity Review |
| 2009 | Central African Gold | Gold | Information Memorandum in the form of NI 43-101 Compliant Technical Statement |
| 2009 | Braemore Resources | Platinum | Fairness Opinion |
| 2009 | New Dawn | Gold | Independent Technical Statement |
| 2009 | Investec | Cement | Independent Technical Review of CILU Cement assets |
| 2009 | IBI | Iron ore | Independent Technical Resource Statement |
| 2009 | Chrometco | Chrome | Fairness Opinion |
| 2009 | Rand Uranium | Uranium | Mineral Resource Review and Modelling |
| 2008 | Signet Mining | Coal | Independent valuation of coal assets |
| 2008 | Lesego Platinum | PGMs | Independent Competent Person's Report for JSE Listing |
| 2008 | Norilsk Nickel | Nickel | Review of business strategy |
| 2008 | Minero Group | Zinc/Lead | Review of business strategy and Competent Person's Report |
| 2008 | Paramount Mining | Diamonds | Independent Technical Statements |
| 2008 | Anglo Platinum | PGMs | Independent Technical Report and valuation |
| 2008 | Demindex | Diamonds | Review of business strategy and Technical Advice |
| 2008 | Investec | Cement | Due Diligence and valuation of Cilu Cement |
| 2008 | DGI | Copper/Cobalt | Independent Technical Statements |
| 2008 | Abalengani | Platinum | Review of plant and valuation |
| 2008 | Absolute Holdings | | Quarry valuation |
| 2008 | Metorex | Copper/Cobalt | Fairness Opinion |
| 2008 | Investec | Cement | Due diligence on Sephaku assets |
| 2008 | Kivu Resources | Tantalite | Tantalite strategic planning and valuation |
| 2008 | Tantilite Resources | Tantalite | Independent Technical Report |
| 2008 | DGI | Copper/Cobalt | Independent Technical Statement and valuation |
| 2008 | Uramin | Uranium, | Resource Review and Technical Statements |
| 2008 | Harmony Gold Mining | Au, Uranium | Independent Technical Statements and Strategic business plan |
| 2008 | Harmony Gold | Uranium | Cooke Dump Resource and Finacial Valuation |
| 2008 | Harmony Gold | Au Uranium | Resevre and Resource Audit for the group |
| 2008 | Nkwe Platinum | PGMs | Independent Technical Statement and Competent Person's Report |
| 2008 | Highveld Steel & Vanadium Corporation | Steel, Vanadium | Independent Resource and Reserve planning |
| 2008 | African Minerals | Diamonds | Independent Technical Statements |
| 2008 | Continental Coal | Coal | Independent Technical Report |
| 2008 | Industrial Base Metals | Base Metals | Base Metal Refinery Audit |
| 2007 | Crushco | Industrial Minerals | Independent valuation |
| 2007 | Kimberley Consolidated Mining | Diamonds | Independent valuation |
| 2007 | LionOre Mining | Nickel. PGMs | Technical and economic valuation |
| 2007 | PBS Group | PGMs | Project review |

| YEAR | CLIENT | COMMODITY | DOCUMENTATION |
|------|--|-----------------------------------|--|
| 2007 | Western Areas | Au | Independent valuation |
| 2007 | Harmony Gold Mining | Au. Uranium | Independent scoping and valuation |
| 2007 | Great Basin Gold | Au | Independent valuation for BEE transaction |
| 2007 | BRC/Diamondcore Resources | Diamonds | Valuation and Opinion provider |
| 2007 | Urals Investors | Diamonds Au. PGMs and Oil and Gas | Independent Transaction Report |
| 2007 | Energem | Diamonds | Independent Technical Statement for Koidu |
| 2007 | Xstrata | Cr | Independent CGT and Valuation advice |
| 2007 | PWC Magnetite Mine Review | Magnetite | Independent Mineral Resource Review and Valuation for apportionment calculations |
| 2007 | Magnum Resources | Ta | Independent Mineral Resource Review |
| 2007 | Gaanahoek Coal Deposit | Coal | Prospectivity Review |
| 2005 | Letseng | Diamonds | Independent Competent Person's Report for disposal |
| 2005 | Zimplats Tenements | Platinum Group Metals | Independent Competent Person's Report for disposal |
| 2005 | DRD | Gold | Fair & Reasonable |
| 2005 | ARM Madikwa | Platinum Group Metals | Independent Valuation for Impairment Calculation |
| 2005 | Harmony Competitions Tribunal | Gold | Independent Expert Witness |
| 2005 | Ecce Holdings | Bentonite | Independent Industry Review |
| 2007 | DRDGold | Au | Emperor Gold Mines independent forensic review |
| 2007 | Kimberley Diamonds Corporation | Diamonds | Independent Listings Documentation |
| 2007 | Rockwell | Diamonds | Transhex Transaction Documentation |
| 2007 | Rockwell | Diamonds | Independent Mineral Resource Review |
| 2007 | Caledonia Mining | Au | Independent Disposal Documentation Eersteling |
| 2007 | Caledonia Mining | Au | Independent Disposal Documentation Barbrook |
| 2007 | Adsani Tantalite Refinery | Ta | Independent Technical Report |
| 2006 | LionOre | Ni Base Metals | Independent Valuation of Falconbridge International and Nikkelverk Refinery |
| 2006 | LionOre/BCL | Ni Base Metals | Independent Technical and Economic Valuation |
| 2006 | Vanamin | V | Independent Report for disposal |
| 2006 | Kurils Islands | Au | Independent Technical Report NI43-101 |
| 2006 | Mgart Armenia | Au | Independent Assessment and Valuation for AIM |
| 2006 | Zimbabwe Mining Bill | All | Preparation of industry submission to government |
| 2006 | Energem | Oil & Gas | Preparation of National Instrument Compliance |
| 2006 | Ncondedzi Coal | Coal | Technical & Corporate Listing Documentation |
| 2006 | Metallon International - Armenia | Gold & Base Metals | Prospectivity & Exploration Programme Preparation |
| 2006 | Hood Tantalite | Tantalite | Independent Techno Economic Valuation Report |
| 2005 | Harmony Randfontein 4 Shaft | Gold | Independent Valuation |
| 2005 | Gallery Gold | Gold | Independent Competent Person's Report for disposal |
| 2005 | Stuart Coal | Coal | Independent Competent Person's Report for disposal |
| 2005 | Elementis Chrome | Chrome | Independent Industry Review |
| 2005 | Diamond Core | Diamonds | Independent Competent Person's Report |
| 2005 | Diamond Core | Diamonds | Fair & Reasonable Statement |
| 2005 | Kensington Resources | Diamonds | Independent Inspection & Certification of Laboratory |
| 2005 | Bayer Valuation | Chrome | Independent Valuation for Economic Empowerment Transaction |
| 2005 | Pangea Diamonds | Diamonds | Independent Competent Person's Report |
| 2005 | LionOre International | Nickel | Tati Nickel Review of Mineral Resources. |
| 2005 | Aquarius PSA2 | | Independent Competent Person's Report |
| 2005 | Aquarius | Platinum | Marikana Mineral Resources Review. |
| 2005 | LionOre International | Nickel | Nkomati Due Diligence and Transaction Value Calculations. |
| 2005 | LionOre International | Nickel | World Nickel market study for group corporate work. |
| 2004 | Avgold Limited | Gold | Fair & Reasonable Opinion on the Methodologies applied and Values attributed to the Mineral Assets of ET Cons |
| 2004 | Aquarius | Platinum | Update of Independent Valuation of Mimosa |
| 2004 | Aquarius | Platinum | Independent Techno-Economic Report and Fair and Reasonable Opinion tot the PIC, DBSA and IDC on the 26% BEE Transaction for AQPSA – Document waived by the JSE. |
| 2004 | Mimosa Mining Company | Platinum | Mineral Resource and Ore Reserve Review |
| 2004 | Zimplats | Platinum | Zimplats Makwiro Valuation and Corporate Restructuring |
| 2004 | Assmang | Manganese | CGT Valuation |
| 2004 | Aquarius | Platinum | CGT Valuation |
| 2004 | Sishen South | Iron | CGT Valuation |
| 2003 | Unki Platinum Project | Platinum | CGT Valuation |
| 2003 | Hernic Ferrochrome (Pty) Ltd, Itochu Corporation | Chromite | Independent valuation of the Stellite Chromite Mine Joint Venture. |
| 2003 | African Diamond Holdings (Pty) Ltd | Diamonds | Independent techno-economic due diligence and valuation of African Diamond Holdings marine diamond concessions and diamond cutting operation in Walvis Bay, Namibia. |

| YEAR | CLIENT | COMMODITY | DOCUMENTATION |
|------|---------------------------------------|----------------------|--|
| 2003 | Unki Platinum Project, Zimbabwe | Platinum | Techno-Economic Valuation Report & Fair & Reasonable Opinion |
| 2003 | Transvaal Ferrochrome Ltd | Ferrochrome | Independent Competent Person's Report and Valuation as a bankable Document for Australian Stock Exchange |
| 2003 | Aquarius Platinum (SA) (Pty) Ltd | Platinum | Independent Competent Person's Report and Valuation for the Everest South Project |
| 2002 | Zimbabwe Platinum Mines Ltd | Platinum | Independent valuation of Zimplats relative to the value of the Impala Platinum Ltd/AurionGold Ltd transaction. |
| 2002 | Mitsubishi Corporation | Ferrochrome | Expansion Report and Valuation on Hernic Ferrochrome (Pty) Ltd. |
| 2002 | Aquarius Platinum Ltd | Platinum | Acquisition Report on ZCE Platinum Ltd including the due diligence and valuation of Mimosa Mine in Zimbabwe. |
| 2002 | Freddev | Gold | Valuation of Mineral Rights & Royalties |
| 2002 | Barnex | Gold | Valuation of Mineral Rights & Royalties |
| 2002 | Western Areas | Gold | WA4 Project : Valuation of Mineral Rights & Royalty Agreement |
| 2002 | Mitsubishi | Ferrochrome | Expansion report and valuation |
| 2002 | Aquarius | Platinum | Acquisition Report |
| 2001 | Northam | Platinum | Valuation |
| 2001 | Mitsubishi Corporation | Ferrochrome | Due Diligence, Valuation and Acquisition Report |
| 2001 | Amcol Due Diligence | Bentonite | Independent due diligence and valuation on G&W |
| 2001 | Zimplats Impala Raising | Platinum | Circular to shareholders valuation report |
| 2000 | African Minerals | Varied | Independent competent person's report |
| 2000 | Barnato Exploration Limited | Varied | Competent person's report |
| 2000 | Durban Deep | Gold | Independent valuation report |
| 2000 | Iscor Limited | Varied | Independent valuation of exploration assets |
| 1999 | Harmony Gold Mining Co Ltd | Gold | Harmony / Kalgold / West Rand Cons |
| 1999 | Leighton Contractors | Tin | Pre-feasibility study Pemali Tin (Indonesia) |
| 1999 | Mitsubishi | Ferro-Chrome | Techno-economic valuation of Hernic Chrome |
| 1998 | Barnex Ltd | Wits Gold | Due diligence |
| 1998 | Camco | Diamonds | Independent Competent Person's Report and valuation |
| 1998 | Crown Mines and DRD | Wits Gold | Valuation |
| 1998 | Egyptian Government | Phosphate | Due diligence and valuation |
| 1998 | Great Fitzroy Mines | Copper | Competent Person's Report and Valuation |
| 1998 | Iscor Mining | Greenstone Gold | Due diligence and valuation |
| 1998 | JCI Ltd | Wits Gold | Competent Person's Report |
| 1998 | Randgold & Exploration Co Ltd | Gold | Competent Person's Report |
| 1998 | Western Areas | Wits Gold | Competent Person's Report |
| 1997 | CBR Mining | Coal | Due diligence |
| 1997 | Durban Roodepoort Deep Ltd | Wits Gold | Competent Person's Report |
| 1997 | G&W Base | Bentonite | Due diligence |
| 1997 | JCI Ltd | Wits Gold | Competent Person's Report |
| 1997 | Opaline Gold | Greenstone Gold | Competent Person's Report |
| 1997 | Penumbra | Coal | Due diligence |
| 1997 | Randgold & Exploration Co Ltd | Greenstone Gold | Competent Person's Report |
| 1997 | Rondebult Colliery | Coal | Due diligence |
| 1996 | African Mining Corporation* | Alluvial Gold | Project valuation |
| 1996 | Australian Platinum Mines NL | Platinum | Due diligence |
| 1996 | Benoni Gold Holdings Ltd | Wits Gold | Competent Person's Report |
| 1996 | Consolidated Metallurgical Industries | Ferrochrome | Competent Person's Report and valuation |
| 1996 | Durban Roodepoort Deep Ltd | Wits Gold | Competent Person's Report |
| 1996 | Harmony Gold Mining Co Ltd | Wits Gold | Competent Person's Report |
| 1996 | JCI Ltd | Wits Gold | Valuation |
| 1996 | Rand Leases Properties Ltd | Wits Gold | Competent Person's Report and valuation |
| 1996 | Randgold & Exploration Co Ltd | Wits Gold | Due diligence |
| 1995 | African Mines Limited* | Greenstone Gold | Project valuation |
| 1995 | Barney-Seidle Arbitration | Granite | Project valuation arbitration |
| 1995 | Mopet Oil* | Oil and Gas | Market analysis facilitator |
| 1995 | Randgold & Exploration Co Ltd | Wits Gold | Competent Person's Report and valuation |
| 1995 | Randgold Durban Deep | Wits Gold | Competent Person's Report and valuation |
| 1995 | Randgold Harmony Unisel Merger | Wits Gold | Competent Person's Report and valuation |
| 1994 | Aurora Exploration | Varied - Industrials | Competent Person's Report and valuation |
| 1994 | Consolidated Mining Corp | Wits Gold | Due diligence and valuation |
| 1994 | CRA (Australia) | Iron Ore | Due diligence |
| 1994 | Durban Roodepoort Deep Ltd | Wits Gold | Competent Person's Report and valuation |
| 1994 | Ghana Gold Mines* | Greenstone Gold | Due diligence and valuation |
| 1994 | Gold Fields of SA Ltd | Wits Gold | Competent Person's Report and valuation |
| 1994 | Hernic Chrome | Ferro-Chrome | Valuation and Strategic Analysis |
| 1994 | Inca | Magnesium | Due diligence and valuation |
| 1994 | Mitsubishi | Ferrochrome | Due diligence and valuation |

| YEAR | CLIENT | COMMODITY | DOCUMENTATION |
|------|--|------------------------|---|
| 1994 | Namco* | Diamonds | Competent Person's Report and valuation |
| 1994 | Randgold & Exploration Co Ltd | Wits Gold | Due diligence |
| 1993 | Namibia Oil & Gas licence applications | Oil & Gas | Working with Paul Blair licence applications |
| 1993 | Atomic Energy Commission | Uranium | Strategic Analysis |
| 1993 | Eskom | Base metals | Strategic Analysis |
| 1993 | JCI | Wits Gold | Financial Planning Analysis (Rehabilitation) |
| 1993 | Lonrho | Platinum | Financial Planning Analysis (Rehabilitation) |
| 1993 | Rand Mines Properties | Varied | Mineral rights evaluation |
| 1992 | Barbrook Gold Mines | Greenstone Gold | Ore resource modelling and mine valuation |
| 1992 | Rand Merchant Bank | Copper | Ore resource modelling and project valuation |
| 1992 | Rembrandt | Platinum | Mine valuation (Northam Platinum) |
| 1992 | West Rand Cons | Wits Gold | Ore resource modeling and mine valuation |
| 1991 | Rand Merchant Bank | Wits Gold | Ore reserve evaluation (Westonaria Gold Mine) |
| 1991 | Rembrandt (Gold Fields of SA) | Varied | Due diligence, valuation and strategic analysis |
| 1991 | Standard Merchant Bank | Greenstone Gold | Due diligence and valuation (Eersteling Gold Mine) |
| 1990 | Sequence Oil and Gas | Oil & Gas | Due Diligence Report |
| 1990 | Atomic Energy Corporation | Nuclear Fuels | Strategic analysis |
| 1990 | Consolidated Mining Corp | Wits Gold | Due diligence and valuation |
| 1990 | Eskom | Copper/Zinc | Strategic Market Analysis (Toll Smelter potential) |
| 1990 | Freddies Minerals | Feldspar - Industrials | Due diligence |
| 1990 | Industrial Machinery Supplies | Coal | Strategic analysis and valuation (Bricketing plant) |
| 1990 | Knights Gold Mine | Wits Gold | Competent Person's Report |
| 1990 | Rand Merchant Bank | Diamonds | Due diligence and valuation (Alluvial Mine) |
| 1990 | Corex | Oil & Gas | Evaluation of prospectivity |
| 1990 | Rand Merchant Bank | Lead/Zinc | Due diligence and valuation (Miranda Mine) |
| 1990 | Rand Mines | Varied | Corporate Strategic Analysis |
| 1990 | Rhogold | Wits Gold | Ore resource modeling |
| 1990 | Rice Rinaldi | Coal | Due diligence and valuation |
| 1990 | Sub Nigel Gold Mine | Wits Gold | Due diligence and valuation |
| 1990 | Zaaiplaats Tin Mine | Tin | Due diligence and valuation |
| 1989 | Avontuur Diamond Mines | Diamonds | Due diligence and valuation |
| 1989 | Granite Consolidated Mining | Granite | Due diligence and valuation |
| 1989 | Osprey Gold Mine | Greenstone Gold | Due diligence and valuation |
| 1989 | Rand Leases Gold Mine | Wits Gold | Ore resource modeling |
| 1989 | Rand Merchant Bank* | Varied | Mineral portfolio analysis (Swanson Rights) |
| 1989 | Rhovan | Vanadium | Competent Person's Report and valuation |
| 1989 | Vanamin Severrin Mining | Vanadium | Due diligence and valuation |
| 1989 | Zimco | Andalusite | Competent Person's Report and valuation |
| 1988 | Mullet Slate | Slate | Due diligence and valuation |
| 1988 | Rand Merchant Bank | Wits Gold | Risk assessment analysis (Peritus Exploration) |
| 1988 | Wit Nigel Gold Mine | Wits Gold | Ore resource modelling |

Fair and Reasonable Opinions:

| YEAR | CLIENT | SECURITIES EXCHANGE JURISDICTION | TRANSACTION TYPE | IMPLIED VALUE (US\$m) | DESCRIPTION |
|------|--------------------|----------------------------------|--|-----------------------|--|
| 2011 | Optimum Coal | JSE | The specific offer of ZAR38.00 in cash per ordinary share by an external party | | Independent Professional Expert Report |
| 2011 | Chrometco | JSE | Acquisition of an Interest in Line-Chem | 66.6 | Independent Professional Expert Report |
| 2011 | Wesizwe | JSE | Financing Solution for the Development of Wesiswe's Project 2 | 227 | Independent Professional Expert Report |
| 2010 | Sylvania | ASX | Issuing new ordinary shares | 34 | Independent Professional Expert Report |
| 2009 | Chrometco | JSE | Acquisition of interest | 8.3 | Independent Professional Expert Report |
| 2009 | Metorex | JSE | Disposal of 6.3% interest | 5.7 | Independent Professional Expert Report |
| 2009 | Braemore Resources | JSE | Acquisition of interest | 36.3 | Independent Professional Expert Report |

| | | | | | |
|------|--|-----|---|--------------|--|
| 2007 | Diamondcore/BRC | JSE | Acquisition | 50 | Independent F&R for Diamondcore |
| 2006 | LionOre International | TSX | Acquisition notification documentation. | 650 | Independent Technical and Valuation Fatal Flaws Report and F&R opinion for the Board of LionOre. Not published as an F&R. |
| 2005 | Diamond Core | JSE | Category I Merger | 10.0 | Independent CPR on the mineral assets of Samadi Resources SA (Pty) Ltd and Diamond Core Resources Limited. |
| 2005 | LionOre International | TSX | Acquisition notification documentation. | 110.0 | Tati Nickel Review of Mineral Resources. |
| 2005 | Aquarius | JSE | 26% BEE | 150.0 | Independent Techno-Economic Valuation and Fair and Reasonable Opinion on the PIC, IDC, DBSA 26% Empowerment Transaction. Documents waived for the secondary listing. |
| 2004 | Barplats | JSE | Offer to Barplats Minorities | 60.0 | Offer by Platinum Consortium to take out Implats. The SRP insisted our report be prepared in full. In the end Investec wrote the Fair and Reasonable but was fully reliant upon the Venmyn work as demonstrated in the circular. |
| 2004 | Zimplats | ASX | Collapse of the Makwiro Structure for shares to Implats. | 38.0 | Fair Value calculation in a corporate restructure. |
| 2003 | Amplats | JSE | Acquisition price calculation for Unki Platinum. | Confidential | Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document not used as the transaction became immaterial for reporting purposes. |
| 2003 | Aquarius Platinum (South Africa) (Pty) Ltd | ASX | Opinion on the value of a Refinery Agreement. | 10.0 | Fair & Reasonable Opinions for Aquarius Platinum for the Impala Refinery Commitments. |
| 2002 | Consolidated African Mines Limited. | JSE | CAM acquired 40% of the Letseng diamond mine for CAM shares. | 10.0 | Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full. |
| 2002 | Zimplats | ASX | Implats aquired a controlling interest in Zimplats by acquiring Aurion Gold shares. | 50.0 | Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full. |
| 2002 | Aquarius | ASX | Aquarius aquires 65% in ZCE Platinum Limited. | 50.0 | Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full. |
| 2000 | DiamondWorks | TSX | Lyndhurst a South African Company takes control of Canadian junior Diamondworks. | 20.0 | Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full and special representation required in Toronto to explain the transaction and the assets. |
| 1999 | New Mining Corporation | JSE | Listing and acquisition documentation. | 50.0 | Complicated transaction and full Independent Techno-Economic Valuation prepared with Fair and Reasonable Opinion included in our report. This satisfied the JSE and the SRP. |
| 1996 | West Witwatersrand Gold Holdings Limited | JSE | Section 440k Offer | 20.0 | Independent Competent Persons Report on the Offer by Durban Deep to West Wits under Section 440k. Document included in circulars to both shareholders. Our Fair and Reasonable Opinion was specifically requested by the SRP. |

Key Qualifications and Description:

Mr Clay has been a serving professional in the minerals industry since 1977 when he undertook field mapping and a professional apprenticeship within the Rhodesian Geological Survey. This was at a time when fieldwork and practical application of geological principals was still fundamental to the development of geology as a science. Following this, Mr Clay has dedicated his career to the commercial incorporation of first principles scientific process to the description, reporting and valuation of mineral assets.

Having worked for a number of years with mining companies, both underground and in corporate, Mr Clay became a founding member of Venmyn in 1988. At this time the company was closely associated with Rand Merchant Bank. This relationship enabled him to pursue the process of linking technical and financial valuation. Since that time Mr Clay has been involved in growing Venmyn and is presently the Managing Director and major shareholder.

He has been involved in developing a style of reporting at Venmyn which has become internationally recognised as compliant shorter form reporting. The emphasis of the work is on concise and graphical reporting, bullet points and descriptive graphics for ease of presentation and shareholder appreciation.

He has been involved in the writing of numerous codes the South African Code for the Reporting of Mineral Resources and Reserves (SAMREC Code) and is currently on the committee writing the South African Code for the Valuation of mineral projects (SAMVAL Code). He is presently involved in the oil and gas industry where his expertise in valuation is being used to determine the relationship between the reporting methodologies in this industry relative to the rest of the mineral industry.

Mr Clay's key areas of expertise lie in the detailed financial valuation of mineral and mining projects using discounted cash flow models. In this regard he has undertaken over 25 valuations for eight different commodities over the last four years. Details of the valuations and other assignments are tabled above. These valuations have been used in listing and merger documentation both in local and international stock exchanges and for the private use of the companies concerned.

Education:

| DEGREE/DIPLOMA | FIELD | INSTITUTION | YEAR |
|--------------------|--|---------------------------------|------|
| B. Sc Hons. | Geology | University College Cardiff | 1976 |
| M. Sc. Econ. Geol. | Economic Geology (awarded Corstorphine Medal for Best M.Sc. Thesis) | University of the Witwatersrand | 1981 |
| GDE | Graduate Diploma in Mining Engineering | University of the Witwatersrand | 1986 |
| M. Sc. | Mining Engineering | University of the Witwatersrand | 1988 |
| Dip. Bus. M. | Diploma in Business Management | Damelin College | 1983 |
| Tax Mgmt | Tax Management and Planning | University of the Witwatersrand | 1988 |

Employment Record:

| POSITION | COMPANY | JOB DESCRIPTION | DURATION |
|--|-------------------------------------|---|----------------|
| Managing Director and Founding partner | Venmyn Rand (Pty) Ltd | <ul style="list-style-type: none"> Mr Clay serves as the Managing Director of Venmyn and is responsible for the company's strategic process as well as finances, budgeting and operations; Venmyn operates as a techno-economic consultancy for the resources industry on a world wide basis; Mr Clay has been a key member of the SAMREC Working Group, responsible for compiling the SAMREC Code; Served on the JSE/SAMREC working committee for the development of the JSE Section 12 requirements; Serves on the Readers Panel for the JSE; Mr Clay is director of the advisory business and provides hands-on services to all the company's major clients; His expertise in financial valuation is particularly appropriate for ensuring market to market presentation of both the technical and financial issues of resources projects; Course leader for the Witwatersrand University and Continuing Education programme on Compliance in the Minerals Industry; and Mr Clay has a special interest in the proposed International Accounting Standards "IAS" Extractive Industries rules for determining NAV and NPV calculations in the minerals industry. | 1997 – present |
| General Manager | RMB Resources Rand Merchant Bank | <ul style="list-style-type: none"> Continuing business functions detailed below; Also valuing, managing and marketing investment projects of the Resources division including deal structuring and corporate finance. | 1996 – 1997 |
| Managing Director and founding partner | Venmyn Rand (Pty) Ltd | <ul style="list-style-type: none"> Techno-economic evaluation of a wide range of mineral resource projects using cashflow, market capitalisation, option pricing and other comparative methods. | 1987 – 1996 |
| Senior Geologist | Rand Mines Ltd | <ul style="list-style-type: none"> Resident senior gold mine geologist responsible for the development and implementation of modern computerised ore reserve evaluation techniques at Harmony Gold Mine and Durban Roodepoort Deep Gold Mine. Transferred to head office where he was responsible for all gold mine ore reserve valuation functions. This computer work involved the development and planning of very large databases for orebody modelling. | 1981 – 1988 |

| POSITION | COMPANY | JOB DESCRIPTION | DURATION |
|------------------|--|--|-------------|
| Senior Geologist | Zimro (Pty) Ltd (Industrial Minerals Division of AAC) | <ul style="list-style-type: none"> Market development and application of a wide range of industrial and base minerals. | 1979 – 1981 |
| Geologist | Geological Survey of Zimbabwe | <ul style="list-style-type: none"> Mapped a 100 km² area of granite-greenstone terrain and assisted in the compilation of a Bulletin over the area. Assisted the small mining sector with geological advice on gold, copper, gemstones and industrial minerals. | 1975 – 1979 |



Date: 23rd May 2012

Full name of staff member: Andrew Neil Clay

Proposed Position: Minerals Industry Advisor
Name of Firm: Venmyn Rand (Pty) Ltd
Name of Staff: Neil Mc Kenna
Profession: Geologist
Proposed Position: Director
Date of Birth: 05 June 1977
Years with Firm/Entity: Joined March 2007
Nationality: South African

Membership in Professional Societies:

| CLASS | PROFESSIONAL SOCIETY | YEAR OF REGISTRATION |
|--------|--|----------------------|
| Member | Australian Institute of Mining and Metallurgy | 2011 |
| Member | Geological Society of South Africa | 2002 |
| Member | South African Institute of Mining and Metallurgy | 2007 |
| Member | South African Council for Natural Scientific Professions | 2002 |
| Member | Investment Analyst Society of South Africa | 2009 |
| Member | South African Institute of Directors | 2009 |

Education:

| DEGREE/DIPLOMA | FIELD | INSTITUTION | YEAR |
|----------------|---------|---------------------------------|------|
| B.Sc | Geology | University of the Witwatersrand | 1998 |
| B.Sc (Hons) | Geology | University of the Witwatersrand | 1999 |
| MSc | Geology | University of Cape Town | 2001 |

Detailed Tasks Assigned:

| YEAR | CLIENT | COMMODITY | PROJECT DESCRIPTION |
|------------------|---|--|---|
| 2011 | Kibo Mining Plc | Coal, Uranium | Competent Persons Report and valuation on the Rukwa and Pinewood Project Mineral Assets. |
| | Rio Tinto | Coal | Valuation of Coal Assets and Intellectual Property for CGT purposes. |
| | Coal of Africa Limited | Coal | Implementation of Best Practice Drilling and Sampling Protocols at their GSP Project in South Africa. |
| | PriceWaterhouseCoopers | Nickel | Valuation of Nickel Assets in Burundi. |
| | National Empowerment Fund | Coal | Due Diligence of a Coal Powered Operation in South Africa. |
| | Umcebo Mining | Coal | Valuation of Certain Coal Assets in South Africa. |
| | Tanzanian Royalty Exploration Corporation | Gold | CPR on the Gold Assets of the Itetemia and Luhala projects in Tanzania. |
| | Harmony | Gold | CPR on the Gold Assets of their Evander Operations in South Africa. |
| | Palaborwa Mining Company | Iron Ore | Mineral Resource Estimation for their Magnetite Stockpiles in South Africa. |
| | Manhattan Gold Corporation | Gold | Valuation of the Gravelotte Gold Mine Gold Assets in South Africa. |
| | PriceWaterhouseCoopers | Coal | Valuation of a Major Coal Assets in South Africa. |
| | Miranda Mineral Holdings | Coal | Valuation of Miranda's Coal Assets in South Africa. |
| | Lodestone Investments | Iron Ore | Valuation of Lodestone Iron Ore Assets in Namibia. |
| | Impondo Resources | Coal | Valuation of Impondo Resources Coal Assets in South Africa. |
| | Bateman | Phospho-Gypsum | Drilling and sampling of a Phospho-Gypsum dump. |
| | Sekoko Resources | Coal | Valuation of their Waterberg Project. |
| | Optimum Collieries | Coal | Fairness Opinion on Transaction. |
| | Tanzanian Royalty Exploration Corporation | Gold | Competent Persons Report on their Kigosi Project in Tanzania. |
| | Namakwa Diamonds | Diamonds | Mineral Resource Estimation and Technical Statement on their Global Operations. |
| | Namakwa Diamonds | Diamonds | Mineral Resource Estimation and Technical Statement on their Kao Diamond Deposit. |
| Continental Coal | Coal | Due Dilligence of Continental Coal Mineral Assets. | |

| YEAR | CLIENT | COMMODITY | PROJECT DESCRIPTION |
|------|---|----------------------|--|
| 2011 | Continental Coal | Coal | Due Dilligence of Continental Coal Mineral Assets. |
| | Coal of Africa Limited | Coal | Competent Persons Report and Valuation of Coal of Africa Limited's Coal Assets. |
| | Kibo Mining Plc | Gold | Competent Persons Report and Valuation of Kibo's Mineral Assets in Tanzania. |
| | Sishen Iron Ore Company | Coal | Due Diligence and Valuation of Continental Coal's Mineral Assets in South Africa. |
| | Tanzanian Royalty Exploration Corporation | Gold | Updated Mineral Resource Statement for the Kigosi Gold Project in Tanzania. |
| | Sew Trident | Coal | technical Review and Valuation of the Ikoti Coal Project. |
| | Sekoko Resources | Coal | Valuation of Sekoko's Coal Assets in the Thuli Coalfield of South Africa. |
| | Namane Resources | Coal | Update of Competent Persons Report and Valuation on Namane's Waterberg Coal Pro ect. |
| | Gem Diamonds | Diamonds | Competent Persons Report and Valuation of Gem Diamonds' Mineral Assets. |
| | Mzuri Capital | Coal and Uranium | Competent Persons Report on the Mineral Assets of Pinewood Resources. |
| | Gem Diamonds | Diamonds | Mineral Resource update. |
| 2010 | Kibo Mining plc | Gold | Mineral Assets Valuation of the gold assets of Morogoro Gold in Tanzania. |
| | Kibo Mining plc | Gold | Competent Persons Report on the Gold Assets of Morogoro Gold in Tanzania. |
| | Coal of Africa Limited | Coal | Mineral Assets Valuation of Noordgrens Landgoed's mineral assets foregone in 2004. |
| | Coal of Africa Limited | Coal | Mineral Asset Valuation of CoAL's mineral assets within South Africa. |
| | Trafigura | Base Metals and Gold | Mineral Asset Valuation of Proposed Greenfields project areas in Angola. |
| | ETA Star | Coal | Mineral Asset Valuation of certain Coal Assets in near Tete, Mozambique. |
| | Namakwa Diamonds | Diamonds | Mineral Resource update for Global Operations |
| | Namane Resources | Coal | Competent Persons Report and Valuation on Namane's Waterberg Coal Project. |
| | Namane Resources | Coal | Techno-economic assessment of Namane's Waterberg Coal Project. |
| | Sekoko Resources | Coal | Valuation of the Sekoko-Firestone JV coal assets in the Waterberg Coalfield |
| | Sekoko Resources | Coal | Resource update for the Sekoko-Firestone JV properties in the Waterberg Coalfield. |
| | Keldoron Mining | Coal | Valuation of Keldoron's Ama uba District Coal Pro ect in South Africa |
| | Nyota Minerals | Gold | Mineral resource estimation of the Tulu Kapi Gold Project in Ethiopia. |
| | Namakwa Diamonds | Diamonds | Competent Persons Report and Valuation on Namakwa Diamonds' Mineral Assets. |
| | Miranda Mineral Holdings | Coal | Techno-economic assessment of Miranda's coal assets in South Africa. |
| | Nyota Minerals | Nickel | Mineral Experts Report on the Muremera Nickel Project in Burundi. |
| | Gem Diamonds | Diamonds | Mineral Resource Estimation for the Gope Project in Botswana. |
| | Ernst & Young Jordan | Gold and Base Metals | Valuation of Brinsley Enterprises Orshab Project in Sudan. |
| | Gem Diamonds | Diamonds | Mineral resource reporting audit at the Letseng Mine in Lesotho. |

| YEAR | CLIENT | COMMODITY | PROJECT DESCRIPTION |
|---|--|--|--|
| 2009 | Nyota Minerals | Gold | Scoping Study on the Tulu kapi Gold Project in Ethiopia. |
| | Kalagadi Manganese | Manganese | Techno-economic assessment of the Kalagadi's mineral assets in South Africa in the form of a CPR. |
| | VTB Bank Moscow | Uranium | Valuation of the Spitzkop Uranium Project in Namibia. |
| | Nyota Minerals | Gold | Drilling and sampling QA/QC audit at the Tulu Kapi Gold Project in Ethiopia. |
| | Leeuw Mining | Coal | Due Dilligence and Valuation of the Maloma Colliery in Swaziland. |
| | Metorex | Fluorspar | air ness opinion on Metorex's disposal of the Vergenoeg project. |
| | Dwyka Resources | Gold | Valuation of the Otjikoto Gold Project in Namibia. |
| | Mike Scott & Associates | Copper | Peer review of the modelling and resource estimation of the Kitumba Copper Project, Zambia. |
| | Sylvania Resources | Platinum | Due Dilligence and Valuation of the mineral assets of Sylvania Resources. |
| | Nyota Minerals Limited | Gold | Valuation of the mineral assets of the Otjikoto Gold Project, Namibia. |
| | Coal of Africa Limited | Coal | Valuation of the coal assets of the Tshikunda Coal Project in South Africa. |
| | Rand Uranium | Uranium | Mineral Resource Modelling and Mineral Resource Classification of the Cooke Dump. |
| | Dwyka Resources | Gold | Prospectivity review of the Tulu Kapi Gold Project in Ethiopia |
| | Northam Platinum Limited | Platinum | Valuation of Micawber 278 (Pty) Limited. |
| | Herbert Agencies (Pty) Limited | Coal | Valuation of the coal assets of the Vischkuil Coal Project in South Africa. |
| | Coal of Africa Limited | Coal | Valuation of the Coal Assets of the Makhado Land Swop Transaction with Rio Tinto |
| | Ernst & Young Jordan | Gold | Valuation of the Gold Assets of Brinsley Enterprises in Sudan |
| | Namakwa Diamonds | Diamonds | Mineral Resource and Mineral Reserve audit and update. |
| | Firestone Energy Limited | Coal | Valuation of the Coal Assets of the Sekoko Coal-Firestone JV Waterberg Coal Project, South Africa |
| | Trans Hex Group Limited | Diamonds | Valuation of the Diamond Assets of the Lower Orange River Operations, South Africa |
| Bonaparte Diamond Mines NL | Diamonds | Valuation of the Diamond Assets of the Savanna Diamond Project, South Africa. | |
| Tanzanian Royalty Exploration Corporation | Gold | A National Instrument (NI-43-101) Technical Report on the Kigosi Gold Project, Tanzania. | |
| Mvelaphanda Resources Limited | Platinum | Valuation of the PGE Assets of the Booyensdal Project, South Africa. | |
| Xstrata South Africa (Pty) Limited | Coal | Valuation of the Coal Assets of the Zonnebloem 1 Project, South Africa. | |
| Anglo Platinum Limited | Platinum | Valuation of the PGE Assets of Micawber 278 (Pty) Limited. | |
| Sekoko Resources | Coal | Valuation Update of the Coal Assets of Sekoko's Waterberg Coal Project, South Africa. | |
| 2008 | Johannesburg Stock Exchange Limited/ Metorex Limited | Multi-Commodity | Fair and Reasonable Opinion on the Rights offer by Metorex in December 2008. This involved the creation and issue of 242,538,403 shares at an issue price of 200cps resulting in a cash consideration of ZAR485,076,806. |
| | Minéro Mining Company | Zinc-Lead | Competent Persons Report and Valuation of the Pering Zinc-Lead Mine, in South Africa. |
| | Gem Diamonds | Diamonds | Minerals Resource Update of all Gem Diamonds Mineral Assets. |
| | BRC DiamondCore | Diamonds | Valuation of BRC DiamondCore's Silverstreams Pro ect in South Africa. |
| | Sekoko Resources | Coal | Valuation of Sekoko's Coal Assets of the Waterberg Coal Project in South Africa. |
| | Tata Steel | Coal | Prospectivity report on certain properties within the Tuli and Soutpansberg Coalfields |
| | Universal Coal plc | Coal | Valuation of the Coal Assets of the Elof Coal Project in South Africa |
| | Anglo Platinum | Platinum | Valuation of The PGE Assets of the Booyensdal Platinum Project |
| | Namakwa Diamonds | Diamonds | Resource Estimation and Update for Namakwa Diamonds South African and DRC Projects. |
| | Harmony Gold Mining Company | Gold | Resource Estimation and Classification of the Deelkraal Dump |
| | Pioneer Coal | Coal | Competent Persons Report and Valuation of the Coal Assets of Pioneer Coal |
| | Namakwa Diamonds | Diamonds | Technical Statement on the Doornhoek Alluvial Diamond Property, South Africa |

| YEAR | CLIENT | COMMODITY | PROJECT DESCRIPTION |
|--|--|--|---|
| 2008 | Pioneer Coal | Coal | Prospectivity Review for Pioneer Coal's Soutpansberg Coal Prospecting rights. |
| | Target Coal | Coal | Prospectivity Review of Various Coal Properties in the Ermelo region of South Africa. |
| | Lidongo Group Holdings | Diamonds | Prospectivity Review of Lidonga's Riet River Prospecting Rights. |
| | BRC DiamondCore | Diamonds | Technical Review of mineral resources and sampling programme at the Paardeburch East Diamond Project. |
| | BRC DiamondCore | Diamonds | Technical Review of mineral resources and sampling programme at the Silverstreams Alluvial Diamond Project. |
| | Namaqua Diamonds | Diamonds | Technical review of the London Project, North West, South Africa. |
| | Trans Hex Group | Diamonds | Competent persons Report and Techno-Economic Valuation of Trans Hex's Lower Orange River Mineral Assets. |
| | Ernst & Young | Platinum | Comparative Valuation of the Booyendal Platinum Project as part of the Fair and Reasonable Opinion on the Transaction between Northam and Mvelaphanda. |
| | Harmony Gold Mining Company | Gold | Annual Mineral Resource and Mineral Reserve Review and Update. Identification of Strategic Opportunities at the Free State Operations. |
| | Gem Diamonds Limited | Diamonds | Mineral Resources Review of Gem Diamonds' Global Operations. |
| 2007 | Worldwide Coal Carolina (Pty) Limited | Coal | Techno-economic valuation of Worldwide Coal Carolina's coal assets. |
| | Apic Atoll (Pty) Ltd | Ferro-manganese | National Instrument 43-101F technical Report on the Riders Ferro-manganese Slag Dump, Pennsylvania, United States of America. |
| | Signet Mining | Coal | High level independent review of the coal resource, reserve and technical operating parameters of Tuli Coal (Private) Limited's Special Grant Area in Southern Zimbabwe. |
| | Anglo Platinum Limited | Platinum | An independent comparable transaction valuation of the platinum group element mineral assets of the Booyendal Project. |
| | Gem Diamonds Limited | Diamonds | Techno-economic valuation of Kimberley Diamond Company NL |
| | Gem Diamonds Limited | Diamonds | Mineral Experts Report on Kimberley Diamond Company NL |
| | Gem Diamonds Limited | Diamonds | Competent Persons Report on the Go25 (Gope) kimberlite. |
| | International Development Corporation | Ferro-Magnesium | Assessment of the geological and resource/reserve data provided to the IDC on the Riders Ferro-magnesium Slag Dump, Pennsylvania, USA, by Apic Toll Treatment (Pty) Limited as part of their application for funding. |
| | Harmony Gold Mining Company | Gold and Uranium | Mineral Resource Statements for Harmony's surface dump resources of the Randfontein and Free State Operations in South Africa. |
| | Gem Diamonds Limited | Diamonds | SAMREC compliant Resource and Reserve Statements for the mineral assets of the Cempaka Diamond Mine in Indonesia for BDI Mining Corporation (Subsidiary of Gem Diamonds Limited). |
| | Gem Diamonds Limited | Diamonds | SAMREC compliant Resource Statement on the mineral assets of Gope Exploration Company (Pty) Limited (Gope Project) (Subsidiary of Gem Diamonds Limited) |
| | Mintek/Department of Minerals and Energy | N/A | Review and recommendations on the Kumba/Exxaro proposal for Environmental Provisioning. |
| | Rockwell Resources (Pty) Limited | Diamonds | Compilation of Technical Statement (NI-43101) for the Wouterspan Operation. |
| | Gem Diamonds Limited | Diamonds | High level valuation of Cullinan Diamond Mine |
| | JCI Limited | Uranium | Review of and Recommendations on JCI's Laingsburg Uranium Project |
| | Harmony Gold Mining Company Limited | Gold and Uranium | Sample trail Audit and Competent persons sign-off (SAMREC) on Dump Drilling and Sampling |
| | Magnum Resources Limited | Tantalum | High Level Due Diligence of the Tantalite Valley Project, Southern Namibia |
| Mintek/ Department of Minerals and Energy (South Africa) | N/A | Review of the System for Financial Provisioning for Mine Closure in South Africa | |
| 2004 | De Beers Consolidated Mines | Diamonds | A study of the Relationship Between the Micro- and Macro Diamonds from Finsch Diamond Mine. |
| | De Beers Consolidated Mines | Diamonds | A study of the Relationship Between the Micro- and Macro Diamonds from Snap Lake Diamond Mine. |

Employment Record:

| POSITION | COMPANY | JOB DESCRIPTION | DURATION |
|---|-------------------------------------|--|----------------------------|
| Director | Venmyn Rand (Pty) Ltd | Venmyn Rand operates as a techno-economic consultancy for the resources industry on a worldwide basis. Responsibilities at Venmyn include: <ul style="list-style-type: none"> Serving as Director of Venmyn and is responsible for the company's strategic process and management of internal functions and governance; Providing hands-on services to all the company's ma or clients; Providing minerals projects assessments; and Mr Mc Kenna's expertise in financial valuation is particularly appropriate for ensuring market to market presentation of both the technical and financial issues of resources projects.. | February 2009 - Present |
| Minerals Industry Advisor | Venmyn Rand (Pty) Ltd | Venmyn Rand operates as a techno-economic consultancy for the resources industry on a worldwide basis. Responsibilities at Venmyn include: <ul style="list-style-type: none"> Compiling technical and geological information into reports which are compliant with the SAMREC and JSE listing rules. Production of techno-economic reports for clients. | March 2006 – February 2009 |
| Project Manager Resource Extension Drilling | De Beers, Finsch Mine | Responsible for the Mineral Resource Evaluation Drilling of the Block 5 Extension of the Finsch Diamond Mine, Northern Cape. This role included the following activities: <ul style="list-style-type: none"> Management of diamond core drilling for volume, geological, structural and grade determinations. Co-ordination of drilling/sampling activities of four LM90 drill rigs on three underground levels (510, 650 and 888 levels). Managing the capturing of all geological data in a Datamine drill-hole database. Responsible for the managing of drilling contractors (Boart Longyear) and maintaining project schedules. Responsible for the supervision and mentorship of approximately 10 subordinates (including senior and junior geologists, geological officers and geological assistants). | October 2006 – March 2007 |
| Technical Assistant | De Beers Group Exploration | <ul style="list-style-type: none"> Responsible for routine reporting, and ad-hoc reviews and requests by Group Managers Office. Corporate governance of Resource Delivery Group. Technical reviews of advanced stage projects and resource statements. Compilation of position papers. Ad-hoc reports and resource reviews. Joint venture reporting. | 2005 - 2006 |
| Technical Assistant | De Beers Africa Exploration | <ul style="list-style-type: none"> Responsible for routine reporting. liaison between field operations and laboratories. Ad-hoc technical reports and reviews. Corporate governance of Africa Management team and HOD committee. Active management of relationships and data for a Joint Venture in Madagascar. Projects tracking. Business plan management. | 2004 - 2005 |
| Senior Geologist | De Beers Geoscience Centre | <ul style="list-style-type: none"> Industrial and exploration related diamond research Responsible for diamond related service work and decision support Supervision and mentoring for diamond related projects. Providing exploration ventures with targeting and mineral chemistry interpretations and decision support. | 2003-2004 |
| Staff Geologist | De Beers Group Exploration Services | Exposure to various aspects of exploration and mining geology over a 13 month training period. Competencies gained include: <ul style="list-style-type: none"> diamond indicator mineral identification and interpretation. bulk sample evaluation. laboratory practices. stream and loam exploration sampling (both reconnaissance and follow-up sampling). Underground geological mapping, density measurements, waste control, bulk sampling and grade determination studies. | 2002-2003 |

Languages:

English: Excellent

Afrikaans: Good

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.



Date: 23rd May 2012

Full name of staff member: Neil Mc Kenna

Name of Staff: Richard Martin Tayelor
Profession: Geologist
Proposed Position: Mineral Industry Advisor
Date of Birth: 06 October 1984
Years with Firm/Entity: Joined October 2008
Nationality: South African

Membership in Professional Societies:

| CLASS | PROFESSIONAL SOCIETY | YEAR OF REGISTRATION |
|--------|--|----------------------|
| Member | Geological Society of South Africa | 2006 |
| Member | Geo-statistical Association of South Africa | 2009 |
| Member | South African Institute of Mining and Metallurgy | 2011 |

Detailed Tasks Assigned and Work Experience in Current Employment:

| YEAR | CLIENT | COMMODITY | PROJECT DESCRIPTION / INVOLVEMENT |
|------------------------|-------------------------------------|---|--|
| 2011 | Sikhuliso Resources | Gold | Due diligence or Resources on Harmony Freestate Gold Dumps. |
| | Tanzanian Royalty | Gold | National Instrument NI 43-101 compliant long form Competent Person's Report for their Tanzanian Gold Assets. |
| | Bateman Projects Limited | Rare Earth Elements | Compilation of an Exploration Works Programme. Drilling, Sampling, QAQC and Laboratory Audit for later Resource Sign-off. |
| | Sew Trident Global | Copper / Iron / Manganese | High Level Prospectivity Review of greenfields exploration targets, Zambia. |
| | SSC Joyspring Mining | Diamonds | High Level Techno-Economic Fatal Flaws Due Diligence and Valuation. |
| | Allan Hochreiter Limited | Vanadium / Iron | Estimation of SAMREC "Exploration Target" classification. |
| | Tanzanian Royalty | Gold | Drilling, Sampling, QAQC audit and Resource Update. |
| | Sable Platinum | PGMs | Geo-statistical works programme to delineate Mineral Resources |
| | Sekoko Coal Pty Limited | Coal | Independent valuation Statement |
| | Sew Trident Global | Coal | High Level Prospectivity and Resource Review |
| | Continental Coal | Coal | High level Due Diligence and Valuation |
| | Kibo Mining Plc | Gold | SAMREC Competent Persons Report for JSE Listing |
| Mzuri Capital Group | Coal / Uranium | JORC Independent Expert report for ASX Listing | |
| 2010 | SSC Mandarin Group | Gold | High Level Techno-Economic Fatal Flaws Due Diligence. |
| | Sylvania | PGMs | Independent Technical and Valuation Experts Report |
| | Kibo Mining plc | Gold | Independent AIM Compliant Competent Person's Report |
| | Tanzanian Royalty | Gold | Drilling, Sampling, QAQC and Laboratory Audit for later CPR. |
| | Namakwa Diamonds | Diamonds | Technical resource Statement update. |
| | White Water Resources | Gold | Short Form Competent Persons Report for JSE and Valuation of East Rand assets. |
| | UltraTech Cement | Coal | Xstrata Ermelo Asset Disposal Due Diligence and Valuation. |
| | Consol Glass Pty Ltd | Silica | Resource confirmation in Surfer™ of Groenfontein deposit and High Level Due Diligence (Fatal Flaws analysis) |
| | Target Holdings | Coal | Resource confirmation in Surfer™ of Schoongezicht pro ect. |
| | Namakwa Diamonds | Diamonds | Competent Persons Report and Valuation of the DRC mineral assets. |
| | Nyota Minerals Limited | Gold | Audit of QA/QC procedures for drilling and sampling as well as preparation laboratory audit |
| | GEM Diamonds Limited | Diamonds | Revision of sampling campaign and reformulation of database for resource modelling. |
| Nyota Minerals Limited | Nickel | Mineral Experts Report on the Muremera Nickel Project in Burundi. | |
| Gem Diamonds | Diamonds | Mineral Resource Review of the Letšeng and Ellendale operations. | |
| 2009 | Nyota Minerals Limited | Gold | Preliminary Scoping Study on the Tulu Kapi Gold Project in Ethiopia. |
| | Sylvania Resources | Platinum | Independent Technical and Valuation Expert's Report |
| | Namakwa Diamonds | Diamonds | Mineral Resource update subsequent to Namakwa's acquisition of Gem Diamonds' DRC assets. |
| | Nyota Minerals Limited | Gold | Instigation and training of Internationally compliant QA/QC procedures for drilling and sampling. |
| | Sephaku Holdings Ltd, | Tin / Limestone | Canadian National Instrument NI 43-101 compliant short form Competent Person's Report for their greenfields pro ect's in South Africa. |
| | Gatumba Mining Company Ltd. | Tin / Tantalum | National Instrument NI 43-101 compliant Preliminary Assessment on the Gatumba South Project in Rwanda. |
| | Dwyka Resources Limited | Gold | High level review and Technical Statement. |
| 2009 | MSA Geoservices | Iron Oxide, copper, gold | Data verification for a mineral resource statement for a due diligence on their projects in Zambia. |
| | IBI International LIBAM Home Office | Iron | Independent Prospectivity Review. |
| | Mr Rob Croll | Gold | Preliminary Due Diligence and Prospectivity Review on Klipwal. |
| | Bongani Minerals (Pty) Ltd | Tungsten | Review of Riviera Tungsten deposit. |

| | | | |
|------|---------------------------------------|-----------|--|
| 2008 | Minero Mining Company | Zinc-Lead | Competent Persons Report and Valuation of the Pering Zinc-Lead Mine, in South Africa. |
| | West End Diamond Mine | Diamonds | Minerals Resource Report of all Diamonds Mineral Assets. |
| | Universal Coal plc | Coal | Valuation of the Ellof Coal Project in South Africa. |
| | Tegan International | Coal | Prospectivity Review of Various Coal Properties in the Vryheid region of South Africa. |
| | Worldwide Coal Carolina (Pty) Limited | Coal | Update of Techno-economic valuation of Worldwide Coal Carolina's coal assets. |

Key Qualifications:

Richard has experience in various laboratory sampling and analytical operations which was gained during part-time work in the Spectrau Laboratory while completing his undergraduate and honours degrees from the University of Johannesburg. Additionally, Richard gained experience working as a junior geologist during his undergraduate studies at Georem International where vacation experience on drill rigs, geo-hydrology applications and remediation of hydrocarbon spills were gained.

Richard studied at the University of Johannesburg where he completed a Bachelors degree in Science majoring in both Geology and Environmental Management. This degree was followed with an Honours degree in Science majoring in Geology. He completed his Graduate Diploma in Engineering (GDE) with the University of the Witwatersrand in 2010 focusing largely on geo-statistics and sampling methodology. Richard is currently his Masters of Engineering in Resource Estimation at University of the Witwatersrand and expects to be completed by end 2012.

Richard's key areas of expertise from his work experience at Venmyn lie in the compilation of compliant mineral project reports for all major stock market jurisdictions. More specifically, Richard has developed strong capabilities in the reporting of Competent Persons (JORC, SAMREC), Mineral Expert Reports (NI43-101), techno-economic valuation and due diligence statements as well as auditing and implementing QAQC programmes for drilling exploration programmes. Lastly, Richard has developed a sound competence in geological modelling software Surfer™ and Didger™, and has been intensely involved in the compliant estimation and declaration of coal resources while at Venmyn.

Interests and Career Direction:

Richard is very interested in the geo-statistical, resource modelling and estimation aspects of the industry and would like to expand this interest into competency with additional modelling packages such as Datamine Studio 3. Richard is also very interested in the financial valuation and assessment of mineral projects and would like to complete an MBA or CFA in future years to aid in providing a holistic view of mineral projects.

Education and Achievements:

| DEGREE/DIPLOMA | FIELD / ACHIEVEMENTS | INSTITUTION | YEAR |
|----------------|---|---------------------------------|------|
| Matric | 4 Distinctions. Cum laude. Passed | St Stithians College | 2002 |
| B.Sc | Geology and Environmental management. Awarded | University of Johannesburg | 2007 |
| B.Sc (Hons) | Geology. Awarded | University of Johannesburg | 2008 |
| GDE | Engineering. Awarded | University of the Witwatersrand | 2010 |

Richard is currently concluding his M.Eng in Resource Estimation at the University of the Witwatersrand (WITS). Student number 435580. Expected date of completion is end of 2012.

Employment Record:

| POSITION | COMPANY | JOB DESCRIPTION | DURATION |
|----------------------------------|--|--|------------------------------|
| Mineral Industry Advisor | Venmyn Rand (Pty) Ltd | Venmyn operates as a techno-economic consultancy for the resources industry on a worldwide basis. Responsibilities at Venmyn include: <ul style="list-style-type: none"> Compiling compliant Competent Person's Reports, managing projects, client retention and acquisition | February 2012 – present |
| Mineral Project Analyst | Venmyn Rand (Pty) Ltd | Responsibilities at Venmyn include: <ul style="list-style-type: none"> Compiling technical, geological and financial information into reports which are compliant with the international reporting codes. High level research for multiple facets of mineral projects | October 2008 – February 2012 |
| Laboratory technician | University of Johannesburg | Responsible for the correct operation and maintenance of a wide range of sampling and analytical facilities at the SPECTRAU laboratories. Most importantly, sample preparation for XRF, XRD and Fusion Bead testing analysis. | October 2006 – March 2007 |
| Junior Geologist – Vacation Work | Georem International – Environmental Remediation Specialists | <ul style="list-style-type: none"> Responsible for advising clients with regards to hydrocarbon soil and water contamination. Overseeing and logging of rotary percussion drill rig for | 2006 |

| | | | |
|--|--|---|--|
| | | borehole exploration. <ul style="list-style-type: none">• Geo-hydrology interpretation; and• Investigation and remediation of contamination sites. | |
|--|--|---|--|

Languages:

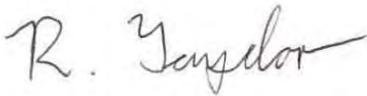
English: Excellent

Afrikaans: Fair

Zulu: Basic

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.



Date: 23rd May 2012

Proposed Position: Independent Mineral Project Analyst
Name of Firm: Venmyn Rand (Pty) Limited
Name of Staff: Miss Tarryn Claire Orford
Profession: Geologist
Date of Birth: 26 March 1987
Years with Firm/Entity: Joined March 2010
Nationality: South African

Membership in Professional Societies:

| CLASS | PROFESSIONAL SOCIETY | YEAR OF REGISTRATION |
|--------|--|----------------------|
| Member | Geological Society of South Africa | 2010 |
| Member | Geostatistical Association of South Africa | 2011 |
| Member | Mineralogical Society of South Africa | 2011 |

Detailed Tasks Assigned:

| YEAR | CLIENT | COMMODITY | PROJECT DESCRIPTION |
|------|-----------------------------------|------------------------|--|
| 2010 | Central African Gold | Gold | Technical Statement and Update of Resource Statement on a greenstone gold deposit in Zimbabwe. |
| 2010 | JCI Exploration | Uranium | Technical Review document on a Greenfields uranium project in the Northern Cape. |
| 2010 | Absolute Holdings | PGEs | Compilation and research on three Bushveld Complex platinum projects for three Techno-Economic Valuations and a CPR. |
| 2010 | AfriSam | Cement | Data collection, research and proofreading for a Technical Review of numerous limestone, aggregate, sandstone, and dolomite assets. |
| 2010 | Keldoron Coal Mining | Coal | Independent Valuation on coal assets in the Klipriver Coalfield, KwaZulu Natal. |
| 2010 | Buildmax | Sand | Short Form CPR on some sand mineral assets. |
| 2010 | Ultratech | Coal | Technical and Valuation report. |
| 2010 | Gentor | Base Metals | CPR and Technical Review of ophiolite deposits in Oman. |
| 2010 | Coal of Africa | Coal | Supporting documentation for valuation of coal assets in the Ermelo, Soutpansberg, Limpopo and Highveld Coalfields. |
| 2010 | Bauba Platinum | PGEs | Technical assistance and Technical Statement on three Bushveld Platinum projects. |
| 2011 | Lesego | PGEs | Strategic Assistance during exploration, project development and resource estimation. |
| 2011 | Evraz Highveld Steel and Vanadium | Magnetite and Iron Ore | Update of Annual Resource Statement for Mapochs Mine and technical assistance for future development of the asset. |
| 2011 | Sable Platinum | Platinum and Vanadium | Strategic Technical Assistance on geology and exploration on some Bushveld Complex platinum projects. |
| 2011 | Sylvania | Chrome | Techno-Economic Statements on chrome dump projects. |
| 2011 | PSIL | Uranium | Techno-Economic Statement on a uranium deposit in Kazakhstan. |
| 2011 | African Consolidated Resources | Gold | Review and geostatistical analysis on some greenstone belt gold projects located in Zimbabwe. |
| 2011 | Realm Resources | PGEs | Techno-Evaluation Statement on some Bushveld Complex platinum assets. |
| 2011 | Lesego | PGEs | Mineral Resource Update. |
| 2011 | Boynnton | PGEs | Pre-Feasibility Study on the Western Bushveld Magazynskraal Project. |
| 2011 | Aura | Coal | A prospectivity Review on a coal Project in Nigeria. |
| 2011 | Pan African Resources | Gold | A Fatal Flaws Review of a gold tailings retreatment project near Barberton. |
| 2011 | National Mining Corporation | Gold And Base Metals | A Scoping Study on gold and base metal projects in Ethiopia. |
| 2011 | Harmony | Gold | Compilation of a CPR and technical documentation as part of listing requirements on gold assets in the Evander Basin, Witwatersrand. |
| 2011 | SSC Joyspring | Diamonds | An exploration opinion and design of an drilling program on kimberlite projects near Kimberley. |
| 2012 | G&B African Resources | REE's, W, Li | Compilation of a CPR as part of listing requirements for Zimbabwean assets. |
| 2012 | SEW Trident | Iron Ore | Technical on-site assistance in identifying mineralisation concessions in Guinea. |

Key Qualifications:

Tarryn Orford studied at the University of Pretoria where she undertook her degree and later, her honours in a Bachelor of Science majoring in Geology. As part of her honours degree, she undertook a study detailing the effect of metamorphism by the Bushveld Complex on the Transvaal Supergroup.

Tarryn recently joined the Venmyn team in March 2010. She brings with her a 1 years experience in tutoring geology and geography subjects at University of Pretoria and 1 month vacation work for Digby Wells and

Associates. Her current area of expertise includes preparation of technical documents, interpretation and analysis of mineral project data, preparation of technical diagrams using GIS and geostatistics to provide technical assistance during early stages of exploration.

Since joining Venmyn, Tarryn has been involved in a number of projects including technical reports, due diligence studies, Mineral Resource and Mineral Reserve Statements and techno-economic valuations and has provided technical assistance to a number of companies over a wide range of commodities including PGMs, gold, coal, uranium and manganese.

Education:

| DEGREE/DIPLOMA | FIELD | INSTITUTION | YEAR OF COMPLETION |
|-----------------|---------|------------------------|--------------------|
| B.Sc. | Geology | University of Pretoria | 2008 |
| B.Sc. (Honours) | Geology | University of Pretoria | 2009 |

Employment Record:

| POSITION | COMPANY | JOB DESCRIPTION | DURATION |
|----------------------------|----------------------------|---|------------------------|
| Mineral Analyst Project | Venmyn Rand (Pty) Ltd | Venmyn Rand operates as a techno-economic consultancy for the resources industry on a worldwide basis. Responsibilities at Venmyn include:- <ul style="list-style-type: none"> • data processing for technical reports; • compilation of due diligences, prospectivity reviews, technical reports, mineral resource and mineral reserve statements, and ; • compiling technical and geological information into reports which are compliant with the SAMREC and JSE listing rules; and • high level research for multiple facets of mineral projects | March 2010 to Present |
| Geology Tutor | University of Pretoria | Assisted students with practical tasks and assignments including identification of hand specimens and preparation for tests and exams | January to July 2009 |
| Geography Tutor | University of Pretoria | Assisted students with practical tasks and assignments. Marking and overseeing tasks and exams | January to July 2009 |
| Student Geologist | Digby Wells and Associates | Assistance on project specific work and a desktop study in the environmental field, secretarial work and general assistance to employers. | June 2009 to July 2009 |

Languages:

English: Excellent
Afrikaans: Good
French: Basic

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.



Full name of staff member: Tarryn Claire Orford

Date: 23rd May 2012

Appendix 2: Summary Table of Assets According to AIM Note of June 2009

| ASSET | CURRENT PL NO. | OFFER REG. NO. | APPLICATION NO. | HOLDER | INTEREST (%) | STATUS | EXPIRY DATE | CURRENT AREA (km ²) | COMMENTS | |
|---|---|----------------|-----------------|--------------------|--------------|-------------|-------------|---------------------------------|--------------------------|--|
| Rukwa Coal Project (Tanzania) | PL 7005/2001 | HQ-G16707 | HQ-G16707 | RUKWA COAL LIMITED | 100% | Exploration | 20-Apr-15 | 198.81 | Advanced | |
| | PL 7006/2011 | HQ-G16803 | HQ-G16803 | RUKWA COAL LIMITED | 100% | Exploration | 11-Apr-15 | 296.81 | Exploration | |
| | TOTAL ACTIVE LICENCES | | | | | | | | 495.62 | |
| | NA | NA | HQ-P16614 | SUN MINING LTD | 100% | Exploration | NA | 1,000.00 | Greenfields exploration. | |
| | NA | NA | HQ-P20662 | CANYON MINING LTD | 100% | Exploration | NA | 61.17 | | |
| | TOTAL LICENCES UNDER APPLICATION | | | | | | | | 1,061.17 | |
| GRAND TOTAL PL's UNDER CONSIDERATION | | | | | | | | 1,556.79 | | |

| ASSET | CURRENT PL NO. | OFFER REG. NO. | APPLICATION NO. | HOLDER | INTEREST (%) | STATUS | EXPIRY DATE | CURRENT AREA (km ²) | COMMENTS | |
|--|------------------------------|----------------|------------------------|------------------------|--------------|---------------|---------------|---------------------------------|---------------------------------------|--|
| Pinewood Resources Projects (Tanzania) | PL 4928/2008 | NA | HQ-G16876 | HASANET LIMITED | 100% | Exploration | 03-Apr-13 | 19.96 | Preliminary, greenfields exploration. | |
| | PL 4929/2008 | NA | HQ-G16877 | HASANET LIMITED | 100% | Exploration | 03-Apr-13 | 19.83 | | |
| | PL 4930/2008 | NA | HQ-G16878 | HASANET LIMITED | 100% | Exploration | 03-Apr-13 | 20.00 | | |
| | PL 5531/2008 | HQ-P15869 | HQ-P15869 | DEVOTA STEVEN KIOKO | 100% | Exploration | 30-Dec-13 | 152.41 | | |
| | PL 5533/2008 | HQ-P15866 | HQ-P15866 | KILOSA MINING CO. LTD | 100% | Exploration | 04-Dec-13 | 112.17 | | |
| | PL 5534/2008 | HQ-P15867 | HQ-P15867 | KILOSA MINING CO. LTD | 100% | Exploration | 30-Dec-13 | 152.41 | | |
| | PL 5535/2008 | HQ-P15868 | HQ-P15868 | KILOSA MINING CO. LTD | 100% | Exploration | 17-Dec-13 | 152.35 | | |
| | PL 5649/2009 | HQ-P15870 | HQ-P15870 | DEVOTA STEVEN KIOKO | 100% | Exploration | 18-Mar-14 | 152.44 | | |
| | PL 5650/2009 | HQ-P15871 | HQ-P15871 | DEVOTA STEVEN KIOKO | 100% | Exploration | 18-Mar-14 | 118.59 | | |
| | PLR 6716/2010 | HQ-P 16184 | HQ-P 16184 | PINEWOOD RESOURCES LTD | 100% | Exploration | 05-Sep-12 | 101.61 | | |
| | PLR 6729/2010 | HQ-P 16187 | HQ-P 16187 | PINEWOOD RESOURCES LTD | 100% | Exploration | 04-Oct-12 | 477.77 | | |
| | PL 7624/2012 | HQ-P 16241 | HQ-P 16241 | PINEWOOD RESOURCES LTD | 100% | Exploration | 22-Feb-16 | 82.55 | | |
| | PL 7721/2012 | HQ-P 16193 | HQ-P 16193 | PINEWOOD RESOURCES LTD | 100% | Exploration | 22-Feb-16 | 3.99 | | |
| | TOTAL ACTIVE LICENCES | | | | | | | | 1,566.08 | |
| | NA | BACKLOG | BACKLOG | SUN MINING LTD | 100% | Exploration | Not Specified | 50.48 | Preliminary, greenfields exploration. | |
| | NA | BACKLOG | BACKLOG | ECHO MINING LTD | 100% | Exploration | Not Specified | 30.44 | | |
| | NA | HQ-P15207 | HQ-P15207 | ECHO MINING LTD | 100% | Exploration | Not Specified | 531.63 | | |
| | NA | HQ-P18099 | HQ-P18099 | PINEWOOD RESOURCES LTD | 100% | Exploration | Not Specified | 112.68 | | |
| | NA | HQ-P 16186 | HQ-P 16186 | PINEWOOD RESOURCES LTD | 100% | Exploration | Not Specified | 397.38 | | |
| | NA | HQ-P15202 | HQ-P15202 | ECHO MINING LTD | 100% | Exploration | Not Specified | 25.58 | | |
| NA | HQ-P 16183 | HQ-P 16183 | PINEWOOD RESOURCES LTD | 100% | Exploration | Not Specified | 22.11 | | | |
| NA | HQ-P 16188 | HQ-P 16188 | PINEWOOD RESOURCES LTD | 100% | Exploration | Not Specified | 672.76 | | | |
| NA | HQ-P 16189 | HQ-P 16189 | PINEWOOD RESOURCES LTD | 100% | Exploration | Not Specified | 411.99 | | | |
| NA | HQ-P 16240 | HQ-P 16240 | PINEWOOD RESOURCES LTD | 100% | Exploration | Not Specified | 8.75 | | | |
| NA | HQ-P18101 | HQ-P18101 | PINEWOOD RESOURCES LTD | 100% | Exploration | Not Specified | 100.87 | | | |
| NA | HQ-P 16192 | HQ-P 16192 | PINEWOOD RESOURCES LTD | 100% | Exploration | Not Specified | 66.77 | | | |
| TOTAL LICENCES UNDER OFFER | | | | | | | | 2,431.44 | | |

| ASSET | CURRENT PL NO. | OFFER REG. NO. | APPLICATION NO. | HOLDER | INTEREST (%) | STATUS | EXPIRY DATE | CURRENT AREA (km ²) | COMMENTS |
|---|----------------|----------------|------------------------|------------------------|--------------|-------------|-------------|---------------------------------|---------------------------------------|
| Pinewood Resources (Tanzania) | NA | NA | HQ-P 16182 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 764.50 | Preliminary, greenfields exploration. |
| | NA | NA | HQ-P 16191 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 764.00 | |
| | NA | NA | HQ-P16194 | MANYAMA MAKWEBA | 100% | Exploration | NA | 88.18 | |
| | NA | NA | HQ-P16198 | MANYAMA MAKWEBA | 100% | Exploration | NA | 149.10 | |
| | NA | NA | HQ-P 16242 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 445.30 | |
| | NA | NA | HQ-P17295 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 96.99 | |
| | NA | NA | HQ-P19700 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 16.36 | |
| | NA | NA | HQ-P19714 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 17.12 | |
| | NA | NA | HQ-P19757 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 757.60 | |
| | NA | NA | HQ-P19758 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 757.60 | |
| | NA | NA | HQ-P19759 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 752.20 | |
| | NA | NA | HQ-P19760 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 655.80 | |
| | NA | NA | HQ-P19761 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 758.20 | |
| | NA | NA | HQ-P19762 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 113.50 | |
| | NA | NA | HQ-P19821 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 20.54 | |
| | NA | NA | HQ-P19832 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 76.07 | |
| | NA | NA | HQ-P19833 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 33.47 | |
| | NA | NA | HQ-P19925 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 677.40 | |
| | NA | NA | HQ-P20098 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 183.60 | |
| | NA | NA | HQ-P20099 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 850.80 | |
| | NA | NA | HQ-P20178 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 282.20 | |
| | NA | NA | HQ-P20287 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 208.40 | |
| | NA | NA | HQ-P20307 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 984.20 | |
| | NA | NA | HQ-P20308 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 876.90 | |
| | NA | NA | HQ-P20309 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 977.10 | |
| | NA | NA | HQ-P20310 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 970.10 | |
| | NA | NA | HQ-P20311 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 452.60 | |
| | NA | NA | HQ-P20422 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 307.10 | |
| | NA | NA | HQ-P20440 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 427.90 | |
| | NA | NA | HQ-P20674 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 10.10 | |
| NA | NA | HQ-P20675 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 121.70 | | |
| NA | NA | HQ-P21181 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 141.70 | | |
| NA | NA | HQ-P21470 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 76.00 | | |
| NA | NA | HQ-G16904 | PINEWOOD RESOURCES LTD | 100% | Exploration | NA | 276.48 | | |
| TOTAL LICENCES UNDER APPLICATION | | | | | | | | 14,090.81 | |
| GRAND TOTAL PL's UNDER CONSIDERATION | | | | | | | | 18,088.33 | |

| ASSET | CURRENT PL NO. | OFFER REG. NO. | APPLICATION NO. | HOLDER | INTEREST (%) | STATUS | EXPIRY DATE | CURRENT AREA (km ²) | COMMENTS | |
|---|-----------------------------------|----------------|--------------------------|--------------------------|--------------|-------------|---------------|---------------------------------|---------------------------------------|--|
| Haneti Project (Tanzania) | PL 4383/2007 | HQ-G16347 | HQ-G16347 | EAGLE GOLD MINING LTD | 100% | Exploration | 01-Apr-13 | 12.16 | Preliminary, greenfields exploration. | |
| | PL 5792/2009 | HQ-P15553 | HQ-P15553 | SUN MINING LTD | 100% | Exploration | 11-Jun-12 | 122.50 | | |
| | PL 6595/2010 | HQ-G15960 | HQ-G15960 | EAGLE GOLD MINING LTD | 100% | Exploration | 12-Aug-13 | 198.36 | | |
| | PL 6596/2010 | HQ-G15947 | HQ-G15947 | EAGLE GOLD MINING LTD | 100% | Exploration | 12-Aug-13 | 188.59 | | |
| | PL 6597/2010 | HQ-G15971 | HQ-G15971 | EAGLE GOLD MINING LTD | 100% | Exploration | 12-Aug-13 | 198.76 | | |
| | PL 6600/2010 | HQ-P17088 | HQ-P17088 | EAGLE GOLD MINING LTD | 100% | Exploration | 12-Aug-13 | 134.09 | | |
| | PL 6603/2010 | HQ-G15946 | HQ-G15946 | EAGLE GOLD MINING LTD | 100% | Exploration | 04-Oct-13 | 184.00 | | |
| | PL 6612/2010 | HQ-G15935 | HQ-G15935 | EAGLE GOLD MINING LTD | 100% | Exploration | 04-Oct-13 | 187.56 | | |
| | TOTAL ACTIVE LICENCES | | | | | | | | 1,226.02 | |
| | NA | 1162 | 1162 | FRONTIER RESOURCES LTD | 100% | Exploration | Not Specified | 769.40 | Preliminary, greenfields exploration. | |
| | NA | 1163 | 1163 | FRONTIER RESOURCES LTD | 100% | Exploration | Not Specified | 769.40 | | |
| | NA | HQ-G15142 | HQ-G15142 | OXFORD DEVELOPMENT | 100% | Exploration | Not Specified | 198.84 | | |
| | NA | HQ-G15143 | HQ-G15143 | SUN MINING LTD | 100% | Exploration | Not Specified | 198.35 | | |
| | NA | HQ-G15259 | HQ-G15259 | SUN MINING LTD | 100% | Exploration | Not Specified | 133.91 | | |
| | NA | HQ-P16507 | HQ-P16507 | EAGLE GOLD MINING LTD | 100% | Exploration | Not Specified | 296.42 | | |
| | NA | HQ-P16508 | HQ-P16508 | EAGLE GOLD MINING LTD | 100% | Exploration | Not Specified | 297.10 | | |
| | NA | HQ-G16789 | HQ-G16789 | EAGLE GOLD MINING LTD | 100% | Exploration | Not Specified | 298.02 | | |
| | TOTAL LICENCES UNDER OFFER | | | | | | | | 2,961.44 | |
| | NA | NA | HQ-P20137 | EAGLE GOLD MINING LTD | 100% | Exploration | NA | 176.00 | Preliminary, greenfields exploration. | |
| | NA | NA | HQ-P20177 | AARDVARK EXPLORATION LTD | 100% | Exploration | NA | 555.00 | | |
| | NA | NA | HQ-P20233 | AARDVARK EXPLORATION LTD | 100% | Exploration | NA | 192.45 | | |
| | NA | NA | HQ-P20253 | AARDVARK EXPLORATION LTD | 100% | Exploration | NA | 964.00 | | |
| | NA | NA | HQ-P20303 | AARDVARK EXPLORATION LTD | 100% | Exploration | NA | 515.85 | | |
| NA | NA | HQ-P21514 | AARDVARK EXPLORATION LTD | 100% | Exploration | NA | 12.09 | | | |
| NA | NA | HQ-P24348 | EAGLE GOLD MINING LTD | 100% | Exploration | NA | 29.05 | | | |
| NA | NA | HQ-P24349 | EAGLE GOLD MINING LTD | 100% | Exploration | NA | 296.00 | | | |
| NA | NA | HQ-P24350 | EAGLE GOLD MINING LTD | 100% | Exploration | NA | 205.90 | | | |
| NA | NA | HQ-G17188 | EAGLE GOLD MINING LTD | 100% | Exploration | NA | 20.00 | | | |
| NA | NA | HQ-P25439 | EAGLE GOLD MINING LTD | 100% | Exploration | NA | 67.20 | | | |
| NA | NA | HQ-G17365 | EAGLE GOLD MINING LTD | 100% | Exploration | NA | 60.36 | | | |
| TOTAL LICENCES UNDER APPLICATION | | | | | | | | 3,093.90 | | |
| GRAND TOTAL PL's UNDER CONSIDERATION | | | | | | | | 7,281.36 | | |

| ASSET | CURRENT PL NO. | OFFER REG. NO. | APPLICATION NO. | HOLDER | INTEREST (%) | STATUS | EXPIRY DATE | CURRENT AREA (km ²) | COMMENTS | |
|---|-----------------------------------|----------------|-----------------------|---------------------------------|--------------|-------------|---------------|---------------------------------|---------------------------------------|--|
| Morogoro Project (Tanzania) | PL 6541/2010 | HQ-P 16281 | HQ-P 16281 | JAMBO MINING LTD | 100% | Exploration | 12-Aug-13 | 33.25 | Preliminary, greenfields exploration. | |
| | PL 6249/2009 | 4064 | 4064 | JUBILEE RESOURCE LTD | 100% | Exploration | 30-Dec-12 | 46.38 | | |
| | PL 6250/2009 | 4065 | 4065 | JUBILEE RESOURCE LTD | 100% | Exploration | 30-Dec-12 | 101.60 | | |
| | PL 6598/2010 | HQ-G16004 | HQ-G16004 | JUBILEE RESOURCE LTD | 100% | Exploration | 12-Aug-13 | 196.24 | | |
| | PL 6599/2010 | HQ-G15980 | HQ-G15980 | JUBILEE RESOURCE LTD | 100% | Exploration | 12-Aug-13 | 198.23 | | |
| | PL 6601/2010 | HQ-G15981 | HQ-G15981 | JUBILEE RESOURCE LTD | 100% | Exploration | 12-Aug-13 | 199.13 | | |
| | PL 6602/2010 | HQ-G15982 | HQ-G15982 | JUBILEE RESOURCE LTD | 100% | Exploration | 04-Oct-13 | 122.69 | | |
| | PL 6613/2010 | HQ-G15978 | HQ-G15978 | JUBILEE RESOURCES LTD | 100% | Exploration | 04-Oct-13 | 114.60 | | |
| | PL 6622/2010 | HQ-G15983 | HQ-G15983 | JUBILEE RESOURCE LTD | 100% | Exploration | 20-Sep-13 | 198.14 | | |
| | PL 6717/2010 | HQ-G15979 | HQ-G15979 | JUBILEE RESOURCE LTD | 100% | Exploration | 05-Sep-13 | 195.56 | | |
| | TOTAL ACTIVE LICENCES | | | | | | | | 1,405.82 | |
| | NA | HQ-P 16280 | HQ-P 16280 | JAMBO MINING LTD | 100% | Exploration | Not Specified | 178.50 | Preliminary, greenfields exploration. | |
| | NA | HQ-G17242 | HQ-G17242 | COMUTA ADVERTISING TANZANIA LTD | 100% | Exploration | 12-Feb-15 | 43.43 | | |
| | NA | 3945 | 3945 | JUBILEE RESOURCE LTD | 100% | Exploration | Not Specified | 300.00 | | |
| | NA | HQ-G17167 | HQ-G17167 | JUBILEE RESOURCE LTD | 100% | Exploration | Not Specified | 88.09 | | |
| | TOTAL LICENCES UNDER OFFER | | | | | | | | 610.02 | |
| | NA | NA | HQ-P 18798 | JAMBO MINING LTD | 100% | Exploration | NA | 289.10 | Preliminary, greenfields exploration. | |
| | NA | NA | HQ-P 18799 | JAMBO MINING LTD | 100% | Exploration | NA | 336.50 | | |
| | NA | NA | HQ-P20388 | JAMBO MINING LTD | 100% | Exploration | NA | 159.90 | | |
| | NA | NA | HQ-P 20642 | JAMBO MINING LTD | 100% | Exploration | NA | 90.00 | | |
| | NA | NA | HQ-P 16283 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 181.50 | | |
| | NA | NA | HQ-G17354 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 41.07 | | |
| | NA | NA | HQ-P 16282 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 43.55 | | |
| | NA | NA | HQ-G17355 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 21.57 | | |
| | NA | NA | HQ-P 16284 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 22.73 | | |
| | NA | NA | HQ-G17356 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 20.00 | | |
| | NA | NA | HQ-P17142 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 259.20 | | |
| | NA | NA | HQ-P19135 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 122.60 | | |
| | NA | NA | HQ-P20205 | JUBILEE RESOURCE LTD | 100% | Exploration | NA | 181.40 | | |
| | NA | NA | HQ-P20224 | JUBILEE RESOURCE LTD | 100% | Exploration | NA | 421.50 | | |
| NA | NA | HQ-P20286 | HIGHLANDS MINING LTD | 100% | Exploration | NA | 708.40 | | | |
| NA | NA | HQ-P20288 | HIGHLANDS MINING LTD | 100% | Exploration | NA | 353.80 | | | |
| NA | NA | HQ-P20299 | HIGHLANDS MINING LTD | 100% | Exploration | NA | 460.40 | | | |
| NA | NA | HQ-P20313 | HIGHLANDS MINING LTD | 100% | Exploration | NA | 378.10 | | | |
| NA | NA | HQ-P20314 | HIGHLANDS MINING LTD | 100% | Exploration | NA | 350.70 | | | |
| NA | NA | HQ-P20420 | HIGHLANDS MINING LTD | 100% | Exploration | NA | 767.60 | | | |
| NA | NA | HQ-P20421 | HIGHLANDS MINING LTD | 100% | Exploration | NA | 528.20 | | | |
| NA | NA | HQ-P20424 | JUBILEE RESOURCE LTD | 100% | Exploration | NA | 943.40 | | | |
| NA | NA | HQ-P24634 | JUBILEE RESOURCES LTD | 100% | Exploration | NA | 139.80 | | | |
| NA | NA | HQ-G17166 | JUBILEE RESOURCE LTD | 100% | Exploration | NA | 293.10 | | | |
| TOTAL LICENCES UNDER APPLICATION | | | | | | | | 7,114.12 | | |
| GRAND TOTAL PL's UNDER CONSIDERATION | | | | | | | | 9,129.96 | | |

| ASSET | CURRENT PL NO. | OFFER REG. NO. | APPLICATION NO. | HOLDER | INTEREST (%) | STATUS | EXPIRY DATE | CURRENT AREA (km ²) | COMMENTS |
|-----------------------------------|----------------|----------------|---------------------|--------------------------|--------------|---------------|-------------|---------------------------------------|---------------------------------------|
| Lake Victoria Project (Tanzania) | PL 3698/2005 | HQ-G16736 | HQ-G16736 | SUN MINING LTD | 100% | Exploration | 06-Nov-12 | 1.94 | Preliminary, greenfields exploration. |
| | PL 3734/2005 | HQ-G16737 | HQ-G16737 | SAVANNAH MINING LTD | 100% | Exploration | 06-Nov-12 | 7.68 | |
| | PL 4049/2007 | HQ-G17253 | HQ-G17253 | SAVANNAH MINING LTD | 100% | Exploration | 14-Feb-15 | 3.70 | |
| | PL 4202/2006 | HQ-G17176 | HQ-G17176 | SAVANNAH MINING LTD | 100% | Exploration | 13-Dec-14 | 10.98 | |
| | PL 4354/2007 | HQ-G16425 | HQ-G16425 | SAVANNAH MINING LTD | 100% | Exploration | 08-May-13 | 2.56 | |
| | PL 4359/2007 | HQ-G17304 | HQ-G17304 | SAVANNAH MINING LTD | 100% | Exploration | 08-May-15 | 11.16 | |
| | PL 5243/2008 | HQ-G16993 | HQ-G16993 | SAVANNAH MINING LTD | 100% | Exploration | 23-Jul-14 | 20.00 | |
| | PL 5509/2008 | HQ-G17203 | HQ-G17203 | ACROW GROUP OF COMPANIES | 100% | Exploration | 30-Dec-14 | 11.37 | |
| | PL 5724/2009 | HQ-P15396 | HQ-P15396 | SAVANNAH MINING LTD | 100% | Exploration | 11-Jun-12 | 5.97 | |
| | PL 6283/2009 | HQ-P16031 | HQ-P16031 | SAVANNAH MINING LTD | 100% | Exploration | 30-Dec-12 | 19.90 | |
| | PL 6321/2010 | HQ-P20405 | HQ-P20405 | TABITHA TIMOTHY | 100% | Exploration | 29-Mar-13 | 4.83 | |
| | PL 6322/2010 | HQ-P20406 | HQ-P20406 | TABITHA TIMOTHY | 100% | Exploration | 29-Mar-13 | 11.51 | |
| | PL 7098/2011 | HQ-P17622 | HQ-P17622 | SAVANNAH MINING LTD | 100% | Exploration | 15-Dec-15 | 20.47 | |
| | PL 7100/2011 | HQ-P17621 | HQ-P17621 | SAVANNAH MINING LTD | 100% | Exploration | 02-Aug-15 | 25.01 | |
| | PL 7105/2011 | HQ-P17618 | HQ-P17618 | SAVANNAH MINING LTD | 100% | Exploration | 24-Aug-15 | 3.72 | |
| | PL 7166/2012 | HQ-P16392 | HQ-P16392 | SAVANNAH MINING LTD | 100% | Exploration | 02-Feb-16 | 16.50 | |
| | PL 7520/2011 | HQ-P16873 | HQ-P16873 | SAVANNAH MINING LTD | 100% | Exploration | 26-Dec-15 | 22.85 | |
| | PL 7589/2012 | HQ-P16872 | HQ-P16872 | SAVANNAH MINING LTD | 100% | Exploration | 22-Jan-16 | 50.15 | |
| | PL 7590/2012 | 4606 | 4606 | SAVANNAH MINING LTD | 100% | Exploration | 22-Jan-16 | 26.43 | |
| | PL 7642/2012 | 4168 | 4168 | SAVANNAH MINING LTD | 100% | Exploration | 22-Feb-16 | 21.75 | |
| PL 7660/2012 | HQ-P16482 | HQ-P16482 | SAVANNAH MINING LTD | 100% | Exploration | 22-Feb-16 | 4.61 | | |
| PL 7736/2012 | 4167 | 4167 | SAVANNAH MINING LTD | 100% | Exploration | 01-Mar-16 | 16.02 | | |
| PL 7887/2012 | HQ-P17637 | HQ-P17637 | SUN MINING LTD | 100% | Exploration | 03-May-16 | 40.93 | | |
| TOTAL ACTIVE LICENCES | | | | | | | | 360.04 | |
| NA | 2559 | 2559 | SAVANNAH MINING LTD | 100% | Exploration | Not Specified | 7.38 | Preliminary, greenfields exploration. | |
| NA | HQ-P17023 | HQ-P17023 | SAVANNAH MINING LTD | 100% | Exploration | Not Specified | 9.53 | | |
| NA | HQ-P17620 | HQ-P17620 | SAVANNAH MINING LTD | 100% | Exploration | Not Specified | 7.74 | | |
| NA | HQ-P17623 | HQ-P17623 | SAVANNAH MINING LTD | 100% | Exploration | Not Specified | 9.70 | | |
| NA | HQ-P17627 | HQ-P17627 | SAVANNAH MINING LTD | 100% | Exploration | Not Specified | 103.04 | | |
| NA | HQ-P17635 | HQ-P17635 | SUN MINING LTD | 100% | Exploration | Not Specified | 18.94 | | |
| NA | HQ-P17642 | HQ-P17642 | SUN MINING LTD | 100% | Exploration | Not Specified | 28.31 | | |
| NA | HQ-P17729 | HQ-P17729 | SAVANNAH MINING LTD | 100% | Exploration | Not Specified | 15.35 | | |
| NA | HQ-P20614 | HQ-P20614 | SAVANNAH MINING LTD | 100% | Exploration | Not Specified | 9.95 | | |
| TOTAL LICENCES UNDER OFFER | | | | | | | | 209.94 | |

| | | | | | | | | |
|----|----|-----------|---------------------|------|-------------|----|--------|---------------------------------------|
| NA | NA | HQ-P17024 | SAVANNAH MINING LTD | 100% | Exploration | NA | 8.44 | Preliminary, greenfields exploration. |
| NA | NA | HQ-P17192 | SAVANNAH MINING LTD | 100% | Exploration | NA | 3.65 | |
| NA | NA | HQ-P17193 | SAVANNAH MINING LTD | 100% | Exploration | NA | 5.15 | |
| NA | NA | HQ-P17207 | SAVANNAH MINING LTD | 100% | Exploration | NA | 11.22 | |
| NA | NA | HQ-P17619 | SAVANNAH MINING LTD | 100% | Exploration | NA | 37.73 | |
| NA | NA | HQ-P17624 | SAVANNAH MINING LTD | 100% | Exploration | NA | 66.88 | |
| NA | NA | HQ-P17625 | SAVANNAH MINING LTD | 100% | Exploration | NA | 25.72 | |
| NA | NA | HQ-P17626 | SAVANNAH MINING LTD | 100% | Exploration | NA | 22.95 | |
| NA | NA | HQ-P17630 | SUN MINING LTD | 100% | Exploration | NA | 51.40 | |
| NA | NA | HQ-P17631 | SUN MINING LTD | 100% | Exploration | NA | 102.80 | |
| NA | NA | HQ-P17632 | SUN MINING LTD | 100% | Exploration | NA | 61.74 | |
| NA | NA | HQ-P17633 | SUN MINING LTD | 100% | Exploration | NA | 43.60 | |
| NA | NA | HQ-P17634 | SUN MINING LTD | 100% | Exploration | NA | 66.37 | |
| NA | NA | HQ-P17636 | SUN MINING LTD | 100% | Exploration | NA | 43.03 | |
| NA | NA | HQ-P17638 | SUN MINING LTD | 100% | Exploration | NA | 17.46 | |
| NA | NA | HQ-P17639 | SUN MINING LTD | 100% | Exploration | NA | 25.72 | |
| NA | NA | HQ-P17640 | SUN MINING LTD | 100% | Exploration | NA | 16.80 | |
| NA | NA | HQ-P17641 | SUN MINING LTD | 100% | Exploration | NA | 51.45 | |
| NA | NA | HQ-P17643 | SUN MINING LTD | 100% | Exploration | NA | 44.85 | |
| NA | NA | HQ-P17644 | SUN MINING LTD | 100% | Exploration | NA | 16.84 | |
| NA | NA | HQ-P17730 | SAVANNAH MINING LTD | 100% | Exploration | NA | 18.69 | |
| NA | NA | HQ-P17731 | SAVANNAH MINING LTD | 100% | Exploration | NA | 17.14 | |
| NA | NA | HQ-P17763 | SAVANNAH MINING LTD | 100% | Exploration | NA | 20.94 | |
| NA | NA | HQ-P17896 | SAVANNAH MINING LTD | 100% | Exploration | NA | 51.15 | |
| NA | NA | HQ-P17974 | SAVANNAH MINING LTD | 100% | Exploration | NA | 9.60 | |
| NA | NA | HQ-P18105 | SUN MINING LTD | 100% | Exploration | NA | 13.72 | |
| NA | NA | HQ-P18531 | SUN MINING LTD | 100% | Exploration | NA | 25.72 | |
| NA | NA | HQ-P19040 | SAVANNAH MINING LTD | 100% | Exploration | NA | 8.05 | |
| NA | NA | HQ-P19495 | SUN MINING LTD | 100% | Exploration | NA | 15.44 | |
| NA | NA | HQ-P19497 | SAVANNAH MINING LTD | 100% | Exploration | NA | 3.94 | |
| NA | NA | HQ-P19630 | SAVANNAH MINING LTD | 100% | Exploration | NA | 24.51 | |
| NA | NA | HQ-P19713 | SAVANNAH MINING LTD | 100% | Exploration | NA | 25.72 | |
| NA | NA | HQ-P19842 | SAVANNAH MINING LTD | 100% | Exploration | NA | 109.20 | |
| NA | NA | HQ-P19843 | SAVANNAH MINING LTD | 100% | Exploration | NA | 24.08 | |
| NA | NA | HQ-P19844 | SAVANNAH MINING LTD | 100% | Exploration | NA | 50.28 | |
| NA | NA | HQ-P19882 | SAVANNAH MINING LTD | 100% | Exploration | NA | 25.63 | |
| NA | NA | HQ-P19972 | SAVANNAH MINING LTD | 100% | Exploration | NA | 3.75 | |
| NA | NA | HQ-P19973 | SAVANNAH MINING LTD | 100% | Exploration | NA | 12.08 | |
| NA | NA | HQ-P19976 | SAVANNAH MINING LTD | 100% | Exploration | NA | 12.34 | |
| NA | NA | HQ-P20029 | SAVANNAH MINING LTD | 100% | Exploration | NA | 37.14 | |
| NA | NA | HQ-P20030 | SAVANNAH MINING LTD | 100% | Exploration | NA | 25.71 | |
| NA | NA | HQ-P20068 | SAVANNAH MINING LTD | 100% | Exploration | NA | 32.50 | |
| NA | NA | HQ-P20128 | SAVANNAH MINING LTD | 100% | Exploration | NA | 40.72 | |
| NA | NA | HQ-P20129 | SAVANNAH MINING LTD | 100% | Exploration | NA | 43.18 | |

Lake
Victoria
Project
Continued
(Tanzania
)

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|--|----|-----------|---------------------|---------------------|-------------|-------------|-------|-------|---|
| Lake Victoria Project Continued (Tanzania) | NA | NA | HQ-P20302 | SAVANNAH MINING LTD | 100% | Exploration | NA | 3.00 | Preliminary, greenfields exploration. |
| | NA | NA | HQ-P20686 | SAVANNAH MINING LTD | 100% | Exploration | NA | 15.36 | |
| | NA | NA | HQ-P20730 | SAVANNAH MINING LTD | 100% | Exploration | NA | 4.61 | |
| | NA | NA | HQ-P20859 | SAVANNAH MINING LTD | 100% | Exploration | NA | 12.30 | |
| | NA | NA | HQ-P20919 | SAVANNAH MINING LTD | 100% | Exploration | NA | 4.00 | |
| | NA | NA | HQ-P20920 | SAVANNAH MINING LTD | 100% | Exploration | NA | 4.78 | |
| | NA | NA | HQ-P20988 | SAVANNAH MINING LTD | 100% | Exploration | NA | 2.57 | |
| | NA | NA | HQ-P21001 | SAVANNAH MINING LTD | 100% | Exploration | NA | 3.64 | |
| | NA | NA | HQ-P21002 | SAVANNAH MINING LTD | 100% | Exploration | NA | 11.22 | |
| | NA | NA | HQ-P21110 | SUN MINING LTD | 100% | Exploration | NA | 11.04 | |
| | NA | NA | HQ-P21233 | SAVANNAH MINING LTD | 100% | Exploration | NA | 22.43 | |
| | NA | NA | HQ-P21234 | SAVANNAH MINING LTD | 100% | Exploration | NA | 25.60 | |
| | NA | NA | HQ-P21235 | SAVANNAH MINING LTD | 100% | Exploration | NA | 20.47 | |
| | NA | NA | HQ-P21236 | SAVANNAH MINING LTD | 100% | Exploration | NA | 29.37 | |
| | NA | NA | HQ-P21237 | SAVANNAH MINING LTD | 100% | Exploration | NA | 20.48 | |
| | NA | NA | HQ-P21238 | SAVANNAH MINING LTD | 100% | Exploration | NA | 25.60 | |
| | NA | NA | HQ-P21239 | SAVANNAH MINING LTD | 100% | Exploration | NA | 25.60 | |
| | NA | NA | HQ-P21240 | SAVANNAH MINING LTD | 100% | Exploration | NA | 7.68 | |
| | NA | NA | HQ-P21241 | SAVANNAH MINING LTD | 100% | Exploration | NA | 12.86 | |
| | NA | NA | HQ-P21242 | SAVANNAH MINING LTD | 100% | Exploration | NA | 10.80 | |
| | NA | NA | HQ-P21243 | SAVANNAH MINING LTD | 100% | Exploration | NA | 8.43 | |
| | NA | NA | HQ-P21244 | SAVANNAH MINING LTD | 100% | Exploration | NA | 14.23 | |
| | NA | NA | HQ-P21245 | SAVANNAH MINING LTD | 100% | Exploration | NA | 17.06 | |
| | NA | NA | HQ-P21246 | SAVANNAH MINING LTD | 100% | Exploration | NA | 21.21 | |
| | NA | NA | HQ-P21247 | SAVANNAH MINING LTD | 100% | Exploration | NA | 21.69 | |
| | NA | NA | HQ-P21248 | SAVANNAH MINING LTD | 100% | Exploration | NA | 20.13 | |
| | NA | NA | HQ-P21249 | SAVANNAH MINING LTD | 100% | Exploration | NA | 8.68 | |
| | NA | NA | HQ-P21250 | SAVANNAH MINING LTD | 100% | Exploration | NA | 2.06 | |
| | NA | NA | HQ-P21251 | SAVANNAH MINING LTD | 100% | Exploration | NA | 18.77 | |
| | NA | NA | HQ-P21252 | SAVANNAH MINING LTD | 100% | Exploration | NA | 11.21 | |
| | NA | NA | HQ-P21253 | SAVANNAH MINING LTD | 100% | Exploration | NA | 13.00 | |
| | NA | NA | HQ-P21254 | SAVANNAH MINING LTD | 100% | Exploration | NA | 12.80 | |
| | NA | NA | HQ-P21255 | SAVANNAH MINING LTD | 100% | Exploration | NA | 4.87 | |
| | NA | NA | HQ-P21256 | SAVANNAH MINING LTD | 100% | Exploration | NA | 3.85 | |
| NA | NA | HQ-P21257 | SAVANNAH MINING LTD | 100% | Exploration | NA | 10.24 | | |
| NA | NA | HQ-P21289 | SAVANNAH MINING LTD | 100% | Exploration | NA | 8.96 | | |
| NA | NA | HQ-P21290 | SAVANNAH MINING LTD | 100% | Exploration | NA | 7.71 | | |
| NA | NA | HQ-P21291 | SAVANNAH MINING LTD | 100% | Exploration | NA | 8.57 | | |
| NA | NA | HQ-P21306 | SUN MINING LTD | 100% | Exploration | NA | 3.72 | | |
| NA | NA | HQ-P21338 | SAVANNAH MINING LTD | 100% | Exploration | NA | 4.16 | | |
| NA | NA | HQ-P21380 | SAVANNAH MINING LTD | 100% | Exploration | NA | 25.47 | | |
| NA | NA | HQ-P21432 | SAVANNAH MINING LTD | 100% | Exploration | NA | 9.55 | | |
| NA | NA | HQ-P21606 | SAVANNAH MINING LTD | 100% | Exploration | NA | 6.83 | | |
| NA | NA | HQ-P21717 | SUN MINING LTD | 100% | Exploration | NA | 11.22 | | |

| | | | | | | | | | |
|--|----|----|-----------|---------------------|------|-------------|----|-----------------|---|
| Lake Victoria Project Continued (Tanzania) | NA | NA | HQ-P21718 | SUN MINING LTD | 100% | Exploration | NA | 2.57 | Preliminary, greenfields exploration. |
| | NA | NA | HQ-P21843 | SAVANNAH MINING LTD | 100% | Exploration | NA | 12.80 | |
| | NA | NA | HQ-P22317 | SAVANNAH MINING | 100% | Exploration | NA | 10.88 | |
| | NA | NA | HQ-P22318 | SAVANNAH MINING LTD | 100% | Exploration | NA | 8.01 | |
| | NA | NA | HQ-P22787 | SUN MINING LTD | 100% | Exploration | NA | 7.68 | |
| | NA | NA | HQ-P22788 | SAVANNAH MINING LTD | 100% | Exploration | NA | 1.99 | |
| | NA | NA | HQ-P24733 | SAVANNAH MINING LTD | 100% | Exploration | NA | 9.95 | |
| | NA | NA | HQ-P25206 | SAVANNAH MINING LTD | 100% | Exploration | NA | 12.31 | |
| | NA | NA | HQ-P25207 | SAVANNAH MINING LTD | 100% | Exploration | NA | 23.03 | |
| | NA | NA | HQ-P25278 | SAVANNAH MINING LTD | 100% | Exploration | NA | 3.75 | |
| TOTAL LICENCES UNDER APPLICATION | | | | | | | | 2,015.71 | |
| GRAND TOTAL PL's UNDER CONSIDERATION | | | | | | | | 2,585.69 | |

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Appendix 4: Glossary and Definitions

Abbreviations

| ABBREVIATION OR UNIT OF MEASUREMENT | EXPLANATION |
|-------------------------------------|--|
| % | Percent |
| ° | Degrees |
| °C | Degrees Celsius |
| AIM | Alternative Investment Market |
| amsl | Above mean sea level |
| Au | Gold |
| AusIMM | Australian Institute of Mining & Metallurgy |
| BIF | Banded Iron Formation |
| B.Sc. | Bachelor of Science degree |
| B.Sc.(Hons) | Bachelor of Science Honours degree |
| Bt | Billion tonnes |
| Capex | Capital Expenditure |
| CCM | Chama Cha Mapinduzi |
| CDC | Colonial Development Corporation |
| cm | Centimetres |
| CP | Competent Persons |
| CPR | Competent Persons' Report |
| cps | Counts per second |
| CV | Calorific Value |
| DC | Diamond Core |
| Dip | Diploma |
| DTM | Digital Terrain Model |
| EIA | Environmental Impact Assessment/ Energy Information Administration |
| EMP | Environmental Management Plan |
| EMPR | Environmental Management Programme Report |
| FeO | Iron Oxide |
| FSAIMM | Fellow of the South African Institute for Mining & Metallurgy |
| g | grams |
| g/t | grams per tonne |
| GDP | Gross domestic product |
| GIS | Geographic Information System |
| GPS | Global Positioning System |
| GSSA | Geological Society of South Africa |
| GTIS | Gross Tons In situ |
| ha | Hectare |
| HLEM | Horizontal-Loop Electromagnetic |
| HUC | Haneti Ultramafic Complex |
| IC | Iliwa Colliery |
| IM | Inherent Moisture |
| ICP-AES | Inductively Coupled Plasma Atomic Emission Spectroscopy |
| Inspectorate | Inspectorate M & L (Pty) Ltd |
| IPP | Independent Power Producer |
| ISO | International Organization for Standardization |
| JORC | Joint Ore Reserves Committee |
| JSE | Johannesburg Stock Exchange |
| KCM | Kiwira Coal Mine |
| kg | Kilogram |
| km | Kilometre |
| km ² | Kilometre Squared |
| Kibo Mining | Kibo Mining plc |
| LEAT | Lawyers' Environmental Action Team |
| LIMS | Laboratory Information Management System |
| LVG | Lake Victoria Goldfield |
| Ma | Million years |
| MDC | Mtwara Development Corridor Program |
| Mib | Million pounds |
| mm | Millimetre |
| MNRT | Ministry of Natural Resources and Tourism |
| M.Sc. | Masters degree in Science |
| Mt | Million tonnes |
| MTIS | Mineable Tons In Situ |
| Mtpa | Million tonnes per year |
| MW | Mega-Watt |
| Mzuri Capital | Mzuri Capital Group Limited |
| n/a | Not Applicable |

| ABBREVIATION OR UNIT OF MEASUREMENT | EXPLANATION |
|---|---|
| NDC | National Development Corporation of Tanzania |
| PCEA | Pacific Corporation east Africa |
| oz | Ounces |
| Pinewood | Pinewood Resources Limited |
| PL | Prospecting Licence |
| PL No | Prospecting License Number |
| PML | Primary Mining Licence |
| ppb | Parts Per Billion |
| ppm | Parts Per Million |
| PPP | Purchasing power of Parity |
| Pr.Sci.Nat | Professional Natural Scientist |
| QA/QC | Quality Assurance and Quality Control |
| RAB | Rotary Air Blast |
| RC | Reverse Circulation |
| RD | Relative density |
| REG | Registration |
| RGB | Red, Green, Blue |
| ROM | Run of Mine |
| SAIMM | South African Institute of Mining and Metallurgy |
| SAMREC | South African Mineral Resources Code |
| SAMVAL | The South African Code for the Reporting of Mineral Asset Valuation |
| SANAS | South African National Accreditation System |
| SANS | The South African Guide to the Systematic Evaluation of Coal Resources and Coal Reserves |
| Savannah | Savannah Mining Limited |
| SRTM | Shuttle Radar Topography Mission |
| STAMICO | State Mining Corporation |
| t | Tonnes |
| TGS | Tanganyika Geological Survey Department |
| tpa | Tonnes per year |
| TRA | Tanzania Revenue Authority |
| TS | Total Sulphur |
| TSH | Tanzanian Shilling |
| TTIS | Total tons in situ |
| UK | United Kingdom |
| UKLA | United Kingdom Listing Authority |
| UN | United Nations |
| USD | United States Dollar |
| USDbn | Billion United States Dollars |
| USD/km² | United States Dollar per Kilometre Squared |
| Valmin | The Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports 2005 |
| VAT | Value Added Tax |
| Venmyn | Venmyn Rand (Pty) Ltd |
| VM | Volatile Matter |
| VMS | Volcanogenic massive sulphide |
| yrs | Years |

Definitions

| | |
|------------------------------|---|
| Aeromagnetic | Magnetic survey conducted from the air. Usually by fixed wing aircraft or helicopter. |
| Alteration | A change in mineralogical composition of a rock commonly brought about by reactions with hydrothermal fluids or weathering |
| Alluvial | Deposited by the action of running water |
| Amphibolite | A metamorphic crystalline rock consisting mainly of amphibole. |
| Amphibolite Facies | Prograde metamorphic facies experienced at temperatures in excess of 500 °C and pressures in excess of 1.2 kilobar. |
| Archean | A geological period older than 2,500Ma. |
| Arsenopyrite | Arsenopyrite is an iron sulphide mineral with arsenic (FeAsS) |
| Ash (%) | The solid residue that remains after the complete combustion of coal. |
| Assay | A chemical test performed on a sample of ores or minerals to determine the amount of valuable metals contained. |
| Assay laboratory | A facility in which the quality of the ores are determined using analytical techniques. |
| Basalt | A fine grained, dark coloured, extrusive mafic igneous rock comprised primarily of calcic plagioclase and pyroxene minerals |
| Base Metals | Any non precious metals |
| Banded Iron Formation | A rock consisting essentially of iron oxides and cherty silica and possessing a prominent layered or banded appearance in shades of brown or red and black. |
| Blank | A sample containing undetectable concentrations of the elements being prospected for. |
| Breccia | Rock comprised of coarse, angular fragments within a finer matrix |
| Calorific Value (CV) | The heat liberated by the coal's complete combustion with oxygen. |
| Carbonaceous | Substances rich in Carbon. |
| Carbonatite | A high -carbonate rock derived from hot magmatic fluids. |
| Carboniferous | Deposits accumulated between 360Ma to 300Ma ago. |
| Cenozoic | The latest of the five eras into which geologic time is divided. Representing young rocks and deposits. |
| Chert | A cryptocrystalline silica. |
| Coal | A sedimentary rock containing a mixture of constituents, mostly of vegetal origin, composed mainly of carbon, hydrogen, oxygen, nitrogen, sulfur, and some inorganic mineral elements. |
| Coal washing | Separates coal of soil and rock by means of 'washing' with water, preparing it for transport to market. |
| Complex | An assemblage of rocks of any age or origin that has been folded together, intricately mixed, involved or otherwise complicated. |
| Conglomerate | A cemented clastic rock containing rounded fragments of gravel or pebble size. |
| Craton | Large, ancient stable mass of the earth's crust. |
| Cretaceous | Applied to the and final period of the Mesozoic era. |
| Deformation | Change in the form or in the dimensions of rock caused by stress. |
| Density | Measure of the relative "heaviness" of objects with a constant volume, density = mass/volume |
| Deposit | Any sort of earth material that has accumulated through the action of wind, water, ice or other agents. |
| Development | Underground work carried out for the purpose of opening up a mineral deposit. Includes shaft sinking, crosscutting, drifting and raising. |
| Diamond drilling | A drilling method, where the rock is cut with a diamond bit, to extract cores. |
| Dip | The angle that a structural surface, i.e. a bedding or fault plane, makes with the horizontal measured perpendicular to the strike of the structure. |
| Dolerite | A medium grained igneous rock which is emplaced within the earth's crust in the form of dykes and sills. |
| Dolomitic | Composed of dolomite |
| Duplicate | A sample taken from the same place, or a sub-sample taken from the same sample. |
| Dyke | Tabular body of igneous rock which cross-cuts the structure of the rocks which it has intruded |
| Epigenetic | Deposits that form after the formation of the surrounding rocks and/or other events of mineralization |
| Epithermal deposit | A mineral deposit formed from hydrothermal solutions at a range of temperatures and pressure. Epithermal deposits are formed within about km of the earth's surface in the range of 50 to 200°C. These deposits are typically found in volcanic rocks; the chief metals are gold, silver and mercury. |
| Estimation | The quantitative judgement of a variable. |
| Exploration | Prospecting, sampling, mapping, diamond drilling and other work involved in the search for . |
| Fault | A fracture in earth materials, along which the opposite sides have been displaced parallel to the plane of the movement. |
| Feasibility study | A definitive engineering estimate of all costs, revenues, equipment requirements and production levels likely to be achieved if a mine is developed. The study is used to define the economic viability of a project and to support the search for project financing. |
| Felsic | A term applied to light coloured rocks composed predominantly of feldspathoids and silica |
| Ferruginous | Containing iron. |
| Fixed Carbon (%) | The organic residue remaining after the volatile matter has been liberated. The % fixed carbon is obtained when the sum of the moisture, ash and volatile matter percentages is subtracted from 100%. |

| | |
|--|---|
| Flow-banding | Banding in igneous flow rocks caused by alternating bands of differing mineralogical composition |
| Formation | The ordinary unit of geological mapping consisting of a large and persistent stratum of some kind of rock. |
| Geochemical Anomaly | A concentration of one or more elements in rock, soil, sediment, vegetation, or water markedly different from the normal concentration in the surroundings. |
| Geochemistry | The relative and absolute abundances of the elements and atomic species (isotopes) in the earth or within samples. |
| Geological mapping | Process of identifying and recording the surface distribution of rock types, their age relationships and the structures affecting their distribution |
| Gneiss | Group of rocks with banded or foliated fabric formed by regional metamorphism. |
| Graben | A depressed segment of the earth's crust bounded by at least two sides by faults and generally of considerable length as compared to its width. |
| Granite | A coarse-grained igneous rock containing megascopic quartz, feldspar and mica or other coloured minerals. |
| Granitoid | A term applied to the texture of holocrystalline igneous or metasomatic rocks, such as granites, in which the constituents are mostly anhedral or xenomorphic and uniform in size. |
| Granulite | A high grade metamorphic rock characterised by the presence of mica and hornblende. Coarse and fine bands alternate and produce planar schistosity. |
| Granulite facies | Granulite facies is determined by lower temperature boundary of 700 +/- 50 °C and pressure range 5-15 kilobar. |
| Greenschist facies | Greenschist facies is determined by the particular temperature and pressure conditions required to metamorphose basalt to form the typical greenschist facies minerals chlorite, actinolite, and albite. Greenschist facies results from temperatures of approximately 400 to 500 °C and depths of about 8 to 50 kilometres. |
| Greenstone | A field name for those compact, igneous rocks and sedimentary metamorphosed rocks of Archaean age. |
| Gridding | Process of establishing survey control by laying out a grid, usually of pegs or stakes |
| Half Graben | A depressed segment of the earth's crust bounded by faults on only one side and generally of considerable length as compared to its width. |
| HLEM | A geophysical method used to infer subsurface conductive zones at various depths |
| Hydrothermal | A term applied to magmatic emanations high in water content and the rocks and ore deposits derived from them. |
| Igneous | Rocks resulting from the crystallization of a molten magma, either intrusive or volcanic. |
| In situ | In its original place, most often used to refer to the location of the mineral resources. |
| Indicated Coal Resource | That part of a coal resource for which tonnage, densities, shape, physical characteristics, grade and coal quality can be estimated with a moderate level of confidence. It is based on exploration sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are appropriate to confirm physical continuity, while the locations are too widely or inappropriately spaced to confirm coal quality continuity. However, such locations are spaced closely enough for coal quality continuity to be assumed. |
| Inferred Coal Resource | That part of a coal resource for which tonnage, grade and coal quality can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified physical continuity with or without coal quality continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which is limited or of uncertain quality or reliability. |
| Jurassic deposits | Deposits accumulated between 200Ma to 146Ma years ago. |
| Karoo | Of the same age of the Karoo rocks in South Africa. Generally between 400-200Ma. |
| Lava | Molten silicate material extruded by a volcano. |
| Laterite | Residual soil developed in tropical and subtropical regions as a result of weathering. The soil is leached of silica and the residual material is enriched in hydrated oxides of iron, manganese, titanium, aluminium and nickel. |
| Licence, Permit, Lease or other similar entitlement | Any form of licence, permit, lease or other entitlement granted by the relevant Government department in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract minerals that might be contained in the land, or ownership title that may prove ownership of the minerals |
| Lignite | Or brown coal, is a soft brown fuel with characteristics that put it somewhere between coal and peat. It is the lowest rank of coal. |
| Limestone | A sedimentary rock containing calcium carbonate (calcite), or calcium-manganese carbonate (dolomite), or any combination of these two carbonates at least to the extent of 50% of the rock. |
| Liptonite | The maceral group richest in volatile matter. |
| Lithologies | The description of the characteristics of rocks, as seen in hand-specimens and outcrops on the basis of colour, grain size and composition. |
| Maceral | Applied to all petrographic units seen in microscopic sections of coal, as distinct from the visible units seen in the hand specimens. They are organic units composing the coal mass. |
| Mafic | A term applied to dark coloured rocks composed predominantly of ferromagnesian rock forming silicates. |
| Mapping | See Geological mapping |
| Marble | A metamorphic rock composed essentially of calcite, dolomite, or a combination of the two. |

| | |
|---|---|
| Mbuga | Black cotton soils. |
| Mesothermal | A term applied to hydrothermal deposits formed at intermediate temperature and intermediate pressure. |
| Mesozoic | Deposits accumulated between 251Ma to 65Ma ago. |
| Metamorphic | Rock that have undergone change from being subjected to high pressure, high temperature, and chemical alteration by solutions. They have become warped, twisted and folded, and the original minerals are rearranged and recrystallised. |
| Metasediment | Sedimentary rock that shows evidence of having been subjected to metamorphism. |
| Migmatisation | Formation of migmatite; involving either injection or in-place. |
| Mineable | That portion of a resource for which extraction is technically and economically feasible. |
| Mineral Asset(s) | Any right to explore and / or mine which has been granted ("property"), or entity holding such property or the securities of such an entity, including but not limited to all corporeal and incorporeal property, mineral rights, mining titles, mining leases, intellectual property, personal property (including plant equipment and infrastructure), mining and exploration tenures and titles or any other right held or acquired in connection with the finding and removing of minerals and petroleum located in, on or near the earth's crust. Mineral Assets can be classified as Dormant Properties, Exploration Properties, Development Properties, Mining Properties or Defunct Properties. |
| Mineral Resource | A concentration of material of economic interest in or on Earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated and Measured categories. |
| | A deposit is a concentration of material of possible economic interest in, on or near the Earth's crust. Portions of a deposit that do not have reasonable and realistic prospects for eventual economic extraction must not be included in a Mineral resource. |
| Mineralisation | The presence of a target mineral in a mass of host rock. |
| Moisture Content (Inherent moisture) | Moisture content for purposes of a proximate analysis is derived from the mass loss of air-dried coal when heated to between 105°C and 110°C. |
| Mudstone | A fine, more or less argillaceous rock, having no fissile character, and somewhat harder than clay. |
| Nappe | Structure in a mountain chain consisting of a major fold with both limbs lying horizontal. |
| Neoproterozoic | Deposits accumulated between 1,000Ma to 542Ma ago. |
| Nimite | A yellow-green nickelian chlorite, with the formula $(\text{Ni};\text{Mg};\text{Fe}^{2+})_5\text{Al}(\text{Si}_3\text{Al})\text{O}_{10}(\text{OH})_8$. |
| Opencast / Open pit | Surface mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the ore body. |
| Orebody | A continuous well defined mass of material of sufficient ore content to make extraction economically feasible. |
| Ore Reserve | Is the economically mineable material derived from a Measured and /or Indicated Mineral Resource, It is inclusive of diluting materials and allows for losses that Reserves to denote progressively increasing uncertainty in their recoverability. Proved Reserve can be categorised as Developed or Undeveloped. JORC prefers the term 'Ore Reserve', although it may be reported as 'Coal Reserve' if preferred by the reporting company, or as 'Mineral Reserve' when reporting to SAMREC standards. |
| Orogenic | Formed as a result of mountain building processes and plate tectonics. |
| Outcrop | The part of a rock formation that appears on the earths surface. |
| Overburden | The alluvium and rock that must be removed in order to expose an ore deposit. |
| Paleozoic | Deposits accumulated between 542Ma to 251Ma ago. |
| Paleoproterozoic | Deposits accumulated between 2,500Ma to 1,600Ma ago. |
| Pegmatite | |
| Perennial Stream | A stream which flows throughout the year. |
| Permian deposits | Deposits accumulated between 300Ma to 250Ma ago. |
| Petrographic Analysis | A representative sample of coal is embedded in epoxy resin, and one side ground and polished for microscopic examination in reflected light under oil immersion. The maceral composition is determined by means of point counting. Generally only the group macerals vitrinite (V), exinite (E) and inertinite (I), and in some case reactive semifusinite (RSF), are counted. |
| Plateau | An upland, tableland, or elevated plain having a fairly smooth surface and bounded on at least one side by an escarpment separating it from the lower land. |
| Porphyry | Rocks containing conspicuous phenocrysts in a fine grained or aphanitic matrix. |
| Precambrian | All rocks formed before Cambrian time. |
| Prefeasibility Study | Referring to a study of a Mineral asset, in which appropriate assessments have been made of realistically estimated mining, metallurgical, economic, marketing legal, environmental, social, governmental, geological, engineering, operational and all other modifying factors are considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified and the factors are considered in sufficient detail to serve as a reasonable basis for a decision to proceed or not to proceed to a Feasibility Study. |
| Prospect | A deposit with the potential for economic extraction. |
| Proterozoic | A geological period before the first abundant complex life on Earth from 2,500-542Ma |
| Proximal | Close to. |

| | |
|-----------------------------------|--|
| Proximate analysis | The determination, by prescribed methods, of moisture, ash, volatile matter and fixed carbon (by difference) contents of air-dried coal. |
| Pumice | A highly porous igneous rock, usually containing 65% - 75% SiO ² and 10% - 20% Al ₂ O ₃ , with a glassy texture. |
| Pyrite | Also known as fool's gold, a common yellow sulphide mineral, FeS ₂ . Pyrite forms under a wide range of pressure-temperature conditions, and so is found in many geological environments. |
| Pyritic | Pertaining to, resembling or having properties of pyrites. |
| Pyrrhotite | Pyrrhotite is an iron sulphide mineral with a variable iron content: Fe(1-x)S (x = 0 to 0.2). |
| Quartzite | A metamorphic rock consisting primarily of quartz grains, formed by the recrystallisation of sandstone by thermal or regional metamorphism or a sandstone composed of quartz grains cemented by silica. |
| Radiometric | The measurement of electromagnetic radiation. |
| Regolith | Layer of loose, incoherent rock material of any origin. |
| Rehabilitation | The process of restoring mined land to a condition approximating to a greater or lesser degree its original state. Reclamation standards are determined by the South African Department of Mineral and Energy Affairs and address ground and surface water, topsoil, final slope gradients, waste handling and re-vegetation issues. |
| Reconnaissance | An exploratory or preliminary survey, inspection, or examination made to gain information. |
| Rehabilitation | The process of restoring mined land to a condition approximating to a greater or lesser degree its original state. Reclamation standards are determined by the Department of Mineral and Energy Affairs and address ground and surface water, topsoil, final slope gradients, waste handling and re-vegetation issues. |
| Rift Valley | Linear-shaped lowland between highlands or mountain ranges created by the action of a geologic rift or fault. |
| Roll front deposit | Roll-front uranium deposits are formed where groundwater derived from alteration of volcanic ash or tuffs in permeable sandstone or conglomerate encounters the interface between oxidizing and reducing conditions. Uranium in solution is precipitated at the interface, often forming a crescent-shaped roll-front ore body. |
| Sample | The removal of a small amount of rock pertaining to the deposit which is used to estimate the grade of the deposit and other geological parameters. |
| Sampling | Taking small pieces of rock at intervals along exposed face for assay (to determine the mineral content). |
| Sandstone | A fine to very coarse grained arenaceous sedimentary rock consisting of silicate group minerals e.g. Sand |
| Saprolite | Comprising saprolite, which is a decomposed silicate rock in its original position. |
| Seam | An economically viable stratum of coal or mineral |
| Sedimentary | Formed by the deposition of solid fragmental or chemical material that originates from weathering of rocks and is transported from a source to a site of deposition. |
| Shale | A fine grained argillaceous sedimentary rock consisting of clays. |
| Shear Zone | A zone in which shearing has occurred on a large scale such that rock is crushed and brecciated. |
| Silt | A detrital particle, smaller than sand and coarser than clay, in the range 0.004 to 0.062mm |
| Soil Sample | A small sample of the soil, representing the area from which it was removed. |
| Specific gravity | Measure of quantity of mass per unit of volume, density. |
| Standard | A sample for which the specific concentrations of certain elements is known. |
| Stratabound | Confined to one stratum or layer in a rock sequence |
| Stratigraphy | The composition, sequence and correlation of stratified rocks within the earth's crust |
| Stratigraphic | A term describing the sequence in time of bedded rocks which can be correlated between different localities. |
| Stream Sediment Sampling | A small sample of the stream sediment representing the drainage area from which it was derived. |
| Strike | The direction taken by a structural surface such as a fault plane as it intersects the horizontal. |
| Stripping | Removal of waste overburden covering the mineral deposit. |
| Stripping ratio | Ratio of ore rock to waste rock. |
| Structure | The disposition of the rock formations, that is, the broad dips, folds, faults and unconformities at depth. |
| Subcrop | Rock formations occurring just below the earth's surface. Often covered by younger sediments and/or soils. |
| Sulphide | Many important metal ores are sulphides. |
| Terrain | A complex group of strata accumulated within a definite geological epoch. |
| Tertiary deposits | Deposits accumulated between 65 Ma to 2.6 Ma ago. |
| Thermal Coal | All non-coking coal. |
| Tonnage | Quantities where the tonne is an appropriate unit of measure. Typically used to measure quantities of in-situ material or quantities of ore and waste material mined, transported or milled. |
| Tonne | Metric Ton |
| Triassic | Deposits accumulated between 250Ma to 200Ma ago. |
| Trenching | Making elongated open-air excavations for the purpose of mapping and sampling. |
| Tuff | A rock formed of compacted volcanic fragments, generally smaller than 4mm. |
| U₃O₈ | Triuranium octoxide. |
| U/Th | Uranium Thorium ratio. |
| U/K | Uranium Potassium ratio. |

| | |
|-----------------------------|--|
| Ultramafic (rock) | Igneous rock containing less than 45 per cent silica, composed essentially of ferromagnesian silicates and metallic oxides and sulphides, with virtually no quartz or feldspars |
| VMS | A type of metal sulphide ore deposit associated with volcanic derived hydrothermal events in submarine environments. |
| Veins | A tabular or sheet like body of one or more minerals deposited in openings of fissures, joints or faults, frequently with associated replacement of the host rock. |
| Vitrinite | One of the primary components of coal, derived from the cell-wall material or woody tissue of the plants from which coal was formed. Chemically, it is composed of polymers, cellulose and lignin. |
| VLf electro-magnetic | Very Low Frequency radiometric study. See Radiometric. |
| Volatile Matter (%) | The material, other than inherent moisture, which is driven off when air-dried coal is heated at 900°C for seven (7) minutes under standard conditions, in the absence of air. |
| Volcanic | Igneous rocks that have reached or nearly reached the earth's surface before solidifying, for example lavas. |
| Waste rock | Rock with an insufficient diamond content to justify processing. |
| Weathered rock | Rock which has been broken down by the influences of water and air and which becomes softened and partially decomposed. |
| Yield | The actual quantity of ore realised after the mining and treatment process. |

Part 4 Financial Information

1. Pro Forma Statement of Net Assets for the Enlarged Group (and related Reporting Accountants' Report)
2. Historical Audited Financial Information on Kibo (and related Reporting Accountants' Report)
3. Historical Audited Financial Information on Mzuri Energy (and related Reporting Accountants' Report)
4. Unaudited Interim Financial Information for Kibo

PART 4.1

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS



Saffery Champness

CHARTERED ACCOUNTANTS

Lion House, Red Lion Street, London WC1R 4GB
DX 287 - Chancery Lane, London

Telephone: 020 7841 4000

Facsimile: 020 7841 4100

E-mail: info@saffery.com

Website: www.saffery.com

15 August 2012

RFC Ambrian Limited
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

The Directors
Kibo Mining Plc
The Sirius Centre
Northpoint
Tuam Road
Galway
Ireland

Dear Sirs

Accountants' Report on the unaudited pro forma consolidated statement of net assets

We report on the unaudited pro forma consolidated statement of net assets set out in this Part 4.1 of the AIM admission document dated 15 August 2012, which has been prepared, for illustrative purposes only, to provide information about how the acquisition by Kibo Mining Plc of Mzuri Energy Limited and Mayborn Resource Investments (Pty) Limited (together, "the Enlarged Group") might have affected the financial information presented.

Responsibilities

It is the responsibility solely of the directors of Kibo Mining Plc ("the Company") to prepare the pro forma consolidated statement of net assets as though it had been prepared in accordance with paragraph 20.2 of Annex I of the Prospectus Directive Regulation attached to the AIM Rules.

It is our responsibility to form an opinion as though it had been required by paragraph 7 of Annex II of the Prospectus Directive Regulation attached to the AIM Rules as the proper compilation of the pro forma consolidated statement of net assets and to report that opinion to you.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro forma consolidated statement of net assets, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom these reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making the report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma consolidated statement of net assets with the directors of the Company.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the pro forma consolidated statement of net assets has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

(a) the pro forma consolidated statement of net assets has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM admission document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM admission document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully



Saffery Champness
Chartered Accountants

The following unaudited pro forma statement of net assets of the Enlarged Group has been prepared to illustrate the effect that the acquisition of the entire issued share capital of Mzuri Energy Limited ("MEL") and Mayborn Resource Investments (Pty) Limited ("MRIL") might have had on the net assets of the Company if they had taken place at 31 March 2012.

The pro forma statement of net assets has been prepared for illustrative purposes only and because of its nature, does not give a true reflection of the financial position of the Enlarged Group.

| | <i>The Company As at 31 March 2012</i> | <i>MEL As at 31 December 2011</i> | <i>MRIL As at 31 December 2011</i> | | | <i>Pro forma net assets of the Enlarged Group</i> |
|-------------------------------|--|---|--|------------------|------------------|---|
| | <i>Note 1</i> | <i>Note 2</i> | <i>Note 3</i> | <i>Note 4</i> | <i>Note 5</i> | |
| | £ | £ | £ | £ | £ | £ |
| Non-current assets | | | | | | |
| Intangible assets | 4,391,056 | 17,254,687 | - | - | 2,813,670 | 24,459,413 |
| Property, plant and equipment | - | 12,287 | - | 3,140 | - | 15,427 |
| Investment in joint venture | - | - | 669,493 | - | (669,493) | - |
| | 4,391,056 | 17,266,974 | 669,493 | 3,140 | 2,144,177 | 24,474,840 |
| Current assets | | | | | | |
| Trade and other receivables | 108,531 | 214,300 | 28,824 | 5,121 | - | 356,776 |
| Cash and cash equivalents | 862,562 | 362,046 | 24,279 | 673,089 | 400,000 | 1,521,976 |
| | 971,093 | 576,346 | 53,103 | 678,210 | - | 1,878,752 |
| Current liabilities | | | | | | |
| Trade and other payables | (168,475) | (607,162) | - | (263,037) | 707,620 | (331,054) |
| Provisions | - | - | (19,931) | - | - | (19,931) |
| | (168,475) | (607,162) | (19,931) | (263,037) | 707,620 | (350,985) |
| Net assets | 5,193,674 | 17,236,158 | 702,665 | 418,313 | 2,451,797 | 26,002,607 |

Notes

- The net assets of the Company as at 31 March 2012 have been extracted from the unaudited financial information set out in Part 4.4 of the admission document.
- The net assets of Mzuri Energy Limited as at 31 December 2011 have been extracted from the financial information set out in Part 4.3 of the admission document and translated at an exchange rate of £1:C\$1.59.
- The net assets of Mayborn Resource Investments (Pty) Limited as at 31 December 2011 have been extracted from its audited financial statements and translated at an exchange rate of £1:ZAR12.54
- These adjustments relate to certain material events that took place subsequent to 31 December 2011 and prior to 15 August 2012:
 - Subsequent to 31 December 2011, Mzuri Energy Limited entered into a definitive agreement to acquire the entire issued share capital of Mbeya Uranium Limited to be satisfied by consideration of 3,000,000 new shares at C\$0.40 per share. As such, the net assets of Mbeya Uranium Limited as at 31 December 2011, as extracted from a consolidation of the audited financial statements of Mbeya Uranium Limited and its subsidiary (Pinewood Ltd) at that date, have been incorporated into the consolidated pro forma statement of net assets. The balance sheet has been converted at an exchange rate of £1: €1.198.
 - Subsequent to 31 December 2011, Mzuri Energy Limited issued 1,363,038 new shares to settle a loan of C\$831,464 (£524,207) from Mzuri Capital Group Limited (the ultimate holding company of Mzuri Energy Limited) to Rukwa Coal Limited (a subsidiary of Mzuri Energy Limited).
- These adjustments relate to certain adjustments arising due to the acquisition by the Company of the entire issued share capital of Mzuri Energy Limited and Mayborn Resources Investments (Pty) Limited:
 - Intangible assets relate to goodwill arising on consolidation:

| | Mzuri Energy Limited | Mayborn Resources Investments (Pty) Limited | Total |
|---|---------------------------------|--|-------------------------|
| | £ | £ | £ |
| Fair value of consideration | | | |
| 680,297,733 shares at 3p per share | 20,408,932 | | 20,408,932 |
| 26,666,667 shares at 3p per share | | 800,000 | 800,000 |
| | <u>20,408,932</u> | <u>800,000</u> | <u>21,208,932</u> |
| Less: Fair value of net assets | | | |
| Net assets at 31 December 2011 | 17,236,157 | 702,664 | 17,938,821 |
| Reduction in related party loan (see note 4b above) | 524,207 | - | 524,207 |
| Net liabilities on acquisition of Mbeya Uranium Limited (see note 4a above) | (105,893) | - | (105,893) |
| Adjustment regarding JV with Mayborn Resource Investments (Pty) Limited | 38,127 | - | 38,127 |
| | <u>17,692,598</u> | <u>702,664</u> | <u>18,395,262</u> |
| Goodwill on acquisition | <u>2,716,334</u> | <u>97,336</u> | <u>2,813,670</u> |

- b. Eliminate joint venture investment of £669,493 in Mayborn Resources Investments (Pty) Limited against loan of £707,621 in Mbeya Uranium Limited.
 - c. Transaction costs of £400,000.
6. Goodwill in note 5 has been calculated on two assumptions:
 - a. The entire issued share capital of both Mzuri Energy Limited and Mayborn Resource Investments (Pty) Limited are acquired.
 - b. This transaction is not required to be treated as a reverse acquisition under IFRS 3.
7. No account has been taken of the trading performance of the Company since 31 March 2012 or of Mzuri Energy Limited and Mayborn Resource Investments (Pty) Limited since 31 December 2011.

PART 4.2

FINANCIAL INFORMATION ON KIBO MINING PLC

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF KIBO MINING PLC



Saffery Champness

CHARTERED ACCOUNTANTS

Lion House, Red Lion Street, London WC1R 4GB
DX 287 - Chancery Lane, London

Telephone: 020 7841 4000

Facsimile: 020 7841 4100

E-mail: info@saffery.com

Website: www.saffery.com

15 August 2012

RFC Ambrian Limited
Old Change House
128 Queen Victoria Street
London
EC4V 4BJ

The Directors
Kibo Mining Plc
The Sirius Centre
Northpoint
Tuam Road
Galway
Ireland

Dear Sirs

Accountants' Report on Kibo Mining Plc ("the Company")

We report on the financial information set out in this Part 4.2. The financial information has been prepared under the accounting policies set out in Note 2 for inclusion in the admission document dated 15 August 2012 ("Admission Document"), of Kibo Mining Plc in connection with its proposed acquisition of a minimum of 51% of Mzuri Energy Limited and a minimum of 51% of Mayborn Resource Investments (Pty) Limited and the proposed readmission of its enlarged share capital to trading on AIM. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Company are responsible for preparing the financial information on the basis set out in Note 2 to the financial information and in accordance with International Financial Reporting Standards ("IFRS").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out in this Part 4.1 gives, for the purposes of the Admission Document, a true and fair view of the state of the affairs of the Company, as at 30 September 2009, 2010 and 2011 and of its results and cash flows for the periods then ended in accordance with IFRS and the accounting policies set out in Note 2.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Note 10 to the financial information concerning the valuation of intangible assets. The realisation of intangible assets of £3,828,009, £4,266,063 and £3,853,559 as at 30 September 2009, 2010 and 2011 included in the statements of financial position, respectively, is dependent on the discovery and successful development of economic reserves including the ability of the Group to raise sufficient finance to develop the projects.

Declaration

We are responsible for this report as part of the Admission Document and declare that, having taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully



Saffery Champness
Chartered Accountants

STATEMENTS OF COMPREHENSIVE INCOME

| | | Period ended 2009 £ | Year ended 30 September | |
|--|-------------|--|--------------------------------|--------------------|
| | Note | | 2010 £ | 2011 £ |
| Administrative expenses | | (57,511) | (445,797) | (831,342) |
| Write back/(down) of exploration projects | | 14,876 | - | (2,442,897) |
| Share based payments | | - | (32,250) | (424,570) |
| Operating loss | 4 | (42,635) | (478,047) | (3,698,809) |
| Finance income | 5 | 1,380 | 2,957 | 7,248 |
| Loss on ordinary activities before tax | | (41,255) | (475,090) | (3,691,561) |
| Taxation | 8 | - | - | |
| Loss for the period/year | | (41,255) | (475,090) | (3,691,561) |
| Other comprehensive income | | | | |
| Exchange differences on translating foreign operations | | (16,206) | (3,296) | (74,656) |
| Total comprehensive loss for the period/year | | (57,461) | (478,386) | (3,766,217) |
| Loss for the year attributable to owners of the parent | | (41,255) | (475,090) | (3,691,561) |
| Total comprehensive loss attributable to owners of the parent | | (57,461) | (478,386) | (3,766,217) |
| Loss per share (pence) | | | | |
| Basic and diluted | 9 | (0.03) | (0.23) | (1.12) |

All activities derive from continuing operations. All losses and total comprehensive losses for the period/years are attributable to the owners of the Company.

The Company has no recognised gains or losses other than those dealt with in the Statements of Comprehensive income.

The Company's activities during the year ended 30 September 2011 include the post acquisition results of Morogoro Gold Limited.

STATEMENTS OF FINANCIAL POSITION

| | Note | 2009 £ | As at 30 September 2010 £ | 2011 £ |
|-------------------------------------|------|-------------------------|---------------------------------|-------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Intangible assets | 10 | 3,828,009 | 4,266,063 | 3,853,550 |
| Property, plant and equipment | 12 | <u>1,419</u> | <u>1,306</u> | <u>-</u> |
| Total non-current assets | | <u>3,829,428</u> | <u>4,267,369</u> | <u>3,853,550</u> |
| Current assets | | | | |
| Trade and other receivables | 13 | 2,059 | 22,981 | 52,965 |
| Cash and cash equivalents | | <u>66,500</u> | <u>421,359</u> | <u>937,084</u> |
| Total current assets | | <u>68,559</u> | <u>444,340</u> | <u>990,049</u> |
| Total assets | | <u><u>3,897,987</u></u> | <u><u>4,711,709</u></u> | <u><u>4,843,599</u></u> |
| Equity | | | | |
| Called up share capital | 15 | 1,282,767 | 2,132,295 | 3,231,898 |
| Share premium account | 15 | 2,983,803 | 3,533,115 | 5,887,327 |
| Share based payments reserve | | - | 32,250 | 456,820 |
| Translation reserve | | (7,212) | (10,508) | (85,164) |
| Retained earnings | | <u>(588,028)</u> | <u>(1,063,118)</u> | <u>(4,754,679)</u> |
| Total equity | | <u>3,671,330</u> | <u>4,624,034</u> | <u>4,736,202</u> |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | 14 | 224,579 | 85,575 | 94,775 |
| Current tax liabilities | 14 | <u>2,078</u> | <u>2,100</u> | <u>12,622</u> |
| Total liabilities | | <u>226,657</u> | <u>87,675</u> | <u>107,397</u> |
| Total equity and liabilities | | <u><u>3,897,987</u></u> | <u><u>4,711,709</u></u> | <u><u>4,843,599</u></u> |

STATEMENTS OF CASH FLOWS

| | Period ended 30 September 2009 £ | Year ended 30 September | |
|---|---|-------------------------|-----------------------|
| | | 2010 £ | 2011 £ |
| Cash flows from operating activities | | | |
| Loss for the period/year before taxation | (41,255) | (475,090) | (3,691,561) |
| Adjustments for: | | | |
| Foreign exchange loss | (16,329) | (3,296) | (74,656) |
| Depreciation | 1,449 | 426 | 1,306 |
| Finance income | (1,380) | (2,957) | (7,248) |
| Write down of intangible assets | - | - | 2,442,897 |
| Share based payments | - | 32,250 | 424,570 |
| | <u>(57,515)</u> | <u>(448,667)</u> | <u>(904,692)</u> |
| Movement in working capital | | | |
| Decrease/(increase) in debtors | 594 | (20,922) | (29,984) |
| (Decrease)/increase in creditors | (167,327) | (138,982) | 19,722 |
| | <u>(166,733)</u> | <u>(159,904)</u> | <u>(10,262)</u> |
| Net cash used in operations | <u>(224,248)</u> | <u>(608,571)</u> | <u>(914,954)</u> |
| Cash flows from investing activities | | | |
| Expenditure on exploration activities | (72,745) | (438,054) | (330,385) |
| Purchase of property, plant and equipment | - | (313) | - |
| Interest received | 1,380 | 2,957 | 7,249 |
| Net cash used in investing activities | <u>(71,365)</u> | <u>(435,410)</u> | <u>(323,136)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | - | 1,398,840 | 1,753,815 |
| Net cash from financing activities | <u>-</u> | <u>1,398,840</u> | <u>1,753,815</u> |
| Net (decrease)/increase in cash and cash equivalents | (295,613) | 354,859 | 515,725 |
| Cash and cash equivalents at beginning of year | 362,113 | 66,500 | 421,359 |
| Cash and cash equivalents at end of year | <u>66,500</u> | <u>421,359</u> | <u>937,084</u> |

STATEMENTS OF CHANGES IN EQUITY

| | Share Capital | Share Premium | Share Based Payment Reserve | Translation Reserve | Retained Losses | Total |
|---|------------------|------------------|--------------------------------------|------------------------|--------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Balance at 1 April 2009 | 1,282,767 | 2,983,803 | - | 8,994 | (546,773) | 3,728,791 |
| Loss for the period | - | - | - | - | (41,255) | (41,255) |
| Other comprehensive Income | - | - | - | (16,206) | - | (16,206) |
| Balance at 30 September 2009 | 1,282,767 | 2,983,803 | - | (7,212) | (588,028) | 3,671,330 |
| Loss for the year | - | - | - | - | (475,090) | (475,090) |
| Other comprehensive income | - | - | - | (3,296) | - | (3,296) |
| Proceeds from issue of share capital | 849,528 | 549,312 | - | - | - | 1,398,840 |
| Share based payments | - | - | 32,250 | - | - | 32,250 |
| Balance at 30 September 2010 | 2,132,295 | 3,533,155 | 32,250 | (10,508) | (1,063,118) | 4,624,034 |
| Loss for the year | - | - | - | - | (3,691,561) | (3,691,561) |
| Other comprehensive income | - | - | - | (74,656) | - | (74,656) |
| Proceeds from share Issue of share capital | 1,099,603 | 2,354,212 | - | - | - | 3,453,815 |
| Share based payments | - | - | 424,570 | - | - | 424,570 |
| Balance at 30 September 2011 | 3,231,898 | 5,887,327 | 456,820 | (85,164) | (4,754,679) | 4,736,202 |

NOTES TO THE FINANCIAL INFORMATION

1. General Information

Kibo Mining Plc is a company incorporated in Ireland. The group financial information consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The principal activities of the Group are related to the exploration for and development of gold and other minerals in Tanzania.

2. Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of the financial information.

Statement of compliance

The financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”). These comprise standards and interpretations approved by the International Accounting Standards Board (“IASB”) together with interpretations of the International Accounting Standards and Standing Interpretations Committee (“IASC”) that remain in effect, and to the extent that they have been adopted by the European Union (“EU”).

The financial information has been prepared on the historical cost basis, except where financial instruments are required to be carried at fair value under IFRS.

The financial information has been prepared on a going concern basis, which assumes that sufficient funds will be available for the Group to continue in operational existence for at least 12 months.

Statement of accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial information.

Basis of preparation

The financial information has been prepared on the historical cost basis. The accounting policies have been applied consistently by Group entities. The financial information has been prepared on a going concern basis.

Use of estimates and judgements

The preparation of the financial information in conformity with EU IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, there are significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements in the following areas:

- Measurement of the recoverable amounts of intangible assets
- Utilisation of tax losses

Consolidation

The consolidated financial information comprises the financial information of Kibo Mining Plc and its subsidiaries.

Subsidiaries are entities controlled by the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial information, except to the extent they provide evidence of impairment.

Exploration & evaluation assets

In accordance with IFRS 6 (Exploration for and Evaluation of Mineral Resources), the Group uses the cost method of recognition. All costs associated with mineral exploration and evaluation are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the commercial reserves on a unit of production basis. Where a licence is relinquished or a project abandoned, the related costs are written off in the period in which the event occurs. Where the Group maintains an interest in a project, but the value of the project is considered to be impaired, a provision against the relevant capitalised costs will be raised.

Exploration expenditure is carried forward in the balance sheet under intangible assets.

Impairment

Assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income immediately.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation, less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Office equipment - between 12.5% to 37.5% straight line

The residual value and useful lives of the property, plant and equipment are reviewed annually and adjusted if appropriate at each balance sheet date.

On disposal of property, plant and equipment the cost and the related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the Statement of Comprehensive Income.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Foreign Currencies

Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial information is presented in Sterling, which is the Group's presentation currency. This is also the functional currency of the Group and Company and is considered by the board also to be appropriate for the purposes of preparing the Group financial statements.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statements of Comprehensive Income.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- monetary assets and liabilities for each balance sheet presented are presented at the closing rate at the date of that balance sheet. Non-monetary items are measured at the exchange rate in effect at the historical transaction date and are not translated at each balance sheet date;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction); and
- all resulting exchange differences are recognised as a separate component of equity. On consolidation, exchange differences arising from the translation of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to shareholders equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Issue Expenses and Share Premium Account

Issue expenses are written off against the premium arising on the issue of share capital.

Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Financial Instruments

Cash and Cash Equivalents

Cash and Cash Equivalents in the Balance Sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

Trade and other receivables / payables

Trade and other receivables and payables are stated at cost less impairment, which approximates fair value given the short dated nature of these assets and liabilities.

Share based payments

For such grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are likely to vest, except where forfeiture is only due to market based conditions not achieving the threshold for vesting.

Shareholder warrants

The shareholder warrants entitle shareholders to a number of common shares based upon the number of shares they subscribed for at the date of issue of the warrant instrument. The warrants relate to a transaction with the equity holders as opposed to a transaction in exchange for any goods or services. The equity component of the instrument is not considered material and there is no liability component arising as a result of these warrants. Upon exercise of the warrant the proceeds received, net of attributable transaction costs, are credited to share capital and where appropriate share premium.

Share Capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised directly in equity.

Adoption of new and revised International Financial Reporting Standards

The following standards, interpretations and amendments to existing standards have been issued and are effective for the Group's accounting periods beginning on or after 1 January 2011 or later periods, but the Company has decided not to early adopt them. The Directors do not anticipate that the adoption of these standards, interpretations and amendments would have a material impact on the financial statements in the period of initial application (subject to EU endorsement) although there may be revised and additional disclosures.

IFRS 9 Financial instruments (effective 1 January 2015)
IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
IFRS 11 Joint Arrangements (effective 1 January 2013)
IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
IFRS 13 Fair Value Measurement (effective 1 January 2013)
IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)
Amendment to IAS 32 Classification of Rights Issues (effective [1 February 2010])
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments ([effective 1 July 2010])
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)
Amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement – (effective 1 January 2011)
Amendment to IFRS 7 – Financial instruments: disclosure (effective 1 July 2011)
Amendment to IAS 12 - Income Taxes (effective 1 January 2012)
Amendment to IAS 1 – Financial statement presentation (effective 1 July 2012)
Amendment to IAS 32 - Offsetting Financial Assets and Financial Liabilities – (effective 1 January 2014)
Amendment to IFRS 9 - Mandatory Effective Date and Transition Disclosures (effective 1 January 2015)

The Company will adopt these to the extent they are relevant at the time when they become effective.

3. Segmented analysis

Operating segments

Management currently identifies two divisions as operating segments - mining and corporate. These operating segments are monitored and strategic decisions are made upon them and other non-financial data collated from exploration activities. Principal activities for these operating segments are as follows:

Mining – incorporates the acquisition, exploration and development of mineral resources in Tanzania
Corporate – non mining and head office activities of the Group.

Period ended 30 September 2009

Management's identification of the Group's operating segments commenced in the year ended 30 September 2010. Comparative information for the year ended 30 September 2009 is not available.

Year ended 30 September 2010

| | Mining £ | Corporate £ | Group £ |
|----------------------|--------------------|-----------------------|-------------------|
| Administrative costs | - | (445,797) | (445,797) |
| Finance income | - | 2,957 | 2,957 |
| Share based payments | - | (32,250) | (32,250) |
| Tax | - | - | - |
| Loss after tax | <u>-</u> | <u>(475,090)</u> | <u>(475,090)</u> |

| | Mining £ | Corporate £ | Group £ |
|-------------------------------|--------------------|-----------------------|-------------------|
| Assets | | | |
| Segment assets | <u>4,266,063</u> | <u>445,646</u> | <u>4,711,709</u> |
| Liabilities | | | |
| Segment liabilities | <u>-</u> | <u>(87,675)</u> | <u>(87,675)</u> |
| Additions to segments | | | |
| Intangible assets | 438,054 | - | 438,054 |
| Property, plant and equipment | <u>-</u> | <u>313</u> | <u>313</u> |
| Depreciation | <u>-</u> | <u>(426)</u> | <u>(426)</u> |

Year ended 30 September 2011

| | Mining £ | Corporate £ | Group £ |
|--|--------------------|--------------------|--------------------|
| Administrative costs | - | (831,342) | (831,342) |
| Write down of intangible assets (see below) | (2,442,897) | - | (2,442,897) |
| Finance income | - | 7,248 | 7,248 |
| Share based payments | - | (424,570) | (424,570) |
| Tax | - | - | - |
| Loss after tax | <u>(2,442,897)</u> | <u>(1,248,664)</u> | <u>(3,691,561)</u> |

Following the decision to relinquish the Group's interest in the Itetemia and Luhala projects, intangible assets have been written down by £2,442,897 reflecting the directors' estimate of the appropriate impairment charge to those assets

| | Mining £ | Corporate £ | Group £ |
|-----------------------------------|--------------------|------------------|--------------------|
| Assets | | | |
| Segment assets | <u>3,853,550</u> | <u>990,049</u> | <u>4,843,599</u> |
| Liabilities | | | |
| Segment liabilities | <u>-</u> | <u>(107,397)</u> | <u>(107,397)</u> |
| Additions to segments | | | |
| Intangible assets | 2,030,384 | - | 2,030,384 |
| Disposal to segment assets | | | |
| Intangible assets | <u>(2,442,897)</u> | <u>-</u> | <u>(2,442,897)</u> |
| Property, plant, & equipment | <u>-</u> | <u>(9,302)</u> | <u>(9,302)</u> |
| Depreciation | <u>-</u> | <u>(1,306)</u> | <u>(1,306)</u> |

Geographical segments

The Group operates in three principal geographical areas – Ireland, United Kingdom and Tanzania.

Period ended 30 September 2009

| | Tanzania £ | Ireland & United Kingdom £ | Group £ |
|-----------------------------------|----------------------|--|-------------------|
| Carrying amount of segment assets | 3,828,009 | (156,679) | 3,671,330 |
| Additions to segments assets | 72,745 | - | 72,745 |
| Loss after tax | (41,255) | - | (41,255) |

Year ended 30 September 2010

| | Tanzania £ | Ireland & United Kingdom £ | Group £ |
|-----------------------------------|----------------------|--|-------------------|
| Carrying amount of segment assets | 4,266,063 | 357,971 | 4,624,034 |
| Additions to segments assets | 438,054 | 313 | 438,367 |
| Loss after tax | - | (475,090) | (475,090) |

Year ended 30 September 2011

| | Tanzania £ | Ireland & United Kingdom £ | Group £ |
|-----------------------------------|----------------------|--|-------------------|
| Carrying amount of segment assets | 3,853,550 | 882,652 | 4,736,202 |
| Additions to segments assets | 2,030,384 | - | 2,030,384 |
| Loss after tax | (2,442,897) | (1,248,664) | (3,691,561) |

4. Loss on ordinary activities before taxation

| | Period ended | Year ended 30 September | |
|--|--------------|-------------------------|-----------|
| | 30 September | 2010 | 2011 |
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Operating loss is stated after charging: | | | |
| Depreciation of property, plant and equipment | 1,449 | 426 | 1,306 |
| Auditors' remuneration | 22,434 | 17,500 | 17,500 |
| Admission expenses to AIM | - | 280,000 | - |
| Admission expenses to Johannesburg Stock Exchange – ALTX | - | - | 433,287 |
| Write down of exploration projects | - | - | 2,442,897 |
| Share based payments | - | 32,250 | 424,750 |
| (Profit)/loss on foreign currencies | (24,314) | 12,667 | 87 |

5. Finance income

| | Period ended | Year ended 30 September | |
|---------------|--------------|-------------------------|-------|
| | 30 September | 2010 | 2011 |
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Bank interest | 1,380 | 2,957 | 7,248 |

6. Staff costs (including directors)

| | Period ended | Year ended 30 September | |
|--|--------------|-------------------------|---------|
| | 30 September | 2010 | 2011 |
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Wages and salaries including social security costs | 36,490 | 17,679 | 137,797 |
| Share based payments | - | 32,250 | 424,570 |
| | 36,490 | 49,929 | 557,367 |

Total wages and salaries, including those capitalised with intangible assets, amounts to £52,456 in the period ended 30 September 2009, £47,277 in the year ended 30 September 2010 and £178,820 in the year ended 30 September 2011. The average monthly number of employees (including executive directors) during the period/years was as follows:

| | Period ended | Year ended 30 September | |
|------------------------|--------------|-------------------------|------|
| | 30 September | 2010 | 2011 |
| | 2009 | 2010 | 2011 |
| Exploration activities | 4 | 5 | 10 |
| Administration | 3 | 6 | 6 |
| | 7 | 11 | 16 |

7. Directors' emoluments

| | Period ended 30 September | Year ended 30 September | |
|---|--------------------------------------|--------------------------------|----------------|
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Basic salary and fees - gross of capitalisation under intangible assets | 27,328 | 38,846 | 103,997 |
| Share based payments | - | - | 335,196 |
| | <u>27,328</u> | <u>38,846</u> | <u>439,193</u> |

The emoluments of the Chairman, excluding share based payments, was £6,020 for the year ended 30 September 2011

The emoluments of the highest paid director, excluding share based payments, was £61,957 for the year ended 30 September 2011

| | Year | Salary and Fees £ | Share Options £ | Total £ |
|-------------------------|-------------|----------------------------------|--------------------------------|--------------------|
| Christian Schaffalitzky | 2011 | 6,020 | 55,866 | 61,886 |
| | 2010 | - | - | - |
| Louis Coetzee | 2011 | 7,000 | 55,866 | 62,866 |
| | 2010 | - | - | - |
| Noel O'Keefe | 2011 | 61,957 | 55,866 | 117,823 |
| | 2010 | 38,846 | - | 38,846 |
| Des Burke | 2011 | 6,020 | 55,866 | 61,886 |
| | 2010 | - | - | - |
| William Payne | 2011 | 12,000 | 55,866 | 67,886 |
| | 2010 | 12,000 | - | - |
| Tinus Maree | 2011 | 7,000 | 55,866 | 62,866 |
| Wenzel Kerremans | 2011 | 4,000 | - | 4,000 |

William Payne's services are provided by a firm of Chartered Accountants, further details of which are set out in Note 17.

8. Taxation

| | Period ended 30 September | Year ended 30 September | |
|--|--------------------------------------|--------------------------------|-------------|
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Current tax Charge for the year in Ireland, England and Tanzania | - | - | - |

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Irish corporation tax of 21%, 12.5% and 12.5% to the loss before tax is as follows:

| | Period ended 30 September | Year ended 30 September | |
|---|--------------------------------------|--------------------------------|----------------|
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Loss from continuing operations | (41,255) | (475,090) | (3,691,561) |
| Income tax expenses calculated at 21%, 12.5% and 12.5% | (8,664) | (59,386) | (461,445) |
| Effects of: | | | |
| Expenses that are not deductible in determining taxable profits | 435 | 24,197 | 39,257 |
| Different tax rates of subsidiaries operating in other jurisdictions | 4,038 | 17,470 | 30,451 |
| Investment income taxable at different rate | 342 | 223 | 539 |
| Losses utilised | (6,453) | - | - |
| Unused tax losses not recognised as deferred assets | 10,302 | - | - |
| Losses available to carry forward | <u>8,664</u> | <u>17,496</u> | <u>391,198</u> |
| Income tax expense recognised in the Consolidated Statement of Comprehensive Income | - | - | - |

The effective tax rates used for the reconciliation of the above were the corporate rates payable by corporate entities in the respective period/years Ireland on taxable profits under tax law in that jurisdiction.

At the balance sheet dates, the Group had unused tax losses of £4,122,321 (2010: £973,847 and 2009: £794,390) available for offset against future profits which equates to a deferred tax asset of £515,290 (2010: £121,730 and 2009: £173,215). No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

9. Loss per share

Basic earnings per share

The basic and weighted average number of ordinary shares used in the calculation of the basic earnings per share is as follows:

| | Period ended | Year ended 30 September | |
|---|--------------------|-------------------------|--------------------|
| | 30 September | 2010 | 2011 |
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Loss for the year attributable to equity holders of the parent | <u>(41,255)</u> | <u>(475,090)</u> | <u>(3,691,561)</u> |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | <u>159,477,696</u> | <u>210,675,850</u> | <u>331,040,217</u> |
| Basic loss per ordinary shares (pence) | <u>(0.03)</u> | <u>(0.23)</u> | <u>(1.12)</u> |

Diluted earnings per share

There is no dilutive effect of share options or warrants on the basic loss per share.

10. Intangible assets

Exploration and Evaluation Assets

| | £ |
|--------------------------------------|------------------|
| Cost | |
| At 1 April 2009 | 3,755,264 |
| Additions | 72,745 |
| At 30 September 2009 | <u>3,828,009</u> |
| Additions | 438,054 |
| At 30 September 2010 | <u>4,266,063</u> |
| Acquisition of Morogoro Gold Limited | 1,700,000 |
| Additions | 330,384 |
| Write down of project costs | (2,442,897) |
| At 30 September 2011 | <u>3,853,550</u> |
| Net book value | |
| At 30 September 2009 | <u>3,828,009</u> |
| At 30 September 2010 | <u>4,266,063</u> |
| At 30 September 2011 | <u>3,853,550</u> |

Expenditure on exploration and evaluation activities is deferred on areas of interest until a reasonable assessment can be determined of the existence or otherwise of economically recoverable reserves. No amortisation has been charged. The Directors have reviewed the carrying value of the exploration and evaluation assets and consider it to be fairly stated and not impaired at the balance sheet date.

The recoument of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

11. Investment in group undertakings

| Subsidiary | Activity | Incorporated in | Proportion of ownership interest and voting power held | |
|--|------------------------------------|-----------------|--|------|
| | | | 2011 | 2010 |
| Sloane Developments Ltd | Holding Co | England | 100% | 100% |
| Morogoro Gold Ltd | Holding company | Cyprus | 100% | - |
| Sub-subsidiaries of Sloane Developments | | | | |
| Aardvark Exploration Ltd | Gold and other mineral exploration | Tanzania | 99% | 99% |
| Eagle Gold Mining Ltd | Gold exploration | Tanzania | 99% | 99% |
| Sub-subsidiaries of Morogoro Gold Ltd | | | | |
| Jubilee Resources Mining Ltd | Gold exploration | Tanzania | 99% | - |
| Savannah Mining Ltd | Gold exploration | Tanzania | 99% | - |

During the year ended 30 September 2011 Kibo Mining Plc acquired the entire share capital of Morogoro Gold Limited, and its two wholly owned subsidiaries Jubilee Resources Mining Limited and Savannah Mining Limited. The acquisition was financed entirely by the issue of shares as set out in Note 16.

The aggregate capital and reserves and results of the subsidiary undertakings as at 30 September 2011 were as follows:

| Name | Capital and Reserves £ | Profit/(Loss) For the year £ |
|----------------------------------|---------------------------|------------------------------------|
| Sloane Developments Limited | 43,018 | (258,631) |
| Aardvark Exploration Limited | (650,062) | (434,267) |
| Eagle Gold Mining Limited | (52,635) | - |
| Morogoro Gold Limited | (18,000) | (18,000) |
| Jubilee Resources Mining Limited | (320) | (321) |
| Savannah Mining Limited | (256) | (257) |

12. Property, plant and equipment

£

Office Equipment

Cost

| | |
|----------------------|--------------|
| At 1 April 2009 | 8,867 |
| Additions | 122 |
| At 30 September 2009 | <u>8,989</u> |
| Additions | 313 |
| At 30 September 2010 | <u>9,302</u> |
| Disposals | (9,302) |
| At 30 September 2011 | <u>-</u> |

Accumulated depreciation

| | |
|----------------------|--------------|
| At 1 April 2009 | 6,120 |
| Depreciation expense | 1,450 |
| At 30 September 2009 | <u>7,570</u> |
| Depreciation expense | 426 |
| At 30 September 2010 | <u>7,996</u> |
| Depreciation expense | 1,306 |
| Disposals | (9,302) |
| At 30 September 2011 | <u>-</u> |

Net book value

| | |
|----------------------|--------------|
| At 30 September 2009 | <u>1,419</u> |
| At 30 September 2010 | <u>1,306</u> |
| At 30 September 2011 | <u>-</u> |

13. Trade and other receivables

| | As at 30 September | | |
|---|--------------------|---------------|---------------|
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| <i>Amounts falling due within one year:</i> | | | |
| Other debtors | 2,059 | 22,981 | 52,965 |
| | <u>2,059</u> | <u>22,981</u> | <u>52,965</u> |

14. Trade and other payables

| | As at 30 September | | |
|------------------------------|--------------------|---------------|----------------|
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Trade payables | 141,215 | 24,160 | 34,938 |
| Directors' accounts | 37,766 | - | - |
| Other creditors | 5,856 | 2,378 | 494 |
| Accruals and deferred income | 39,742 | 59,037 | 59,343 |
| | <u>224,579</u> | <u>85,575</u> | <u>94,775</u> |
| | | | |
| PAYE/PRSI | 2,078 | 2,100 | 12,622 |
| | <u>226,657</u> | <u>87,675</u> | <u>107,397</u> |

15. Share capital

| | As at 30 September | | |
|---|-------------------------|------------------------|------------------------|
| | 2009 | 2010 | 2011 |
| | £ | £ | £ |
| Authorised equity | | | |
| 800,000,000 (400,000,000 at 30 September 2009 and 2010) Ordinary shares of €0.01 each | <u>3,723,200</u> | <u>4,000,000</u> | <u>8,000,000</u> |
| | | | |
| Allotted, issued and fully paid ordinary shares | | | |
| 159,477,696, 253,925,874 and 377,629,511 Ordinary shares of €0.01 each | <u>1,282,767</u> | <u>2,132,295</u> | <u>3,231,898</u> |
| | | | |
| | Number of Shares | Share Capital £ | Share Premium £ |
| Balance at 1 March 2009 and 30 September 2009 shares issued (net of expenses): | 159,477,696 | 1,282,767 | 2,983,803 |
| Issues for acquisition of remaining shares in Sloane Developments Limited | 300,000 | 2,665 | 5,767 |
| Issued for cash | 83,654,978 | 752,477 | 480,533 |
| Issued for settlement of Director's loan account | 2,493,200 | 22,426 | 14,972 |
| Issued for settlement of liability under option agreement | 8,000,000 | 71,960 | 48,040 |
| Balance at 30 September 2010 | <u>253,925,874</u> | <u>2,132,295</u> | <u>3,533,115</u> |
| | | | |
| Shares issued in year (net of expenses) | 30,666,667 | 269,491 | 480,466 |
| | | | |
| Shares issued for acquisition of Morogoro Gold Limited | 56,666,667 | 501,653 | 1,198,348 |
| | | | |
| Shares issued on Johannesburg Stock Exchange | <u>36,370,303</u> | <u>328,429</u> | <u>675,398</u> |
| Balance at 30 September 2011 | <u>377,629,511</u> | <u>3,231,898</u> | <u>5,887,327</u> |

Potential issue of Ordinary Shares

Share option and warrants

At 30 September 2011 the company had 13,939,258 options and 1,539,258 warrants outstanding for the issue of ordinary share as follows:

| Options | Options Date of Grant | Number of Exercisable From | Exercisable To | Exercise Price | Number Granted | 30 September 2011 |
|---|-----------------------|----------------------------|----------------|----------------|----------------|-------------------|
| | 20 Apr 10 | 20 Apr 10 | 20 Apr 15 | 1.5p | 2,539,258 | 2,539,258 |
| | 06 Apr 11 | 06 Apr 11 | 31 Mar 16 | 3.88p | 11,400,000 | 11,400,000 |
| Total | | | | | 13,939,258 | 13,939,258 |
| Warrants | | | | | | |
| | 20 Apr 10 | 20 Apr 10 | 20 Apr 15 | 1.5p | 2,539,258 | 2,539,258 |
| | 20 Apr 10 | 20 Apr 10 | 20 Apr 15 | 1.5p | 500,000 | 500,000 |
| | Less: Exercised | 10 Mar 11 | | 1.5p | (1,500,000) | (1,500,000) |
| Total | | | | | 1,539,258 | 1,539,258 |
| Total contingently issuable shares | | | | | 15,478,516 | 15,478,516 |

Costs associated with options issued during the year

The Group recognised the following expense related to equity settled share based payment transactions:

| | 2009 £ | 2010 £ | 2011 £ |
|----------------------|-----------|-----------|-----------|
| Share based payments | - | 32,250 | 424,570 |

Options issued during the year ended 30 September 2010 and 2011 have been valued using the following inputs to the Black-Scholes model:

| | 2010 | 2011 |
|---------------------|---------|---------|
| Share price | 1.5p | 4.1p |
| Expected volatility | 125% | 147% |
| Expected life | 5 years | 5 years |
| Risk free rate | 2.75% | 2.73% |
| Expected dividends | Zero | Zero |

16. Business combinations

The group made one acquisition during the year ended 30 September 2011. The details of the acquisition are as follows:

In March 2011 the Company acquired the entire share capital of Morogoro Gold Limited, a company incorporated in Cyprus, and its two wholly owned subsidiaries Jubilee Mining Limited and Savannah Mining Limited, incorporated in Tanzania and which own various prospective gold and base metal exploration ground. The consideration paid was £1.7m settled by the issue of 56,666,667 Ordinary shares in the Company.

The transaction has been accounted for by the purchase method of accounting:

| | 2011 |
|---|------------------|
| | £ |
| Fair value of net liabilities acquired | |
| Trade and other receivables | 136 |
| Cash and cash equivalents | 64 |
| Total assets | <u>200</u> |
| Current liabilities | <u>(2,495)</u> |
| Net liabilities acquired | (2,295) |
| Goodwill written off | 2,295 |
| Recognised exploration and evaluation intangible assets | <u>1,700,000</u> |
| Total consideration | 1,700,000 |
| Satisfied by: | |
| 56,666,667 ordinary shares in the Company | 1,700,000 |

At the date of acquisition, there was no difference between the fair value and book value of the acquired assets and liabilities.

The acquisition has contributed a loss to the Group of £18,577 for the year ended 30 September 2011. Had the acquisition occurred on 1 October 2010, the Group would have generated no additional revenue, and the losses would have increased by £4,174 for the year ended 30 September 2011.

17. Related party transactions

Details of subsidiary undertakings are shown in Note 11. In accordance with International Accounting Standard 24 – Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed. Details of transactions between the Group and the related parties are disclosed below.

In March 2011 the Company acquired Morogoro Gold Limited from Mzuri Gold Limited for consideration of £1.7m settled by the issue of 56,666,667 Ordinary shares in the Company. Mzuri Gold Limited also subscribed for cash for 16,666,667 Ordinary shares at that time at a price of 3 pence per share. Mzuri Gold Limited is a wholly owned subsidiary of Mzuri Capital Group Limited of which directors Tinus Maree and Louis Coetzee are also directors.

The Group's exploration operations in Tanzania are administered by Mzuri Exploration Services Limited, a wholly owned subsidiary of Mzuri Capital Group Limited, a company in which Company directors Louis Coetzee and Tinus Maree are also directors. These services are provided for in a

contract between the Company and Mzuri Exploration Services Limited dated 30 April 2011 at a cost to the Company of US\$ 19,800 per month. At 30 September 2011 the Company owed Mzuri Exploration Services Limited US\$126,201.

William Payne is a partner in Wilkins Kennedy, Chartered Accountants, the firm which provides his services. During the year end September 2011, Wilkins Kennedy were paid £12,000 (2009: £11,000, 2010: £12,000) in respect of his services as a director, and £41,495 (2010: £35,500) in respect of accounting and management services. Fees paid for his services are included as part of directors' emoluments declared in Note 5. At 30 September 2011, the Group owed Wilkins Kennedy £nil.

Richard Speir, a former director of Kibo Mining Plc, was owed £37,398 by Sloane Developments Limited as at 30 September 2009 and 2010. This was settled by the issue of 2,493,200 ordinary shares at an issue price of £0.015. At 30 September 2010, he was also owed £3,000 for consultancy services supplied to the Group.

Noel O'Keeffe is a director of Kibo Mining Plc. At 30 September 2009 he was owed £368 by Kibo Mining Plc in respect of expenses due to him.

18. Post Balance Sheet events

Subsequent to 30 September 2011, the Company raised £750,000 by the issue of 37,500,000 new ordinary shares at a price of 2p per share.

Subsequent to 31 December 2011, the Company has entered into conditional agreements with Mzuri Capital Group Limited ("Mzuri"), which through its subsidiaries is the 40% shareholder of Mzuri Energy Limited ("MEL") and 50% joint venture shareholder of Mayborn Resources Investments (Pty) Ltd ("Mayborn"), for the acquisition of a minimum of 51% of all the issued share capital of MEL and Mayborn. The Company will acquire no less than 51% of MEL and Mayborn, through its wholly owned subsidiary Morogoro Gold Limited ("Morogoro") by means of the issue of new shares in the Company at an issue price of 3p per share.

19. Financial Instruments and Financial Risk Management

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the period ended 30 September 2009 and years ended 30 September 2010 and 2011 the Group's policy not to undertake trading in derivatives.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies and exposures to exchange rate fluctuations therefore arise. Exchange rate exposures are managed by continuously reviewing exchange rate movements in the relevant foreign currencies. The exposure to exchange rate fluctuations is limited as the Company's subsidiaries operate mainly with sterling, euros and Tanzanian schillings.

At the year ended 30 September 2011, the Group had no outstanding forward exchange contracts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group's exposure to credit risk arise from default of its counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated statement of financial position.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected or related entities.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group. To date, the Group has relied on shareholder funding to finance its operations. The Group had no borrowing facilities at 30 September 2011.

The Group's financial liabilities as at 30 September 2011 were all payable on demand.

The expected maturity of the Group's financial assets (excluding prepayments) as at 30 September 2011 was less than one month. The Group expects to meet its other obligations from operating cash flows with an appropriate mix of funds and equity instruments.

The Group had no derivative financial instruments as at 30 September 2011.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's holdings of cash and short term deposits.

It is the Group's policy as part of its management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the year ended 30 September 2011. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.


Fair values

The carrying amount of the Group's financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair value.

Hedging

At 30 September 2011, the Group had no outstanding contracts designated as hedges.

PART 4.3
FINANCIAL INFORMATION ON MZURI ENERGY LIMITED

ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL
INFORMATION OF MZURI ENERGY LIMITED



Saffery Champness
CHARTERED ACCOUNTANTS

Beaufort House, 2 Beaufort Road, Clifton,
Bristol BS8 2AE

Telephone: 0117 915 1617
Facsimile: 0117 915 1618
E-mail: infobri@saffery.com
Website: www.saffery.com

15 August 2012

RFC Ambrian Limited
Old Change House
128 Queen Victoria Street
London EC4V 4BJ

The Directors
Kibo Mining Plc
The Sirius Centre
Northpoint
Tuam Road
Galway
Ireland

Dear Sirs

Accountants' Report on Mzuri Energy Limited ("the Company")

We report on the financial information set out in this Part 4.3. The financial information has been prepared under the accounting policies set out in Note 3 for inclusion in the admission document dated 15 August 2012 ("Admission Document"), of Kibo Mining Plc in connection with Kibo Mining Plc's proposed acquisition of a minimum of 51% of Mzuri Energy Limited and a minimum of 51% of Mayborn Resource Investments (Pty) Limited and the proposed readmission of its enlarged shares capital to trading on AIM. This report is required by paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibility

The Directors of the Company are responsible for preparing the financial information on the basis set out in Note 3 to the financial information and in accordance with International Financial Reporting Standards ("IFRS").

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person

as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out in this Part 4.2 gives, for the purposes of the Admission Document, a true and fair view of the state of the affairs of the Company, as at 31 December 2009, 2010 and 2011, and of its results and cash flows for the periods then ended in accordance with IFRS and the accounting policies set out in Note 3.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Note 8 to the financial information concerning the valuation of intangible assets. The realisation of intangible assets of £27,363,873 as at 31 December 2011 included in the statements of financial position is dependent on the discovery and successful development of economic reserves including the ability of the Company to raise sufficient finance to develop the projects.

Declaration

We are responsible for this report as part of the Admission Document and declare that, having taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully



Saffery Champness
Chartered Accountants

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Note | Year ended 31 December | | |
|---|------|------------------------|--------------------|--------------------|
| | | 2009 C\$ | 2010 C\$ | 2011 C\$ |
| Administrative expenses | | (867,239) | (1,099,445) | (1,023,158) |
| Mineral resource exploration and evaluation expenditure | | (369,735) | (874,471) | (1,156,900) |
| Share based payments | | - | - | (752,000) |
| Operating loss | | (1,236,974) | (1,973,916) | (2,932,058) |
| Other income | | | | |
| - Gain on disposal of investments | | - | 18,365,911 | - |
| - Gain on sale of subsidiaries | | - | 1,282,683 | - |
| (Loss)/profit before financing and tax | | (1,236,974) | 17,674,678 | (2,932,058) |
| Finance income | 5 | 8,585 | 43,506 | 12,805 |
| (Loss)/profit on ordinary activities before tax | | (1,228,389) | 17,718,184 | (2,919,253) |
| Income tax | 6 | - | (2,250,000) | 284,000 |
| Loss/(profit) for the year | | (1,228,389) | 15,468,184 | (2,635,253) |
| Other comprehensive income | | | | |
| Exchange differences on translating foreign operations | | 30,559 | 29,461 | (13,987) |
| Total comprehensive (loss)/income attributable to the equity holders of the parent company | | (1,197,830) | 15,497,645 | (2,649,240) |
| Basic and diluted (loss)/earnings per share | 7 | (0.04) | 0.49 | (0.06) |

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Note | 2009 C\$ | As at 31 December 2010 C\$ | 2011 C\$ |
|-------------------------------------|------|------------------|----------------------------------|-------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Intangible assets | 8 | 1,018,979 | 27,363,873 | 27,363,873 |
| Property, plant and equipment | 9 | 19,252 | 25,507 | 19,486 |
| | | 1,038,231 | 27,389,380 | 27,383,359 |
| Current assets | | | | |
| Available for sale investments | 10 | 1,544,782 | - | - |
| Trade and other receivables | 11 | 3,453 | 60,551 | 339,854 |
| Cash and cash equivalents | 12 | 539,876 | 4,339,003 | 574,161 |
| | | 2,088,111 | 4,339,554 | 914,015 |
| Total assets | | 3,126,342 | 31,788,934 | 28,297,374 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 14 | 4,468,681 | 14,600,807 | 15,381,198 |
| Share based payments reserve | 15 | - | - | 752,000 |
| Retained earnings | | (1,647,057) | 13,850,588 | 11,201,348 |
| Total equity | | 2,821,624 | 28,451,395 | 27,334,546 |
| Current liabilities | | | | |
| Trade and other payables | 13 | 304,718 | 1,087,539 | 962,828 |
| Current tax liabilities | | - | 2,250,000 | - |
| Total current liabilities | | 304,718 | 3,337,539 | 962,828 |
| Total equity and liabilities | | 3,126,342 | 31,788,934 | 28,297,374 |

CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Year ended 31 December | | |
|---|------------------------------|--------------------------------|------------------------------|
| | 2009 C\$ | 2010 C\$ | 2011 C\$ |
| Cash flows from operating activities | | | |
| Operating loss | (1,236,974) | (1,973,916) | (2,932,058) |
| Adjustments for: | | | |
| Share based payments | - | - | 752,000 |
| Foreign exchange gain/(loss) | 30,559 | 29,461 | (13,987) |
| Depreciation | 6,373 | 6,310 | 6,359 |
| | <u>(1,200,042)</u> | <u>(1,938,145)</u> | <u>(2,187,686)</u> |
| Movement in working capital: | | | |
| Decrease/(increase) in receivables | 27,108 | (27,144) | (9,106) |
| Increase/(decrease) in payables | 163,579 | 739,725 | (124,711) |
| | <u>190,687</u> | <u>712,581</u> | <u>(133,817)</u> |
| Tax paid | - | - | (2,236,197) |
| Net cash used in operating activities | <u>(1,009,355)</u> | <u>(1,225,564)</u> | <u>(4,557,700)</u> |
| Cash flows from investing activities | | | |
| Acquisition of equipment | (24,024) | - | (338) |
| Acquisition of marketable securities | (531,027) | - | - |
| Proceeds on disposal of marketable securities | - | 16,602,261 | - |
| Acquisition and disposal of subsidiaries | - | (11,621,076) | - |
| Acquisition of mineral properties | (350,000) | - | - |
| Interest received | 8,585 | 43,506 | 12,805 |
| Net cash (used in)/from investing activities | <u>(896,466)</u> | <u>5,024,691</u> | <u>12,467</u> |
| Cash flows from financing activities | | | |
| Issue of special warrants | - | - | 780,391 |
| Net cash from financing activities | <u>-</u> | <u>-</u> | <u>780,391</u> |
| Net decrease in cash and cash equivalents | <u>(1,905,821)</u> | <u>3,799,127</u> | <u>(3,764,842)</u> |
| Cash and cash equivalents at beginning of year | <u>2,445,697</u> | <u>539,876</u> | <u>4,339,003</u> |
| Cash and cash equivalents at end of year | <u><u>539,876</u></u> | <u><u>4,339,003</u></u> | <u><u>574,161</u></u> |

STATEMENTS OF CHANGES IN EQUITY

| | Share Capital | Retained earnings | Special Warrants | Share based payment reserve | Total equity |
|--|-------------------|----------------------|---------------------|--------------------------------------|-------------------|
| | C\$ | C\$ | C\$ | C\$ | C\$ |
| Balance at 1 January 2009 | 4,468,681 | (449,227) | - | - | 4,019,454 |
| Total comprehensive loss | - | (1,197,830) | - | - | (1,197,830) |
| Balance at 31 December 2009 | 4,468,681 | (1,647,057) | - | - | 2,821,624 |
| Issued for acquisition of mineral property | 10,132,126 | - | - | - | 10,132,126 |
| Total comprehensive income | - | 15,497,645 | - | - | 15,497,645 |
| Balance at 31 December 2010 | 14,600,807 | 13,850,588 | - | - | 28,451,395 |
| Issue of Special warrants | - | - | 239,010 | - | 239,010 |
| Special warrant issue costs | - | - | (14,300) | - | (14,300) |
| Conversion of Special warrants to common shares | 224,710 | - | (224,710) | - | - |
| Issue of common shares | 591,150 | - | - | - | 591,150 |
| Share issuance costs | (35,469) | - | - | - | (35,469) |
| Share based service provided | - | - | - | 752,000 | 752,000 |
| Total comprehensive loss | - | (2,649,240) | - | - | (2,649,240) |
| Balance at 31 December 2011 | 15,381,198 | 11,201,348 | - | 752,000 | 27,334,546 |

NOTES TO THE FINANCIAL INFORMATION

1. General information

Mzuri Energy Limited was incorporated under the laws of British Columbia, Canada on 15 February 2008 as Rusaf Resources Limited. The Company changed its name to Mzuri Resources Limited in May 2008 and to Mzuri Energy Limited in November 2010. The Company, together with its subsidiaries, is engaged in the acquisition and exploration of mineral properties.

The financial information has been prepared on a going concern basis which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. At 31 December 2011, the Company had retained earnings of \$11,201,348 (2010: \$13,850,588, 2009: (\$1,647,057)).

2. Principles of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

The financial information includes that relating to the Company and its subsidiaries. Inter-company transactions and balances have been eliminated upon consolidation. The consolidated financial information includes that of the following subsidiaries:

| | Country of Incorporation | Percentage of Ownership |
|--|-----------------------------|----------------------------|
| 2011 | | |
| Mzuri Coal Limited | Cyprus | 100% |
| Rukwa Coal Limited | Tanzania | 100% |
| Mzuri Power Limited | Cyprus | 100% |
| 2010 | | |
| Mzuri Coal Limited (acquired on 12 October 2010) | Cyprus | 100% |
| Rukwa Coal Limited (acquired on 12 October 2010) | Tanzania | 100% |
| Mzuri Power Limited (acquired on 12 October 2010) | Cyprus | 100% |
| Namaqua MS Limited (disposed on 12 October 2010) | Cyprus | 100% |
| Mzuri Base Metals Limited (disposed on 12 October 2010) | Cyprus | 100% |
| Mzuri Nickel Limited (disposed on 12 October 2010) | Cyprus | 100% |
| Mzuri Resources Services Limited (disposed on 12 October 2010) | Cyprus | 100% |
| Bakari Group Limited (disposed on 12 October 2010) | British Virgin Islands | 100% |
| Quarterdeck Properties Limited (disposed on 12 October 2010) | British Virgin Islands | 100% |
| Canyon Resources Limited (disposed on 12 October 2010) | Tanzania | 100% |
| Highland Resources Limited (disposed on 12 October 2010) | Tanzania | 100% |
| Bullion Resources Limited (disposed on 12 October 2010) | Tanzania | 100% |
| Jubilee Resources Limited (disposed on 12 October 2010) | Tanzania | 100% |

2009

| | | |
|----------------------------------|------------------------|------|
| Namaqua MS Limited | Cyprus | 100% |
| Mzuri Base Metals Limited | Cyprus | 100% |
| Mzuri Nickel Limited | Cyprus | 100% |
| Mzuri Resources Services Limited | Cyprus | 100% |
| Bakari Group Limited | British Virgin Islands | 100% |
| Quarterdeck Properties Limited | British Virgin Islands | 100% |
| Canyon Resources Limited | Tanzania | 100% |
| Highland Resources Limited | Tanzania | 100% |
| Bullion Resources Limited | Tanzania | 100% |
| Jubilee Resources Limited | Tanzania | 100% |

3. Significant Accounting Policies

Basis of presentation

The financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These comprise standards and interpretations approved by the International Accounting Standards Board (“IASB”) together with interpretations of the International Accounting Standards and Standing Interpretations Committee (“IASC”) that remain in effect, and to the extent that they have been adopted by the European Union.

The financial information has been prepared on a historical cost basis as set out in the accounting policies below except where items are stated at fair value under IFRS.

The financial information has been prepared on a going concern basis, which assumes that sufficient funds will be available for the Company to continue in operational existence for at least 12 months. The Company is in the process of exploring its mineral property and has not yet determined whether this property contains mineral reserves that are economically recoverable. The ability of the Company to continue operations as a going concern and the recoverability of the amount shown for mineral properties are dependent upon the existence of economically recoverable reserves, the continued support of shareholders, the ability to continue to raise the necessary financing to complete the development of such properties and repay debts, and the profitable production or disposition of such properties. Management is of the opinion that sufficient working capital will be obtainable from internal and/or external financing to meet the Company’s liabilities and commitments as they become due, although there is risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

The financial information does not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Mineral property acquisition costs

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition costs are capitalised and deferred until such time as the property is put into production, or the property is disposed of, either through sale or abandonment. If a property is put into production, the cost of acquisition will be written off over the life of the property, based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property with any excess, over the capitalised cost, included in results of operations for the period. If a property is abandoned, the acquisition cost will be written off to operations.

Management reviews capitalised costs on its mineral properties on a periodic basis and will recognise impairment in value based upon current exploration results and upon its assessment of the probability of profitable operations from the property or sale of the property.

Recorded costs of mineral properties are not intended to reflect present or future values of the properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing

knowledge, that a change in future conditions could require a material change in the recognised amount.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior undetected agreements or transfers and title may be affected by such defects.

Mineral property exploration and property evaluation expenditures

The Company expenses exploration and property evaluation expenditures when incurred on the basis it is uncertain if such expenditure will yield economic benefits to the Company. When proven and probable reserves are determined for a property, subsequent exploration and development costs of the property are capitalised and amortised over the life of the property, based on estimated economic reserves.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and highly liquid short-term interest bearing securities with maturities at the date of purchase of 90 days or less.

Translation of foreign currencies

The financial statements are presented in Canadian Dollars (unless otherwise stated), which is the Company's functional and presentation currency.

Transactions in foreign currencies are initially recorded in the functional currency at the respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income, should specific criteria be met. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the value was determined.

The results and financial position of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Monetary assets and liabilities for each balance sheet presented are presented at the closing rate at the date of that balance sheet. Non-monetary items are measured at the exchange rate in effect at the historical transaction date and are not translated at each balance sheet date;
- Income and expenses for each income statement are translated at the average exchange rate; and
- All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange rate differences arising from the transaction of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur for the foreseeable future are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property. Costs estimated to arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalised at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present

value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit of production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been and may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

Property, plant and equipment

Property, plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire or construct an asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost of major overhauls of parts of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognized in the statement of comprehensive income as incurred. Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required. Depreciation is charged on a straight-line basis over the useful lives of the assets at the following annual rates:

| Description | Depreciation rate |
|--------------------------------|--------------------------|
| Computer Equipment | 25% |
| Office furniture and equipment | 12.5% |
| Motor vehicles | 25% |

Earnings per share

The Company presents the basic and diluted earnings per share for its common shares, calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income/(loss) per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Income taxes

Current income tax

Income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised in the statements of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The following temporary differences are not provided for: the initial recognition of goodwill (not deductible for tax purposes); the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting or taxable loss nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; or
- receivables and payables that are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated balance sheet.

Royalties, resource rent tax and revenue based taxes

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable income, rather than based on quantity produced or as a percentage of revenue, after adjustment for temporary differences. For such arrangements, current and deferred tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements that do not satisfy these criteria are recognized as current provisions and included in cost of sales. The Company currently does not have royalties and resource rent tax payable.

Significant accounting judgments and estimates

The preparation of the consolidated financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial information includes estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial information, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position dates, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the composition of deferred income tax assets and liabilities included in the statements of financial position;

- the inputs used in determining the various commitments and contingencies accrued in the consolidated balance sheet; and
- Measurement of the recoverable amounts of intangible assets.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination. An impairment loss is recognized if the carrying amount of an asset or its cash-generating units exceeds its estimated recoverable amount. Impairment losses are recognised in statements of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer

exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Financial assets

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale Financial Assets

The Company's investments in marketable securities are classified as available-for-sale ("AFS") financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences, are recognised in other comprehensive income or loss. When an investment is derecognised, the cumulative gain or loss in the investment revaluation reserve is transferred to the statement of comprehensive income. The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The change in fair value attributable to translation differences that result from the amortised cost of the monetary asset is recognized in statement of comprehensive income. The change in fair value of AFS equity investments are recognised directly in equity. Unquoted marketable securities are reflected at cost less impairment losses, if applicable.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

Financial liabilities

The Group's financial liabilities consist of trade and other payables, which are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method.

Accounting for business combinations

The Company adopted IFRS 3, *Business Combinations (2008)*, ("*IFRS 3*") and IAS 27, *Consolidated and Separate Financial Statements (2008)*, ("*IAS 27*") for all business combinations occurring since inception.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, consideration is given to potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

When the cost of an acquisition exceeds the fair values attributable to the Company's share of identifiable net assets, the difference is treated as purchased goodwill, which is not amortized but is reviewed for impairment annually or when there is an indication of impairment. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is immediately recognized in the income statement.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation that arises from a past event, and its fair value can be measured reliably.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries that are not held by the Company and are presented in equity in the consolidated balance sheet, separately from the parent's shareholders' equity.

Transaction costs incurred in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees are expensed as incurred, unless it is debt related. Directly attributable transaction costs related to debt instruments are capitalized.

If the Company obtains control over one or more entities that are not businesses, then the bringing together of those entities are not business combinations. The cost of acquisition is allocated among the individual identifiable assets and liabilities of such entities, based on their relative fair values at the date of acquisition. Such transactions do not give rise to goodwill and no non-controlling interest is recognized.

Provisions

A provision is recognised if, as a result of a past event, the Company has a legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provisions due to the passage of time is recognized as interest.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Chief Executive Officer (who is considered the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the fair value of goods and services received is charged to profit or loss, except where it is in respect to costs associated with the issue of shares, in which case, it is charged to the share premium account.

Adoption of new and revised International Financial Reporting Standards

The following standards, interpretations and amendments to existing standards have been issued and are effective for the Group's accounting periods beginning on or after 1 January 2011 or later periods, but the Company has decided not to early adopt them. The Directors do not anticipate that the adoption of these standards, interpretations and amendments (subject to EU endorsement) would have a material impact on the financial statements in the period of initial application although there may be revised and additional disclosures.

IFRS 9 Financial instruments (effective 1 January 2015)
IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
IFRS 11 Joint Arrangements (effective 1 January 2013)
IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2013)
IFRS 13 Fair Value Measurement (effective 1 January 2013)
IAS 24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)
Amendment to IAS 32 Classification of Rights Issues (effective [1 February 2010])
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments ([effective 1 July 2010])
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective 1 January 2013)
Amendment to IFRIC 14 - Prepayments of a Minimum Funding Requirement – (effective 1 January 2011)
Amendment to IFRS 7 – Financial instruments: disclosure (effective 1 July 2011)
Amendment to IAS 12 - Income Taxes (effective 1 January 2012)
Amendment to IAS 1 – Financial statement presentation (effective 1 July 2012)
Amendment to IAS 32 - Offsetting Financial Assets and Financial Liabilities – (effective 1 January 2014)
Amendment to IFRS 9 - Mandatory Effective Date and Transition Disclosures (effective 1 January 2015)

The Company will adopt these to the extent they are relevant at the time when they become effective.

4. Segmented Information

The Company operates in one business segment, being the acquisition and exploration of mineral properties. The Company's corporate office provides financial and technical support to its operations in Canada and Tanzania. The Company's net assets and net losses by geographical segment are as follows:

Year ended 31 December 2009

| | Canada C\$ | Tanzania C\$ | Total C\$ |
|-------------------------------|----------------------|------------------------|---------------------|
| Total assets | | | |
| Cash and cash equivalents | 537,400 | 2,476 | 539,876 |
| Receivables | 3,453 | - | 3,453 |
| Marketable securities | 1,544,782 | - | 1,544,782 |
| Property, plant and equipment | - | 19,252 | 19,252 |
| Intangible assets | - | 1,018,979 | 1,018,979 |
| | <u>2,085,635</u> | <u>1,040,707</u> | <u>3,126,342</u> |
| Current liabilities | <u>125,730</u> | <u>178,988</u> | <u>304,718</u> |
| Loss for the year | <u>(578,495)</u> | <u>(649,894)</u> | <u>(1,228,389)</u> |

Year ended 31 December 2010

| | Canada C\$ | Tanzania C\$ | Total C\$ |
|-------------------------------|----------------------|------------------------|---------------------|
| Total assets | | | |
| Cash and cash equivalents | 4,170,272 | 168,731 | 4,339,003 |
| Receivables | 31,889 | 28,662 | 60,551 |
| Property, plant and equipment | - | 25,507 | 25,507 |
| Intangible assets | - | 27,363,873 | 27,363,873 |
| | <u>4,202,161</u> | <u>27,586,773</u> | <u>31,788,934</u> |
| Current liabilities | <u>2,336,559</u> | <u>1,000,980</u> | <u>3,337,539</u> |
| Profit/(loss) before tax | 18,833,993 | (1,115,806) | 17,718,187 |
| Income tax provision | <u>(2,250,000)</u> | - | <u>(2,250,000)</u> |
| Profit/(loss) after tax | <u>16,583,993</u> | <u>(1,115,806)</u> | <u>15,468,187</u> |

Year ended 31 December 2011

| | Canada C\$ | Tanzania C\$ | Elimination C\$ | Total C\$ |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
| Total assets | | | | |
| Cash and cash equivalents | 439,925 | 134,236 | - | 574,161 |
| Receivables | 36,095 | 33,562 | - | 69,657 |
| Property, plant and equipment | - | 19,486 | - | 19,486 |
| Loans receivable | 3,319,592 | - | (3,319,592) | - |
| Current tax receivable | 270,197 | - | - | 270,197 |
| | | 27,363,87 | | |
| Intangible assets | - | 3 | - | 27,363,873 |
| | <u>4,065,809</u> | <u>27,551,157</u> | <u>(3,319,592)</u> | <u>28,297,374</u> |
| Total liabilities | | | | |
| Accounts payable | 39,520 | 37,230 | - | 76,750 |
| Borrowings | - | 4,205,670 | (3,319,592) | 886,078 |
| | <u>39,520</u> | <u>4,242,900</u> | <u>(3,319,592)</u> | <u>962,828</u> |
| Loss before tax | (1,704,359) | (1,214,894) | - | (2,919,253) |
| Income tax credit | 284,000 | - | - | 284,000 |
| Loss after tax | <u>(1,420,359)</u> | <u>(1,214,894)</u> | <u>-</u> | <u>(2,635,253)</u> |

5. Finance income

| | Year ended 31 December | | |
|------------------------------------|------------------------|---------------|---------------|
| | 2009 C\$ | 2010 C\$ | 2011 C\$ |
| Interest received on bank deposits | <u>8,585</u> | <u>43,506</u> | <u>12,805</u> |

6. Income Taxes

The reconciliation of consolidated income taxes at the combined Canadian federal and provincial statutory income tax rates with the reported income taxes is as follows:

| | Year ended 31 December | | |
|--|-------------------------------|--------------------|--------------------|
| | 2009 C\$ | 2010 C\$ | 2011 C\$ |
| Net (loss)/profit for the year before income tax | (1,228,389) | 17,718,184 | (2,919,253) |
| Combined federal and provincial tax rate | 30% | 28.5% | 26.5% |
| Income tax expense (recovery) at statutory rates | (368,517) | 5,049,682 | (773,602) |
| Change in valuation allowance | 325,541 | (599,998) | - |
| Foreign exchange gains/ (losses) relating to foreign operations | 30,011 | (8,669) | (3,706) |
| Adjustment to net future tax liability due to changes in tax rate | 8,603 | (16,295) | - |
| Net of deferred taxes acquired and disposed | - | 765,648 | - |
| Excess of accounting gain over taxable capital gain on disposal of marketable securities | - | (2,942,068) | - |
| Non-deductible expenditures and non-taxable revenues | 4,362 | - | 202,223 |
| Impact of future income tax rates applied versus current statutory rate | - | - | (18,825) |
| Unrecognized assessed loss carried forward | - | - | 325,652 |
| Share issue costs | - | - | (9,399) |
| Other | - | 1,700 | 460 |
| Change in unrecognized deductible temporary differences | - | - | 7,000 |
| Adjustment to prior years provision versus statutory tax returns | - | - | (13,803) |
| Current income tax expense | - | 2,250,000 | (284,000) |

The income tax effects of temporary differences giving rise deferred tax assets and liabilities at the balance sheet dates are presented below:

| | As at 31 December | | |
|--|--------------------------|------------------|------------------|
| | 2009 | 2010 | 2011 |
| | C\$ | C\$ | C\$ |
| Deferred tax assets | | | |
| Mineral property | 75,099 | 133,992 | 133,992 |
| Non-capital tax losses carried forward | 354,435 | 248,369 | 240,904 |
| | <u>429,534</u> | <u>382,361</u> | <u>374,896</u> |
| Deferred tax liabilities | | | |
| Equipment | <u>(1,848)</u> | <u>(223)</u> | <u>-</u> |
| Net deferred tax asset | 427,686 | 382,138 | 374,896 |
| Valuation allowance | <u>(427,686)</u> | <u>(382,138)</u> | <u>(374,896)</u> |
| Net deferred tax asset | <u>-</u> | <u>-</u> | <u>-</u> |

The Canadian income tax rate declined during the year due to changes in the law that reduced corporate income tax rates in Canada.

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

| | 2011 | Expiry Date Range |
|-----------------------|-------------|--------------------------|
| Temporary Differences | | |
| Share issue costs | 28,000 | 2032-2035 |

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Management has determined that the realization of the deferred tax assets are uncertain at this time, and cannot be viewed as more likely than not. Accordingly, the Company has recorded a full valuation allowance for the potential deferred tax assets as at December 31, 2011, 2010 and 2009.

7. Earnings per share

The basic and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

| | 2009 | 2010 | 2011 |
|---|--------------------|-------------------|--------------------|
| | C\$ | C\$ | C\$ |
| Profit for the year attributable to equity holders of the parent | <u>(1,197,830)</u> | <u>15,497,645</u> | <u>(2,649,240)</u> |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | <u>27,188,404</u> | <u>31,668,884</u> | <u>45,484,274</u> |
| Basic and diluted loss/(earnings) per ordinary share | <u>(0.04)</u> | <u>0.49</u> | <u>(0.06)</u> |

Diluted earnings per share

There is no dilutive effect of share options or warrants on the basic loss per share in 2011.

8. Intangible assets

| | Mineral properties C\$ |
|--|---------------------------------------|
| Cost and valuation | |
| At 1 January 2009 and 31 December 2009 | 1,018,979 |
| Additions | 27,363,873 |
| Disposals | <u>(1,018,979)</u> |
| At 31 December 2010 and 31 December 2011 | <u>27,363,873</u> |

Year ended 31 December 2010

The Company entered into an agreement with Mzuri Capital Group Limited (“MCG”), a company related through common directors, dated 12 October 2010 for the acquisition of Mzuri Coal Limited for \$27.4m. The transaction was measured at fair value based on an independent valuation report.

MCL owns the Rukwa Coal Project in Tanzania. The acquisition of MCL was settled by a cash payment of \$13.2 million, the transfer of the Company’s minority interest in MCG (Note 10) at a value of \$3.3 million to MCG, the transfer of the investment in all of its subsidiaries owned as at 31 December 2009 for an amount of \$400,000 and the issue of 17,775,660 common shares at a fair value of \$10.1 million (\$0.57 per share).

| | |
|--|-------------------|
| <i>Fair value of net liabilities acquired:</i> | C\$ |
| - Property, plant and equipment | 27,038 |
| - Trade and other receivables | 35,272 |
| - Cash and cash equivalents | 317,718 |
| - Trade and other payables | <u>(562,812)</u> |
| Net liabilities acquired | (182,784) |
| <i>Satisfied by consideration:</i> | |
| - issuance of common shares | 10,132,126 |
| - transfer of MCG securities | 3,308,433 |
| - transfer of subsidiaries | 400,000 |
| - net assumption of loans | 140,530 |
| - cash | <u>13,200,000</u> |
| Allocated to intangible assets as mineral properties | <u>27,363,873</u> |

The Rukwa Coal Project consists of two prospecting licenses located in the East Africa Rift Zone in Tanzania.

The acquisition contributed a loss of C\$693,391 to the overall loss made by the Group in the year ended 31 December 2010.

Had all the acquisitions occurred on 1 January 2010, the Group would have generated an additional loss of C\$1,882,370 for the year ended 31 December 2010.

9. Property, plant and equipment

| | Furniture & equipment C\$ | Motor vehicles C\$ | Total C\$ |
|-----------------------|---------------------------------|-----------------------|--------------|
| Cost | | | |
| At 1 January 2009 | 4,956 | - | 4,956 |
| Additions | 1,493 | 22,531 | 24,024 |
| Disposals | - | - | - |
| At 31 December 2009 | 6,449 | 22,531 | 28,980 |
| Additions | 19,065 | 12,356 | 31,421 |
| Disposals | (6,449) | (22,531) | (28,980) |
| At 31 December 2010 | 19,065 | 12,356 | 31,421 |
| Additions | 525 | - | 525 |
| Foreign exchange | (179) | (116) | (295) |
| At 31 December 2011 | 19,411 | 12,240 | 31,651 |
| Depreciation | | | |
| At 1 January 2009 | 3,355 | - | 3,355 |
| Depreciation | 740 | 5,633 | 6,373 |
| Disposals | - | - | - |
| At 31 December 2009 | 4,095 | 5,633 | 9,728 |
| Depreciation | 1,467 | 4,843 | 6,310 |
| Disposals | (1,294) | (8,830) | (10,124) |
| At 31 December 2010 | 4,268 | 1,646 | 5,914 |
| Depreciation | 3,272 | 3,087 | 6,359 |
| Foreign exchange | (67) | (41) | (108) |
| At 31 December 2011 | 7,473 | 4,692 | 12,165 |
| Net Book Value | | | |
| At 31 December 2009 | 2,354 | 16,898 | 19,252 |
| At 31 December 2010 | 14,797 | 10,710 | 25,507 |
| At 31 December 2011 | 11,938 | 7,548 | 19,486 |

10. Available for sale investments

| | As at 31 December | | |
|--|-------------------|----------|----------|
| | 2009 | 2010 | 2011 |
| | C\$ | C\$ | C\$ |
| Great Basin Rusaf Gold Limited (“GBGRG”) | 1,013,755 | - | - |
| MCG | 531,027 | - | - |
| | <u>1,544,782</u> | <u>-</u> | <u>-</u> |

GBGRG

At 31 December 2009, the Company owned 15,206,284 unlisted, non-voting preference shares having an initial fair value of \$1,013,755.

Pursuant to an agreement between the Company and Great Basin Gold Limited (“GBG”), dated April, 2008 (the “GBG Agreement”), the preference shares were to be acquired by GBG in 3 equal annual tranches within 60 days of 30 April 2009, 2010 and 2011.

On 27 January 2010, 5,068,760 GBGRG preference shares were acquired by GBG in exchange for 2,343,245 GBG common shares.

On 11 June 2010, the remaining 10,137,524 GBGRG preference shares were acquired by GBG in exchange for 5,717,516 GBG common shares pursuant to an amendment to the GBG Agreement dated 14 May 2010. All of the GBG common shares were sold during 2010 for proceeds of \$16.6 million.

MCG

During the year ended 31 December 2009, the Company subscribed for 2,164,200 unlisted, common shares in MCG, a Cyprus company, at Euro 0.15 per share for a total of Euro 324,630 (\$531,027). MCG is a related company due to common directors.

During the year ended 31 December 2010, the Company sold its interest in MCG as part consideration for the purchase of MCL (see Note 8). The above investments were measured at cost as a quoted price in an active market was not available.

11. Trade and other receivables

| | As at 31 December | | |
|------------------------|-------------------|---------------|----------------|
| | 2009 | 2010 | 2011 |
| | C\$ | C\$ | C\$ |
| GST receivable | 3,453 | 24,538 | 8,882 |
| Other receivables | - | 7,351 | 27,213 |
| Prepaid expenses | - | 28,662 | 33,562 |
| Current tax receivable | - | - | 270,197 |
| | <u>3,453</u> | <u>60,551</u> | <u>339,854</u> |

12. Cash and cash equivalents

| | As at 31 December | | |
|-----------------|-------------------|------------------|----------------|
| | 2009 | 2010 | 2011 |
| | C\$ | C\$ | C\$ |
| Cash at bank | 39,876 | 218,603 | 172,058 |
| Cash on deposit | 500,000 | 4,120,400 | 402,103 |
| | <u>539,876</u> | <u>4,339,003</u> | <u>574,161</u> |

13. Trade and other payables

| | As at 31 December | | |
|----------------------------------|-------------------|------------------|----------------|
| | 2009 C\$ | 2010 C\$ | 2011 C\$ |
| Trade payables | 91,793 | 105,664 | 76,809 |
| Due to related parties (Note 16) | 212,925 | 981,875 | 886,019 |
| | <u>304,718</u> | <u>1,087,539</u> | <u>962,828</u> |

Trade payables are non-interest bearing and are normally settled on 30-day terms.

14. Share Capital

The authorised share capital of the Company consists of an unlimited number of shares without par value. All shares in issue have been fully paid.

The Company has issued shares of its stock as follows:

| | Number of Shares | Amount C\$ |
|---|---------------------|-------------------|
| As at 1 January 2009 and 31 December 2009 | 27,188,404 | 4,468,681 |
| Issued during the year in respect of the acquisition of MCL | <u>17,775,660</u> | <u>10,132,126</u> |
| As at 31 December 2010 | 44,964,064 | 14,600,807 |
| Issued during the year for: Special warranties | <u>2,389,816</u> | <u>780,391</u> |
| As at 31 December 2011 | <u>47,353,880</u> | <u>15,381,198</u> |

During the year ended 31 December 2010, the Company issued 17,775,660 shares with a fair value of \$0.57 per share as part of the acquisition cost of MCL.

During the year ended 31 December 2011, the Company issued 1,970,500 shares with a value of \$0.30 per share and special warrants of 419,316 with a value of \$0.57 per special warrant. Each special warrant was exercisable into one common share of the Company at no additional cost or consideration and on 1 October 2011, 419,316 common shares were issued pursuant to the conversion of the special warrants.

15. Share based payment reserve

Share option programme (equity-settled)

On 1 August 2011 the Company established a share option programme that entitles key management personnel to purchase shares in the Company. In accordance with these programmes, holders of vested options are entitled to purchase shares at the market price of the shares at the date of grant.

Disclosure of share option programme and replacement awards

The number and weighted average exercise prices of share options are as follows:

| | Weighted average exercise price C\$ | Number of options |
|-------------------------|---|----------------------|
| Granted during the year | <u>0.20</u> | <u>3,750,000</u> |
| | <u>0.20</u> | <u>3,750,000</u> |

Fair value of share options and assumptions

| | | |
|---|----|----------------|
| Fair value at grant date | \$ | 0.20 |
| Share price at grant date | \$ | 0.30 |
| Exercise price | \$ | 0.30 |
| Expected volatility (weighted average volatility) | | 84.85% |
| Option life (expected weighted average life) | | 5 years |
| Weighted average discount rate | | 1.53% |
| Employee expenses – 2011 | \$ | <u>752,000</u> |

16. Related Party Transactions

As at 31 December 2011, \$Nil (\$Nil: 2010, \$46,000: 2009) is due to directors and officers of the Company or corporations controlled by them for directors' and management fees. Any amount owing is included in accounts payable, is unsecured, non-interest bearing and payable on demand.

As at 31 December 2011, corporations with common directors have advanced \$899,250 (\$981,875: 2010, \$212,925: 2009) to the Company to fund operations. Any amount owing is included in accounts payable and borrowings are unsecured, non-interest bearing and payable on demand.

Management fees for the year ended 31 December 2011 of \$411,169 (\$506,000: 2010, \$408,000: 2009) and directors' fees of \$32,668 (\$43,335: 2010, \$63,000: 2009) were incurred with directors and officers of the Company or corporations controlled by them.

Administrative, corporate and secretarial fees for the year ended 31 December 2011, includes an amount of \$Nil (\$21,034: 2010, \$54,777: 2009) for corporate, secretarial and related services provided to its various foreign subsidiaries by a corporation with certain common directors.

Administrative, corporate and secretarial fees for the year ended 31 December 2011, includes an amount of \$Nil (\$47,000: 2010, \$42,000: 2009) for administrative and accounting services provided by a corporation controlled by certain directors and officers of the Company.

Administrative, corporate and secretarial fees for the year ended 31 December 2011 includes an amount of \$Nil (\$8,147: 2010, \$39,382: 2009) for administrative services provided by a corporation with a common director.

Corporate advisory fees for the year ended 31 December 2011 of \$272,024 (\$108,000: 2010, \$Nil: 2009) were incurred with a corporation controlled by certain directors and officers of the Company.

During the year ended 31 December 2010 the Company invested in Mzuri Capital Group Limited (MCG), formerly Mzuri Energy Limited, a company with common directors.

During the year ended 31 December 2011 the Company transferred its investment in MCG and all of the subsidiaries owned in 2010 to MCG as part consideration for the purchase of Mzuri Coal Limited. See notes 8 and 10.

17. Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks as follows:

(i) Interest Rate Risks

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates. Investments in cash equivalents are at fixed interest rates.

(ii) Credit Risks

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and receivables. The risk on the cash accounts is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company's receivables mainly consist of amounts due from the Government of Canada and therefore, the credit risk exposure is low.

(iii) Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The assets or liabilities denominated in currencies other than the functional currency of each of the group entities are insignificant and therefore exposure to foreign exchange risk is minimal.

(iv) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities and needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on terms acceptable to the Company.

18. Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral property and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

In the management of capital, the Company includes the share capital as well as cash and cash equivalents.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize on-going exploration efforts, the Company does not pay dividends.

The Company's investment policy is to limit investments to guaranteed investment certificates, banker's acceptance notes or money market funds with major Canadian banks and treasury bills, selected with regards to the expected timing of expenditures from continuing operations.

The Company's overall strategy remains unchanged from the prior year. The Company is not subject to any externally imposed capital requirements.

19. Supplemental Cash Flow Information

The Company incurred non-cash financing and investing activities during the years ended 31 December 2009, 2010 and 2011 as follows:

| | Year ended 31 December | | |
|---------------------------------------|------------------------|-------------------|----------|
| | 2009 | 2010 | 2011 |
| | C\$ | C\$ | C\$ |
| Non-cash financing activities | | | |
| Issuance of share capital for: | | | |
| MCL acquisition | - | 10,132,126 | - |
| | <u>-</u> | <u>10,132,126</u> | <u>-</u> |
| Non-cash investing activity | | | |
| Disposal of Tanzanian gold properties | - | (400,000) | - |
| Disposal of MCG shares | - | (3,308,433) | - |
| Acquisition of mineral properties | - | 13,840,559 | - |
| | <u>-</u> | <u>10,132,126</u> | <u>-</u> |

20. Subsequent events

a) Kibo Mining Plc transaction

Subsequent to 31 December 2011, Mzuri Energy Holdings Limited (“Mzuri”), the 40% shareholder of Mzuri Energy Limited (“MEL”) has entered into definitive agreements with Kibo Mining Plc for the acquisition of a minimum of 51% of all the issued share capital of MEL. Kibo will acquire no less than 51% of MEL, through its wholly owned subsidiary Morogoro Gold Limited (“Morogoro”) by means of the issue of new shares in Kibo at an issue price of GBP0.03 per new Kibo share.

b) Mbeya Uranium Limited transaction

Subsequent to 31 December 2011, the Company has entered into definitive agreement with Mzuri Uranium Limited for the acquisition of all of the issued share capital of Mbeya Uranium Limited (“Mbeya”). MEL will acquire Mbeya, by means of the issue of 3,000,000 new shares in MEL at an issue price of C\$0.40 per new MEL share.

At the date of these financial statements, both the above transactions are still in progress.

c) The Company intends to issue 1,363,058 shares to settle a loan of \$831,464 between MCG and Rukwa Coal Ltd.

21. Ultimate Controlling Party

The Company’s direct parent company is Mzuri Energy Holdings Limited, a company incorporated in Cyprus. The Company’s ultimate controlling party is Mzuri Capital Group Limited, a company incorporated in Cyprus.

PART 4.4



Half year results for the period ended 31 March 2012

Dated: 21 June 2012

Kibo Mining plc ("Kibo" or the "Company") (AIM: KIBO; AltX: KBO) the mineral exploration and development company focused on gold, nickel, coal and uranium projects in Tanzania, is pleased to announce its unaudited half year results for the period ended 31 March 2012.

Louis Coetzee, CEO of the Company, commented today:

"These interim accounts show an increase in our issued share capital following an equity investment by Mzuri Gold Limited during February. Subsequent to 31 March 2012 the Company announced the signing of two definitive corporate acquisition agreements which will significantly expand and diversify our mineral project portfolios in Tanzania. Most significantly, these agreements provide for the Company to acquire a minimum of 51% interest in a JORC-compliant 109 million tonne (Mt) thermal coal resource for which a Memorandum of Understanding (MOU) with an Asian Conglomerate is in place for the development of a 250-350 megawatt (MW) mine mouth coal fired power station"

Highlights from the Chairman, Christian Schaffalitzky's statement:

- *.....further significant progress in the development of your Company in terms of funding, corporate acquisition, exploration and joint venture activity;*
- *Successful placing in February raised £750,000;*
- *MEL and Mayborn acquisitions will re-position Kibo as a major multi-commodity mineral explorer and developer in Tanzania;*
- *Promising results from its Stage 1 exploration programme are being reported in a separate Operational Update which is being released to coincide with these interim results.*

Chairman's Statement

Dear Shareholder,

I am pleased to present our accounts for the six month period ending 31 March 2012. This period has marked further significant progress in the development of your Company in terms of funding, corporate acquisition, exploration and joint venture activity.

In February the Company undertook a placing for £750,000 to fund its on-going exploration programmes in Tanzania. This placing was fully subscribed to by Mzuri Gold Limited, the Company's largest shareholder. In early April the Company announced that it had signed agreements to acquire a minimum of 51% interest in Canadian company, Mzuri Energy Limited ("MEL") and South African company Mayborn Resource Investments (Pty) Limited ("Mayborn"). These acquisitions, which are currently being completed, bring with them substantial Tanzanian coal and uranium mineral assets and will re-position Kibo as a major multi-commodity mineral explorer and developer in the country. In tandem with these acquisitions, MEL's wholly owned subsidiary, Mzuri Coal Limited ("MCL") has signed an MOU with a major Asian conglomerate for the development of a coal mine and mouth-of-mine coal fired power plant based on the 109 Mt Rukwa coal resource, the major asset in MEL to be acquired by Kibo. In a separate arrangement, Kibo has also entered an MOU with a subsidiary of the major Brazilian Industrial group, Votorantim, for the continuing exploration of its Haneti project. Also on the exploration front, Kibo has been very active during the period and promising results from its Stage 1 exploration programme

are being reported in a separate Operational Update being released to coincide with these interim results.

Corporate

I believe that the acquisition of MEL and Mayborn (“the acquisitions”) provides the Company with attractive mineral assets that will allow it to generate significant value for shareholders over the next few years. The major asset in the portfolio, the Rukwa coal resource, has a JORC-compliant resource of 109 Mt (71 Mt Indicated & 38 Mt Inferred) and is located in an area of southern Tanzania for which the Government is prioritising energy-related mineral project development and associated infrastructure to address the insufficient power generating capacity in the country. This region has seen significant recent investment in coal resources and associated thermal coal power generation, including a US\$3 billion investment by Chinese group Sichuan Hongda in September 2011 (the investment also includes a nearby iron ore mine). The MOU signed between MCL and an Asian Conglomerate, who wishes to remain anonymous pending finalisation of a definitive agreement, represents strong confidence in the development potential of the Rukwa coal resource. The MOU provides for the development of a 250-350 MW coal-fired mouth-of-mine plant which will be constructed over a 3 year period.

The acquisitions also provide Kibo with approx.18,000 km² of early stage uranium and coal prospective tenements (“Pinewood project”) in this region which is experiencing high levels of exploration activity for uranium (as well as coal) following the success of Mantra Resources Mkuju River discovery (now operated by Uranium One). A welcome addition to the Pinewood project is that it comes with £0.7M of exploration funding for initial aerial geophysical surveys. I believe this asset can bring significant additional value to the Company and supports its diversification into the burgeoning energy mineral sector in Tanzania.

On a separate front, the Votorantim MOU is also a welcome development and, contingent on proceeding to a definitive agreement, will allow the Company to accelerate exploration over its nickel-PGM-gold prospective Haneti project for which results to date have been very encouraging. A key provision in the MOU requires Votorantim to expend up to £2.7M on exploration over a three year earn-in phase to earn a 50% interest in the project with an initial spend of £0.5M required by the end of 2012.

Exploration

As well as being very active on the corporate acquisition and joint venture negotiation fronts during the period, Kibo completed its Stage 1 exploration programme on its projects at Lake Victoria, Haneti and Morogoro. I am delighted to report that results are very encouraging and provide the Company with some drill targets for testing during early Stage 2 work which is to commence shortly. The results have also resolved areas for follow up with more detailed surface exploration in order to identify further targets that may warrant drilling in due course. An Operations Update which is being released in conjunction with these Interim Results provides detailed information on the Stage 1 exploration and the results obtained.

In conclusion, I wish to thank Shareholders for their support while we implement the corporate restructuring currently underway that is necessitated by our acquisition of MEL and Mayborn. As you are aware, the Company’s shares remain suspended on AIM to allow us complete this work which I am glad to report is near completion and I anticipate that share trading will recommence before the end of July 2012 with re-admission of the Company to AIM.

Christian Schaffalitzky
Chairman



Kibo Mining Plc

Unaudited condensed consolidated interim statement of comprehensive income
For the six months ended 31 March 2012

| | 6 months to 31 March 2012 | 6 months to 31 March 2011 | 12 months to 30 September 2011 |
|--|---------------------------------|---------------------------------|--------------------------------------|
| Continuing Operations | £ | £ | £ |
| Administrative expenses | (245,410) | (421,132) | (831,342) |
| Write down of exploration costs | - | - | (2,442,897) |
| Share based payments | - | - | (424,570) |
| Operating Loss | (245,410) | (421,132) | (3,698,809) |
| Finance income | 2,372 | - | 7,248 |
| Loss on ordinary activities before tax for the period | (243,038) | (421,132) | (3,691,561) |
| Tax | - | - | - |
| Loss for the period | (243,038) | (421,132) | (3,691,561) |
| Other comprehensive income: | | | |
| Exchange differences on translating foreign operations | (11,988) | (3,657) | (74,656) |
| Other comprehensive income for the period, net of tax | (11,988) | (3,657) | (74,656) |
| Total comprehensive income for the period | (255,026) | (424,789) | (3,766,217) |
| Loss for the period attributable to Owners of the parent | (243,038) | (421,132) | (3,691,561) |
| Total comprehensive income attributable to Owners of the parent | (255,026) | (424,789) | (3,766,217) |
| Loss per share (pence) | <u>0.06</u> | <u>0.15</u> | <u>1.12</u> |
| Headline Loss per share (pence) | 0.06 | 0.15 | 1.12 |

Kibo Mining Plc
Unaudited condensed consolidated interim statement of financial position
As at 31 March 2012

| | 6 months to 31 March 2012 | 6 months to 31 March 2011 | 12 months to 30 September 2011 |
|-------------------------------------|---------------------------------|---------------------------------|--------------------------------------|
| | £ | £ | £ |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | - | 743 | - |
| Intangible assets | 4,391,056 | 6,223,672 | 3,853,550 |
| Total non-current assets | 4,391,056 | 6,224,415 | 3,853,550 |
| Current assets | | | |
| Trade and other receivables | 108,532 | 30,996 | 52,965 |
| Cash and cash equivalents | 862,562 | 568,243 | 937,084 |
| Total current assets | 971,094 | 599,239 | 990,049 |
| Total assets | 5,362,150 | 6,823,654 | 4,843,599 |
| Equity | | | |
| Called up share capital | 3,545,915 | 2,903,439 | 3,231,898 |
| Share premium | 6,285,809 | 5,211,929 | 5,887,327 |
| Translation reserve | (97,152) | (14,165) | (85,164) |
| Share options | 456,820 | 32,250 | 456,820 |
| Retained earnings | (4,997,717) | (1,484,250) | (4,754,679) |
| Total equity | 5,193,675 | 6,649,203 | 4,736,202 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 168,475 | 174,451 | 107,397 |
| Total current liabilities | 168,475 | 174,451 | 107,397 |
| Total equity and liabilities | 5,362,150 | 6,823,654 | 4,843,599 |

Kibo Mining Plc
Unaudited condensed consolidated interim statement of changes in equity
For the six months ended 31 March 2012

| | Share capital | Share premium | Share based payment reserve | Translation reserve | Retained earnings | Total |
|---|------------------|------------------|-----------------------------------|------------------------|----------------------|--------------------|
| | £ | £ | £ | £ | £ | £ |
| Balance at 1 October 2010 | 2,132,295 | 3,533,115 | 32,250 | (10,508) | (1,063,118) | 4,624,034 |
| Other comprehensive income - exchange differences on translating foreign operations | - | - | - | (3,657) | - | (3,657) |
| Loss for the period | - | - | - | - | (421,132) | (421,132) |
| Total comprehensive income | - | - | - | (3,657) | (421,132) | (424,789) |
| Issue of share capital (net of expenses) | 771,144 | 1,678,814 | - | - | - | 2,449,958 |
| Balance at 31 March 2011 | 2,903,439 | 5,211,929 | 32,250 | (14,165) | (1,484,250) | 6,649,203 |
| Balance at 1 April 2011 | 2,903,439 | 5,211,929 | 32,250 | (14,165) | (1,484,250) | 6,649,203 |
| Other comprehensive income - exchange differences on translating foreign operations | - | - | - | (70,999) | - | (70,999) |
| Loss for the period | - | - | - | - | (3,270,429) | (3,270,429) |
| Total comprehensive income | - | - | - | (70,999) | (3,270,429) | (3,341,428) |
| Share based options | - | - | 424,570 | - | - | 424,570 |
| Issue of share capital (net of expenses) | 328,459 | 675,398 | - | - | - | 1,003,857 |
| Balance at 30 September 2011 | 3,231,898 | 5,887,327 | 456,820 | (85,164) | (4,754,679) | 4,736,202 |
| Other comprehensive income - exchange differences on translating foreign operations | - | - | - | (11,988) | - | (11,988) |
| Loss for the period | - | - | - | - | (243,038) | (243,038) |
| Total comprehensive income | - | - | - | (11,988) | (243,038) | (255,026) |
| Issue of share capital (net of expenses) | 314,017 | 398,482 | - | - | - | 712,499 |
| Balance at 31 March 2012 | 3,545,915 | 6,285,809 | 456,820 | (97,152) | (4,997,717) | 5,193,675 |

Kibo Mining Plc
Unaudited condensed consolidated interim statement of cash flow
For the six months ended 31 March 2012

| | 6 months to 31 March 2012 | 6 months to 31 March 2011 | 12 months to 30 September 2011 |
|--|---------------------------------|---------------------------------|--------------------------------------|
| | £ | £ | £ |
| Operating loss for the period | (243,038) | (421,132) | (3,691,561) |
| Adjusted for: | | | |
| Depreciation | - | 563 | 1,306 |
| Investment revenue | (2,372) | - | (7,248) |
| Foreign exchange loss | (11,988) | (3,657) | (74,656) |
| Share based payments | - | - | 424,570 |
| Operating income before working capital changes | | | |
| Change in trade and other receivables | (55,568) | (8,015) | (29,984) |
| Change in trade and other payables | 61,078 | 86,777 | 19,722 |
| Write down of exploration costs | - | - | 2,442,897 |
| Cash generated from Group operations | (251,888) | (345,464) | (914,954) |
| Cash flows from investing activities | | | |
| Expenditure on exploration activities | (537,506) | (257,609) | (330,385) |
| Net cash used in investing activities | (537,506) | (257,609) | (330,385) |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | 712,500 | 749,957 | 1,753,815 |
| Investment Income | 2,372 | - | 7,249 |
| Net cash proceeds from financing activities | 714,872 | 749,957 | 1,761,064 |
| Net increase in cash and cash equivalents | (74,522) | 146,884 | 515,725 |
| Cash and cash equivalents at beginning of period | 937,084 | 421,359 | 421,359 |
| Cash and cash equivalents at end of period | 862,562 | 568,243 | 937,084 |

Kibo Mining Plc
Notes to the unaudited condensed consolidated interim financial statements
For the six months ended 31 March 2012

1. General information

Kibo Mining Plc ("the Company") is a public limited company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Company's shares are listed on the Alternative Investment Market ("AIM") of the London Stock Exchange and from the 30 May 2011 the Alternative Exchange of the Johannesburg Stock Exchange Limited (ALTX). The principal activities of the Company and its subsidiaries are related to the exploration for and development of gold and other minerals in Tanzania.

2. Statement of Compliance and basis of preparation

The Financial Statements are for the six months ended 31 March 2012. They do not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 30 September 2011, which were prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial information is prepared under the historical cost convention and in accordance with the recognition and measurement principles contained within IFRS as endorsed by the EU.

The comparative amounts in the Financial Statements include extracts from the Company's consolidated financial statements for the year ended 30 September 2011. These extracts do not constitute statutory accounts in accordance with the Irish Companies Acts 1963 to 2009.

3. Loss per share

Basic earnings per share

The basic and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

| | 6 months to 31 March 2012 £ | 6 months to 31 March 2011 £ | 12 months to 30 September 2011 £ |
|---|--|--|---|
| Loss for the year attributable to equity holders of the parent | (243,038) | (421,132) | (3,691,561) |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 388,490,167 | 279,596,711 | 331,040,217 |
| Basic loss per ordinary share (pence) | <u>0.06</u> | <u>0.15</u> | <u>1.12</u> |

4. Called up share capital and share premium

Authorised share capital of the company is 800,000,000 ordinary shares of 0.01 euro each.

Details of issued capital are as follows:

| | Number of Shares Ordinary shares of €0.01 each | Nominal Value £ | Share Premium £ |
|---|--|-----------------------|-----------------------|
| At 1 October 2010 | 253,925,874 | 2,132,295 | 3,533,115 |
| Shares issued in period (net of expenses) for cash | 30,666,667 | 269,491 | 480,466 |
| Shares issued in the period (net of expenses) for acquisition of Morogoro Gold Limited | 56,666,667 | 501,653 | 1,198,348 |
| Balance at 31 March 2011 | 341,259,208 | 2,903,439 | 5,211,929 |
| Shares issued in period (net of expenses) for cash | 36,370,303 | 328,459 | 675,398 |
| Balance at 30 September 2011 | 377,629,511 | 3,231,898 | 5,887,327 |
| Shares issued in period (net of expenses) for cash | 37,500,000 | 314,017 | 398,482 |
| Balance at 31 March 2012 | 415,129,511 | 3,545,915 | 6,285,809 |

Review by Qualified Person

The information in this announcement that relates to mineral resources is based on information from a NI 43-101 compliant technical report with an effective date of 19 April 2012 authored by CD van Niekerk, Pr.Sci.Nat. of Gemecs (Pty) Limited in South Africa. CD van Niekerk has at least five years experience within the sector which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a qualified person under the AIM Rules. CD van Niekerk consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Enquiries

| | | | |
|-----------------|--------------------|----------------------|--|
| Louis Coetzee | +27 (0)83 2606126 | Kibo Mining plc | Chief Executive Officer |
| Stuart Laing | +61 8 9480 2506 | RFC Ambrian Limited | Nominated Adviser |
| Andreas Lianos | +27 (0)83 4408365 | River Group | Corporate Adviser and Designated Adviser (AltX) |
| Nick Bealer | +44 (0)207 7109612 | Cornhill Capital Ltd | Broker (Corporate Broking) |
| Matthew Johnson | +44 (0)207 7968829 | Northland Capital | Broker (Assistant Director, Corporate Finance) |
| Matt Beale | +44 (0)7966 389196 | Fortbridge | Public Relations |

General Background & Strategy

Kibo is a public company registered in Ireland (company number 451931). Its registered office is Kibo Mining plc, Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, Ireland. Kibo was established in early 2008 to explore and develop mineral deposits in Tanzania, East Africa and was admitted to AIM on 27 April 2010 and AltX in South Africa on 30 May 2011.

The Board of Kibo is composed of experienced professionals spanning mineral exploration, mine development, mining finance and financial control of public companies. It is supported by well trained and motivated Tanzanian staff that operates from Kibo's exploration offices in Dar es Salaam and Mwanza.

The mineral assets of the Company comprise three existing and two newly acquired projects in Tanzania - Haneti (nickel, platinoid elements and gold), Morogoro (Gold) and Lake Victoria (Gold) which give Kibo access to over 18,000 km² of early stage exploration licences in Tanzania's premier gold mining region, the Lake Victoria Goldfield and within the newly emerging gold exploration regions in eastern Tanzania.

The Company has recently also acquired, subject to certain suspensive closing conditions and approvals, coal and uranium exploration projects as publicly announced on 2 April 2012 in accordance with its multi-commodity exploration strategy.

Kibo's objective is to enhance Shareholder value through acquisition, exploration and development of mineral assets in Tanzania. This objective will be pursued primarily through active exploration, particularly drilling on its current projects and by using the Company's experience in Tanzania to acquire further quality mineral projects on competitive terms that can be quickly evaluated and taken to the next stage of development. Kibo will undertake continual risk assessment of its projects and take whatever actions it believes are necessary to ensure that these risks are mitigated.

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

Part 5 Further Information on the Group's Mineral Rights

1 Mineral Rights and Mining Regulations in Tanzania

A relevant summary of the key mining regulations in Tanzania is set out in Venmyn's CPR in Part 3 of this Admission Document. Set out below are more specific details on the Mineral Rights regime in Tanzania and the Mineral Rights held by the Group.

General

Rights for prospecting or mining for minerals are licenced under the new Mining Act, 2010 (the "Mining Act") in Tanzania which came into force in October, 2010. The Minister of Energy and Minerals (the "Minister") has power to grant, renew, suspend or cancel any licence. However, the Minister is obliged to serve on the licence holder a default notice specifying the grounds on which the licence is liable to be suspended or cancelled indicating a specific period during which the default may be cured. The powers of the Minister or where the law specifies the Commissioner are exercisable in accordance with the powers conferred to them under the Mining Act. A Mineral Right is deemed a requisite and sufficient authority over the land in respect of which the right is granted. However, a separate authority (water grant) is required to divert water. A holder of a Mineral Right is also obliged to seek the prior consent of lawful occupiers before he can exercise his rights under the Mining Act. All licences issued under the Mining Act are referred to as Mineral Rights.

Types of Mineral Rights:

The types of rights which may be granted under the Mining Act include prospecting licence, retention licence, special mining licence, mining licence, gemstone mining licence, primary prospecting licence and a primary mining licence. Primary licences are restricted to Tanzanian citizens or corporate entities whose memberships are composed exclusively of Tanzanian citizens.

Mining Licences, Special Mining Licences and Prospecting Licences:

Mining licences or special mining licences may be applied for by a prospecting licence holder who has established the existence of minerals in commercial quantities. Such applicant is referred to in the Mining Act as an Entitled Applicant. Mining licences are normally granted for a period not exceeding 10 years, and in the case of special mining licences for the estimated life of the ore body, as indicated in the feasibility study report or as the applicant may request, whichever is shorter. Mining licences may be renewed for a further period not exceeding 10 years and in the case of special mining licences for another period not exceeding the estimated life of the remaining ore body, unless the applicant is in default, the development has not proceeded with reasonable speed, minerals in reasonable quantities do not remain to be produced, the intended mining operations do not ensure the proper development of the mineral resources or the applicant has not included the relevant environmental certificate under the Environmental Management Act. There are no special mining licences or mining licences held by the Group therefore this is not applicable for the current intentions of the Group. The Group only holds prospecting licences and applications for the same.

2 Overview of Prospecting Licences

The Group holds fifty eight (58) prospecting licences ("PL") and three (3) prospecting licences with a reconnaissance period ("PLR") (together the "Prospecting Licences"). In addition there are one hundred and ninety seven (197) applications for prospecting licences (the "Applications"). Under the repealed Mining Act of 1998, prospecting licences with an initial prospecting period (PLs) were granted for an initial period of three (3) years with two successive renewal periods of up to two (2) years each, while PLRs were issued for two years, after which an application for a PL could be lodged. As such, the life span of a PL was seven (7) years, and where it had an initial PLR period, then the life span of such a PL would be nine (9) years.

Under the Mining Act, the initial period of prospecting licences is four (4) years, followed by a first renewal period of three (3) years and a second renewal period of two (2) years. The maximum life span of a prospecting licence will therefore be nine (9) years. Under the Mining Act, PLRs have been discontinued and therefore it is likely that Applications for PLRs will be granted as PLs if successful. Where the holder is not in default and at the end of the second renewal period, further period is required to complete a feasibility study already commenced, the prospecting licence may be renewed for such further periods but not exceeding two years required for that purpose.

Renewals lodged on all prospecting licences prior the commencement of the Mining Act will be deemed to have been granted under the Mining Act. As such they will be renewed for two (2) successive periods, of a first period of renewal of not more than three (3) years followed by second renewal period of renewal of not more than two (2) years, according to the Mining Act and not the Repealed Act pursuant to Section 116 of the Mining Act.

The Mining Act stipulates that, in the case of a first renewal the holder of a prospecting licence shall relinquish fifty (50) percent of the area held during the initial prospecting period and a further fifty (50) percent of the balance in the second renewal.

In addition to this, Section 8(6) of the Mining Act provides that a person who owns more than 20 PLs is restricted from being granted any more PLs, unless the cumulative area of all the 20 licences does not exceed 2,000 square kilometers. This particular restriction applies to all individuals, partnerships; companies, partners and shareholders or directors of the partnership or company. However, it will not apply to licences which were granted or applied for, including applications for renewal, prior to the Mining Act coming into force.

Pursuant to section 32 of the Mining Act, unless the holder is in default and the Minister has issued a default notice and given an opportunity to the licence holder to cure the default, the Commissioner is obliged to renew a prospecting licence upon application:

- (a) at the end of the initial prospecting period, or as the case may be, at the end of the first renewal period; and
- (b) at the end of the second renewal period for the period required to complete a feasibility study if applicable.

The Ministry must grant the application for renewal of a prospecting licence not later than six (6) weeks from the date on which the application is made, unless the holder has been issued a notice of default as provided in Section 33(1) of the Mining Act.

Where there are two or more competing applications for a grant of mineral rights over the same area, the person whose application was first registered under the Mining Act, provided there is no reason for disqualification, would be granted the mineral right. However, where applications are received simultaneously, priority between such applications will be determined in accordance with the Mining Act Regulations.

3 Royalties

Royalties are only due on mining licences. In this regard, none of the Group's Mineral Rights will be subject to payment of royalties, as it only consists of Prospecting Licenses. However, in the event that Kibo applies for a mining licences or special mining licenses, it shall be liable to pay to the Government of Tanzania a royalty on the gross value of minerals produced under each mining licence at the following rates:

- in the case of uranium, of five per cent (5%);
- in the case of gemstone and diamond, of five per cent (5%);
- in the case of metallic minerals such as copper, gold, silver, and platinum group minerals, of four per cent (4%); and
- in the case of other minerals, including building materials, salt, all minerals within the industrial minerals group, of three per cent (3%).

4 Status of the Group's Prospecting Licences

The enlarged Group will hold 258 Mineral Rights, being 58 prospecting licences, 3 prospecting licences with reconnaissance period and 197 applications.

The 58 Prospecting Licences are in good standing and validly held by the respective Licence Holders which enjoy exclusive rights to undertake mineral exploration and if viable deposits are found to develop mines at the licensed areas.

Two of the Prospecting Licences with Reconnaissance Period have expired and one is still valid.

Of the 191 Applications for prospecting licences:

- 24 have been processed and granted (subject to payment of preparation fees);
- 159 licences are still being processed;

- 5 have been granted conditionally, pending settlement of outstanding annual rent on various licences held by the applicant; and
- 3 are subject to a bidding process.

The Group actively manages its large portfolio of Mineral Rights. Due to the ongoing process of applications, renewals and relinquishments, the number of Mineral Rights held, and the area covered by such Mineral Rights, changes frequently. Hence, whilst the numbers above can be considered materially accurate as at the date of this document, the exact numbers as at Admission may differ slightly from the numbers above.

There are no provisions under Tanzanian law or regulation in relation to the Mineral Rights which would permit them to be forfeited or otherwise withdrawn in the event of change of ownership.

Part 6 Additional Information

1 Incorporation and Registration

The legal and commercial name of the Company is Kibo Mining plc.

The Company is registered in the Republic of Ireland, having been incorporated on 17 January 2008 under the Companies Acts 1963 to 2006 with registered number 451931 as a public company limited by shares with the name Kibo Mining plc. The liability of the Shareholders is limited.

The registered office of the Company is at Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, Republic of Ireland, and the Company is domiciled in the Republic of Ireland. The Company has no principal place of business in the United Kingdom.

The principal legislation under which the Company operates is the Companies Acts and regulations made thereunder.

The Company's auditors during the period covered by the accountants' reports set out in Part 4 of this document were LHM Casey McGrath who are members of the Association of Chartered Certified Accountants in Ireland.

2 Subsidiaries

On Admission, Kibo will have the following material subsidiaries:

| Subsidiary | Country of registration | Registration number | Registered address | Kibo's beneficial ownership & voting interest |
|-----------------------------|-------------------------|---------------------|---|---|
| Sloane Developments Limited | England and Wales | 4425405 | Bridge House, 4 Borough High Street, London SE1 9QR | 100% |
| Morogoro Gold Limited | Cyprus | HE247089 | 57 Kolonakiou Street, 4103, Limassol, Cyprus | 100% |

On Admission, Sloane Developments Limited ("Sloane") will have the following material subsidiaries:

| Subsidiary | Country of registration | Registration number | Registered address | Sloane's beneficial ownership & voting interest | Kibo's beneficial ownership & voting interest |
|------------------------------|-------------------------|---------------------|--|---|---|
| Aardvark Exploration Limited | Tanzania | 57248 | Amani Place, Plot No. 1008/1 & 2, 10th Floor, Wing "A", Ohio Street, Dar es Salaam, Tanzania | 100% | 100% |
| Eagle Gold Mining Limited | Tanzania | 30477 | Amani Place, Plot No. 1008/1 & 2, 10th Floor, Wing "A", Ohio Street, Dar es Salaam, Tanzania | 100% | 100% |

On Admission, Morogoro Gold Limited ("Morogoro") will have the following material subsidiaries:

| Subsidiary | Country of registration | Registration number | Registered address | Morogoro's beneficial ownership & voting interest | Kibo's beneficial ownership & voting interest |
|------------|-------------------------|---------------------|-----------------------|---|---|
| Jubilee | Tanzania | 31207 | Amani Place, Plot No. | 100% | 100% |

| | | | | | |
|--|--------------|-----------------|--|------|------|
| Resources Limited | | | 1008/1 & 2, 10th Floor, Wing "A", Ohio Street, Dar es Salaam, Tanzania | | |
| Savannah Mining Limited | Tanzania | 31216 | Amani Place, Plot No. 1008/1 & 2, 10th Floor, Wing "A", Ohio Street, Dar es Salaam, Tanzania | 100% | 100% |
| Mzuri Energy Limited | Canada | BC0816729 | 19 th Floor, 885 West Georgia Street, Vancouver, British Columbia, V6C 3H4 | 100% | 100% |
| Mayborn Resource Investments (Pty) Limited | South Africa | 2008/002378 /07 | 225 Veale Street, Nieuw Muckleneuk, Pretoria | 100% | 100% |

On Admission, Mzuri Energy Limited ("Mzuri Energy") will have the following material subsidiaries:

| Subsidiary | Country of registration | Registration number | Registered address | Mzuri Energy's beneficial ownership & voting interest | Kibo's beneficial ownership & voting interest |
|-----------------------|-------------------------|---------------------|--|---|---|
| Mzuri Coal Limited | Cyprus | HE217059 | 26 Nikou Pattichi Street, 3071, Limassol, Cyprus | 100% | 100% |
| Mbeya Uranium Limited | Cyprus | 256881 | 37 Kolonakiou Street, 4103, Limassol, Cyprus | 100% | 100% |

On Admission, Mzuri Coal Limited ("Mzuri Coal") will have the following material subsidiaries:

| Subsidiary | Country of registration | Registration number | Registered address | Mzuri Coal's beneficial ownership & voting interest | Kibo's beneficial ownership & voting interest |
|---------------------|-------------------------|---------------------|---|---|---|
| Rukwa Coal Limited | Tanzania | 72191 | Waterfront Building, 7 th Floor, Sokoine Street, Ilala District, Dar es Salaam, Tanzania | 100% | 100% |
| Mzuri Power Limited | Cyprus | 252839 | 37 Kolonakiou Street, 4103, Limassol, Cyprus | 100% | 100% |

On Admission, Mbeya Uranium Limited ("Mbeya Uranium") will have the following material subsidiaries:

| Subsidiary | Country of registration | Registration number | Registered address | Mbeya Uranium's beneficial ownership & voting interest | Kibo's beneficial ownership & voting interest |
|------------|-------------------------|---------------------|--------------------|--|---|
|------------|-------------------------|---------------------|--------------------|--|---|

| | | | | | |
|-----------------------------|----------|-------|--|------|------|
| Pinewood Resources Limited | Tanzania | 36528 | Amani Place, Plot No. 1008/1 & 2, 10th Floor, Wing "A", Ohio Street, Dar es Salaam, Tanzania | 100% | 100% |
| Makambako Resources Limited | Tanzania | 72190 | Amani Place, Plot No. 1008/1 & 2, 10th Floor, Wing "A", Ohio Street, Dar es Salaam, Tanzania | 100% | 100% |

3 Irish Takeover Rules

The Company will be subject to the Irish Takeover Rules and mandatory bid, squeeze-out and buy-out rules will apply.

3.1 Mandatory bid

The Irish Takeover Rules will apply to the Company. Under the Irish Takeover Rules, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30% or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding shares at a price not less than the highest price paid for the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30% and 50% of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights by 0.05%.

3.2 Squeeze-out

Under the Companies Acts, if an offeror were to acquire 80% of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 20%. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, unless the High Court of Ireland determine otherwise, one month later it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding shareholders. Where the offeror already owns more than 20% of the Company at the time that the offeror makes an offer for the balance of the shares, then the compulsory acquisition rights only apply if the offeror acquires at least 80% of the remaining shares which also represent at least 75% in number of the holders of the accepting shareholders.

3.3 Buy-out

The Companies Acts also give minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all of the Ordinary Shares in the Company and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 80% of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by written communication to the offeror require it to acquire those shares. The offeror would be required to give any shareholder notice of his rights to be bought out within one month of that notice arising.

3.4 Substantial acquisition rules

The Substantial Acquisition Rules are designed to restrict the speed at which a person may increase a holding of voting securities (or rights over such securities) of a company which is subject to the Irish Takeover Rules, including the Company. The Substantial Acquisition Rules prohibit the acquisition by any person (or persons acting in concert with that person) of shares or rights in shares carrying 10% or more of the voting rights in the Company within a period of seven calendar days if that acquisition would take that person's holding of voting rights to between 15% and 30% of the voting rights in the Company.

3.5 Irish merger control legislation

Under Irish merger control legislation, any person or entity proposing to acquire direct or indirect control of the Company through the acquisition of Ordinary Shares or otherwise must, subject to various exceptions and if various financial thresholds are met or exceeded, provide advance notice of such acquisitions to the Irish Competition Authority. Failure to notify properly is an offence under Irish law. The Competition Act, 2002 of Ireland, as amended, defines "control" as existing if, by reason of securities, contracts or any other means, decisive influence is capable of being exercised with regard to the activities of a company. Under Irish law, any transaction subject to the mandatory notification obligation set out in the legislation (or any transaction which has

been voluntarily notified to the Irish Competition Authority) will be void, if put into effect before the approval of the Irish Competition Authority is obtained or before the prescribed statutory period following notification of such transaction lapses without the Irish Competition authority having made an order.

4 Disclosure requirements and notification of interests in Shares

Under Irish company law, where any person acquires an interest in 5% or more of the issued voting share capital of any class of an Irish public limited company, such person must notify the company in the prescribed manner and normally within five business days, of his interest and of certain information relating to that interest. Notification must also be made of any change in the percentage level of a person's interest above 5% and any reduction to his or her interest to less than 5%. Any interest, whether direct or through a spouse, minor child or company which the person in question is deemed to control or, in certain circumstances, other persons with whom he is acting in concert, would be regarded as an interest in shares for this purpose. Failure to notify punctually and properly is an offence under Irish company law. Additionally, Irish law provides that no right or interest whatsoever in respect of any of the relevant shares will be enforceable, whether directly or indirectly, by action or legal proceeding by the person having such an interest should they fail to notify the company of such interest. Application may be made to the Irish High Court to remove this restriction, and if the court is satisfied that the failure to notify was accidental or due to inadvertence or that it is just and equitable to grant relief then the Court may grant such relief as it sees fit. The Company is obliged to keep a register showing all notifications received and to keep it open for inspection by the public.

5 The City Code

The Company is incorporated in Ireland, has its head office and place of central management in Ireland and is resident in Ireland. Accordingly, transactions in Shares of the Company will not be subject to the provisions of the City Code on Takeovers and Mergers (the "City Code"). There are, however, provisions under Irish law and regulation applicable to the Company that are similar or analogous to certain provisions of the City Code, as described in Section 3 of this Part 6.

6 Securities being admitted

The Ordinary Shares are ordinary shares of €0.01 each in the capital of the Company and were issued in Euros.

The Ordinary Shares may be held in certificated form or under the CREST or STRATE system, which are paperless settlement procedures enabling securities to be evidenced and transferred, otherwise than by a written instrument in accordance with the CREST and STRATE Regulations. The Registrars are responsible for keeping the Company's register of members.

The voting and dividend rights attaching to the Ordinary Shares are set out in Section 9 of Part 6.

The Shares have no right to share in the profits of the Company other than through a dividend, distribution or return of capital; further details of which are set out in Sections 9.7, and 9.12 of this Part 6 of this Admission Document.

Each Ordinary Share is entitled on a *pari passu* basis with all other issued Ordinary Shares to share in any surplus on a liquidation of the Company.

The Ordinary Shares have no redemption or conversion provisions.

The Ordinary Shares are freely transferable provided that such shares are fully paid and the instrument of transfer is duly stamped.

Details of rules relating to mandatory takeover bids or squeeze-out or sellout rules under the Companies Acts are set out in Sections 3 of this Part 6.

No person has made a public takeover bid for the Company's issued share capital since its incorporation.

A Shareholder is required pursuant, to Rule 5 of the Disclosure and Transparency Rules, to notify the Company when he acquires or disposes of a major proportion of the voting rights of the Company equal to or in excess of 3 per cent. of the nominal value of that share capital.

7 Share Capital

On incorporation, the Company had an authorised share capital of €4,000,000 divided into 400,000,000 ordinary

shares of €0.01 each of which 40,000 were issued, fully paid, to the subscribers to the memorandum of association of the Company. Between incorporation and the suspension of trading on AIM and JSE AltX of the Company's Ordinary Shares, the issued share capital of the Company increased to 415,129,511 Ordinary Shares of €0.01 each. On Admission the Company's authorised share capital will be €30,000,000 divided into 3,000,000,000 Ordinary Shares of €0.01 each, with the number that will be issued and fully paid set out in Section 9 of Part 1.

No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

Save as disclosed in this document, no share capital or loan capital of the Company is now proposed to be issued, either fully or partly paid or for cash or any other consideration, or is under option or is agreed conditionally or unconditionally to be put under option.

By resolution passed on 31st May 2012, the Directors were generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 20 of the Companies (Amendment) Act, 1983) provided that such power shall be limited to the allotment of relevant securities up to a maximum aggregate nominal value equal to the nominal value of the authorised but unissued ordinary share capital of the Company from time to time. The authority hereby conferred shall expire on the date of the next annual general meeting of the Company held after the date of passing of this resolution, unless previously revoked, renewed or varied by the Company in general meeting, save that the Company may before such expiry date make an offer or agreement which would or might require relevant securities to be allotted after such authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired..

By resolution passed on 31st May 2012 the Directors were empowered pursuant to Sections 23 and 24 (1) of the Companies (Amendment) Act, 1983 to allot equity securities (within the meaning of the said Section 23) for cash pursuant to the authority conferred by the resolution referred to in the paragraph above as if the said Section 23 does not apply to any such allotment. This power is limited to the allotment of equity securities (including, without limitation, any shares purchased by the Company pursuant to the provisions of the Companies Act, 1990 and held as treasury shares) up to a maximum aggregate nominal value equal to the nominal value of the authorised but unissued ordinary share capital of the Company from time to time. This authority expires at the conclusion of the next annual general meeting of the Company held after the date of passing of this resolution, save that the Company may before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the power hereby conferred had not expired.

Except as disclosed in this document:

- (a) the Company does not have in issue any securities not representing share capital; and
- (b) there are no outstanding convertible securities issued by the Company.

The Shares, Warrants and Options that Kibo will have in issue at Admission are detailed in Section 9 of Part 1 of this Admission Document. The Shares are currently traded on the AIM market of the London Stock Exchange and the AltX, a separate Board of the JSE. Application for Admission is being made in respect of all of the Company's Ordinary Shares. On Admission, the Shares on issue will rank *pari passu* in all respects.

The ISIN code for the Shares is IE00B61XQX41.

8 Share Option Plan

In 2011 the Company adopted a share option plan (the "Plan"). The terms of the Plan include, *inter alia*:

- (a) The Plan is available to any eligible employee of any member of the Group and to such other persons as are nominated and approved by the Board in its absolute discretion;
- (b) No option shall be granted more than 10 years after the adoption of the Plan;
- (c) Until otherwise resolved by the Company in general meeting or where the Plan is amended in accordance with its terms the number of shares for which options may be granted under the Plan on any day shall not, for the duration of the ESOP, when added to the number of shares which immediately prior to that day shall have been or remain to be issued pursuant to options granted under the Plan or any other share option scheme established by the Company, exceed 10 per cent of the number of shares in the Company for the time being in issue and the maximum number of shares

the subject of unexercised options held by any individual option holder under the Plan or any other share option scheme established by the Company shall not for the duration of the Plan exceed in aggregate 2 per cent of the number of shares in the Company for the time being in issue;

- (d) The option price in relation to an option shall be determined by the Board, but shall not be less than the greater of the nominal value of a share or the market value of a share on the date of grant; and
- (e) The Plan may be terminated at any time by ordinary resolution of the Company and shall in any event terminate on the tenth anniversary of its adoption date.

9 Memorandum and Articles of Association

The objects of the Company allow it to act as a holding company and are set out in Clause 2 of the Memorandum of Association of the Company.

The Articles of the Company which were adopted pursuant to a written resolution of the members of the Company passed on 9 February 2008 and amended by resolutions of the members of the Company passed on 30 December 2010 and on 31 May 2012 contain, inter alia, the following rights attaching to the Ordinary Shares:

9.1 Rights attaching to Ordinary Shares

- (a) The Ordinary Shares shall rank *pari passu* in all respects save as otherwise provided in the Articles. The holders of the Ordinary Shares shall have the right to receive notices of and to attend and vote at any general meeting of the Company. On a return of capital on liquidation or otherwise, the assets of the Company available for distribution among the members of the Company shall belong to the holders of the Ordinary Shares *pari passu* according to the number of Ordinary Shares held by them.
- (b) At any general meeting of the Company, votes may be given either personally or by proxy. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person and every proxy shall have one vote, so, however, that no individual shall have more than one vote, and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

9.2 Restriction of voting rights

If at any time the Directors shall determine a holder(s) has failed to pay any call or instalment at the time appointed for payment thereof or, if the holder(s) has failed to comply with the requirements relating to Disclosure of Beneficial Ownership contained in the Articles or in section 81 of the Companies Act 1990 to the satisfaction of the Directors, the Directors may serve a notice (a "Restriction Notice") to such effect on the holder(s). Upon the expiry of 14 days from the service of a Restriction Notice no holder(s) of the share(s) specified therein shall be entitled to attend, speak or vote, either personally, by representative or by proxy, at any general meeting, for so long as the Restriction Notice remains in force.

9.3 Variation of class rights

Subject to the Companies Acts, the rights attached to any Class of shares for the time being forming part of the capital of the Company may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of three fourths of the issued shares in that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.

9.4 Transfers of Shares

- (a) The Board may, in its absolute discretion and without giving any reason, refuse to register a transfer of any share which is not fully paid up, subject to a lien, relates to more than one class of shares, is in favour of more than 4 joint holders as transferees or which is subject to disenfranchisement in accordance with Article 67 of the Articles. Where a Restriction Notice has been served and the shares to which it relates represent not less than 0.25 per cent. of the class of shares concerned, the Directors shall be entitled in certain circumstances to refuse to register a transfer of any of the shares in question or a renunciation of any allotment of new shares or debentures made in respect thereof.
- (b) Shares in the capital of the Company shall be transferred by instrument of transfer in any usual or common form or any other form as shall be approved by the Board. Subject to the Regulations, the Board may permit the holding of shares in any class in uncertificated form and the transfer of title to shares in that class by means of a relevant system (as defined in such Regulations) and may determine that any class of shares shall cease to be a participating security.

9.5 Disclosure of beneficial ownership

Any Director may at any time and from time to time if, in his absolute discretion, he considers it to be in the

interests of the Company give a notice to the holder or holders of any share (or any of them) requiring such holder or holders to notify the Company in writing within such period as may be specified in such notice (which shall not be less than 14 days from the date of service of such notice) of full and accurate particulars of: his interest in such share; the interests of all other persons having any beneficial interest directly or indirectly in the share; and any arrangements entered into regarding the transfer of such share or any interest therein or to act in any particular way at any meeting of the Company.

9.6 Directors

A. Rotation of Directors

At the annual general meeting of the Company in each year one-third of the Directors for the time being, or if their number is not three or a multiple of three then the number nearest to but not exceeding one-third, shall retire from office. A retiring Director shall retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire. The Directors to retire in every year shall be the Directors who have been longest in office since their last election or appointment. As between Directors of equal seniority, those to retire shall (unless they otherwise agree among themselves) be determined from among them by lot. A retiring Director shall be eligible for re-election.

B. Remuneration of Directors

The emoluments of any Executive Director shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.

Non-Executive Directors shall be paid a fee at such rate as may from time to time be determined by the Board. Any Non-executive Director who at the request of the Board goes or resides abroad for any purpose of the Company or otherwise performs special services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine.

The Directors (or their appointed alternate) shall be entitled to be paid all expenses properly incurred by them in attending general meetings or Meetings of the holders of any class of shares or meetings of the Board or Committees of the Board or otherwise in or with a view to the performance of their duties.

C. Executive Directors

The Board may from time to time appoint one or more of their number to be the holder of any executive office (including that of executive Chairman or Deputy Chairman) on such terms and for such period as they think fit and, subject to the terms of any contract between him and the Company, may at any time revoke any such appointment.

D. Qualifying Shares

There is no share qualification for a Director.

E. Proceedings of Directors

The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they may think fit. Until otherwise determined, the quorum necessary for the transaction of the business of the Directors shall be two. Questions arising at any meeting shall be decided by a majority vote. In the case of an equality of votes, the Chairman of the Meeting shall have a casting vote.

F. Disclosure of interests and voting rights

A Director who is any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the 1963 Act. Save as set out below, a Director shall not vote in respect of any transaction in which he

has any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution from which he is debarred from voting. A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum in respect of any resolution concerning any of the following matters, namely: (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company or any of its subsidiaries; (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; (c) any contract by him to underwrite shares or debentures or other obligations of the Company or any other company which the Company may promote or be interested in; (d) any transaction concerning any other corporation in which he is interested, directly or indirectly and whether as a officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 26 of the 1990 Act) is not beneficially interested in 1 per cent or more of the issued shares of any class of such a corporation (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant corporation (any such interest being deemed for this purpose to be a material interest in all circumstances); (e) any act or thing done or to be done in respect of any scheme or arrangement to provide retirement or death benefits which has been approved by or is subject to and conditional upon approval by the Revenue Commissioners for taxation purposes; (f) any matter connected with an employees' share scheme or any share incentive or share option scheme, other than the allocation to him of any share or the grant to him of any option over any share or any other matter concerning his individual participation in any such scheme; or (g) any matter connected with the purchase or maintenance for any Director of insurance against any liability.

9.7 Dividends

The Company may by ordinary resolution declare dividends to be paid but no dividends shall exceed the amount recommended by the Board. Where a Restriction Notice has been served and the shares to which it relates represent not less than 0.25 per cent. of the class of shares concerned, the Directors shall be entitled to withhold payment of any dividend or other amount payable in respect thereof.

9.8 Borrowing powers

The Board may exercise all the powers of the Company to borrow money or to guarantee and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

9.9 General meetings

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notices calling it. Pursuant to the Companies Acts, at least twenty-one clear days prior to each annual general meeting, a printed copy of the Directors' and auditors' reports, accompanied by the balance sheet (including every document required by law to be annexed thereto) of the Company, shall be sent to every member of the Company. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Directors may convene general meetings. General meetings may also be convened on such requisition, or in default may be convened by such requisitionists and in such manner as may be provided by the Companies Acts. Subject to the provisions of the Companies Acts allowing a general meeting to be called by shorter notice, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice and all other extraordinary general meetings shall be called by at least fourteen clear days' notice. The holders of Ordinary Shares shall have the right to receive notices of and to attend and vote at any general meeting of the Company. A Director shall, notwithstanding that he is not a Shareholder, be entitled to receive notice of and to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company. The auditors of the Company shall be entitled to attend any general meeting and to be heard on any part of the business of the meeting which concerns them as the auditors.

9.10 CREST and STRATE

CREST and STRATE are paperless settlement systems enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST and STRATE membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form.

9.11 Restrictions on changes in control, mergers, acquisitions or corporate restructuring of the Company

There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change in control of the Company or that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company.

9.12 Distribution of assets on a winding up

If the Company shall be wound up the liquidator may, with the sanction of a special resolution of the Company and with any other sanction required by the Acts, divide amongst the shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

9.13 Ownership threshold requiring public disclosure

The Company is not subject to the UK Disclosure and Transparency Rules (“DTR”) and there are no provisions in the Articles governing the threshold above which shareholder ownership must be disclosed. However, the Company is subject to the provision of the Companies Acts requiring public disclosure of shareholdings, which set out disclosure obligations for shareholdings above 5% (see Section 4 of this Part 6) compared to the 3% disclosure threshold set out in the DTR.

10 South African Exchange Control Regulations

On listing on the JSE AltX, Kibo obtained South African Reserve Bank (“SARB”) approval for the secondary listing of its ordinary shares on the JSE AltX.

The SARB approval specifically provided the following:

- the approval of the inward listing of Kibo on the JSE AltX;
- confirmation that Kibo meets the criteria of an “African Company” as defined in Section W 7.9.2 of the “Exchange Control Rulings” of SARB and is therefore treated as such; and
- Kibo’s South African shareholders will be treated according to the provisions of Section H.(A) of the Exchange Control Rulings following the secondary listing of Kibo on the JSE AltX.

Upon the listing of Kibo’s shares on the JSE AltX the “Exchange Control Regulations” of SARB provided for in Section W of the Exchange Control Rulings will apply to the acquisition of Kibo’s shares by South African residents.

The following is a summary of the Exchange Control Regulations insofar as they have application to Shareholders in relation to the holding of Kibo shares. This summary description is intended as a guide only and is therefore not comprehensive. If you are in any doubt you should consult an appropriate professional advisor immediately.

South African corporates, trusts, partnerships and private individuals

South African corporates, trusts, partnerships and private individuals may invest in inward listed instruments without restriction.

Consequently, an acquisition of Kibo shares by a South African corporate, trust, partnership or private individual will not affect such person’s offshore investment and such person need not take any additional administrative actions and can instruct its broker to accept, buy and sell inward listed common shares on its behalf in Kibo as it would with any other listed security on the JSE AltX.

South African institutional investors

South African retirement funds, long-term insurers, collective investment scheme management companies and investment managers who have registered with the SARB as institutional investors for Exchange Control purposes are entitled to a foreign portfolio investment allowance. South African institutional investors are allowed to invest in inward listed shares without affecting their permissible foreign portfolio investment allowance.

Member brokers of the JSE

In terms of Section W 7.9.5 of the SARB Exchange Control Rulings, a special dispensation was provided to local brokers to facilitate the trading in shares of inward listed companies. South African brokers are now allowed, as a

book building exercise, to purchase Kibo shares offshore and to transfer them to Kibo's South African share register. This special dispensation is confined to shares of inward listed companies and brokers may warehouse such shares for a maximum period of 30 days only.

Exchange Control provisions applicable to South African residents in respect of acquisition issues and rights issues by African companies that are listed on the JSE AltX

Foreign companies are, upon application, allowed to use their shares as acquisition currency. South African institutional investors, authorised dealers, corporates, trusts, partnerships and private individuals may accept such shares without restriction.

South African institutional investors, authorised dealers, corporates, trusts, partnerships and private individuals may exercise their rights in terms of a rights offer without restriction.

Movement of Kibo shares between registers

Kibo shares are fully fungible and may be transferred between registers. South Africans may only acquire Kibo shares, via the JSE AltX, that are already on the South African branch register maintained by Kibo's transfer secretaries. Member brokers of the JSE may acquire shares on foreign exchanges and transfer Kibo shares to the South African register as set out above. Non-residents are not subject to Exchange Control Regulations and may freely transfer Kibo shares between branch registers.

11 Corporate Governance

The following outlines the main corporate governance practices that have been adopted by the Board.

The Company is not subject to the UK Corporate Governance Code applicable to companies listed on the Official List. In addition, there is no distinct Irish corporate governance regime for companies whose shares are traded on AIM and AltX. The Company does, however, intend, in so far as is practicable given the size and nature of the Company and the constitution of the Board, to comply with the Corporate Governance Guidelines for AIM and JSE AltX Companies (the "QCA Guidelines") as published by the Quoted Companies Alliance (the "QCA").

The QCA Guidelines were devised by the QCA, in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. An alternative code was proposed because the QCA considered the Combined Code on Corporate Governance to be inappropriate to many AIM companies.

The QCA Guidelines state "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The guidelines set out a code of best practice for AIM companies. Those guidelines require, among other things, that:

- (a) certain matters be specifically reserved for the board's decision;
- (b) the board should be supplied in a timely manner with information (including regular management financial information) in a form and of a quality appropriate to enable it to discharge its duties;
- (c) the board should, at least annually, conduct a review of the effectiveness of the Company and its subsidiaries' system of internal controls and should report to shareholders that they have done so;
- (d) the roles of chairman and chief executive should not be exercised by the same individual or there should be a clear explanation of how other board procedures provide protection against the risks of concentration of power within the company;
- (e) a company should have at least two independent non-executive directors and the board should not be dominated by one person or group of people;
- (f) all directors should be submitted for re-election at regular intervals subject to continued satisfactory performance;
- (g) the board should establish audit, remuneration and nomination committees;
- (h) there should be a dialogue with shareholders based on a mutual understanding of objectives.

At Admission, the Board will consist of 2 Executive Directors and 6 Non-Executive Directors. Major corporate decisions of the Company are subject to Board approval.

An audit committee, comprising Christian Schaffalitzky, Wenzel Kerremans and Cecil Bond has been established to operate with effect from Admission. The audit committee will determine the application of financial reporting and internal control principles, including reviewing the effectiveness of the Group's financial reporting, internal control and risk management procedures and the scope, quality and results of the external audit. Wenzel Kerremans will chair the audit committee.

A remuneration committee, comprising Christian Schaffalitzky, Desmond Burke, Tinus Maree and Bernard Poznanski has also been established to operate with effect from Admission. It will review the performance of the executive directors and will set their remuneration, determine the payment of bonuses to executive directors and consider bonus and option schemes. Each of the executive Directors will take no part in discussions concerning their remuneration. The remuneration committee is chaired by Christian Schaffalitzky. The remuneration of the non-executive Directors will be reviewed by the board.

The Company will ensure, in accordance with and subject to the provisions of Rule 21 of the AIM Rules and JSE Listings Requirements, that the Directors and applicable employees shall not deal in any of the Ordinary Shares during a close period (as defined in the AIM Rules and JSE Listings Requirements) and will take all reasonable steps to ensure compliance by the Directors and applicable employees with Rule 21.

12 Directors' Holdings and Other Interests

12.1 Directors' interests

A. Interests in share capital

As at the date of this document, and as expected at Admission, the holdings of the Directors and Proposed Directors and any other applicable employee of the Company (as defined in the AIM Rules and JSE Listings Requirements), and their spouses, civil partner or children under the age of eighteen years, in the share capital of the Company or a related financial product referenced to the Shares: (i) which would be required to be notified by the Company pursuant to Rule 17 of the AIM Rules and JSE Listings Requirements; or (ii) are holdings of a person connected (within the meaning of section 252 of the UK Companies Act 2006 (as amended)) with a Director which would, if the connected person were a Director, be required to be disclosed under (i) above and the existence of which is known to, or could with reasonable diligence be ascertained by, the Directors and Proposed Directors are as follows:

| Director | Number of Existing Shares held | % of Existing Shares | Number of Shares at Admission | % of Shares at Admission | Number of Options |
|-------------------------|--------------------------------|----------------------|-------------------------------|--------------------------|--------------------------|
| Christian Schaffalitzky | 25,336,976 ⁽¹⁾ | 6.1% | 25,336,976 | 2.3% | 1,500,000 ⁽⁷⁾ |
| Louis Coetzee | 5,178,333 ^{(2),(6)} | 1.2% | 41,439,936 ⁽⁸⁾ | 3.7% | 1,500,000 ⁽⁷⁾ |
| Noel O'Keeffe | 9,582,577 ⁽³⁾ | 2.3% | 9,582,577 | 0.9% | 1,500,000 ⁽⁷⁾ |
| Desmond Burke | 12,000,000 ⁽⁴⁾ | 2.9% | 12,000,000 | 1.1% | 1,500,000 ⁽⁷⁾ |
| William Payne | 666,667 ⁽⁵⁾ | 0.2% | 666,667 | 0.1% | 1,500,000 ⁽⁷⁾ |
| Tinus Maree | 0 ⁽⁶⁾ | 0% | 14,882,439 ⁽⁹⁾ | 1.3% | 1,500,000 ⁽⁷⁾ |
| Wenzel Kerremans | 0 | 0% | 0 | 0% | 1,500,000 ⁽⁷⁾ |
| Cecil Bond | 0 ⁽⁶⁾ | 0% | 11,742,534 ⁽¹⁰⁾ | 1.0% | 0 |
| Bernard Poznanski | 0 ⁽⁶⁾ | 0% | 2,514,936 ⁽¹¹⁾ | 0.2% | 0 |
| Total | 52,764,553 | 12.7% | 118,166,066 | 10.5% | 10,500,000 |

The number of Options as shown in the last column of the table above is as are held currently and as will be held immediately following Admission. The Directors and the Proposed Directors do not hold any Warrants in the Company.

- Of these Shares, 9,405,000 are held indirectly by Crosslane Ltd, a family trust. The remaining 15,931,976 are held directly by Mr Schaffalitzky.
- These Shares are held indirectly by Mr Coetzee, through Boulder Mining Ltd, of which Mr Coetzee is a director and beneficial shareholder.

3. Of these Shares, 233,480 are held indirectly by Suzanne O'Keeffe, spouse of Mr O'Keeffe. The remaining 9,349,097 are held directly by Mr O'Keeffe.
4. Held directly by Mr Burke.
5. Held directly by Mr Payne.
6. As noted in Section 11 of Part 1, Mzuri Group is a significant shareholder of Kibo. Mr Tinus Maree and Mr Louis Coetzee are all directors of Mzuri Capital Group Limited. Furthermore, Mr Cecil Bond and Mr Bernard Poznanski are both directors of Mzuri Energy. Whilst not attributed to them in the above table, each of these Directors has an additional indirect interest in Kibo through their relationship with Mzuri Group, which currently holds 104,000,000 Shares and is expected to hold 253,000,000 Shares immediately following Admission.
7. The Options are all held directly by the relevant Director, are unlisted and exercisable at £0.0388 on or before 31 March 2016.
8. Mr Coetzee's interest in Shares will increase by 36,261,603 which will be held indirectly through Zandleigh Ltd and Tsitato Trading Ltd, entities in which Mr Coetzee's spouse has a beneficial interest, and will be received pursuant to the Acquisitions by virtue of these entities' shareholdings in Mzuri Energy and Mayborn respectively and also pursuant to the in specie distribution by Mzuri Group, of which Tsitato Trading Ltd is also a shareholder.
9. These Shares are held indirectly by Mr Maree, through Altyd Limited, in which Mr Maree's spouse has a beneficial interest, and will be received pursuant to the in specie distribution by Mzuri Group, of which Altyd Limited is a shareholder. Also as noted in Section 11 of Part 1, Mr Maree is a director of River Capital Partners (Pty) Ltd and River Capital Group (Pty) Ltd which between them will receive a total of 4,170,104 Kibo Shares pursuant to the Acquisitions by virtue of their shareholdings in both Mayborn and Mzuri Energy. Whilst not attributed to him in the above table, Mr Maree will also have an indirect interest in the Shares that will be held by River Goup.
10. These Shares will be held directly by Mr Bond, and received pursuant to the Acquisitions by virtue of his shareholdings in Mayborn and Mzuri Energy and also pursuant to the in specie distribution by Mzuri Group, of which he is also a shareholder.
11. These Shares will be held indirectly by Mr Poznanski's wife, Julie Poznanski, and received pursuant to the Acquisitions by virtue of her shareholding in Mayborn and Mzuri Energy and also pursuant to the in specie distribution by Mzuri Group, of which she is also a shareholder

Save as disclosed above, at the date of this document, no Director, or any connected person, has any interest, beneficial or otherwise, in the share or loan capital of the Group.

No loan or guarantee has been granted or provided to or for the benefit of any Director by the Group.

The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

B. Transactions, assets, contracts or arrangements

Other than as described below, no Director has, or has had, any direct or indirect interest in any:

- transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which has been effected in the current or immediately preceding financial period or was effected during any earlier financial period and remains in any respect outstanding or unperformed;
- asset which has been acquired or disposed of by, or leased to, any member of the Group or which is proposed to be so acquired, disposed of, or leased; or
- contract or arrangement existing at the date of this Admission Document which is significant to the business of the Group.

Mzuri Exploration Services Ltd, a company with which Kibo pays fees pursuant to an exploration services management agreement (as described in Section 13.7 of this Part 6), is owned by Mzuri Group. As described

previously, Louis Coetzee and Tinus Maree have an interest in Mzuri Group as directors and beneficial shareholders.

C. Directors' and Proposed Directors' Service Contracts, Letters of Appointment and Emoluments

Each of the Directors and Proposed Directors has entered into a service contract or letter of appointment with the Group (generally through the Group entity Morogoro Gold Ltd rather than the Company) conditional on and effective from Admission as follows:

(a) Christian Schaffalitzky

Mr Schaffalitzky shall, conditional on Admission, execute a director's appointment letter with Morogoro Gold. The letter appoints him as a director of Morogoro Gold. Pursuant to the appointment letter Mr Schaffalitzky is entitled to an annual fee of £12,000 payable monthly in arrears. The appointment is for a period of 12 months and thereafter is terminable on 30 days' notice and no benefits are payable in the event of termination. Mr Schaffalitzky is expected to spend a minimum of two days per month on the business of the Group.

(b) Louis Coetzee

Mr Coetzee shall, conditional on Admission, execute a service contract with Morogoro Gold appointing him as chief executive officer. Pursuant to this service contract Mr Coetzee is paid a salary of £163,800 per annum payable monthly in arrears. Mr Coetzee is entitled to be included in any bonus scheme which the Board may in its sole discretion from time to time adopt based on performance. Mr Coetzee is entitled to health insurance for himself and his family. The contract may be terminated by 12 months' notice in writing by either party.

(c) Noel O'Keeffe

Mr O'Keeffe shall, conditional on Admission, execute a service contract with Morogoro Gold appointing him as exploration director. Pursuant to this service contract Mr O'Keeffe is paid a salary of £110,250 per annum payable monthly in arrears. Mr O'Keeffe is entitled to be included in any bonus scheme which the Board may in its sole discretion from time to time adopt based on performance. Mr O'Keeffe is entitled to health insurance for himself and his family. The contract may be terminated by 12 months' notice in writing by either party.

(d) Des Burke

Mr Burke shall, conditional on Admission, execute a director's appointment letter with Morogoro Gold. The letter appoints him as a director of Morogoro Gold. Pursuant to the appointment letter Mr Burke is entitled to an annual fee of £12,000 payable monthly in arrears. The appointment is for a period of 12 months and thereafter is terminable on 30 days' notice and no benefits are payable in the event of termination. Mr Burke is expected to attend a minimum of 4 board meetings a year.

(e) Tinus Maree

Mr Maree shall, conditional on Admission, execute a director's appointment letter with Morogoro Gold. The letter appoints him as a director of Morogoro Gold. Pursuant to the appointment letter Mr Maree is entitled to an annual fee of £12,000 payable monthly in arrears. The appointment is for a period of 12 months and thereafter is terminable on 30 days' notice and no benefits are payable in the event of termination. Mr Maree is expected to attend a minimum of 4 board meetings a year.

(f) William Payne

Wilkins Kennedy entered into a letter of engagement with the Company dated 9 March 2010 pursuant to which Wilkins Kennedy agreed to act as accountants and provide the services of Mr Payne as finance director to the Company. Pursuant to the letter of engagement Wilkins Kennedy will charge for accounting services on a usual professional basis. Either party may terminate the agreement on giving reasonable notice in writing.

(g) Wenzel Kerremans

Mr Kerremans shall, conditional on Admission, execute a director's appointment letter with Morogoro Gold. The letter appoints him as a director of the Morogoro Gold. Pursuant to the appointment letter Mr Kerremans is entitled to an annual fee of £12,000 payable monthly in arrears. The appointment is for a period of 12 months and thereafter is terminable on 30 days' notice and no benefits are payable in the event of termination. Mr Kerremans is expected to attend a minimum of 4 board meetings a year.

(h) Cecil Bond

Mr Bond shall, conditional on Admission, execute a director's appointment letter with Morogoro Gold. The letter appoints him as a director of the Morogoro Gold. Pursuant to the appointment letter Mr Bond is entitled to an annual fee of £12,000 payable monthly in arrears. The appointment is for a period of 12 months and thereafter is terminable on 30 days' notice and no benefits are payable in the event of termination. Mr Bond is expected to attend a minimum of 4 board meetings a year.

(i) Bernard Poznanski

Mr Poznanski shall, conditional on Admission, execute a director's appointment letter with Morogoro Gold. The letter appoints him as a director of the Morogoro Gold. Pursuant to the appointment letter Mr Poznanski is entitled to an annual fee of £12,000 payable monthly in arrears. The appointment is for a period of 12 months and thereafter is terminable on 30 days' notice and no benefits are payable in the event of termination. Mr Poznanski is expected to attend a minimum of 4 board meetings a year.

Notwithstanding the Director salaries and fees noted above, until such time as an appropriate equity raising has been completed by the Company which provides it with sufficient working capital for such fees, no fees will be payable to the non-executive Directors and the salaries of the two executive Directors will be frozen at £81,900 per annum.

Save as set out above, there are no existing or proposed service agreements between any of the Directors or Proposed Directors and the Company.

The aggregate amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the Directors by the Company during the last completed financial year, being the year to 30 September 2011 was £439,193.

12.2 Additional directorships/partnerships

In addition to their directorships of the Company, the Directors and Proposed Directors hold or have held at some time during the 5 years preceding the date of this Admission Document the following directorships or are or have been at some time in the 5 years preceding the date of this Admission Document partners in the following businesses:

| Name | Current directorships/ partnerships | Past directorships/ partnerships |
|-------------------------|---------------------------------------|----------------------------------|
| Christian Schaffalitzky | Eagle Gold Mining Ltd | Ardmore Explorations Ltd |
| | Energy Resources Asia Ltd | East India Deveshire Sports and |
| | Eurasia Investments Ltd | Public Schools Club Ltd |
| | Eurasia Mining plc | Gostem Ltd |
| | Eurasia Mining (UK) Ltd | Green Orphans Trust Ltd |
| | Mogul of Ireland Ltd (in liquidation) | OJSC Chelyabinsk Zinc Plant |
| | OAO Rospadskaya Coal Company | Petroceltic plc |
| | Premier Gold Resources plc | Petroceltic African Holdings Ltd |
| | Red Crescent Resources Ltd | Petroceltic Erris Ltd |
| | Sloane Developments Ltd | Petroceltic International plc |
| | Tylai Mining Ltd | Petroceltic Investments Ltd |
| | Urals Alluvial Platinum Ltd | Petroceltic Isarene Ltd |
| | | Petroceltic Ksar Hadada Ltd |
| | Summit Exploration Ltd | |
| Louis Coetzee | Boulder Mining Ltd | |
| | Canyon Mining Ltd | |
| | Eagle Gold Mining Ltd | |
| | East Africa Resources Ltd | |
| | Frontier Resources Ltd | |
| | Highlands Mining Ltd | |

| Name | Current directorships/ partnerships | Past directorships/ partnerships |
|---------------|---|---|
| | Jubilee Resources Ltd Koena Africa Global Touch Pty Ltd Morogoro Gold Ltd Mzuri Capital Group Ltd Mzuri Energy Ltd Mzuri Exploration Services Ltd Pinewood Resources Ltd Rukwa Coal Ltd Savannah Mining Ltd | |
| Noel O'Keeffe | Aardvark Exploration Ltd Eagle Gold Mining Ltd Morogoro Gold Ltd Sloane Developments Ltd | |
| Desmond Burke | Holocene Productions Ltd | Petroneft Resources plc Tomsk Oil Ltd |
| William Payne | Ariana Resources plc Ferensway Ltd Marlowe Investments (Kent) Ltd Millard Estates Ltd Millard Properties Ltd Paynard Investments Ltd Sprue Aegis plc Sprue Safety Products Ltd West Bridge Consulting Ltd Wilkins Kennedy LLP | Merton Publishing Ltd |
| Tinus Maree | Bellyvest (Pty) Ltd Goldsources Mines Ltd Mayborn Resource Investments 1 (Pty) Ltd Mayborn Resource Investments 2 (Pty) Ltd Morogoro Gold Ltd Mzuri Capital Group Ltd Mzuri Energy Ltd Mzuri Gold Ltd River Capital Partners (Pty) Ltd River Capital Group (Pty) Ltd River Domain (Pty) Ltd Skytop Capital (Pty) Ltd Skytop Corporate Finance (Pty) Ltd Slamdunk Investments (Pty) Ltd | Adrem (Pty) Ltd Africo Resources Ltd Bateleur Books (Pty) Ltd Eagle Creek Investments 55 (Pty) Ltd GBG Rusaf Gold Kristi Maree and Associates (Pty) Ltd Lion's Head Platinum (Pty) Ltd Lion's Head Platinum II (Pty) Ltd Mayborn Resource Investments (Pty) Ltd Midnight Masquerade Properties 84 (Pty) Ltd Montelimar (Pty) Ltd Multidirect Investments 181 (Pty) Ltd Ross en JacobzBeleggings (Pty) Ltd Royal Anthem Investments 134 (Pty) Ltd (Pty) Ltd Rusaf Gold Ltd |

| Name | Current directorships/ partnerships | Past directorships/ partnerships |
|-------------------|---|---|
| Wenzel Kerremans | Akula Trading 265 Aquarella Investments 331 Barold Exploration (Pty) Ltd Cool Ideas 180 Curamanzi Elgastax Fernhill Morogoro Gold Ltd Saldoblox Steamboat Exploration Straightprops 25 Sweet Sensation 100 | Changing Tides 341 Duikerskrans Resources Greenbird Recycling Paardekloof Resources Rapid Dawn Touchbase Trading Veremo Holdings Ltd Veremo Industries Veremo Minerals Veremo Mining |
| Cecil Bond | 667060 BC Ltd Golden Ridge Resources Ltd Mzuri Capital Group Rugby Mining Ltd Steelgate Investment Properties Ltd | Argosy Minerals Ltd Extorre Gold Mines Ltd Mzuri Energy Ltd |
| Bernard Poznanski | 431959 BC Ltd Alliance Francaise de Vancouver Bernard Poznanski Law Corporation Koffman Kalef LLP Mzuri Energy Ltd | Fusion Football Club Soccer Association Peregrine Diamonds Ltd Peregrine Metals Ltd Vancouver FC Soccer Association |

12.3 Directors' background

Mogul of Ireland Limited, a company of which Christian Schaffalitzky was a director, went into liquidation in 2007. The liquidator's report made no adverse comment with regard to Mr. Schaffalitzky's directorship.

No Director has:

- any unspent convictions in relation to indictable offences;
- ever been declared bankrupt or been the subject of an individual voluntary arrangement;
- ever been a director of a company which, while he was a director or within 12 months after his ceasing to be a director, had a receiver appointed, entered into liquidation, entered into administration, entered into a voluntary arrangement, or made any composition or arrangement with its creditors generally, or with any class of its creditors;
- ever been a partner in a partnership which, while he was a partner or within 12 months after his ceasing to be a partner, entered into compulsory liquidation, administration or a partnership voluntary arrangement;
- owned, or been a partner in a partnership which owned, any asset which, while he owned that asset, or while he was a partner or within 12 months after his ceasing to be a partner in the partnership which owned that asset, entered into receivership;
- been the subject of any public criticism by any statutory or regulatory authority (including recognised professional bodies);
- been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; or

- none of the Directors or Proposed Directors has been contacted by the Department for Business, Enterprise and Regulatory Reform or equivalent regulation in connection with their conduct with respect to any of the companies set out above.

13 Material Contracts

Save as set out below or elsewhere in this Admission Document, the Group has not entered into any material contracts not being contracts entered into in the ordinary course of business within the previous two years nor has any other contract been entered into which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group.

13.1 MOU Votorantim Memorandum of Understanding

A non-legally binding memorandum of understanding (“MOU”) dated 2 May 2012 between the Company, Votorantim Matais Participacoes Ltda (“Votorantim”) and Eagle Mining Ltd pursuant to which the Company and Votorantim propose to enter into a joint venture over the Haneti Project. This MOU is conditional on due diligence by Votorantim, the parties agreeing definitive agreements to govern the proposed joint venture and all regulatory and government approvals, if any, required in order to implement the definitive agreements being received. Upon satisfaction of the conditions precedent, Votorantim shall have the option to acquire a 50% interest in the Haneti Project by funding the exploration expenditures on the Haneti Project for a period of three years up to a maximum amount of £2,700,000 and a maximum amount of £500,000 in the period to 31 December 2013. The Company shall be the operator with Votorantim having the right and option to become the operator after 31 December 2013 until the end of the option period. If and when Votorantim exercises the option a new joint venture company shall be incorporated with the Company and Votorantim each having a 50% interest and the Company shall transfer the Haneti Project into the new joint venture. Votorantim’s obligation to fund the expenditure shall cease on the earlier of an independent competent person certifying a JORC-compliant inferred resource of nickel and/or another mineral on the Haneti Project or expenditure having reached the maximum of £2,700,000 after which the parties shall each pay expenditures on the basis of their participating interests.

13.2 Memorandum of Understanding for Rukwa Power Station

A memorandum of understanding (“MOU”) dated 10 May 2012 between an Asian Conglomerate (“AC”) and Mzuri Coal Ltd pursuant to which the parties propose to establish a long-term contract to supply 1.5-2 MTPA of coal from the Rukwa coal project for a proposed 250-350 MW coal-fired power station in Tanzania for a concession period of not less than the term of a proposed power purchase agreement between AC and TANESCO at a price to be negotiated by the parties. The MOU shall terminate in the event that the feasibility study for either the proposed coal mine or the proposed power plant are negative or if no power purchase agreement is signed.

13.3 Morogoro Acquisition Agreement and Deeds of Variation

An agreement dated 30 December 2010 between the Company and Mzuri Gold Ltd and deeds of variation dated 17 February 2011 and 13 April 2011 pursuant to which the Company acquired the whole of the issued share capital of Morogoro and Mzuri Gold Ltd for the consideration of 56,666,667 Ordinary Shares. In addition Mzuri Gold Ltd subscribed the sum of £500,000 for 16,666,667 Ordinary Shares and the Company arranged a dual listing on the JSE and completed a fundraising for Rand12,000,000 which was underwritten by Mzuri Gold Ltd. Mzuri Gold Ltd gave usual warranties for this type of transaction, the time for claiming against which has expired.

13.4 Mbeya Acquisition Agreement

An agreement dated 12 March 2012 between Mzuri Energy and Mzuri Uranium Ltd pursuant to which Mzuri Energy acquired the whole of the issued share capital of Mbeya Uranium Ltd for US\$1,200,000 satisfied by the issue of 3,000,000 shares in the capital of Mzuri Energy. This agreement was conditional on either Mayborn approving the agreement in writing or the shareholders of Mayborn having agreed to sell 100% of the issued shares of Mayborn to Mzuri Energy, which was met pursuant to the Acquisition Agreements. The agreement included usual warranties for this type of transaction.

13.5 Kwamtoro JV Agreement

A joint venture agreement dated 29 August 2006 between Sloane Developments Ltd (“Sloane”) and Safari Mining Ltd (“Safari”) pursuant to which Sloane agreed to earn a 50% interest in a joint venture over certain mineral licences owned by Safari by funding a three stage exploration programme for a total of US\$1,000,000. Sloane’s obligation to fund the exploration ceases in respect of a particular property or properties when a bankable feasibility study is completed or such property or properties is or are deemed not commercially viable. Sloane has the right to appoint two of the four members of the management committee to manage the joint venture.

13.6 Savannah Mining Acquisition Agreement

An agreement dated 5 October 2010 between Morogoro, Louis Coetzee and Alhussein Juma Dhanani pursuant to which Morogoro acquired the whole of the issued share capital of Savannah Mining Ltd for 10,266,667 Ordinary Shares in the capital of the Company. The agreement included usual warranties for this type of transaction such warranties to expire 2 years from the date of the agreement.

13.7 Mzuri Exploration Services Contract for Management Services

An agreement dated 1 April 2011 between Kibo and Mzuri Exploration Services Ltd under which Mzuri Exploration Services Ltd was appointed to render to Kibo tenement, permitting and office management services as well as administrative support. The contract is to continue on a month-to-month basis until it is terminated in writing by either party giving 3 months' notice. In consideration for services, Kibo shall pay Mzuri Exploration Services Ltd US\$19,800 per month in arrears (the "Contract Price"). This Contract Price will be subject to an annual escalation, equal to the annual rate of inflation in Tanzania plus 3%.

13.8 River Group Engagement Letters

Engagement letters dated 12 January 2011 and 10 June 2011 for Designated Advisory and Corporate Finance Advisory services between the Company and River Group under which River Group has agreed to act as designated adviser and corporate finance adviser respectively for the Company in relation to, amongst other, the application for Admission and thereafter on an ongoing basis until terminated by either party providing one months' notice. The engagement letters provide for a monthly retainer fee, a fee on completion of this Admission Document, a success fee on transactions completed and funds raised to be paid to River Group for its services and contain an indemnity and various undertakings from the Company in respect of the services provided by River Group.

13.9 YA Equity Facility

The Company has entered into an agreement dated on or around 14 August 2012 with YA Global Master SPV Ltd, a specialist fund managed by Yorkville Advisors LLC, to provide a standby funding facility for a period of up to three years (the "Facility"). Under the Facility YA Global will subscribe for Shares in the Company with a minimum gross subscription proceeds of £500,000 (the "Minimum Drawdown"). Subject to certain conditions under the Facility, the maximum gross subscription for ordinary shares in the Company which may be made under the Facility will be £3,000,000 over a 36 month commitment period. The Facility will be drawn down in minimum tranches of £30,000 and maximum tranches which cannot exceed: (a) such amount as would result in YA Global holding more than 2.99% of the entire issued share capital of the Company or 0.99% if the Company is in a takeover period; (b) an amount equal to 400% of the average daily traded volume of the ordinary shares of the Company multiplied by the volume weighted average price of the ordinary shares (the "VWAP") on AIM for the 10 trading day period immediately prior to the date of the relevant advance notice or; (c) such other amount as may be mutually agreed by the parties. The first tranche will be drawn down at an issue price of 2.5 pence per Share. An amount of £2,500,000 of the Facility is optional and can be drawn down at the sole election of the Company subject to certain restrictions.

The cost of the Facility consists of a 2.5% commission on the Minimum Drawdown reducing to a 2% commission on advances in excess of the Minimum Drawdown and a 3.25% implementation fee on the maximum facility. Save in respect of the first advance (as detailed above), Shares subscribed for under the Facility will be issued at 95% of the average of the five lowest VWAPs during the 20 trading days immediately following a request for an advance or such other period as the Company and YA Global shall agree (the "Pricing Period") for amounts up to the Minimum Drawdown and at 95% of the average of the ten lowest VWAPs during the Pricing Period on amounts in excess of the Minimum Drawdown. The Company may set a minimum acceptable price for Shares issued under the Facility which must be less than or equal to 90% of the VWAP of the ordinary shares on the trading day immediately preceding the date of an advance notice and must be no lower than 105.3% of the nominal value of the ordinary shares. Such minimum acceptable price will not apply to amounts up to £30,000 under the Minimum Drawdown.

Until such time as the Minimum Drawdown has been reached, the Company shall grant warrants to YA Global exercisable at the subscription price of the respective advance if in respect of such advance the amount that is equal to 400% of the average of the daily value of Shares traded for each of the previous ten trading days is less than £30,000. The number of warrants to be issued shall be, in each case, such number of warrants as is equal to the £30,000 divided by the subscription price for such advance up to a maximum value of £500,000 at the relevant subscription prices.

13.10 RFC Ambrian Nomad Engagement Agreement

An engagement letter dated 26 April 2012 between the Company and RFC Ambrian under which RFC Ambrian has agreed to act as nominated adviser for the Company in relation to the application for Admission and thereafter on an ongoing basis until terminated by either party providing two months' notice. The engagement letter provides for an upfront fee, a fee on completion of this Admission Document, a fee on Admission (payable up to 3 months after Admission in cash or in certain circumstances in Shares at the Company's election) and a quarterly retainer fee to be paid to RFC Ambrian for its services and contains an indemnity and various undertakings from the Company in respect of the services provided by RFC Ambrian. The agreement also provides for RFC Ambrian to be issued with 4 million Options on Admission, with each Option exercisable at a 25% premium to the prevailing share price at the date of Admission within 3 years after Admission.

13.11 Cornhill Broker Engagement Agreements

An engagement letter dated 1 August 2011 between the Company and Cornhill Capital under which Cornhill Capital agreed to act as the Company's joint Broker on an ongoing basis thereafter until terminated by any of the parties providing three months' notice after an initial minimum term of 12 months. The engagement letter provides for a quarterly retainer fee to be paid to Cornhill Capital for their services and contains an indemnity and various undertakings from the Company in respect of the services provided by Cornhill Capital. Under a separate agreement dated 11 July 2012 between the Company and Cornhill Capital, Cornhill have agreed to act as the Company's joint broker in relation to a possible placing. Pursuant to this agreement, Cornhill Capital will be paid a commission on funds raised pursuant to such placing.

13.12 Northland Broker Engagement Agreement

An engagement letter dated 11 July 2012 and related broker agreement dated 21 May 2012 between the Company and Northland Capital under which Northland Capital have agreed to act as the Company's joint Broker in relation to a possible placing, the application for Admission and on an ongoing basis thereafter until terminated by any of the parties providing 3 months' notice. The engagement letters provides for a quarterly retainer fee to be paid to Northland Capital for their services, a commission to be paid on funds raised pursuant to a placing and contains an indemnity and various undertakings from the Company in respect of the services provided by Northland Capital.

13.13 Lock-in Agreements

Each of the Directors, the Proposed Directors, Mzuri Capital Group Limited and Alhusein Dhanani (including Sun Mining Ltd) has entered into a lock-in agreement with the Company dated on or around 14 August 2012, pursuant to which they and their connected persons have undertaken not to dispose of any Ordinary Shares, save in the event of an intervening court order, a takeover becoming or being declared unconditional, as regards an individual, in the event of the death of an individual or pursuant to an offer by the Company to purchase its own shares for a period expiring on the first anniversary of Admission.

14 Taxation

14.1 Irish Taxation

The following paragraphs are intended as a general guide only for Shareholders who are resident and ordinarily resident in Ireland for tax purposes, holding Ordinary Shares as investments and not as securities to be realised in the course of a trade, or by reason of their or another person's employment, collective investment schemes, and insurance companies, and are based on current legislation and Irish Revenue Commissioners practice. Any prospective purchaser of Ordinary Shares who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than Ireland should consult his own professional adviser immediately.

A. Withholding tax

Withholding tax at the standard rate of income tax (currently 20 per cent) applies to dividend payments and other profit distributions by an Irish resident company. Certain categories of Irish resident Shareholders are exempt from withholding tax if they make an appropriate declaration of entitlement to exemption to the Company in advance of payment of any relevant distribution, including (but not limited to):

- An Irish resident company;
- An Irish pension fund or an exempt Irish charity approved by the Irish Revenue Commissioners;
- A qualifying fund manager in an approved retirement fund or an approved minimum retirement fund or qualifying savings manager in accordance with section 172C(ba) of the Irish Taxes Consolidation Act 1997 ("TCA"), who is receiving the relevant distribution as income arising in respect of assets held;

- A Personal Retirement Savings Account (“PRSA”) administrator who is receiving the relevant distribution as income arising in respect of PRSA assets;
- A qualifying employee share ownership trust;
- A collective investment undertaking;
- A designated broker receiving the distribution for a special portfolio account;
- A person who is entitled to exemption from income tax under Schedule F on dividends in respect of an investment in whole or in part of payments received in respect of a civil action or from the Personal Injuries Assessment Board for damages in respect of mental or physical infirmity;
- Certain qualifying trusts established for the benefit of an incapacitated individual and/or persons in receipt of income from such a qualifying trust;
- A person entitled to exemption to income tax under Schedule F by virtue of section 192 (2) of the TCA; and
- A unit trust to which section 731(5)(a) of the TCA applies.

Certain categories of non resident Shareholders are exempt from withholding tax if they make an appropriate declaration of entitlement to exemption to the Company in advance of payment of any dividend, including (but not limited to):

- Persons (other than a company) who (i) are neither resident or ordinarily resident in Ireland and (ii) are resident for tax purposes in (a) a country which has in force a tax treaty with Ireland (a “tax treaty country”) or (b) an EU Member State other than Ireland;
- Companies not resident in Ireland which are resident in an EU Member State or a tax treaty country, by virtue of the law of a tax treaty partner country or an EU Member State, and are not controlled, directly or indirectly, by Irish residents;
- Companies not resident in Ireland which are directly or indirectly controlled by a person or persons who are, by virtue of the law of a tax treaty partner country or an EU Member State, resident for tax purposes in a tax treaty country or an EU Member State other than Ireland and who are not controlled, directly or indirectly, by persons who are not residents for tax purposes in a tax treaty partner country or an EU Member State;
- Companies not resident in Ireland the principal class of shares of which is substantially and regularly traded on a stock exchange in Ireland, on one or more than one recognised stock exchange in a tax treaty country or in another EU Member State or such other stock exchange as may be approved of by the Minister of Finance; or
- Companies not resident in Ireland that are 75 per cent. subsidiaries of a single company, or are wholly-owned by two or more companies, in either case the principal class(es) of shares of which is/are substantially and regularly traded on a stock exchange in Ireland, on one or more than one recognised stock exchange in a tax treaty country or in another EU Member State or such other stock exchange as may be approved of by the Minister of Finance.

In the case of a non-resident Shareholder resident in an EU Member State or tax treaty country with the exception of corporate shareholders, the declaration must be accompanied by a current certificate of residence from the revenue authorities in the Shareholder’s country of residence.

This summary does not address the position for all types of Shareholder.

B. Taxation of dividends

Irish resident Shareholders who are individuals will be subject to income tax, PRSI and the Universal Social Charge (USC) and levies on the aggregate of the net dividend received and the withholding tax deducted. The withholding tax deducted will be available for offset as a credit against the individual’s income tax liability. A Shareholder may claim to have the withholding tax refunded to him to the extent it exceeds his income tax liability.

An Irish resident Shareholder which is a company will not be subject to Irish corporation tax on dividends received from the Company and tax will not be withheld at source by the Company provided the appropriate declaration is made. A company, which is a close company as defined under Irish legislation, may be subject to a corporation tax surcharge on dividend income to the extent that it is not distributed.

C. Capital gains tax

The Company's Ordinary Shares constitute chargeable assets for Irish capital gains tax purposes and accordingly Shareholders who are resident or ordinarily resident in Ireland, depending on their circumstances, may be liable to Irish tax on capital gains on a disposal of Ordinary Shares. The Irish capital gains tax rate is currently 30 per cent. As it is not expected that the shares will derive the greater part of their value directly or indirectly from land or buildings within Ireland, the Shareholders of the Company who are neither resident or ordinarily resident in Ireland and who do not hold the Ordinary Shares for the purposes of a trade carried on in Ireland should not be subject to Irish tax on capital gains arising on the disposal of the Ordinary Shares. An Irish resident individual, who is a shareholder who ceases to be an Irish resident for a period of less than five years and who disposes of Ordinary Shares during that period, may be liable, on a return to Ireland, to capital gains tax on any gain realised.

D. Stamp duty

Irish stamp duty will be charged at the rate of 1 per cent on the amount or value of the consideration on any conveyance or transfer on sale or voluntary disposition of Ordinary Shares. In relation to a conveyance or transfer on sale or voluntary disposition of Ordinary Shares under the CREST System, Irish stamp duty at the rate of 1 per cent will be payable on the amount or value of the consideration.

The person accountable for the payment of stamp duty is generally the transferee. Stamp duty is normally payable within 30 days following the date of execution of the transfer. Late or inadequate payments of stamp duty will result in a liability for interest, penalties and surcharges.

No stamp duty or capital duty will generally be payable by shareholders on the issue of new Ordinary Shares by the company.

E. Irish Capital Acquisitions Tax

Irish Capital Acquisitions Tax ("CAT") applies to gifts and inheritances

- where either the person making or receiving the gift or inheritance is resident or ordinary resident in Ireland at the date of the gift or inheritance; or
- to the extent that the property of which the gift or inheritance consists is situated in Ireland at the date of the gift or inheritance.

CAT is primarily payable by the person who receives the gift or inheritance. All taxable gifts in the same class relationship (see below) are aggregated and only the excess over a certain tax free threshold is taxed. The tax free threshold is dependent on the relationship between the donor and donee and the cumulative previous gifts and inheritances from the donors of the same class. The tax free threshold amounts currently in force are:

- €250,000 in the case of gifts and inheritances received from a parent and in the case of certain inheritances received by a parent from a child.
- €33,500 in the case of gifts and inheritances received from a brother, sister or from a brother or sister of a parent or from grandparent; and
- €16,750 in the case of persons who are not related to one another.

CAT is charged at a rate of 30 per cent in the case of gifts and inheritances. Gifts and inheritances passing between spouses are exempt from CAT.

Ordinary shares will be regarded as located in Ireland if the Company is required to maintain its ordinary share register in Ireland which we understand will be the case. Accordingly, a liability to CAT may arise on the gift or inheritance of an ordinary share notwithstanding the fact that the holder may be domiciled and/or resident outside of Ireland.

The above is a general summary of certain tax matters and should not be considered as constituting advice. Any person who is in any doubt as to his taxation position, or is subject to taxation in a jurisdiction other than Ireland, should consult an appropriate professional adviser without delay.

14.2 United Kingdom Taxation

The following paragraphs are intended as a general guide only for Shareholders who are resident and ordinarily resident in the UK for tax purposes, holding Ordinary Shares as portfolio investments and not as securities to be realised in the course of a trade. They neither purport to be comprehensive nor to describe all potential relevant considerations. They are based on current legislation and HM Revenue & Custom's practice relating to the taxation of foreign source dividends at the date of this Document.

Any Shareholder who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his or her own professional adviser immediately.

A. UK tax on capital gains

If an individual Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise, depending on the Shareholder's circumstances and available exemptions and reliefs. In the absence of any exemptions and reliefs the current rate of tax on gains made by individuals resident in the UK is either 18 per cent or 28 per cent depending on their total amount of taxable income and gains.

In general gains of companies as reduced by indexation relief (which increases the cost of the asset by reference to the movement in published inflation indices over the period of ownership) are subject to corporation tax at the company's relevant rate.

B. UK Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of new Ordinary Shares by the Company.

Other than for share sales whose consideration does not exceed £1,000 and are evidenced by a certified instrument (which are exempt to the charge to stamp duty), any subsequent transfer of Ordinary Shares will generally be subject to UK stamp duty on the instrument of transfer, normally at the rate of 0.5 per cent, of the amount or value of the consideration given. Where an unconditional agreement to transfer Ordinary Shares is not completed by a duly stamped instrument of transfer, a charge to SDRT (generally at the same rate) will normally arise.

Transfers on sale and agreements to transfer shares to charities will not give rise to stamp duty or stamp duty reserve tax.

C. Dividend withholding taxes in Ireland

Dividends paid to investors who are resident for tax purposes in the UK may be subject to a reduced withholding tax of 15 per cent of the gross dividend in Ireland in accordance with the provisions of the UK and Ireland Double Taxation Treaty. For most UK investors this withholding tax will be credited against and thereby reduce, their UK tax liability. For both individuals and companies having insufficient taxable income to give rise to a UK tax charge, the investor can elect to treat Irish withholding tax as an expense to be deducted from the gross dividend so that the taxable receipt is reduced to the amount of the dividend net of withholding tax.

It is possible for certain non-Irish resident persons to claim exemption from Irish Dividend Withholding Tax on making an appropriate declaration to the Company (see section on Irish Taxation).

D. Non UK domiciled individuals

Where the individual is resident but not domiciled in the UK it is recommended that such individuals should consult his or her own professional adviser in respect to the UK taxation of dividends received from the Company.

E. UK taxation of foreign dividend income

Dividends paid by a Company resident for tax purposes in Ireland will constitute taxable foreign income for UK income tax purposes when received by individuals or trustees of a discretionary trust who are tax resident in the UK.

Individual shareholders who are resident in the UK for tax purposes will be taxed on the aggregate of the gross dividend received (net dividend plus any withholding tax deducted in Ireland) plus its associated tax credit. Such tax credit is 10% of the combined amount of the gross dividend and the tax credit (i.e. the tax credit will be one-ninth of the gross dividend). This dividend income will be treated as the top slice of an individual's income and will be subject to tax at a rate of 32.5 per cent where the individual is liable at the higher rate, 42.5 per cent where the individual is liable at the additional rate and 10 per cent where liable at the lower or basic rate. The tax credit will discharge in full the income tax liability of any taxpayer other than a higher or additional rate taxpayer, who will have an additional liability. The special rates of tax for higher rate and additional rate taxpayers who receive dividends are 32.5 per cent and 42.5 per cent respectively, these rates being applied to the combined amount of the gross dividend and the tax credit. Any withholding tax deducted on payment of the dividend will be credited against the resulting UK income tax liability. After taking into account the 10 per cent tax credit and Irish withholding tax deducted at 15 per cent of the gross dividend, a higher rate taxpayer would have to account for an additional 10 per cent of the gross dividend. The equivalent amount that an additional rate taxpayer would have to account for is 21.1111 per cent. Unutilised withholding tax is not repayable.

Corporate shareholders will be liable to UK corporation tax on foreign dividends unless the dividends fall within an exempt class. It is expected that the dividends paid by the Company will generally fall within an exempt class.

UK resident trustees of discretionary or accumulation trusts are liable to income tax on dividends at 42.5 per cent of the gross dividend plus its associated tax credit. Any withholding tax deducted and the associated tax credit will

be credited against this liability resulting in a net income tax liability equivalent to 21.1111 per cent of the gross dividend.

The above is a general summary of certain tax matters and should not be considered as constituting advice. Any person who is in any doubt as to his taxation position, or is subject to taxation in a jurisdiction other than the United Kingdom, should consult an appropriate professional adviser without delay.

Neither the Company nor any of its officers, employees, agents and advisers accepts any liability or responsibility in respect of taxation consequences connected with an investment in Shares in the Company.

15 Working Capital

The Directors and Proposed Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company will, from Admission, be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

16 Employees

The Company, together with its subsidiaries, had a total of 23 employees (including those employed under consultancy and service agreements) as at the date of this document. The estimated total employees of the Company as at 30 September 2009, 30 September 2010 and 30 September 2011 was 7, 11 and 16 respectively.

17 Benefits

Except as disclosed in this document and for the advisers named on pages 7 and 8 and their shareholders, no person has received, directly or indirectly, from the Company during the 12 months preceding the date of this document or has entered into a contractual arrangement to receive, directly or indirectly, from the Company on or after the start of trading on AIM and AltX, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more calculated by reference to the anticipated price of the Ordinary Shares on Admission or any other benefit to the value of £10,000 or more.

18 General

18.1 Expenses

The expenses of or incidental to the Admission that are payable by the Company are estimated to amount to approximately £0.5 million including expenses related to the Acquisitions (but excluding the corporate advisory fee payable by Mzuri Energy).

18.2 Other listings

Other than AIM and the JSE AltX, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made, nor are there intended to be, any other arrangements for there to be dealings in the Ordinary Shares.

18.3 Tax legislation

This Document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.

18.4 Promoters

Save for remuneration received in respect of services rendered to the Company, no payment or other benefits have been paid or given or are now proposed to be paid or given to any promoter. The Directors are the promoters of the Company.

18.5 Litigation and arbitration

Kibo is not, and has not in the previous 12 months, been involved in any governmental, legal or arbitration proceedings, nor so far as the Directors are aware, are there any legal or arbitration proceedings active, pending or threatened by or against the Company which are having, may have or have had a significant effect on the financial position or profitability of the Company.

18.6 Exceptional factors

Save as disclosed in this document the Directors are not aware of any exceptional factors which have influenced the Company's activities nor are the Directors aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

18.7 Investments in progress

Save as disclosed, there are no significant investments in progress. The Company continuously evaluates new investment opportunities, however, no significant investment commitments in relation to any such opportunities have been made by the Company as at the date of this Admission Document.

18.8 Dependence on licences, contracts etc

Kibo does not depend on any patents or other intellectual property rights, licences or particular contracts save as disclosed in this Admission Document.

18.9 Trend information

Save as set out in this document, there are no significant trends in relation to the Group's business since 30 September 2011 and there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the year ending 30 September 2012.

18.10 Reproduction of information

Where information in this Admission Document has been sourced from a third party, such information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

18.11 Takeover bids

Save as set out in this document, there have been no public takeover bids by third parties in respect of the Company's equity, which have occurred during the last financial year and the current financial year.

18.12 Significant Change

Save as disclosed in this document there has been no significant change in the financial or trading position of the Company which has occurred since the end of the last financial period for which audited financial information has been published (being 31 September 2011 for the Company and 31 December 2011 for Mzuri Energy).

18.13 Auditors

The Company was incorporated on 17 January 2008 and formally appointed LMH Casey McGrath as its auditor. LHM Casey McGrath are members of the Association of Chartered Certified Accountants in Ireland.

18.14 Consents

Venmyn Rand Pty Ltd have given their written consent to being named as the Competent Person in this Admission Document, to the inclusion in Part 3 of this Admission Document of their Competent Person's Report and to all statements referring to that report in the form and context in which they appear and have not withdrawn such consent before the date of this Admission Document.

Saffery Champness have given their written consent to being named as the reporting accountant to the Company, to the inclusion in Part 4 of this Admission Document of their Independent Accountant's Report, and to all statement referring to that report in the form and context in which they appear. Saffery Champness have not withdrawn such consent before the date of this Admission Document

Rex Attorneys have given their written consent to being named as title lawyers to the Company, to the inclusion in Part 5 of this Admission Document of their Title Report on Kibo's assets and to all statements referring to that report in the form and context in which they appear and have not withdrawn such consent before the date of this Admission Document.

The following persons have given and not withdrawn their written consent to being named in this Admission Document but have not made any statements that are included in this Admission Document or statements identified in this Admission Document as being based on any statements made by those persons:

- RFC Ambrian Limited;
- Cornhill Capital Limited;
- Northland Capital Partners Limited;
- River Group;

To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of this Admission Document other than the references to their name.

18.15 Availability of Admission Document

Copies of the Admission Document will be available during normal business hours on any business day free of charge to the public at the offices of RFC Ambrian Limited London office at Condor House, 10 St. Paul's Churchyard, London, EC4M 8AL, United Kingdom and on Kibo's website (www.kibomining.com) for a period of one month from the date of Admission.

Dated: 15 August 2012

Company number 451931

KIBO MINING PUBLIC LIMITED COMPANY
("the Company")

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at 11 a.m. on 6 September 2012 at the Conrad Hotel, Earlsfort Terrace, Dublin 2, Ireland, for the purpose of considering, and if thought fit, passing the following resolution proposed as an ordinary resolution:-

Ordinary Resolution

1. That the proposed acquisition by the Company of a minimum of 51% and up to 100% of the issued share capital of Mzuri Energy Limited and a minimum of 51% and up to 100% of the issued share capital of Mayborn Resource Investments (Pty) Limited (the "Acquisitions") on the terms and subject to the conditions set out in the acquisition agreement dated 1 April 2012 between (1) the Company (2) Morogoro Gold Limited and (3) Mzuri Energy Holdings Limited (the "Acquisition Agreement") as summarised in the admission document of the Company dated 15 August 2012 (the "Admission Document"), a copy of which Acquisition Agreement is produced to the meeting and initialed by the Chairman for the purposes of identification, be and is hereby approved and the Directors or any duly authorised committee of the Directors be and are hereby authorized to waive, amend, vary or extend any of the terms of the Acquisition Agreement (but not to any material extent) and take all steps necessary or desirable to complete the said acquisition.

By Order of the Board

Noel O'Keeffe
Director and Secretary

Dated: 15 August 2012

Notes:

- a. Any shareholder of the Company entitled to attend and vote may appoint another person (whether a member or not) as his/her proxy to attend, speak and vote on his/her behalf. For this purpose a form of proxy is enclosed with this Notice. A proxy need not be a shareholder of the Company. Lodgement of the form of proxy will not prevent the shareholder from attending and voting at the meeting.
- b. Only shareholders, proxies and authorised representatives of corporations, which are shareholders, are entitled to attend the meeting.
- c. To be valid, the form of proxy and, if relevant, the power of attorney under which it is signed, or a certified copy of that power of attorney, must be received by the Company at Kibo Mining Plc, Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, Republic of Ireland not less than 48 hours prior to the time appointed for the meeting.
- d. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

KIBO MINING PUBLIC LIMITED COMPANY

(the "Company")

FORM OF PROXY Extraordinary General Meeting

I/We (See Note A below) _____ of
_____ being a shareholder of the Company, hereby
appoint (See Note B below):

(a) the Chairman of the Meeting; or

(b) _____ of _____ as
my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of
the Company to be held on 6 September 2012 at 11 a.m. at the Conrad Hotel, Earlsfort Terrace,
Dublin 2, Ireland and at any adjournment thereof.

Please indicate with an "X" in the space below how you wish your votes to be cast in respect of each
of the resolutions detailed in the notice convening the Meeting. If no specific direction as to voting is
given, the proxy will vote or abstain from voting at his/her discretion.

| Ordinary Resolution | | For | Against |
|---------------------|--|-----|---------|
| 1 | To approve the acquisition of Mzuri Energy Limited and Mayborn Resource Investments (Pty) Limited. | | |

Dated this _____ day of _____ 2012

Signature or other execution by the shareholder (See Note C):

Notes:

- (A) A shareholder must insert his, her or its full name and registered address in type or block letters. In the case of joint accounts, the names of all holders must be stated.
- (B) If you desire to appoint a proxy other than the Chairman of the Meeting, please insert his or her name and address in the space provided and delete the words "the Chairman of the Meeting or".
- (C) The proxy form must:
 - (i) in the case of an individual shareholder be signed by the shareholder or his or her attorney; and
 - (ii) in the case of a corporate shareholder be given either under its common seal or signed on its behalf by an attorney or by a duly authorized officer of the corporate shareholder.
- (D) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (E) To be valid, the form of proxy and, if relevant, the power of attorney under which it is signed, or a certified copy of that power of attorney, must be received by the Company at Kibo Mining plc, Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin 2, Republic of Ireland not less than 48 hours prior to the time appointed for the meeting.
- (F) A proxy need not be a shareholder of the Company but must attend the Meeting in person to represent his/her appointor.

(G) The return of a proxy form will not preclude any shareholder from attending and voting at the Meeting.

(H) **South African Shareholders**

Forms of proxy must be received by the South African transfer secretaries, Computershare Investor Services (Pty) Ltd, at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10h00 on 3 September 2012.

Dematerialised shareholders, other than own name registration, must NOT complete the proxy form and must provide their CSPD or broker their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker,

Hand deliveries to:

Computershare Investor Services (Pty) Ltd
Ground Floor
70 Marshall Street
Johannesburg
2001

Mail deliveries to:

Computershare Investor Services (Pty) Ltd
PO Box 61051
Marshalltown
2107