

Kibo Mining Plc (Incorporated in Ireland)  
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registration number: 2011/007371/10)  
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("Kibo" or "the Company")



**19 December 2016**

### **Kibo Finalizes and Awards EPC Contract for MCPP Power Plant to SEPCO III**

Kibo Mining plc ("Kibo" or the "Company") (AIM: KIBO; AltX: KBO), the Tanzania focused mineral exploration and development Company is pleased to announce that it has awarded the EPC contract for the construction of the proposed Mbeya Coal to Power Project ("MCPP" or the "Project") thermal power plant to SEPCO III. A legally binding EPC Cover Agreement ("the Cover Agreement") between Kibo's wholly owned subsidiary Mbeya Power Ltd and SEPCO III was signed on 19 December 2016. The Cover Agreement incorporates the complete EPC-contract as well as the EPC co-ordination agreement, the latter governing the implementation and execution of the EPC contract, as well as the OEM contract submitted by General Electric ("GE") and which constitutes an integral part of the EPC contract.

The full EPC contract will remain subject to potential change, pending finalization of the Power Purchase Agreement ("PPA") and final requirements by lenders and equity investors during financial close. These changes will however only relate to changes required as a result of specific requirements in the PPA or final MCPP-funding arrangements. Notably the Cover Agreement fixes the EPC contract price and concludes all technical and commercial negotiations between the Company and SEPCO III with regard to the EPC-contract and related matters.

The award of the contract follows a detailed review of the bid submitted by SEPCO III in accordance with the terms of the new agreement signed between the Company and SEPCO III which was announced on the 25<sup>th</sup> August 2016. The extensive review that was carried out over the past two months by Kibo and its consultants Tractebel Engineering concluded that the bid fully met, and in general exceeded the required EPC specification, when compared to the international benchmark set by Tractebel Engineering for this purpose. Most significant is the fact that the SEPCO III bid significantly exceeded price and technical expectations and specifications.

Louis Coetzee, CEO of Kibo Mining, said: *"We are extremely pleased to award the EPC contract to SEPCO III and to do so within the time schedule previously announced. Over the past two months the SEPCO III bid has been the subject of intense scrutiny, clarification and negotiation and has passed all tests with flying colors. We are particularly pleased with the high standard of professionalism, depth of knowledge and experience, capacity and capability that has been demonstrated by SEPCO III in this process. In SEPCO III we not only have a highly capable EPC contractor but also a loyal and true partner on whose support we can invariably rely on for the further development of the MCPP."*

*Signing the EPC Cover Agreement is the most decisive step forward to date in the development process of the MCPP and a true watershed moment in the history of the MCPP. The EPC price is one of the most, if not the most important, factors that determines the ultimate viability of a project like the MCPP. With certainty on the EPC price now we can confidently state that the MCPP is not only definitely viable, but also very robust and that it has exceeded all our expectations to date. The final*

*EPC price will now also allow us to finalize the integrated financial model for the MCPP, but more importantly to finalize PPA negotiations expeditiously, as soon as the Tanzanian Government has concluded its final policy changes on the procurement of power projects like the MCPP. In this regard the Company continues to work closely with the Tanzanian Government and is expecting this process to be concluded very soon and with significantly positive outcomes for the energy sector in Tanzania.”*

NOTE: Please visit the Company’s website at [www.kibomining.com](http://www.kibomining.com) to view the EPC-Cover Agreement signing ceremony.

## Contacts

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## Kibo Mining - Notes to editors

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

Kibo Mining holds a thermal coal deposit at Mbeya, which has a significant NI 43-101 compliant defined resource, and is developing a 250-350 MW mouth-of-mine thermal power station, the Mbeya Coal to Power Project (“MCP”), previously called Rukwa Coal to Power Project (“RCPP”), with an established management team that includes ABSA / Barclays as Financial Advisor. Kibo is undertaking a Coal Mining Definitive Feasibility Study and a Power Pre- Feasibility Study for the Mbeya project with an integrated Bankable Feasibility Study report for the MCP to be released in the near term. On 25 August 2016, Kibo signed an Agreement with China based EPC contractor SEPCO III granting it the right to become the sole bidder for the EPC contract to build the power plant component of the MCP in exchange for SEPCO III refunding 50% of the development costs incurred by Kibo to date on the project. Kibo has already received the first tranche of this funding in the amount of US\$1.8 million on the 5<sup>th</sup> September 2016

The Company also has extensive gold focused interests including Lake Victoria Goldfields and Morogoro projects. At Lake Victoria, the Company has 100% owned projects with a 550,000 oz. JORC compliant gold Mineral Resource at the Imweru Project and a 168,000 oz. NI 43-101 compliant gold Mineral Resource at the Lubando Project. The Company is currently undertaking a Definitive

Feasibility Study on its Imweru Project.

Kibo also holds the Haneti Project on which the latest technical report confirms prospectivity for nickel, PGMs, gold and strategic metals including lithium.

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

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

The Company's projects are located in the established and gold prolific Lake Victoria Goldfields, the emerging goldfields of eastern Tanzania and the Mtwara Corridor in southern Tanzania where the Government has prioritized infrastructural development attracting significant recent investment in coal and uranium. The Company has a positive working relationship with the Tanzanian government at local, regional and national levels and works hard to maintain positive relationships with all communities where company interests are held. The Company recognizes the potential to enhance the quality of life and opportunity for Tanzanian citizens through careful development of its projects.

Updates on the Company's activities are regularly posted on its website [www.kibomining.com](http://www.kibomining.com)

Johannesburg

19 December 2016

Corporate and Designated Adviser

River Group